

SOL PLAATJE MUNICIPALITY

POLICY DIRECTIVE ON FINANCIAL MISCONDUCT

Purpose

A policy directive on financial misconduct and how to deal with cases, which are considered financial misconduct under the Municipal Finance Management Act, No. 56 of 2003, S171.

Background

As a result of various reasons very often municipalities have found themselves faced by situations of financial misconduct in the management of its finances.

To address the situation, the Municipal Finance Management Act, Number 56 of 2003, S171, stipulates that:

- The accounting officer, chief financial officer, senior managers or other official of the municipality commits an act of financial misconduct if that accounting officer deliberately or negligently contravenes a provision of this Act; fails to comply with a duty imposed by a provision of this Act on the accounting officer of a municipality; makes or permits or instructs another official of the municipality to make, an unauthorized, irregular or fruitless and wasteful expenditure.
- Provides incorrect or misleading information in any document which in terms of a requirement of the Act must be submitted to the Mayor or the council of the Municipality or to the Auditor-General, the National Treasury or other organ of state or made public.

No immediate financial implication.

Consultation: Municipal Manager

Was discussed and approved.

Contact Person:

Chief Financial Officer-053 830 6511

RECOMMENDATION

That in the event of financial misconduct perpetrated at Sol Plaatje Municipality the following will apply:

Investigation of alleged financial misconduct

- The municipality shall investigate allegations of financial misconduct against the accounting officer, the chief financial officer, a senior manager or other official of the municipality unless those allegations are frivolous, vexatious, speculative or obviously unfounded; and
- If the investigation warrants such a step, institute disciplinary proceedings against the accounting officer, chief financial officer or that senior manager or other official in accordance with systems and procedures referred to in section 67 of the Municipal Systems Act, read with Schedule 2 of that Act.