



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

CORPORATE GIFTS POLICY

FEBRUARY 2015

Adopted by council:

Implemented:

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1. Definitions

Benefit:	Includes any tangible or intangible advantages or profits gained, such as tickets to sporting, theatrical or other events, invitations to lunches, dinners, promotions or travel.
Client: external to	Existing and potential future customers and service providers the municipality.
Corruption: of	The abuse of a position of employment by the offering or acceptance of a benefit that is not legally due, for the commission of an act in connection with that position of employment, as defined in the Prevention and Combating of Corrupt Activities Act, No 12 of 2004.
Employee:	Includes employees, temporary employees, independent contractors and employees/contractors of contracted service providers, of the municipality.
Employee's Family:	Includes the employee's spouse or equivalent, sibling, parent, grandparent, child, grandchild and any person who is a blood relation of the employee.
Gift: form,	Includes items, goods, services, information or money in whatever form from which the recipient may derive benefit, as well as any other benefit or gratuity, but does not include: <ul style="list-style-type: none"><input type="checkbox"/> The municipality's branded goods or items;<input type="checkbox"/> Official sponsored functions, promotions or hospitality events;<input type="checkbox"/> Official donations made on behalf of the municipality.
Gratuity:	Includes any sum of money paid in respect of any defined task or project other than the contracted remuneration paid by the municipality
The municipality:	The Cape Winelands District Municipality
Senior Manager :	as referred to in section 56 of The Municipal Systems Act
Supplier:	Includes existing and potential vendors, contractors, sourcing partners, service providers, distributors, and consultants who supply goods or services to the municipality, as well as any other third parties who may in future become suppliers or vendors of goods or services to the municipality.

2. BACKGROUND

In terms of the Code Of Conduct for Councillors and Municipal Staff Members as set out in the Municipal Systems Act 32 of 2000, both Councillors and Staff members must perform their duties and functions in good faith, honesty and in a transparent manner, and act at all times in the best interest of the municipality, and in such a way that the credibility and integrity of the municipality are not compromised. Further-more, Councillors and Staff Members are forbidden to request, solicit or accept and by implication offer or make any reward, gifts or favours. In accordance with the principles set out in the Code of Conduct, the municipality has produced a policy designed to regulate and control the acceptance, receiving, and giving of gifts in exceptional cases.

3. OBJECTIVES

The municipality recognises that in executing its business and in applying industry norms, employees may be required to accept, receive, or give gifts as a means of gratitude or diplomacy. It is the objective of the municipality to avoid any impropriety in the acceptance, receipt, and giving of gifts.

The primary objectives of this policy therefore are:

- To provide guidance on the behaviours expected in accordance with the municipalities values.
- To promote transparency and avoid business–related conflicts of interest.
- To ensure fairness in the interests of employees and the municipality.
- To document the process for the acceptance, receiving, and giving of gifts.
- To comply with the requirements of the law relating to the prohibition of corruption.

By ensuring the above is implemented, the municipality will be able to:

- Allow employees and councillors, where appropriate, to accept, receive, and give gifts, provided that these gifts do not interfere with or have the potential to interfere with their responsibilities to the municipality, improperly influence the judgments expected of them when acting on behalf of the municipality, or amount to corruption in any way.
- Protect employees and councillors from misplaced charges of conflict of interest or corruption by providing a mechanism for the acceptance, receipt, and giving of gifts by employees and councillors.

- Avoid any unjustified perception of bias or self-interest by employees and councillors acting in situations where the municipality has approved the acceptance, receipt, and giving of gifts by employees.

4. SCOPE

The requirements outlined in this policy apply to all employees and councillors of the municipality.

This policy regulates processes and procedures in accordance with existing legal duties and obligations that an employee owes an employer in terms of the law, and should therefore not be construed or applied in a manner contrary to such duties and obligations, nor is it designed to replace such duties and obligations.

5. OWNERSHIP

The municipality's management is responsible for implementing this policy and for taking reasonable steps to ensure that all employees and councillors are aware of the contents thereof.

6. PROHIBITION ON THE ACCEPTANCE AND RECEIPT OF GIFTS

6.1 General prohibition

In accordance with employee's and councillor's obligation to act in the best interest of the municipality, they are prohibited from soliciting, accepting or receiving, or from agreeing to solicit, accept or receive, any gifts directly or indirectly, other than in terms of the procedures prescribed in this policy.

Their family is prohibited from soliciting, accepting or receiving any gifts directly, or indirectly on behalf of them, where such gifts are obtained from suppliers, clients or third parties, and where they have a professional relationship with those suppliers, clients or third parties on behalf of the municipality.

In the event of uncertainty as to whether a disclosure should be made in terms of this policy, it is the duty of an employee or councillor to seek advice and to make a disclosure as per the appropriate procedures described below.

6.2 Specifically prohibited gifts

All travel at the expense of suppliers, vendors, clients or third parties by employees and councillors or their family is specifically prohibited.

Any travel by at the invitation of suppliers, clients or third parties may only be

undertaken if the costs are being borne by the municipality, and where prior written approval has been obtained from the Municipal Manager or the Speaker should it be a councillor.

The acceptance or receipt of cash (bank notes or equivalent) is specifically prohibited.

Any deviation from the prohibition on the acceptance or receipt of cash, or the principle that travel costs must be borne by the municipality, may only take place with the prior written permission of the Municipal Manager or the Speaker should it be a councillor.

7. PROCEDURE FOR THE ACCEPTANCE AND RECEIPT OF GIFTS

7.1 General procedure

Only **NON CASH** gifts involving a monetary value of less than R200.00 may be received or accepted by an employee or councillor whilst acting in his or her capacity as an employee or councillor of the municipality, from suppliers, clients or third parties.

When receiving or accepting such gifts, the following conditions apply:

- The employee or councillor must disclose the acceptance or receipt of any gift as soon as practicably possible, but within 30 days, in a Gift Register established by the Municipal Manager.
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- In the absence of an established Gift Register the acceptance or receipt of the gift must be reported as soon as practicably possible, but within 30 days, in writing to the Municipal Manager or the Speaker should it be a councillor.
- Disclosure in a Gift Register or to the Manager or Speaker must take place in accordance with the prescribed form set out in Annexure A to this policy.
- An employee or Councillor may not accept or receive more than one gift from the same supplier, client or third party in any given three-month period.
- In the event of any doubt, a disclosure should be made in the prescribed format.
- The acceptance or receipt of the gift may not take place in circumstances that amount to a conflict of interest on the part of the employee or councillor.
- The acceptance or receipt of the gift may not take place in circumstances

that amount to corruption.

7.2 Conditions for the giving of gifts by Employee's

Only **SENIOR MANAGEMENT** members whilst acting in his or her capacity as an employee of the municipality may offer or give gifts to suppliers, clients or third parties.

The following gifts may be offered to suppliers, clients or third parties;

- Municipality branded corporate merchandise gifts such as t-shirts, pens, bags and other branding items, to service providers or members of the public, at events conferences, training events, seminars, and trade shows, that are offered equally to all members of the public attending the events,
- cards, flowers, thank you notes, certificates, or other written forms of thanks and recognition,
- entertainment on food, beverages, and moderately priced meals as part of a “working” meeting or session to benefit and advance positive working relationships and the municipalities interests.

When offering or making such gifts, the following conditions apply:

- The employee must disclose it in the Gift Register as soon as practicably possible, but within 30 days, if the monetary amount exceeds R350.00.
- The Senior Manager has a budget allocation for such expenses.
- If there is not a change that the offering of a gift could be seen as bribery.
- If it don't compromise the recipients internal organisational policies and rules.
- Not give more than one gift to the same supplier, client or third party in any given three month period.
- If there is not any conflict of interest on the part of the employee,
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7.3 Circumstances in which gifts may be given by Council

Gifts may only be given:

- As a symbolic gesture to dignitaries, visitors or other appropriate persons.
- As a public relations exercise (including visiting school groups or the hosting of a conference)
- To official delegations to the Municipality
- In circumstances where a Councillor travels beyond the boundaries of the country and the Councillor represents the Municipality.
- By the Executive Mayor as a means of recognising the achievements of a citizen.

Prohibitions

- Gifts may not be given as a reward or an inducement.
- No gifts may be given to a supplier or contractor to the Municipality or potential supplier or contractor.
- Gifts may not be given to the spouse of any Councillor.
- Branded corporate merchandise (including clothing) may not be given as a gift to a Councillor or an official. Unless required for a specific function or project

Types of Gifts

The following types of gifts are permitted:

- a. Municipal branded corporate merchandise;
- b. Books promoting the Municipal area or the Western Cape;
- c. Book Vouchers;
- d. Bouquets of flowers
- e. Locally produced crafts promoting the Municipal area
- f. Fruit/gift Baskets

g. Other gifts approved by the Speaker.

- No gift may exceed the value of R350.00 unless prior permission has been obtained from the Speaker

Repeat Gifts

A Councillor may not give more than one gift to a recipient in any given three months, unless failure to give a gift may cause embarrassment. If a gift is given to the same recipient within a three month cycle it must be disclosed in the Gift Register.

Gift Policy of Recipient

Before a gift is given, a Councillor must take into account the rules of any gift policy that the recipient may be subjected to, where this is known.

7.4 Gifts to be given to a Councillors or officials in exceptional circumstances

As a general rule Councillors or officials may not receive gifts paid for by Municipal funds.

The following exceptions, within the limitations of section 7.3 are permitted:

- The bereavement of a Councillor or a Councillor's immediate family member;
- The hospitalisation of a councillor, his/her spouse or a staff member.

8. GIFT REGISTERS

The Municipal Manager must ensure that Gift Register relating to gifts accepted and received, as well as gifts given, are put in place and maintained, and that all employees and councillors are made aware of the existence, and have access to the relevant register.

The Gift Register must make provision for the information disclosed as set out in **Annexure A** and **B** to be captured, recorded, stored and retrieved for a minimum period of 3 years.

9. NON – COMPLIANCE AND REPORTING

Non-compliance with this policy and the procedures described in it may be considered to be misconduct and employees and councillors may be subject to disciplinary action that could lead to dismissal.

All suspected incidents of corruption and contraventions of this policy should be reported to the internal auditor or to the Speaker should it be a councillor for investigation in terms of this policy and other applicable policies as set out in section 10 of this policy.

10. LINKS TO OTHER GROUP PRINCIPLES AND POLICIES

This policy must be read in conjunction with the following principles and policies:

- Schedules 1 and 2 of The Municipal Systems Act
- The White Collar Crime Prevention Management Policy
- The Combatting Abuse of The Supply Chain Policy
- Prevention and Combating of Corrupt Activities Act, No 12 of 2004

11. ROLES AND RESPONSABILITIES

11.1 The Accounting Officer

The Municipal Manager is ultimately responsible for ensuring that an appropriate structure and process is in place to manage the acceptance, receipt and giving of gifts effectively.

11.2 Internal Audit

Internal Audit is to conduct periodic reviews to provide independent assurance to the relevant Audit Committee and the Municipal Manager that the municipality's policy on the acceptance, receipt and giving of gifts is implemented and followed, and that the risks are being appropriately assessed, managed and controlled.

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