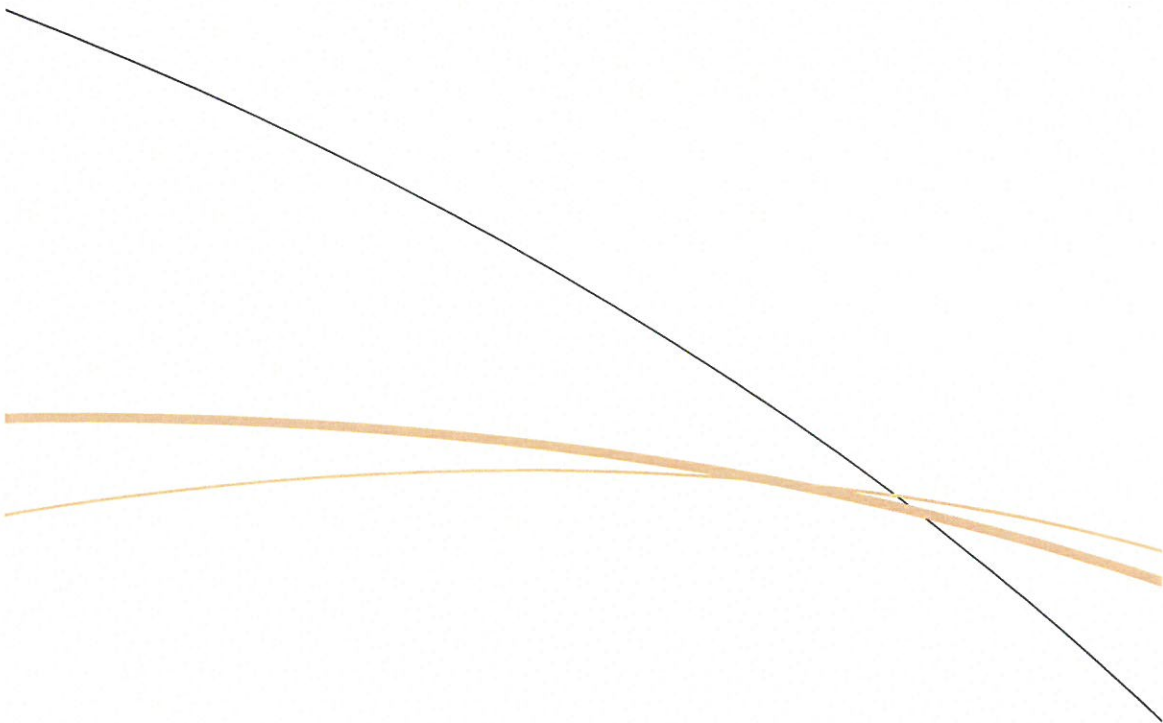




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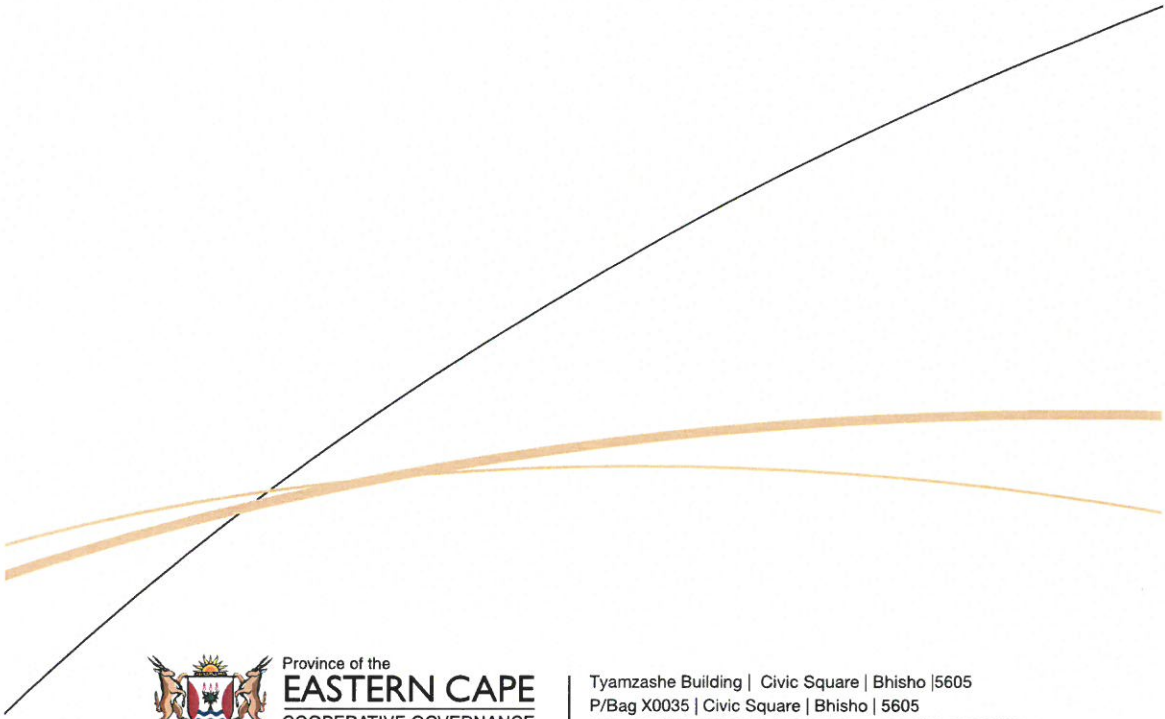
# POLICY ON CONSEQUENCE MANAGEMENT

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SERVING OUR COMMUNITIES BETTER





Province of the  
**EASTERN CAPE**  
COOPERATIVE GOVERNANCE  
& TRADITIONAL AFFAIRS

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| Document Number      | 1                                                                                                   |
| Document Name        | Policy On Consequence Management                                                                    |
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| Date Completed       |                                                                                                     |
| Date of Approval     |                                                                                                     |
| Date Last Amended    |                                                                                                     |
| Date For Next Review |                                                                                                     |
| Related Policies     | Employment Equity, Labour Relation, SHERQ Management,<br>Leave Management                           |

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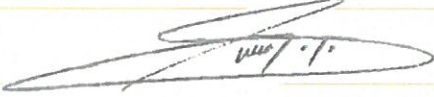
## SIGN OFF

### ii. Head of Department

The Consequence Management Policy has been recommended by Mr. Baza in my capacity as the Acting Accounting Officer of the Cooperative Governance and Traditional Affairs Department.

I am satisfied and concur with the contents of this Policy.

The development of the Consequence Management Policy document will ensure the Department is able to exercise its powers in compliance with the law and guide decision-making in the Department.

|              |                                                                                    |
|--------------|------------------------------------------------------------------------------------|
| Signed:      |  |
| Designation: | Acting Head of Department                                                          |
| Date:        | 11. 04. 2017                                                                       |

### ii. Executive Authority

The Department of Cooperative Governance and Traditional Affairs has an unprecedented opportunity to improve the lives of the people by effectively rendering services to its communities. We envisage a department that has the required capacity to respond adequately to the challenges facing our people.

I, therefore, trust that guidance from this Policy will contribute to the effective curbing/prohibition of the culture of non-compliance in the Department.

|              |                                                                                      |
|--------------|--------------------------------------------------------------------------------------|
| Signed:      |  |
| Designation: | MEC: Fikile Devilliers Xasa: Cooperative Governance and Traditional Affairs          |
| Date:        | 12 / 04 / 2017                                                                       |





## **1. PREAMBLE**

The Department of Cooperative Governance & Traditional Affairs commits itself in promoting the basic values and principles of good governance as enshrined in Chapter 10 (ss195-197) of the Constitution. The Department envisages that this policy will pro-actively optimize the effectiveness of the management system for clean audit outcome among others.

## **2. PURPOSE**

- 2.1 To inculcate a culture of accountability and eradicate the culture of impunity in the Department.
- 2.2 To ensure that the Accounting Officer (Head of Department or his or her delegate) investigates any reported and suspected transgressions or misconduct by departmental employees or contract functionaries.
- 2.3 To ensure that the Accounting Officer or his or her delegate takes effective and appropriate disciplinary steps against any employee in the service of the Department responsible for irregular, unauthorized, fruitless and wasteful expenditure, fraud and corruption misconduct or policy transgression in the Department.
- 2.4 To promote adherence and compliance with all the applicable legislative prescripts.



### 3. DEFINITIONS

The following are the terms and definitions that will be used throughout the Policy and Procedure that need clarification for the reader. These can also include any keywords, technical terms and abbreviations that may be used in this document. Definitions in this Policy, unless the context otherwise indicate:

| Words/Terms                        | Definition (with examples if required)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Accounting Officer                 | Means a person mentioned in section 36 of the PFMA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Consequence Management             | It is a post infringement action/response needed to prevent further infringement or violations of established good governance principles. Consequence Management requires a concentration of effort from Executive Management to supervisors including the Executive Authority. Consequence Management represents the actions taken after an event to reduce or mitigate the amount of suffering and restore normality. It has been a cumulative finding by Auditor-General that the Department has no Consequence Management Policy. |
| Fruitless and wasteful expenditure | Expenditure which was made in vain and would have been avoided had reasonable care been exercised.                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Irregular expenditure              | Expenditure, other than unauthorized expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation.                                                                                                                                                                                                                                                                                                                                                                         |
| Unauthorized expenditure           | Expenditure not in accordance with the purpose of a vote or, in the case of main division, not in accordance with the purpose of the main division.                                                                                                                                                                                                                                                                                                                                                                                   |
| Official / employee                | The Public Service Act has repealed the word "official" and substituted with the word "employee".<br>Any person excluding independent contractor who works for another person or for the State and who receives, or is entitled to receive, any remuneration and who assists in carrying on or conducting the business of an employer.                                                                                                                                                                                                |
| Misconduct                         | Unacceptable or improper behavior by an employee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

|                     |                                                                                                                                                                                                                                                                                                   |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Penalty / sanction  | Measure taken by an employer to correct unacceptable behavior and this measure can be punitive depending on the gravity of the misconduct.                                                                                                                                                        |
| PSC                 | Public Service Commission as established in terms of Section 196 of the Constitution.                                                                                                                                                                                                             |
| Auditor General     | Chapter 9 institution in terms of Section 188 of the Constitution and further regulated in terms of the Public Audit Act 25 of 2004.                                                                                                                                                              |
| Executive Authority | In relation to a national department, means the Cabinet member who is accountable to Parliament for that department.<br><br>In relation to a provincial department, means the member of the Executive Council of a province who is accountable to the provincial legislature for that department. |
| Functionary         | Means any person upon whom a power is conferred or a duty is imposed by the Public Service Act as amended.                                                                                                                                                                                        |
| Silo mentality      | Is an attitude found in some organizations that occur when several departments or components do not share information or knowledge with other individuals in the same Company. A silo mentality reduces efficiency and can be a contributing factor to a failing corporate culture.               |






#### 4. APPLICATION AND SCOPE

This Policy is applicable to all employees of the Department appointed in terms of the Public Service Act, 1994 as amended.

#### 5. LEGISLATIVE FRAMEWORK

- Constitution of the Republic of South Africa of 1996
- Public Service Act (Act 101 of 1994) as amended by Act 30 of 2007
- Labour Relations Act (Act 66 of 1995) as amended by Act 6 of 2014
- Public Service Regulations, 2016
- Basic Conditions of Employment Act (Act 75 of 1997) as amended by Act 20 of 2013
- United Nations Convention Against Corruption
- Prevention and Combating of Corrupt Activities Act 2004
- Financial Disclosure Framework 2000
- Promotion of Administrative Justice Act (Act 3 of 2000)
- Promotion of Access to the Information Act (Act 2 of 2000)
- Public Finance Management Act (Act 1 of 1999 as amended)
- Treasury regulations issues in terms of the Public Finance Management Act, 1999
- SMS Handbook 2003 as amended
- Protected Disclosures Act (Act 26 of 2000)

#### 6. PRINCIPLES

- **Leadership**  
The decision making and implementation thereof
  - **Value System**  
The Department recognizes that this Consequence Management Policy serves as a companion to the Disciplinary Code
  - **Accountability**  
Employees and line managers will at all material times be liable for their actions and non-compliance with the applicable legislation
  - **Service Delivery**  
Consequence Management Policy is necessary for the effective and efficient quality service delivery to enhance compliance and accountability
  - **Respect for the rule of law**  
Employees shall apply the prevailing laws, regulations and procedures when discharging their duties and in the process identify gaps, which need to be rectified
  - **Diligence**  
Employees shall endeavor to perform their duties diligently by maintaining the highest standards of professionalism and discipline
- 

## **7. POLICY STATEMENT**


The Department of Cooperative Governance and Traditional Affairs commits itself to comply with all applicable legislation and to promote responsibility and accountability of all employees and stakeholders in exercising their day-to-day duties and functions. Therefore this Policy is not a stand-alone imperative and should be applied within the context of the overall strategic plan of the Department and must be underpinned by a strong change management approach

## **8. PROBLEM STATEMENT**

The Department over a period of time has been incurring a negative Audit Finding with regard to non-availability of the Consequence Management Policy. The absence of the Consequence Management Policy has given rise to the following poorly managed items as per the Audit Findings:

- 8.1 Unauthorized, irregular, fruitless and wasteful expenditure
- 8.2 Fraud and Corruption
- 8.3 Financial misconduct
- 8.4 Improper conduct in all Departmental Directorates
- 8.5 Leave management (PILLIR)

## **9. COMPLIANCE PROCEDURE**

- a) Programme Managers and or Managers in general will be responsible and liable for non-compliance and the poor performance of their supervisees. Programme Managers shall report to the Accounting Officer on the corrective measures instituted. All other employees are responsible for the management and safeguarding of the liabilities and correct policy implementation in their area of responsibility.
  - b) The Accounting Officer or any delegated authority shall ensure that investigation is conducted when a suspected act of misconduct is reported.
  - c) For general misconduct cases, an investigation shall be conducted by Employee Relations Directorate. Fraud and corruption related cases shall be investigated by Security Management and Anti-Corruption Directorate.
  - d) For suspected financial misconduct cases, the Financial Advisory Committee will determine the prima facie evidence of any wrong doing and provide guidance whether to institute condonation processes, further investigation and disciplinary processes if needs be.
  - e) Within a period of thirty days (30), the investigation report with findings and recommendations shall be made available to the Accounting Officer or his or her delegate for approval.
- 

- f) Once the investigation report with the recommendations for disciplinary action is approved, the Accounting Officer or his or her delegate will refer the matter to Employee Relations for facilitation of the disciplinary enquiry.
- g) In the event of non-compliance with the applicable legislation by the Head of Department, the Executive Authority in terms of Section 16A of the Public Service Act 103/1994 as amended shall:
  - With the approval by the Honourable Provincial Premier, immediately take appropriate disciplinary steps against a Head of Department who does not comply with the provisions of this Act and other relevant applicable legislations and policies.

#### **10. DISCIPLINE**

- a) Section 16B of the Public Service Act as amended (Act 30 of 2007) is applicable in its entirety *mutatis mutandis*.
- b) Discipline is a Management function and this should be reflected in Managers' Performance Agreements. All line Managers are responsible for maintaining discipline in their Directorates and transgressions must be dealt with fairly, promptly, consistently in accordance with relevant prescripts.
- c) The provisions of the Disciplinary Code and Procedures (PSCBC Res 3/2001) are applicable to all employees on salary levels 1 to 12. The Senior Management Services Handbook (Chapter 7) is applicable to SMS employees (levels 13 upwards).
- d) Precautionary suspensions and transfers shall only be considered when an employee is (i) alleged to have committed a serious offence and (ii) the employee's presence at the workplace might interfere with the investigation or endanger the safety of other persons (witnesses) or state property. A precautionary suspension is not a sanction and must be implemented with full pay.
- e) Disciplinary matters must receive priority attention and must be dealt with expeditiously.
- f) The Department has a zero tolerance approach in respect of all financial misconduct, fraud, theft, corruption, sexual harassment and racism. The list is not exhaustive.
- g) Employees in the levels 1 to 12 may appeal against a sanction of a disciplinary hearing within 5 days to the Executive Authority (Hon. MEC).
- h) Senior Management Services do not have the right to appeal to the Executive Authority, but may follow dispute resolution processes as prescribed in the LRA.



#### **11. QUALITY SERVICE DELIVERY**

All Programme Managers and or Managers in general are liable for any poor performance and discipline in their directorates and transgressions must be dealt with fairly, promptly, consistently in accordance with relevant prescripts.

Public administration must be governed by the democratic values and principles enshrined in the Constitution (section 195), including the following principles:

- a) A high standard of professional ethics must be promoted and maintained.
- b) Efficient, economic and effective use of resources must be promoted.

#### **12. COMMUNICATION**

Consequence Management Policy will be communicated throughout the Department using workshops, intranet and work groups, etc.

#### **13. MONITORING AND EVALUATION**

The DDG: Corporate Management, District Coordination and IGR will vigorously monitor the implementation of this policy and will submit quarterly reports to the Head of Department.

#### **14. DISPUTE RESOLUTION MECHANISM**

An employee who has a grievance or dispute within the Department concerning unfair application of procedures as defined in this policy, shall have normal recourse to the applicable resolutions as well as any other right they have by law.

#### **15. REVIEW OF THE POLICY**

The policy will be reviewed and amended in line with future legislative promulgation and collective agreements. The development of this Policy is a dynamic process and that it may require revision from time to time.





**16. VERSION CONTROL AND CHANGE HISTORY**

| Version Control | Date Effective                               | Recommended By                                               | Amendment                                                                    |
|-----------------|----------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------|
| Start from      | YYMMDD<br>(the date the policy takes effect) | Contact person – full name & title.                          | Include any superseded procedures and what the amendment is to the document. |
| 1April 2017     | 1April 2017                                  | Mpumelelo Madikane:<br>Senior Manager:<br>Employee Relations |                                                                              |



