



**FINANCIAL DISCLOSURE MANUAL
FOR
TRADITIONAL LEADERS**

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SIGN OFF:**1. Head of Department**

The Procedure Manual on the Financial Disclosure for Traditional Leaders has been recommended by **A. A. Fani** in my capacity as the Head of Department of Cooperative Governance and Traditional Affairs.

I am satisfied and concur with the content of the Manual.

The development of this manual will ensure that the Department is able to exercise its powers in compliance with the laws governing the Traditional Leadership Institutions in the management of public funds and promoting of transparency and accountability thereof.

Signed at:	<i>A.A. Fani</i>
Designation:	Head of Department (A.A. Fani)
Signature:	
Date:	<i>10/03/2021</i>

SIGN OFF:**2. Executive Authority**

The Department of Cooperative Governance and Traditional Affairs has unprecedented opportunity to improve the lives of the people by effectively rendering many services that it is expected to provide. We have envisaged a Department that has the required capacity to respond adequately to challenges of its people.

I therefore trust that this procedure manual will assist positively to contribute towards the Department's endeavour of creating an effective, efficient, and transparent financial management to promote accountability and good governance.


Signed at:	East London
Designation:	MEC: Honourable Xolile Nqatha Department of Cooperative Governance and Traditional Affairs
Signature:	
Date:	18/08/21

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CHAPTER ONE:

1.1. Definitions and abbreviations

“Act” means Traditional Leadership & Governance Act, 2017

“Department” means the Department of Cooperative Governance and Traditional Affairs.

“traditional leader” means any person who, in terms of customary law of the relevant traditional community, holds a traditional leadership position, and is recognised in terms of the Framework Act;

“traditional council” means a council established in terms of section 6, Act 1 of 2017.

“traditional community” means a traditional community recognised as such in terms of section 2 of the Framework Act;

“traditional leadership” means the customary institution or structure, of customary system or procedure of governance recognised, utilized or practiced by traditional communities;

“Premier” means Premier of the Province of the Eastern Cape

“MEC” means the Member of the Executive Council responsible for Traditional Affairs in the Province of the Eastern Cape;

“NGO” means non-governmental organisation

“T/C” means a Traditional Council

1.2. Purpose of the manual

1.2.1. The key purpose of this procedure manual is to provide processes to be followed by traditional leaders on the disclosure of financial interest as well as gifts and benefits to be disclosed.

1.2.2. These guidelines set out the code of conduct which the traditional leaders should comply with as provided in the Eastern Cape Traditional Leadership and Governance Act, 2017 (Act No. 1 of 2017)

- 1.2.3. The manual also aims at ensuring and promoting accountability and transparency that is generally referred to as good corporate governance.

1.3. Scope of Applicability

The procedure manual is applicable to all recognised Traditional Leaders and the departmental officials responsible for supporting of Traditional Leadership Institutions.

1.4. Frequency of the disclosure

- 4.1. Disclosure of interests by traditional leaders must be done annually during the month of November.
- 4.2. Management of the disclosure of interests by traditional leaders must be facilitated by the Director responsible for Traditional Leadership Administration Support.

1.5. General guiding principles

A Traditional Leader must adhere to the following principles:

- 1.5.1. **Selflessness:** take decisions solely in terms of public interest and without regards to personal financial or other material benefits for themselves, their immediate family, their business partners, or their friends.
- 1.5.2. **Integrity:** steadfastly avoid placing themselves under any financial or other obligation to any outside individual or organisation where this creates a conflict or potential conflict of interest with his or her role as a Traditional Leader.
- 1.5.3. **Objectivity:** in carrying out public duties, a Traditional Leader must, do so only on the basis of merit and in accordance with Constitutional imperatives.
- 1.5.4. **Openness:** A Traditional Leader should be as open as possible to the community, about all decisions and actions taken by him or herself and by a Traditional Council, bearing in mind the constitutional obligation for openness and transparency.

1.5.5. Honesty: A Traditional Leader must declare private interests relating to his or her official duties and those of the T/C and resolve any conflict arising in a way that protect the interest of the community under his or her authority; and

1.5.6. Leadership: promote and support ethical conduct by demonstrating good leadership and be exemplary to members of the T/C and community at large.

1.6. STANDARDS OF ETHICAL CONDUCT

A Traditional Leader must:

- 1.6.1. abide by the principles set out in item 4 above.
- 1.6.2. uphold the Constitution and any other legal prescripts applicable to the office he or she holds.
- 1.6.3. act on all occasions in accordance with public trust place on him or her and on the relevant T/C.
- 1.6.4. discharge his or her obligation, in terms of the Constitution and other Act of Parliament, and at all material times placed the interests of the relevant community above his or her interests.
- 1.6.5. maintain public confidence and trust in the integrity of T/C and thereby create the respect and confidence that the community needs to have on the T/C as a representative institution; and
- 1.6.6. in the performance to his or her duties and responsibilities, be committed to the eradication of all forms of discrimination.

CHAPTER TWO: SCHEDULE 1.
CODE OF CONDUCT FOR TRADITIONAL LEADERS

2.1. General Conduct of Traditional Leaders

A Traditional Leader–

- (a) must perform his or her function in good faith and in an honest, non-discriminatory and transparent manner;
- (b) must at all times act in the best interest of the Traditional Council, relevant traditional community and Department in such a way that the credibility and integrity of these institutions are not compromised;
- (c) may not deliberately do anything calculated to unjustly or unfairly injure the reputation of any member of the Traditional Council or relevant traditional community;
- (d) may not use the power of his or her office to seek or obtain special advantage for personal benefits that is not in the public interest; and
- (e) may not disclose confidential information acquired in the course of his or her duties, unless required by law to do so or by circumstance to prevent substantial injury to third persons.

2.2. Disclosure of interests

2.2.1. A Traditional Leader must–

- (a) disclose to the Department, any indirect personal or private business interest that he or she, or any spouse, partner, business associate or close family member, may have in matter of any government department or organ of the state.
- (b) withdraw from the proceedings when a matter as contemplated in paragraph (a) is considered by any government department or organ of the state, unless such department or state organ thereof decides that a Traditional Leader's direct or indirect interest in the matter is trivial or irrelevant.

2.2.2. A Traditional Leader who or whose spouse, partner, business associates or close family member, acquire or stand to acquire any direct benefit from a

contract concluded with the Traditional Council, any government department or state organ, must disclose full particulars of the benefits of which he or she is aware of, at the first meeting of the Traditional council, department or state organ at which is possible for such Traditional Leader to make such disclosure.

2.3. Personal gains

- 2.3.1. A traditional leader may not use his / her position or privileges of being a traditional leader for private or personal gain nor use confidential information obtained as a member of traditional council, for private gain or to improperly benefit another person.
- 2.3.2. A traditional leader may not be part or stand to benefit on a contract for the provision of goods or services to the traditional leadership institutions or any other business with government without obtaining permission from the Member of the Executive Council responsible for the Department.
- 2.3.3. A traditional leader may not collect any levies or monies from the traditional community, service providers, NGO or any other person in return for service offered by him or her as a traditional leaders including his or her Traditional Council, unless it is voluntarily given to him or her by the community or any other person, in cases where the community wishes to give that as a kind gesture a traditional leader shall disclose or register the gift on the gift register.

2.4 Gifts and Favours

- 2.4.1. A traditional leader may not accept a gift or benefit which is given in return for any favour by the community member, organisation, or any other person, except gifts that are recognised by the custom of the relevant traditional community.
- 2.4.2. A traditional leader shall not accept the gift or reward in return of influencing the decision taken by Traditional Council in favour of a community member or any other person.

2.4.3. A traditional leader may not request payment for performing his or her duties or services offered to the community member, NGO, service provider, or any other person seeking services from the Traditional Council.

2.5. Benefits / Gifts to be disclosed

2.5.1. A traditional leader must disclose the gifts valued more than R1000.00 and describe the value and the source of the gift on the register, except for gifts that are from immediate relatives and in-laws.

2.5.2. Any kind of hospitality offered to a traditional leader with a value of more than R1000.00 that is intended as a personal gift shall be disclosed or registered, except for hospitality are from immediate relatives and in-laws or in a socio-cultural ceremony.

2.6. Disclosure of Financial Interest

2.6.1. A recognised traditional leader shall, within 60 days after his/her recognition disclose in writing to the Member of the Executive Council the following interest held by him or her in the Annexure 1 form of this Manual–

- (a) shares and securities in any company;
- (b) membership of any closed corporation;
- (c) interest in any trust;
- (d) directorships;
- (e) partnerships;
- (f) other financial interests in any business undertakings;
- (g) employment and remuneration;
- (h) interest in property; or
- (i) subsidies, grants, and sponsorship by any organisation.

2.6.2. The disclosure made in Paragraph 2.4.1 above shall be done every year as provided in Paragraph 1.4.

2.6.3. If there are any changes in the nature or details of the financial interests of a traditional leader shall be disclosed in writing to the Member of the Executive Council responsible for the department.

2.7. Improper use of influence

2.7.1. A traditional leader may not improperly use his/her position or influence as a traditional leader in exercising his or her official duties.

2.7.2. A traditional leader may not improperly influence the decisions of other members of traditional council or community member as well as departmental officials for the benefit of oneself, or relatives or associates in business to benefit from his or her as a recognised traditional leader.

2.8. Allegations of breach of the Code of Conduct by a traditional leader

2.8.1. If the traditional leader is alleged to be in breach of the Code of Conduct as stipulated in Schedule 1 of Cape Eastern Traditional Leadership and Governance Act, 2017, the Member of the Executive Council shall establish an investigative committee to, amongst other things–

- (a) establish the facts and circumstances of the alleged breach;
- (b) give a traditional leader a reasonable opportunity to reply in writing regarding the alleged breach; and
- (c) make recommendations and report on the matter to the Member of the Executive Council.

2.8.2. If the investigating committee finds that a traditional leader has breached a provision of the Code of Conduct, the MEC shall, after affording the traditional leader an opportunity to state his/her side of the story in a fair process and with due consideration of the seriousness of such breach–

- (a) issue a formal warning to such traditional leader;
- (b) reprimand the traditional leader;

- (c) request the Premier to suspend the member for the period determined by the Premier; or
- (d) request the Premier to remove a traditional leader from the office.

2.8.3. Before applying Paragraph 2.6.2. (d), the Premier shall comply with Section 24 of the Act.

2.9. Update and Revision

The manual shall be revised in five years with the approval of the Member of the Executive Council on the advice from the custodians of the manual and with the approval of the Member of the Executive Council responsible for the Traditional Affairs Department.

2.8 Effective Date

Implementation of this manual shall be effective on the date of approval by the Member of the Executive Council for Cooperative Governance and Traditional Affairs.

CHAPTER THREE: SCHEDULE 2.**FINANCIAL DISCLOSURE FORM FOR TRADITIONAL LEADERS**

Financial Year:/.....

Personal details

Surname	
First Names	
ID Number	
Persal Number	
Job Title	
Salary Level	
Postal Address	
Residential Address	
Name of Department (National / Provincial)	
Cell Number	
E-mail address	

Details of financial interests

1. Shares or any other form of equity in a registered private or public company or any other corporate entity recognised by law:

Number of shares/extent of equity	Nature	Nominal value	Name of company/entity

2. Loan accounts (excluding bond, vehicle finance, and retail accounts)

Name of the financial services provider and account number	Original amount of the loan	Outstanding balance	Term of the loan

3. Any other financial interests

Description of the financial interest	Nature of the financial interest	Name of the company or corporate entity	Annual value of the financial interest

4. Income generating assets

Description of the asset	Nature of activity	Nature of Income	Annual amount or value of Income

5. Trusts

Name of trust and your role	Reference/registration number and the region where the trust is registered	Purpose of the trust	Annual benefits or remuneration

NB: Documentary proof of approval to perform other remunerative work must be uploaded to the eDisclosure system or attached to this form if you receive remuneration for your participation as Trustee.

6. Directorships and Partnerships

Name of corporate entity	Registration Number	Type of Business	Annual amount of Remuneration

NB: Documentary proof of approval to perform other remunerative work must be uploaded to the eDisclosure system or attached to this form.

7. Other remunerative work outside the employee's department

Name of Employer	Type/nature of business activity	Annual remuneration

NB: Documentary proof of approval to perform other remunerative work must be uploaded to the eDisclosure system or attached to this form.

8. Consultancy and retainerships

Nature of consultancy / retainership	Name of the company / your client in case of retainership	Type/nature of business activity of the company/client	Annual value of remuneration/benefits received

NB: Documentary proof of approval to perform other remunerative work must be uploaded to the eDisclosure system or attached to this form.

9. Sponsorships

Source of assistance/ sponsorship	Description of assistance/ sponsorship	Value of assistance/ sponsorship	Relationship between the sponsor and the department

10. Gifts and hospitality from a source other than a family member

Description of a gift and/or hospitality	Value	Source	Relationship between the giver and the department

11. Ownership and other interests in Immovable property

Description of Immovable property	Extent / size in m ² or ha	Area in which it is situated	Purchase price	Outstanding bond on the property	Estimated market value

12. Vehicles

Description (make and model of the vehicle)	Registration number	Purchase price	Outstanding amount owing on the vehicle

Declaration

I declare that I have personally completed this form and disclosed all relevant details required for the listed financial disclosure categories.

I hereby certify that the disclosure information is true, complete, and correct to the best of my knowledge.

I also understand that it is binding on my conscience.

SIGNATURE OF TRADITIONAL LEADER

DATE: _____

PLACE: _____

DATE SUBMITTED TO RELEVANT AUTHORITY: _____

SIGNATURE OF HEAD OF DEPARTMENT / EXECUTIVE AUTHORITY