



**CONSEQUENCE MANAGEMENT POLICY
UTHUKELA ECONOMIC DEVELOPMENT AGENCY
2026/2027 FINANCIAL YEAR**

POLICY TITLE	CONSEQUENCE MANAGEMNT POLICY
IMPLEMENTATION DATE	01 JULY 2026
DATE APPROVED	29 MAY 2026
REVIEW DATE	14 OCTOBER 2025

TABLE OF CONTENT

1. DEFINITIONS.....	3
2. PURPOSE OF THIS POLICY.....	3
3. OBJECTIVES OF THE POLICY.....	3
4. LEGISLATIVE FRAMEWORK.....	4
5. RELEVANT ROLE PLAYERS AND STAKEHOLDERS	5
6. SCOPE OF THE POLICY	5
6.1 CONSEQUENCE PROCEDURE.....	6
6.2 FINANCIAL MISCONDUCT	6
6.3 FINANCIAL OFFENCES	7
6.4 REPORTING AND INVESTIGATION	7
6.5 PROTECTION OF WHISTLE BLOWERS	8
6.6 HARASSMENT AND VICTIMISATION	8
6.7 ANONYMOUS ALLEGATIONS.....	8
6.8 CONFIDENTIALITY	8
7. APPROVED BY.....	8

1. DEFINITIONS

Disciplinary: means a disciplinary board established in terms of section 4(1) terms of Regulations or a disciplinary board of an entity or provincial structure referred to in section 4(8);

Financial misconduct: means any act of financial misconduct committed by an official of a municipal entity.

Financial Offence: means any offence by an official of the Entity or by any other person

2. PURPOSE OF THIS POLICY.

- 2.1. UThukela Economic Development Agency (UEDA) has a zero tolerance approach to fraud, corrupt activities or acts of dishonesty.
- 2.2. Management and staff who deliberately or negligently ignore their duties and disobey legislation will be decisively dealt with by enforcing the legislated consequences for transgressions
- 2.3. Identify the types of transgressions and breaches and the relevant role players.
 - 2.3.1. Document the remedies available to the UEDA and when to implement these remedies; and
 - 2.3.2. Identify the parties' / role players responsible for implementation of available remedies and recovery of misspent funds.

3. OBJECTIVES OF THE POLICY

3.1 This policy will aim to formalise and consolidate the principles of consequences management, inclusive of remedial and recourse measures

3.2 to ensure that consequences for non-compliance with legislation, policy and reasonable and lawful instructions of superiors are dealt with

3.3 to ensure staff accountability in the entity workplace

3.4 to promote administrative accountability, professionalism, good governance, transparency and ethical conduct

4. LEGISLATIVE FRAMEWORK

To ensure that the Board and the Management have created and maintained an effective control environment in the organization that demonstrates and stimulates the necessary respect for legislative requirement and compliance and for the UThukela Economic Development Agency's systems, policies and by:

- 4.1.1. Implemented the Regulations for Financial Misconduct and Offences, 2014;
 - 4.1.2. Adhering to Section 32 of the Municipal Financial Management Act, 2003 (Act 56 of 2003);
 - 4.1.3. Identify and act against financial misconduct and offences in terms of section 171 and 173 of the Municipal Financial Management Act, 2003 (Act 56 of 2003).
- 4.2. To ensure that the following committees are relevant and functional and that they are guided by the Board's policies and the specific terms so references developed for each of them;
- 4.2.1. Disciplinary Board as prescribed in terms of the Municipal Regulations for Financial Misconduct Procedures and Criminal Offences, GN 430 of 30 May 2014.
 - 4.2.2. A Public Accounts Committee.
 - 4.2.3. A Section 32 Committee.
 - 4.2.4. A special committee to investigate misconduct by Board in terms of the Code of Conduct for the Board Members as contained in Schedule 1 to the Systems Act, 2000 (Act 32 of 2000).
- 4.3. To develop and maintain the following policies that will also take into account the principles as contained in this Policy.
- 4.3.1. Anti-Corruption and Fraud Prevention Policy.
 - 4.3.2. Human Resources Strategy and related policies.

4.3.3. Disciplinary Policy.

To ensure that Board and employees are aware that there are different transgressions and available remedies to manage transgressions as described in this Policy as set out in different pieces of legislation

5. RELEVANT ROLE PLAYERS AND STAKEHOLDERS

5.1 All managers and supervisors of an employee must properly supervise or oversee their conduct and implement systems to enable employees meet their obligations

5.2 Stakeholder responsibility

5.2.1 All managers and supervisors are responsible for:

- Investigating all reported violations and when approved invoke the disciplinary procedure
- Considering all relevant factors during an investigation when determining future actions
- Implementing remedial action and local controls where a violation has taken place to reduce risks of violation in future.

5.2.2 All employees are responsible for:

- Complying with applicable laws, regulations, resolutions of management and board resolutions, policies and reasonable lawful instructions of the superior
- Strictly adhering to all systems, controls governing business and standard operating procedure
- Behaving in a way that is consistent with the values and ethical standards
- Promptly reporting any breaches that relate to any of the above

6. SCOPE OF THE POLICY

This policy will be reviewed as and when the need arises. Financial misconduct, fraud, theft, corruption, maladministration and dishonest activities will not be tolerated by the Board and Management.

6.1 CONSEQUENCE PROCEDURE

- 6.1.1** All incidents that have been reported will be investigated and where applicable the necessary and prescribed remedial- and disciplinary steps will be taken.
- 6.1.2** All cases of alleged irregular expenditure that constitutes a criminal offence and all cases of theft, fraud and corruption will be reported to the South African Police.
- 6.1.3** Board and employees are responsible for reporting financial misconduct, financial offences or corruption.
- 6.1.4** The public may also report financial misconduct, financial offences or corruption.
- 6.1.5** The Board will apply appropriate prevention and detection controls and take appropriate legal action to recover losses or damages incurred due to financial misconduct and financial offences committed by Board or employees.
- 6.1.6** This Policy does not consider reporting and reviewing procedures in respect of general misconduct and poor work performance by UEDA employees.
- 6.1.7** General misconduct and poor work performance of employees must be managed in accordance with relevant human resources policies, employment contracts and collective agreements; and
- 6.1.8** Cases of misconduct in the case of Board will be managed in terms of the code of conduct as contained in Schedule I to the Systems Act, 2000 (Act 32 of 2000).

6.2 FINANCIAL MISCONDUCT

Financial misconduct as defined in terms of sections 171 and 172 of the Municipal Financial Management Act, 2003 (Act 56 of 2003), refers to the actions of officials of municipalities and municipal entities and means the misappropriation, mismanagement, waste or theft of UEDA funds. It includes instances where a senior manager or official deliberately or negligently fails to

carry out a delegated duty, contravenes or fails to comply with a condition of a delegated duty and provides incorrect or misleading information to the CEO, Board, Auditor General National Treasury or an organ or to the public.

6.2.1 Depending on the circumstances and the nature of the incident, financial transgressions or misconduct can be serious or less serious. The seriousness will indicate the consequence management steps to be followed. This may inter alia, includes any of the following or a combination thereof:

- 6.2.1.1** Written warning
- 6.2.1.2** Final written warning
- 6.2.1.3** a suspension.
- 6.2.1.4** disciplinary hearing.
- 6.2.1.5** internal sanction.
- 6.2.1.6** Charge of misconduct
- 6.2.1.7** the recovery of financial losses incurred.
- 6.2.1.8** The institution of criminal proceeding

6.3 FINANCIAL OFFENCES

Section 173 of the Municipal Financial Management Act, 2003 (Act 56 of 2003), indicates that any transgressions relating to fraud, theft and corruption are deemed to be financial offences and in this case, it may warrant the institution of criminal proceedings.

6.3.1 Other than financial misconduct which is acts of employees, financial offences can be committed by Board, employees and any other person.

6.4 REPORTING AND INVESTIGATION

The reporting an investigation of any allegations will be done in terms of the relevant legislative requirements and the UEDA's Fraud response/ Fraud prevention policies.

6.5 PROTECTION OF WHISTLE BLOWERS

The UEDA will endeavour to create a culture of whistle blowing and will protect whistle blowers

- The UEDA's policy on Whistle Blowing will provide for proper guidelines in order to protect whistle blowers.

6.6 HARASSMENT AND VICTIMISATION

The UEDA will endeavour to create a supportive environment in the workplace and will not tolerate any harassment or victimisation.

- The UEDA's policy on fraud and corruption will provide for proper guidelines in order to protect employees against harassment and victimisation.

6.7 ANONYMOUS ALLEGATIONS

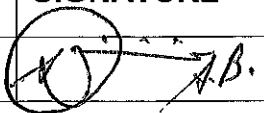
Anonymous allegations will be allowed and the UEDA policies will provide therefore, however it may be very difficult to follow up on anonymous allegations and to properly investigate and it will not be possible to report to the person who made the allegations.

6.8 CONFIDENTIALITY

The UEDA will, during an investigation, protect the parties, their reputation and physical safety.

6.8.1 The UEDA will keep all information relating to the reported activities and the investigation confidential and discussions on the matters will be restricted to the alleged offender and any witnesses and where applicable a representative of the offender.

7. APPROVED BY

NAME	SIGNATURE	DESIGNATION	DATE
MR SB SIBISI		Acting Chief Executive Officer	29/05/2026