

**LEPELLE–NKUMPI LOCAL MUNICIPALITY**



**INVESTIGATION POLICY 2025/2026 FINANCIAL YEAR**

## TABLE OF CONTENTS

1	PURPOSE .....	3
2	BACKGROUND .....	3
3	POLICY STATEMENT .....	3
4	INVESTIGATION PROCEDURE .....	3
4.1	REPORTING OF SUSPICIOUS ACTIVITIES .....	3
4.2	PRELIMINARY INVESTIGATION .....	4
4.3	FULL INVESTIGATION.....	4
4.4	RESOLUTION.....	6
4.4.1	Disciplinary proceedings .....	6
4.4.2	Prosecution .....	6
4.4.3	Recovery action .....	6
4.4.4	Internal control review after discovery of fraud.....	7
5	LEGAL FRAMEWORK.....	7
6	APPLICATION .....	8
7	OWNERSHIP .....	8
8	REVISION.....	8
9	APPROVAL.....	9

## **1 PURPOSE**

The purpose of the document is to provide guidance to enable **Lepelle-nkumpi Municipality** to properly manage investigations.

## **2 BACKGROUND**

The investigation policy is established to provide guidelines as to how to respond should instances of fraud and corruption be identified. The policy guidelines focus on the report, investigation and prosecution of fraudulent and corrupt activities.

## **3 POLICY STATEMENT**

Fraud represents a significant potential risk to the **Lepelle-nkumpi Municipality** assets, service delivery efficiency and reputation. The municipality will not tolerate corrupt or fraudulent activities, whether internal or external and will vigorously pursue and prosecute any parties, by all legal means available, which engage in such practices or attempt to do so.

## **4 INVESTIGATION PROCEDURE**

In the event that fraud or corruption is detected or suspected, investigations will be initiated, and if warranted, disciplinary proceedings, prosecution or action aimed at the recovery of losses will be initiated. The following procedure has been adopted by **Lepelle-nkumpi Municipality** as a process to be followed in the investigation of fraud and related incidents.

### **4.1 REPORTING OF SUSPICIOUS ACTIVITIES**

It is the responsibility of every employee to report all incidents of fraud and corruption that may come to his / her attention to his / her supervisor.

Alternatively, such reports can be made by way of submitting a report through the prescribed **whistle blowing mechanism**.

The conditions leading to reporting crime may differ from one instance to another, but employees are encouraged to use the internal channels. When offences are reported, the requirements of the MFMA should be taken into account.

All reports received will be treated with the requisite confidentiality and will not be disclosed or discussed with parties other than those charged with investigation into such reports.

#### **4.2 PRELIMINARY INVESTIGATION**

All **Managers** are responsible for the detection, prevention and investigation of fraud and corruption, within their areas of responsibility. All suspected fraudulent activities should be reported to **Accounting Officer**, who will assess the incident and allocate it to the line manager for preliminary investigation or refer it **Risk Management Unit** for full investigation. *(Consider conflict of interest, transparency and potential suppression of incidents reported when deciding on the above process, other Institutions charge the Internal Investigation full investigation*

#### **4.3 FULL INVESTIGATION**

The nature of reports of incidents of fraud and / or corruption will determine action to be taken. Other incidents will warrant a preliminary investigation, as

mentioned in par 4.2 above, before any decision to implement full blown independent investigation is taken.

Investigations will be undertaken by appropriately qualified and experienced person within the municipality / section where investigations are required. This may be a senior manager within the Institution itself, an internal investigator, external consultant or a law enforcement agency. All investigations performed and evidence obtained will be in accordance with acceptable practices and legal requirements. Independence and objectivity of investigations are paramount.

Any investigation initiated must be concluded by the issue of a report by the person/s appointed to conduct such investigations. Such reports will only be disseminated to those persons required to have access thereto in order to implement whatever action is deemed appropriate as a result of the investigation.

**Lepelle-nkumpi Municipality** employees are encouraged to assist in the investigation process as may be required.

Any investigation into improper conduct within the municipality will be subject to an appropriate level of supervision by a responsible committee, having regard to the seriousness of the matter under investigation.

The turnaround time for full investigation conducted by risk officer will be 90 working days.



## **4.4 RESOLUTION**

**Lepelle-nkumpi Municipality** will perform the following activities after the discovery of fraudulent or corrupt activities:

### **4.4.1 Disciplinary proceedings**

The ultimate outcome of disciplinary proceedings will be in terms of the consequence management policy. All disciplinary proceedings will take place in accordance with the procedures as set out in the disciplinary procedures.

### **4.4.2 Prosecution**

Should investigations uncover evidence of fraud or corruption in respect of an allegation or series of allegations, the **Risk Management Unit** will review the facts at hand to determine whether the matter is one that ought to be reported to the relevant law enforcement agency for investigation and possible prosecution. Such reports must be submitted to the South African Police Service in accordance with the requirements of all applicable acts. The **Lepelle-nkumpi Municipality** will give its full co-operation to any such law enforcement agency including the provision of reports compiled in respect of investigations conducted.

### **4.4.3 Recovery action**

Where there is clear evidence of fraud or corruption and there has been a financial loss to the **Lepelle-nkumpi Municipality**, recovery action (criminal, civil or administrative), will be instituted to recover any such losses. In respect of civil recoveries, costs involved will be determined to ensure that the cost of recovery is financially beneficial. (Requirements of the MFMA should be taken into account).

#### **4.4.4 Internal control review after discovery of fraud**

In each instance where fraud is detected, Line Management will re-assess the adequacy of the current internal control systems (particularly those controls directly impacting on the fraud incident) to consider the need for improvements. The responsibility for ensuring that the internal control systems are re-assessed and for ensuring that the recommendations arising out of this assessment are implemented will lie with Line Management of the Institution / section concerned.

### **5 LEGAL FRAMEWORK**

The policy is developed in line with the Constitution of the country and has taken into consideration, among other, the provisions of the following legislations:

- Criminal Procedure Act of 1977;
- Law of Evidence Act 45 of 1988;
- Prevention and Combating of Corrupt Activities Act 12 of 2004;
- Labour Relations Act 66 of 1995;
- Promotion of Access to Information Act 2000;
- Promotion of Administrative Justice Act 2000;
- Municipal Finance Management Act 56 of 2003;
- Municipal Systems Act 32 of 2000;
- Municipal Systems Act: Code of Conduct for Councillors; and
- Municipal Systems Act: Code of Conduct for Municipal officials (also applicable to municipal entities).

## 6 APPLICATION

This policy is applicable to all employees of the **Lepelle-nkumpi Municipality**. Suspicious activities referred to in the investigation policy / procedure include acts of external parties, i.e. suppliers, contractors, consultants, etc. Contravention of the provisions of the policy will be dealt with as per disciplinary procedures set out in par 4.4. The person charged with the ownership of this policy / procedures is expected to fairly communicate and ensure that all employees are aware of its existence and application. The policy cannot be applied, under any circumstance, in contravention of any of the legislations of the country or in a manner that constitute abuse of human rights.

## 7 OWNERSHIP

**Lepelle-nkumpi Municipality**; Accounting Officer / Authority are charged with the ultimate ownership of the policy. *(The ownership can be delegated to an appropriate unit)*

## 8 REVISION

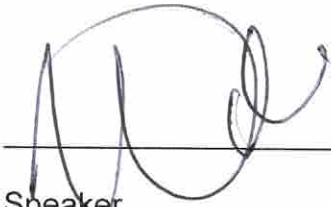
The policy will be reviewed as follows:

- Annually so to align to the Fraud Prevention Strategy review;
- Any time to reflect any material changes in the Fraud Prevention Policy;
- Any time to reflect any material changes in the Investigation Policy / Procedure resulting from incidents investigated; and
- Any time to reflect relevant changes in the legislation of the country.



## 9 APPROVAL

Signed on behalf of the Council

 \_\_\_\_\_ 10/06/2025  
Speaker Date

Council Resolution Number 7.2.05.2024/2025