

# HARRY GWALA DEVELOPMENT AGENCY (PTY) LTD

[REG. No: 2011/001221/07]

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## POLICY: WHISTLE BLOWING POLICY

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| <b>Administrative Responsibility:</b>              | Chief Executive Officer |
| <b>Implementing Department / Departmental Unit</b> | Internal Audit Unit     |

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## WHISTLE BLOWING POLICY

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### POLICY DOCUMENT CONTROL

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| CUSTODIAN          | Internal Audit Unit  |
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| Version | Author           | Date         | Revised Date |
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## 1. INTRODUCTION

- 1.1 Whilst a sound system of internal controls remains a primary means for the effective prevention and detection of fraud, a reporting channel, trusted by officials, councilors and external third parties alike, remains an important tool in the fight against fraud.
- 1.2 The Harry Development Agency recognizes that, by remaining silent about fraudulent practices and other malpractices affecting the Municipal Entity, an official, board members or member of the public concerned becomes part of a culture of fostering such improprieties which are detrimental to the legitimate interests of the Municipal Entity as well as to South African society in general.
- 1.3 The Harry Gwala Development Agency, as an employer, further recognizes its statutory obligation towards officials, as its employees, to protect such officials disclosing information defined in the Protected Disclosures Act 26 of 2000 as protected disclosures, including fraudulent activities in the workplace.
- 1.4 The Harry Gwala Development Agency expects all its board members and officials, as well as external stakeholders, such as suppliers, service providers, and partners, to disclose information regarding fraudulent practices affecting the Municipal Entity to the Municipal Entity, whether anonymously or otherwise.

## 2. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise:

- 2.1 “**disclosure**” means any reporting of information regarding any conduct of the employer, or an employee, made by any employee who has reason to believe that the information concerned shows or tends to show one or more of the following:

- 2.1.1 that a criminal offence has been committed, is being committed or is likely to be committed;

- 2.1.2 that a person has failed, is failing or is likely to fail to comply with any legal obligation to which that person is subject;
- 2.1.3 that a miscarriage of justice has occurred, is occurring or is likely to occur;
- 2.1.4 that the health and safety of an individual has been, is being or is likely to be endangered;
- 2.1.5 that the environment has been, is being or is likely to be damaged;
- 2.1.6 unfair discrimination as contemplated in the Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000;

or

- 2.1.7 that any matter referred to in sub-paragraphs 2.1.1 to 2.1.6, which are protected in terms of the Protected Disclosures Act 26 of 2000, has been or is likely to be deliberately concealed.

2.2 “**employees**” means officials of the Harry Gwala Development Agency.

2.3 “**employer**” means the Council of the Harry Gwala Development Agency, and the **Municipal Entity** has a corresponding meaning.

2.4 “**fraud**” means any practice that involves acts of deceit or dishonesty by which a benefit is obtained from the Municipal Entity, or where a benefit is obtained by virtue of one’s duties or functions within the Municipal Entity, and **fraudulent** has a corresponding meaning.

2.5 “**hotline**” means an anonymous reporting channel through which officials, board members and members of the public can report fraudulent and other irregular activities, free from victimization or repercussions.

2.6 “**whistle-blower**” means a person who informs on someone engaged in a fraudulent or other illegal activity.

### **3. LEGISLATIVE MANDATE IN RESPECT OF PROTECTED DISCLOSURES**

The Protected Disclosure Act provides for the protection of employees who make disclosures in accordance with the procedures provided in the Act, against any reprisals as a result of such disclosure.

### **4. PURPOSE**

The purpose of this Policy is to provide guiding principles in respect of:

4.1 The reporting of irregular or fraudulent activities by employees, councilors and members of the public by way of the hotline or otherwise.

4.2 The protection of employees making disclosures.

### **5. OBJECTIVES**

The objectives of this policy are to:

5.1 Promote zero tolerance on criminal and other irregular conduct within Harry Gwala Development Agency.

5.2 Encourage the reporting of matters that may cause financial or non-financial loss to the Municipal Entity or damage to the Municipal Entity's reputation.

5.3 Provide appropriate systems and mechanisms for reporting.

### **6. SCOPE**

This policy contains detailed procedures that need to be followed when the Board, Municipal Entity Staff Members, Services Providers and Members of the Public want to

raise and report serious concerns within the Municipal Entity on a confidential basis without fear of reprisals

This policy is not a grievance procedure document. There is an existing grievance procedure in place to enable employees to raise grievances relating to their employment. This whistle blowing policy will help to break the cycle of silence and inaction in order to minimize fraud and corruption in the municipal entity.

## **7. GUIDING PRINCIPLES**

7.1 Employees and board members have a responsibility to disclose and eradicate any irregular or fraudulent activity both in respect of the workplace but also in respect of the Municipal Entity's activities generally.

7.2 The employer shall take all reasonable steps to create an environment in which every employee may, without fear, make disclosures and ensure that employees who disclose such information are protected from reprisals as a result of such disclosures.

7.3 No employee shall be victimized, penalized or subjected to any disciplinary action, suspension, demotion, harassment or intimidation or any act constituting an occupational detriment as defined in the Protected Disclosures Act, on the grounds of making a disclosure, provided that such disclosure is made in good faith and the employee when making such disclosure, reasonably believes that the information disclosed, is true.

7.4 All disclosures made by an employee must be made to the Chief Executive Officer, who in turn, shall report on such disclosures to the Board.

7.5 The Municipal Entity shall ensure that a hotline is in place and operational at all times to act as conduit for the free flow of information from whistle-blowers to the Chief Executive Officer.

7.6 Wishes of whistle-blowers to remain anonymous shall be fully respected irrespective of whether such persons are board members, officials or external third parties, and the

identity of such persons shall not be revealed to any other person unless the operation of the law compels such disclosure.

7.7 To protect the integrity of the hotline and to demonstrate the Municipal Entity's commitment to ensuring the anonymity of whistle-blowers, the hotline shall be operated by a third-party service provider, independent of the Entity.

7.8 All reports made via the hotline shall be immediately communicated to the Chief Executive Officer and acted upon. In instances where reports concern the behavior of board members, such reports will be sent to the Mayor of the parent municipality.

## **8. PROTECTION OF WHISTLE BLOWERS**

Harry Gwala Development Agency is committed to good practice and high standards and wants to be supportive of employees and members of the public. The Municipal Entity recognizes that the decision to report a complaint can be a difficult one to make.

If what they are saying is true, they should have nothing to fear because they will be doing their duty to their employer and those for whom they are providing a service, or as a citizen.

**The policy contains a number of safeguards:**

8.1 The Entity will not tolerate any harassment or victimization (including informal pressures) and will take appropriate action to protect anyone who raises a concern in good faith.

8.2 The Entity will do its best to protect their identity if they raise a concern and do not want their name to be disclosed. However, it must be appreciated that the investigation process may reveal the source of information, and a statement may be required as part of the evidence.

8.3 No action will be taken against whistle blowers if allegations are made in good faith.

8.4 The Entity recognizes that employees or board members will be concerned about potential victimization, recrimination and even threats to their personal safety as a consequence of disclosing such fraudulent and/or corrupt activities. The Municipal Entity shall provide measures to protect the information and the identity of the person (when such protection is required)

8.5 However malicious and/or false allegations may result in disciplinary action and/or police investigation against the whistle blower.

## **9. ROLES AND RESPONSIBILITIES**

The Chief Executive Officer or his/her delegate assignee accepts overall responsibility for the implementation and monitoring of the policy.


## **10. COMMUNICIATION**

This Policy shall be communicated to all employees.

## **11. APPROVAL AND EFFECTIVE DATE OF THE POLICY**

This policy shall come into effect immediately upon approval by Board of the Harry Gwala Development Agency.

**APPROVED BY:**

| NAME                     | SIGNATURE   | DESIGNATION                       | DATE        |
|--------------------------|---|-----------------------------------|-------------|
| Mrs TT Thiyane<br>Magaqa |  | Acting Chief<br>Executive Officer | 22 May 2025 |