



CORPORATE GOVERNANCE POLICY

Policy:	Effective Date: 11 October 2007
Approved: 11 October 2007	Review Date: 11 October 2010

Notwithstanding the review date herein, this policy shall remain effective until such time approved otherwise by Council and may be reviewed on an earlier date if necessary.

1. SCOPE

This Policy shall apply to all employees of the FDDM, excluding Councillors, the Municipal Manager and Managers appointed in terms of section 57 of the Local Government: Municipal Systems Act 2000 as amended (Municipal Systems Act). The Policy must, where applicable, be read together with the Code of Conduct for Municipal Staff Members (Schedule 2 of the Systems Act), other national, provincial and local government legislation, applicable collective agreements and existing conditions of service.

2. OBJECTIVE

The objective of this policy is to provide a framework within which the FDDM (“the municipality”) will exercise its executive and legislative authority within the boundaries of the Constitution of the Republic of South Africa (“the Constitution”) and applicable municipal legislation.

3. PREAMBLE

- 3.1 The FDDM is an organ of state within the local sphere of government exercising legislative and executive authority within its demarcated area. It functions in accordance with the political, statutory and other relationships between its political structures, political office bearers and administration and its community.
- 3.2 The municipality must exercise its authority within the constitutional system of co-operative government envisaged in section 41 of the Constitution.
- 3.3 Apart from rights and duties derived from legislation, the municipality must observe and respect the rights of citizens and others protected by the Bill of Rights. The administration is governed by the democratic values and principles embodied in section 195(1) of the Constitution.
- 3.4 As a point of departure, the municipality has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution. Being a district municipality, the FDDM must seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole. These functions are listed in Chapter 5 of the Local Government: Municipal Structures Act, 1998, as amended, (“the Structures Act”) and in particular, section 84 thereof. Municipal Systems Act enhances these functions.
- 3.5 The management of financial affairs of municipalities is governed by the Local Government: Municipal Finance Management Act, 2003, (“the MFMA “) which, inter alia, imposes strict measures to ensure that the municipality is transparent, accountable and responsible in respect of its fiscal and financial affairs.
- 3.6 In order to achieve the objects of local government set out in sections 152 and 153 of the Constitution, a municipality must draft, submit, adopt and review an

integrated development plan which is in essence a single, inclusive and strategic plan for the development of the municipality. Chapter 5 of the Systems Act regulates the contents and process in respect of the drafting and implementation of this plan.

- 3.7 Mindful of the ever-changing priorities and circumstances, the municipality must, within its administrative and financial capacity, establish and organise its administration in such a manner that it would enable the municipality to comply with its task as set out in section 51 of the Systems Act.
- 3.8 The municipal manager is held accountable for the overall performance of the administration, including compliance with the MFMA. This is a huge task and responsibility. See part 2 of Chapter 7 of the Systems Act for details in this regard.
- 3.9 In order to maximize administrative and operational efficiency and provide for adequate checks and balances, a municipal council must develop a system of delegation in accordance with Part 3 of Chapter 7 of the Systems Act. It is, however, the duty of the municipal manager, to approve a staff establishment for the municipality, subject to the restrictions contained in section 66 of the Systems Act.
- 3.10 It is against this preamble that a Corporate Governance Policy is established.

4. ORGANOGRAM

- 4.1 Employees shall report to, receive and give instructions according to the line functions as it appears on any approved organogram of the FDDM.
- 4.2 In the absence of an approved organogram, employees shall follow the reporting lines of the applicable organogram in force at the time, even if it is a draft or interim organogram.

- 4.3 In the event of uncertainty or a dispute as to the applicability of an organogram, the municipal manager's decision will be final.

5. DELEGATIONS

- 5.1 The municipal manager may delegate appropriate powers in accordance with section 59 of the Structures Act.
- 5.2 Such delegation shall be in writing, may include the power to sub-delegate a delegated power and is subject to the restrictions contained in section 59 of the Structures Act.
- 5.3 The following powers may not be delegated to an employee:
- 5.3.1 Decisions to expropriate immovable property or rights in or to immovable property and
 - 5.3.2 The determination or alteration of the remuneration, benefits or other conditions of service of the municipal manager or managers directly responsible to the municipal manager.
 - 5.3.3 Decisions to make investments on behalf of the FDDM within a policy framework by the Minister of Finance.
- 5.4 An employee to whom a power has been delegated or sub-delegated may, or must if instructed to do so by the relevant delegating authority, refer a matter to the relevant delegating authority for a decision.
- 5.5 A person whose rights are affected by a decision of an employee in terms of a delegation or sub-delegation may appeal against that decision by following the procedure in section 62 of the Systems Act.

- 5.6 An employee with delegated or sub-delegated powers must report to the delegating authority at such intervals as the delegating authority may require in respect of decisions taken in terms of such delegated or sub-delegated power.
- 5.7 The withdrawal, amendment or lapsing of a delegation or sub-delegation does not invalidate anything done as a consequence of a decision taken in terms of that delegation or sub-delegation.

6. MEETINGS

- 6.1 Employees are expected to attend meetings convened by the municipal manager or other Line Managers and / or their delegated authority when instructed to do so.
- 6.2 Employees to whom other employees report in accordance with the organogram referred to above are expected to convene and chair meetings with their subordinates as and when required. Concise minutes of such meetings are to be taken and kept in the custody of the person chairing the meeting.
- 6.3 Employees are expected to prepare for meetings and to actively and constructively partake in discussions at meetings on relevant matters.

7. COMMITMENT TO SERVING THE PUBLIC INTEREST

An employee of the FDDM is a public servant in a developmental local system, and must accordingly:

- 7.1 strive to achieve the service delivery objects of local government;
- 7.2 foster a culture of commitment to serving the public,
- 7.3 promote and seek to implement the basic values and principles of public administration;
- 7.4 obtain copies of or information about the FDDM's integrated development plan, seek to implement the objectives set out therein and achieve the performance targets set for each key performance indicator, within the ambit of the employee's job description;
- 7.5 participate in the overall performance management system for the FDDM, as well as the employee's individual performance appraisal and reward system.

8. DISCIPLINE

Breaches of this Code shall be dealt with in terms of the disciplinary procedures of the FDDM, which includes any collective agreement on disciplinary matters and grievance procedures in force at the relevant time.

9. AUTHORITY

Formulation Policy	:	Director Corporate Services
Authorisation Policy	:	Council
Ownership & Maintenance Manager	:	Deputy Director: Corporate Services