LIMPOPO

PROVINCIAL GOVERNMENT

REPUBLIC OF SOUTH AFRICA

Department of

Social Development

CONSEQUENCE

MANAGEMENT FRAMEWORK

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1. OPENING STATEMENT

1.1. Section 38 of the PFMA, 1999 clarifies the general responsibilities of accounting officers. It requires the accounting officer for a department to ensure that that department has and maintains:-

a) effective, efficient, and transparent systems of financial and risk management and internal control;
b) a system of internal audit under the control and direction of an audit Committee complying with and operating in accordance with regulations and Instructions prescribed in terms of sections 76 and 77;
c) an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive, and cost-effective;
d) a system for properly evaluating all major capital projects prior to a final decision on the project;
e) is responsible for the effective, efficient, economical, and transparent use of the resources of the department, trading entity or constitutional institution;
f) must take effective and appropriate steps to:-
g) collect all money due to the department,
h) prevent unauthorized, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct; and
i) manage available working capital efficiently and economically;
j) is responsible for the management, including the safeguarding and the maintenance of the assets, and for the management of the liabilities, of the department,
k) must comply with any tax, levy, duty, pension and audit commitments as may be required by legislation;
l) must settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period;

m) on the discovery of any unauthorized, irregular or fruitless and wasteful expenditure must immediately report, in writing, particulars of the expenditure to the relevant treasury and in the case of irregular expenditure involving the procurement of goods or services, also to the relevant tender board;

n) must take effective and appropriate disciplinary steps against any official in the service of the department, who:-

o) Contravenes or fails to comply with a provision of this Act;

p) commits an act that undermines the financial management and internal Control system of the department, or

q) makes or permits an unauthorized expenditure, irregular expenditure or Fruitless and wasteful expenditure;

r) When transferring funds in terms of the annual Division of Revenue Act, must ensure that the provisions of that Act are complied with;

s) before transferring any funds (other than grants in terms of the annual Division of Revenue Act or to a constitutional institution) to an entity within or outside government, must obtain a written assurance from the entity that that entity implements effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems;

t) A defined, appropriate approach to address accountability and responsibility for, inter alia, non-compliance, financial misconduct, misconduct, and codes of conduct/ethical dilemmas, required formalisation in the department. While not designed to alter or add particular consequences to specific situations of non-compliance, this framework aims to formalise and consolidate the principles of consequence management which encompasses remedial and recourse measures.

2. OBJECTIVES OF THE FRAMEWORK

The objective of this framework is to:-

2.1. Provide guidelines to enable effective consequence management on matters relating to risks and opportunities identified and reported by the various assurance providers e.g. incidents of unauthorised, irregular and fruitless and wasteful expenditure; the possible abuse of the Supply Chain Management (SCM) system (including fraud, corruption and improper conduct); and allegations of financial misconduct and financial offense; and ensuring that these are appropriately dealt with;

2.2. Address non-compliance actions identified which could include, but is not limited to, the following:

a) Disregard or failure to implement preventative or corrective measures imposed to address risks;
b) Lack of willingness to comply with legal obligations;
c) Perpetrated or participated in negligent, deceitful or otherwise discreditable practices;
d) Seriously or persistently fail to execute assigned duties;
e) Non-compliance with internal policies, procedures, legislation and regulations;
f) Having acted dishonestly, with negligence, mismanaged responsibility, unprofessionally, unethically and in breach of department's policies;
g) Participation in illegal acts, including theft, violence, fraud and corruption;
h) Unethical, malicious or other improper conduct which may be in breach of the department's Code of Ethics and/or department's values, the Code of Conduct or in breach of the law generally;

i) Breach of administrative procedures, including the department's Delegation of Authority; or

j) Any other conduct that may cause financial or non-financial loss, or is otherwise detrimental, to the interests of the department. Hold management accountable for the execution of their delegated duties, functions and powers;

k) Provide management with direction when instituting recourse measures for established financial misconduct; and

l) Provide direction and guidance to govern the high-level phases of consequence management as well as key concepts and principles with regards to the treatment of issues (various incidents and red flags), risks and opportunities identified that could negatively impact the operations, reporting processes, and compliance to legislative frameworks applicable to the department.

3. EXPECTED OUTCOMES

3.1. In line with the various legislative frameworks promoting fundamental principles of effective and efficient utilisation of public resources and transparent and accountable financial management practices, the department is committed to implementing an effective consequence management system. The framework is designed to assist the department to:

3.2. Improve the department's internal control processes for reporting allegations of financial misconduct and financial offenses to ensure compliance to legislative and regulatory requirements;

3.3. Reduce risk exposure by ensuring all matters incurring unauthorised, irregular and fruitless and wasteful expenditure; the possible abuse of the SCM system (including fraud, corruption and improper conduct); and allegations of financial misconduct or financial offense are appropriately identified, investigated and reported on.

3.4. Provide for comprehensive tracking and follow-up of all remedial actions, including those stemming from issues (various incidents and red flags), risks and opportunities raised and reported by the various assurance providers;

3.5. Provide for improved and consolidated reporting to the various stakeholders and governance structures to assist with the effective monitoring of the department's consequence management system and desired governance and ethical conduct outcomes;

3.6. Take appropriate action in accordance with the law, including legal or criminal action, against any person that is found to have committed financial misconduct and financial offenses; and

3.7. Provide clarity with regard to the roles and responsibilities of various role players and stakeholders, encompassing responsibilities, accountability, consultation and information related to consequence management.

4. LEGISLATIVE FRAMEWORK

a) The framework is informed by the following legislation and regulations:
b) Constitution of the Republic of South Africa, 1996;
c) Public Service Act, 1994;

d) Public Service Regulations, 2016;
e) Public Finance Management Act, 1999;
f) Treasury Regulations; Instruction notes and guidelines
g) Preferential procurement policy framework Act, 2000 and preferential procurement regulations, 2017
h) Guideline on irregular expenditure
i) Fruitless and wasteful expenditure framework
j) Public Audit Amendment Act 5 of 2018
k) Labour Relations Act, 1995
l) PSCBC Resolution 1 of 2003
m) Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000);
n) Prevention and Combating of Corrupt Activities Act, 2004 (Act No.12 of 2004);
o) Departmental Delegations of Authority;
p) Departmental Policies and Standard Operating Procedures.

5. SCOPE OF APPLICATION

The framework applies to:-

5.1. All issues (various incidents and red flags), risks and opportunities identified that could negatively impact the department operations, reporting and compliance to legislation;

5.2. All remedial actions to be taken to curtail the impact and prevent reoccurrence; and;

5.3. Every effort must be made by line management to have business processes documented. Line management supervision is to ensure adherence and where the duties and functions are amiss, appropriate remedial and corrective action is to follow to respectively curtail the impact and prevent re-occurrence.

6. ROLES AND RESPONSIBILITIES FOR THE CONSEQUENCE MANAGEMENT CHAIN

Role player	Functions and Responsibility	Relevant instruments	Dependencies
Executive Authority	Members of the Executive Council of a province are accountable collectively and individually to the legislature for the exercise of their powers and the performance of their functions. Executive authorities of departments must perform their statutory functions within the limits of the funds authorized for the relevant vote The executive authority responsible for a department must table in the provincial legislature, the findings of a disciplinary board, and any sanctions imposed by such a board, which heard a case of financial misconduct against an accounting officer	Sec 133, Constitution, 1996 PFMA , Sec 63 (1) (a) PFMA , Sec 81	Reports from the Accounting officer and oversight Bodies
Accounting Officer	Must take effective and appropriate disciplinary steps against any official in the service of the department If an official is alleged to have committed financial misconduct, the accounting officer of the institution must ensure that disciplinary proceedings are carried out in accordance with the relevant prescripts.	PFMA, Sec 38(h) Sec 81-85	Reports from Governance and accountability Structures

Role player	Functions and Responsibility	Relevant instruments	Dependencies
	When an accounting officer determines the appropriateness of disciplinary steps against an official in terms of section 38(1)(g) of the Act, the accounting officer must take into account – *(a) the circumstances of the transgression;* *(b) the extent of the expenditure involved; and* *(c) the nature and seriousness of the transgression.* A charge of financial misconduct against an accounting officer must be investigated, heard and disposed of in terms of the statutory or other conditions of appointment or employment applicable to that accounting officer	Treasury Regulations 4.1.1 Treasury Regulations 9.1.3	
Chief Risk officer	To investigate the allegations and make appropriate recommendations to the Accounting Officer	Departmental Whistle blowing, Anti-Fraud and Corruption Policies	Direct and indirect reported cases
Senior Legal Admin officer	To provide sound legal advice to the executive authority and Accounting officer on any legal matter	Various prescripts	Evidence of the investigation reports and

Role player	Functions and Responsibility	Relevant instruments	Dependencies
			informal reports
Deputy Director: labour Relations	To advise the employer on the process to follow either progressive or subject the employee before a formal disciplinary inquiry	Resolution 1 of 2003 : disciplinary code and procedure for the public service	Evidence provided by the employer
Chief Financial Officer	Must take effective and appropriate steps to prevent, within that official's area of responsibility, any unauthorized expenditure, irregular expenditure and fruitless and wasteful expenditure and any under collection of revenue due;	PFMA,Sec 45 (c)	Reports from internal control and SCM Compliance units
Chief Directors District Directors Other officials	An official in a department (a) must ensure that the system of financial management and internal control established for that department, is carried out within the area of responsibility of that official; (b) is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility; (c) must take effective and appropriate steps to prevent, within that official's area of	PFMA, Sec 45 Public Service Act 1994 , Regulation 2016 & DPSA Directives Departmental policies	Financial & Performance information Reports Investigation Reports PMDS assessment Reports

Role player	Functions and Responsibility	Relevant instruments	Dependencies
	responsibility, any unauthorized expenditure, irregular expenditure and fruitless and wasteful expenditure and any under collection of revenue due; (e) is responsible for the management, including the safeguarding of the assets and the management of the liabilities within that official's area of responsibility	PMDS Policy	Reports from Governance and accountability Structures

7. CONSEQUENCE MANAGEMENT DIRECTIVES

7.1. PRINCIPLES FOR EFFECTIVE CONSEQUENCE MANAGEMENT

7.1.1. The department must create an environment and culture that promotes ethical, transparent, effective and efficient public administration that conforms to Constitutional accountability principles.

7.1.2. It is envisaged that through the development and implementation of this framework, the relevant stakeholders and role-players will be provided with sufficient guidance and direction to enable them to provide effective oversight with regards to consequence management and related outcomes.

7.1.3. In order to effectively ensure objective and fairness of the implementation of the consequence management, it is important to begin by setting clear expectations between the two parties, i.e, supervisor and supervisee.

7.1.4. This should be done by formalising the expectations required and by ensuring the clear goals and objectives are set, discussed and agreed upon.

7.1.5. Seek information about your team member's performance on the expectation that has been agreed upon.

7.1.6. Take time to watch your team member working on the goal or task.

7.1.7. Create feedback channels so that the team member's key internal and/or external customers can provide you with their perceptions about the goal or task delivery (or progress).

7.1.8. Gather and review these data points so you will be confident of the team member's performance on that expectation.

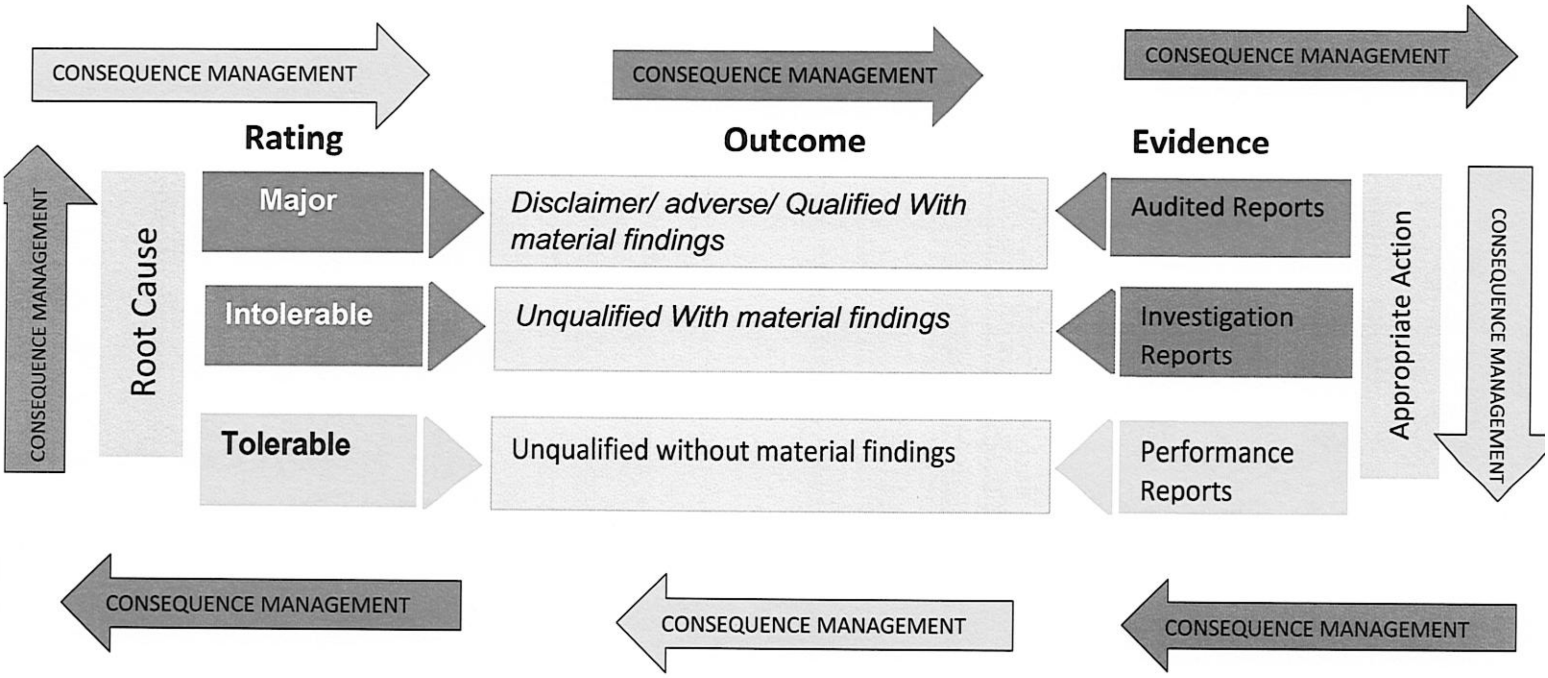
7.1.9. Apply the appropriate consequences. If employees are doing what they are committed to do, praise, encourage and reward the team member.

7.1.10. If they are not doing what they are committed to doing, engage them in a conversation to understand why progress has not been made.

7.1.11. If you learn that it is an ability problem (i.e. circumstances have gotten in the way of their performance on this goal or task or they do not have the skills to complete the task), you may have to renegotiate the deadline, provide training,

7.1.12. If you learn it is a motivation problem, coaching, redirection, or even a reprimand will help them learn that you're watching and you require they deliver on their commitment.

7.2. CONSEQUENCE MANAGEMENT MODEL



7.3. STAGES AND STRATEGIES TO DEAL WITH CONSEQUENCE MANAGEMENT

7.3.1. Stage A: Emerging / Early Warning

a. This phase focuses on the identification and implementation of remedial actions to be taken to curtail and prevent the issue, risk or opportunity from reoccurring.

b. Remedial actions need to ensure control improvements to the department's systems and processes and personnel behaviour and conduct.

c. These actions need to be assigned to responsible officials, with specific deliverables and timeframes to ensure timeous implementation and impact reduction.

STRATEGY	RESPONSIBILITY	MECHANISMS	TIMESCALE	APPROPRIATE ACTION
• Observe , • detect , • analyze and, • remedy the situation to avoid / prevent unwanted expenditure	Immediate Supervisor and Supervisee	• *Monthly progress Reports* • *PMDS Assessments*	• *Monthly* • *Quarterly & Annually*	• *Counselling* • *Skilling* • *Verbal warning* • *Written warning* • *Final written warning*

7.3.2. Stage B: Internal control deficiencies

a. Internal control refers to procedures or practices within the department to ensure the achievement of the targets set in the strategic plan, uses resources economically and that the information in support of management decisions is reliable.

b. A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

STRATEGY	RESPONSIBILITY	MECHANISMS	TIMESCALE	APPROPRIATE ACTION
• Monitor, Review and Strengthen Internal control Systems to avoid / prevent	• Audit Committee, • Risk Committee • Internal Audit, • Chief Financial Officer,	• Accounting officer`s report, • Audit Report, • Audit Action Plan	• Quarterly	• Investigate, • Disciplinary action, • Recovery, • Condone, • Write off

STRATEGY	RESPONSIBILITY	MECHANISMS	TIMESCALE	APPROPRIATE ACTION
unwanted expenditure.				

7.3.3. Stage C: Negative Audit Opinion and recurrence

a. A negative Report occurs if the auditor-general is of the opinion that the financial statement does not show the true and fair view of the state of affairs of the business, he shall give an adverse or Negative Report.

STRATEGY	RESPONSIBILITY	MECHANISMS	TIMESCALE	APPROPRIATE ACTION
• Oversight on the implementation of audit action Plan and clean audit strategy	• Auditor General South Africa, • Internal Audit, • Executive Authority, • Portfolio Committee SCOPA	• Request For Information / Communication of audit findings, • Accounting Officer Reports, • Summons to appear or submit written responses to questions raised by the portfolio committee	• Quarterly • Annually	• Demotion • Transfer • Suspension with/without pay • Forfeit benefits • Dismissal

7.4. CONSEQUENCE MANAGEMENT PLANNING MATRIX

a. A consequence management planning matrix is used to guide the management of potential risk resulting in the occurrence of unwanted expenditure.

Type of unwanted expenditure	Potential Root Causes	Internal control measures	Responsibility	Timescale
Irregular expenditure	• Non Compliance PFMA and other legislative framework,	• Develop and train officials on standard operating procedures,	• Line Management,	Quarterly
		• Train and support SCM practitioners and Bid committee members,	• SCM	Annually
		• Update SCM procedure manual,	• SCM & compliance unit,	Quarterly
		• Conduct SCM compliance visits & Support,		Annually
		• Review Bid committee appointments,	• Accounting Officer	Annually
		• Delegation (Threshold)	• Accounting Officer,	Annually

Type of unwanted expenditure	Potential Root Causes	Internal control measures	Responsibility	Timescale
		• Segregation of Duties, • Full implementation of logis	• Director SCM/ CFO, • SCM officials	Monthly
Fruitless & Wasteful expenditure	• Expenditure incurred due to negligence, • Interest on an overdue account, • Penalties paid.	• Annual procurement plan, • Supply Chain delegations, • Financial delegations, • Fraud prevention plan, • Compliance to the legislative framework, • SCM policy, • SCM SOP	Chief Financial Officer and Director: Financial accounting.	Within 30 Days of receipt of invoices
	• Non compliance to PFMA, Treasury Regulation Rans PPPFA • Purchases exceeding threshold amounts, • Procurements done without inviting competitive bids,		All officials	Daily

Type of unwanted expenditure	Potential Root Causes	Internal control measures	Responsibility	Timescale
	• Non-compliance to delegated authority, • Non-compliance to other departmental policies and procedures,			
Unauthorised Expenditure	• Overspending on the allocated budget mainly CoE, Capex, and transfers and any other which may be defrayed from other economic classification	• Utilise in year monitoring reports	Programme Managers	Monthly Quarterly Annually
Under performance on predetermined objectives	• Resource constraints	• Proper alignment of target with available resources	All Officials	Annually

7.5. RECOVERY OF LOSSES AND DAMAGES

a. Losses or damages suffered by an institution because of an act committed or omitted by an official must be recovered from such an official if that official is liable in law.

b. The accounting officer must determine the amount of the loss or damage and, in writing, request that the official pay the amount within 30 days or in reasonable installments. If the official fails to comply with the request, the matter must be handed to the State Attorney for the recovery of the loss or damage.

c. If in doubt, the accounting officer of the institution must consult the State Attorney on questions of law in the implementation of paragraphs

7.6. WRITING OFF OF DEBTS OWING TO THE STATE

7.6.1. An accounting officer may only write off debt if he or she is satisfied that –

a) all reasonable steps have been taken to recover the debt, in accordance with a policy determined by the accounting officer, and he or she is convinced that recovery of the debt would be uneconomical;
b) recovery would cause undue hardship to the debtor or his or her dependents; or

it would be to the advantage of the state to effect a settlement of its claim or to waive the claim.

7.6.2. All debts written off must be disclosed in the annual financial statements, indicating the policy in terms of which the debt was written off.

7.7. OVERSIGHT BODIES FOR CONSEQUENCE MANAGEMENT

The following are the key oversight bodies and their responsibilities in ensuring consequence management.

7.7.1. Provincial Treasury

a) The Provincial Treasury may investigate any system of financial management and internal control applied by a provincial department.
b) If an accounting officer is alleged to have committed financial misconduct, the relevant treasury, as soon as it becomes aware of the alleged misconduct, must ensure that the relevant executive authority initiates appropriate disciplinary proceedings against the accounting officer.

c) A relevant treasury may –

   i. direct that an official other than an employee of the institution conducts the investigation; or
   ii. issue any reasonable requirement regarding the way in which the investigation should be performed.

7.7.2. Audit Committee

a) An audit committee must report and make recommendations to the accounting officer, but the accounting officer retains responsibility for implementing such recommendations.
b) Should a report to an audit committee, whether from the internal audit unit or any other source, implicate the accounting officer in fraud, corruption or gross negligence, the chairperson of the audit committee must promptly report this to the relevant executive authority.
c) An audit committee may communicate any concerns it deems necessary to the executive authority, the relevant treasury and the Auditor-General.

7.7.3. Risk Management Committee

a) The Risk Management Committee is appointed by the Accounting Officer / Authority to assist them to discharge their responsibilities for risk management.

7.7.4. Public Service Commission

a) The powers and functions of the Commission are –

i) to investigate and evaluate the application of personnel and public administration practices, and to report to the relevant executive authority and legislature;

ii) to investigate grievances of employees in the public service concerning official acts or omissions, and recommend appropriate remedies;

iii) to monitor and investigate adherence to applicable procedures in the public service; and

iv) to advise provincial organs of state regarding personnel practices in the public service, including those relating to the recruitment, appointment, transfer, discharge and other aspects of the careers of employees in the public service.

7.7.5. Provincial Legislature

a) The legislative authority of a province is vested in its provincial legislature. A provincial legislature must provide for mechanisms-

i) to ensure that all provincial executive organs of state in the province are accountable to it; and

ii) to maintain oversight of- (i) the exercise of provincial executive authority in the province, including the implementation of legislation; and (ii) any provincial organ of state.

b) Provincial legislature or any of its committees may-

i) summon any person to appear before it to give evidence on oath or affirmation, or to produce documents;

ii) require any person or provincial institution to report to it; (c) compel, in terms of provincial legislation or the rules and orders, any person or institution to comply with a summons or requirement in terms of paragraph (a) or (b); and

iii) receive petitions, representations or submissions from any interested persons or institutions.

7.8. CONSEQUENCE MANAGEMENT INSTITUTIONAL ARRANGEMENT

7.8.1. Establishment of financial misconduct board (FMB) loss control function

a) A Financial Misconduct Board (FMB) is a Committee established to give effect to the provisions of Section 38 (1)(h) and 51(e) of the Public Financial Management Act 1999, as amended by Act 29 of 1999 (Act no.1 of 1999), and paragraphs 4 and 33 of the Treasury Regulations.

7.8.2. Purpose and accountability

a) Sections 38 (1) and 51(1) of the Public Finance Management Act (PFMA) (Act 1 of 1999) outline the responsibilities of accounting officers and accounting authorities respectively in overseeing the operations of their institutions, which inter alia includes but not limited to taking effective and appropriate steps to prevent unauthorized, irregular, fruitless and wasteful expenditures, safeguarding and maintenance of assets, establishing or maintenance of procurement systems which are fair, equitable, transparent, competitive and cost-effective, settle all contractual obligations and pay all money owing including intergovernmental claims within the prescribed or agreed period, manage working capital efficiently and economically. The FMB is accountable to the Accounting Officer or Accounting Authority.

7.8.3. Responsibilities of the FMB

a) The overall responsibility of the FMB shall be to review the facts behind all reported incidents of financial misconduct and losses suffered by the institution and, make recommendations to the Accounting Officer/Accounting Authority regarding action to be taken.

b) The terms of reference of the FMB in fulfilling the above mandate shall be the following:

c) To consider all cases of possible financial misconduct, which may result in irregular, fruitless and wasteful expenditure, or losses.

d) To determine the circumstances, extent, nature and effect of the alleged financial misconduct.

e) To make recommendations to the Accounting Officer/Accounting Authority regarding the appropriate action that should be taken against the responsible official/s.

f) To make recommendations to the Accounting Officer/Accounting Authority regarding the appropriate control processes to be implemented to avoid future recurrence of the identified financial misconduct.

g) To co-operate by responding to all requests for information by oversight structures (e.g. Audit Committee, Auditor-General of South Africa [AGSA], the Legislature and its committees or the Provincial Treasury) in relation to the work of the FMB.

h) The members of the FMB are expected to act with honesty, fairness and objectivity when dealing with matters referred to the FMB.

i) Contents of cases dealt with should be handled with a strict measure of confidentiality at all times.

7.8.4. Membership of the FMB

a) The FMB should be chaired by a member of top management so designated by the Accounting Officer/Accounting Authority, and the membership should be made up of members of senior management with the right skills and competencies to make a positive contribution and add value to processes. The same principles will apply to FMB at district offices.

b) Office of the Chief Financial Officer should be represented in all meetings of the FMB as most matters to be dealt with by the FMB revolve around financial management (tangible assets and unwanted expenditures) issues
c) The members of the FMB at head office and district offices should be appointed in writing by the Accounting Officer/Accounting Authority.
d) The term of office of FMB members shall be thirty-six (36) months.
e) The overall responsibility of the FMB shall be to review the facts behind all reported incidents of financial misconduct and losses suffered by the institution and, make recommendations to the Accounting Officer/Accounting Authority regarding action to be taken.
f) The following units must not be part of the FMB due to the nature of their work: Risk Management (Fraud and corruption), Labour Relations, Legal services, financial regulatory and compliance, monitoring and evaluation.

7.8.5. Criteria for deciding on cases of financial misconduct by the FMB

a) The FMB must treat all cases in a fair and equitable manner irrespective of who the alleged transgressor is.
b) The FMB reviews the information relating to the alleged act of misconduct, and determine the wrongful act that has been committed focusing on the following:
c) The existence of the loss or damage (which should also extend to the assessment and establishment of the nature of the loss or damage);
d) The act committed or omitted by an official; and
e) Whether the official is liable in law for payment of the loss or damages caused.
f) Determine whether the act committed or omitted was deliberate or the official was negligent or reckless or if the incident was foreseeable and could have been avoided.
g) Evaluate the written information presented by the official.
h) Based on the information provided, and other corroborating evidence, the FMB must make a recommendation to the Accounting Officer/Accounting Authority in

respect of the appropriate sanction/s to be instituted against the responsible officials.

i) Prior to submission of the recommendations of the FMB to the Accounting Officer, the secretariat should notify the affected officials about the outcome off the case/s in writing, and give them seven (7) working days by which to comment by way of representation to the effect of the recommendation made by the FMB should they wish to do so.

j) The representation sited in paragraph above, should be made in writing.

k) If within the above seven days period, the secretariat receives a request from the affected official who wishes to dispute or make a representation with regards to the recommendations of the FMB, the secretariat should inform the FMB of the representation made and pass both the recommendation of the FMB and representation to the Accounting Officer/Accounting Authority for a decision.

l) The Accounting Officer/Accounting Authority on receipt of both the recommendation of the FMB and representation by the affected official if any can uphold the recommendation of the FMB or review the recommendation or refer the matter back to the FMB for further deliberation based on the representation made.

m) Within seven days after the FMB had made its recommendation after considering the representation by the official, the secretariat must submit the recommendations of the FMB to the Accounting Officer/Accounting Authority for review and approval.

n) Once the recommendations have been approved, the secretariat must ensure that the relevant office responsible for implementing the decision is informed.

o) The secretariat should report progress of implementing the decisions of FMB at all meetings of FMB.

7.8.6. Meetings of the FMB

a) The FMB shall meet at least once per quarter to discuss cases and other relevant matters.

b) The quorum for each meeting shall be 50% + 1 member of FMB.

c) Attendance of meetings by members is compulsory. The absence of a member (for whatever reason) must be reported by way of a written apology forwarded to the Chairperson through the Secretariat in advance. The FMB may invite any person to a meeting for purposes of deliberating on a particular issue.

7.8.7. Reporting

a) The reports of the FMB should be submitted to the Executive meeting of the institution quarterly. The work of FMB should be reported quarterly to the Audit Committee through the Accounting Officer.

b) All districts FMB should submit monthly reports to Head Office for review and consolidation purposes. Submission of the reports of the FMB to any third party and for any purpose shall be distributed by the Information Officer through Promotion of Access to Information Act (PAIA) processes.

8. RISKS ASSOCIATED WITH CONSEQUENCE MANAGEMENT

Risk	Root cause	Mitigation	Risk owner
Litigation in respect of limitation of action in terms Section 39 of the public Service act ,1994 as amended	Delay in instituting the necessary consequence management within the prescribed period	All alleged transgression must be handled timeously and promptly in line with the relevant legal prescripts	Accounting officer
Massive resignation of employees occupying strategic positions	Avoiding or escaping potential consequence management actions		

Risk	Root cause	Mitigation	Risk owner
Employees turning down an internal assignment on sensitive responsibilities in SCM, Finance, Human resource. Assets, Bid Committees and other governance structures	Fear of unknown, Job insecurity and uncertainties	Consequence management must be implemented cautiously, consistently, fairly and lawfully	

9. COMMENCEMENT

The framework will be implemented upon approval

10. REVIEW

This framework will be reviewed bi-annually or when it is necessary.

APPROVAL

RECOMMENDED / ~~NOT RECOMMENDED~~:

23/04/2021

Mr JM Mahopo **Date**

HOD: Social Development

APPROVED / NOT APPROVED

29/04/2021

Mme. Nkakareng Rakgoale **Date**

MEC for Social Development