

NORTHERN CAPE EDUCATION DEPARTMENT

Subject : FRAUD PREVENTION POLICY
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Responsible Unit : Supply Chain

1. PREAMBLE

The Northern Cape Education Department has recognized the need to support and foster a culture of intolerance to fraud, corruption, theft and any form of maladministration, which may hamper the realization of its strategic goals. It is therefore imperative to adopt a policy that will reinforce the existing national and provincial prescripts aimed at preventing and eradicating fraud, corruption, theft and maladministration.

2. LEGISLATIVE MANDATE

The Department is guided by the following pieces of legislation and resolutions in this regard:

- Public Finance Management Act, 1999
- Treasury Regulations, 1999, as amended
- Public Service Act, 1994
- Public Service Regulations
- Protected Disclosures Act, 2000
- The Code of Conduct for the Public Service
- National Anti-Corruption Strategies and Initiatives as adopted from time to time

3. SCOPE OF APPLICATION

This policy is applicable to all employees of the Department and covers all actions and/or omissions that may be regarded as fraud, corruption and maladministration, which include but not limited to the following:

- Any dishonest, corrupt or fraudulent action
- Misappropriation of funds, supplies and assets
- Financial misconduct in the handling of state revenue and/or any other asset
- Unauthorised acceptance, request or offering of anything of material value to or from service providers who are engaged by the Department
- Deliberate refusal or omission to report or act upon reports of any such dishonest and fraudulent activities
- Forgery or any unauthorised alteration of any official record.
- Authorising or receiving payment for expenses not accrued or documented.
- Irregularly accepting or requesting anything of value from contractors, suppliers, service providers or other persons providing services to the Department.
- Using insider knowledge to derive unauthorised benefit.
- Unauthorised disclosure confidential official information to outside parties.
- Irregularly offering or giving anything of value to contractors, suppliers, service providers or other persons providing services to the Department.
- Unauthorised destruction, removal or abuse of Departmental records, furniture or equipment.
- Any act of financial misconduct contemplated in the Public Finance Management Act.
- Any similar or related irregularity

4. OBJECTIVES

It is intended by this policy to ensure that timely and appropriate action is taken by all supervisors, line managers, programme managers and executive managers to:

- prevent losses of state revenue and any other assets as a result of corruption, fraud and maladministration;
- eliminate occurrences of corruption, fraud and maladministration by taking appropriate action immediately upon realizing same;
- identify the culprits and ensure maximum success in any disciplinary or criminal prosecution which the Department may institute;
- minimize negative publicity which the Department may be exposed to as a result of corruption, fraud and maladministration.
- actively support and participate in all anti-corruption initiatives with all stakeholders.

5. REPORTING SUSPECTED CORRUPTION, FRAUD OR MALADMINISTRTION

- 5.1. Each employee and/or member of the public has the responsibility to report any suspected act of corruption, fraud and maladministration.
- 5.2. Employees should always be encouraged to report allegations which are false and made with malicious intentions.
- 5.3. All suspected acts of corruption, fraud or maladministration shall be reported in the following manner:
 - 5.3.1. By members of the Department
 - (a) Immediate Supervisor
 - (b) Line manager in the Directorate
 - (c) Director
 - (d) Chief Director
 - (e) Head of Department

- (f) Office of the MEC
- (g) Internal Control Unit

5.3.2. By members of the public

- (h) Office of the Auditor-General
- (i) Office of the Public Protector
- (j) Provincial Internal Audit Unit
- (k) Office of the Head of Department
- (l) Office of the MEC
- (m) Office of the Provincial Public Service Commission

6. INVESTIGATIONS

- 6.1. The Security and Records Management Unit shall take the lead in the investigation of all internally reported cases of corruption, fraud and maladministration.
- 6.2. The investigations shall be done in accordance with all processes contained in the Public Service Act, 1994, its Regulations, the Employment of Educators Act, 1998 the Code of Conduct for the Public Service, all relevant collective agreements, the relevant Chapter of the SMS Handbook, 2003 and all other applicable and relevant laws and processes.
- 6.3. During the investigation, the Unit shall, depending on the nature and extent of the allegation, liaise with other stakeholders like the Internal Audit Unit, Labour Relations and the South African Police Service.

7. PROTECTION OF WHISTLE BLOWERS

- 7.1. The Department shall ensure that all officials and individuals who report suspected acts of corruption, fraud and maladministration remain protected in accordance with the provisions of the Protected Disclosures Act, 2000
- 7.2. Supervisors shall keep all information provided to them confidential at all times until the finalization of the investigations.

8. PREVENTION AND DETECTION MEASURES

- 8.1. The report of the investigations shall be made available to the relevant Directorate which must in turn take all necessary steps to review and improve the effectiveness of the controls that have been breached to prevent future incidents.
- 8.2. The intended review and improvement steps shall be communicated to the Internal Control Unit for review.

9. DATE OF APPLICATION

This policy shall become effective on the date of signature by the Head of Department.



HEAD OF DEPARTMENT

DATE: 12. 2. 2008