

GAUTENG PROVINCE
HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF HUMAN SETTLEMENTS
FRAUD PREVENTION & ETHICS IMPLEMENTATION PLAN

THREE YEAR

Period:

2016/2017 – 2018/2019

SECTION I

1.1 THE PURPOSE

1.2 The purpose of this plan is to make sure that the fraud prevention plan is fully implemented within the department. Most importantly to make sure that the department focuses on improving:

- Ethical conduct at all levels within the Department;
- Prevention (proactive measure) of fraud, corruption and unethical conduct;
- Combating fraud, corruption and unethical conduct;
- Investigation of allegations of fraud and corruption
- Accounting Officer, Audit Committee, Risk Management Committee and Ethics Committee oversight and monitoring of the implementation of this plan; and
- Transparency an accountability

SECTION II: COMPONENTS OF THE PLAN

2.1 In terms of the PFMA, the responsibilities of the Accounting Officer include the implementation of a fraud prevention plan. The challenge, however, is to ensure that the plan is implemented effectively to mitigate the fraud and corruption risks and to deter any possible acts of fraud and corruption.

2.2 The main principles of the Plan are the following:

- a) Creating a culture which is intolerant to fraud and corruption;
- b) Deterrence of fraud and corruption;
- c) Preventing fraud and corruption which cannot be deterred;
- d) Detection of fraud and corruption;
- e) Investigating detected fraud and corruption;
- f) Taking appropriate action against fraudsters and corrupt individuals, e.g. prosecution, disciplinary action, etc; and
- g) Applying sanctions, which include redress in respect of financial losses.

2.3 The objectives of the Plan could be summarised as follows:

- a) Developing a culture of ethical behavior and instilling zero-tolerance to fraud and corruption;
- b) Sending a clear message to all employees of the Department and members of the public who interact with the Department that the Department is committed to fighting fraud and corruption;

- c) Improving accountability, efficiency and effective administration within the Department and to deal decisively with acts of fraud and corruption;
- d) Improving the application of systems, policies, procedures and regulations;
- e) Changing aspects of the Department which could facilitate fraud and corruption and allow these to go unnoticed or unreported; and
- f) Encouraging all employees and other stakeholders to strive towards the prevention and detection of fraud and corruption impacting or having the potential to impact the Department.

2.4 The above is not intended to detract from the premise that all the components are equally essential for the successful realisation of the Plan.

2.5 The components of the Plan for the Department are the following:

PROACTIVE MEASURES:

The proactive measures can be identified as follows:

- (a) Ethics: Code of Conduct for the Public Service;
- (b) Department's systems, policies, procedures, rules and regulations;
- (c) Disciplinary Code and Procedures;
- (d) Internal controls;

- (e) Physical and information security management;
- (f) Education and awareness on ethics, fraud and corruption

REACTIVE MEASURES:

The reactive measures can be identified as follows:

- (a) Internal Audit;
- (b) Ongoing risk assessment and management, which includes systems for fraud and corruption detection;
- (c) Reporting and monitoring of allegations of fraud and corruption;
- (d) Creating awareness amongst employees, the public and other stakeholders (service providers, communities) through communication and education relating to relevant components of the Plan, the Code and the Fraud Policy; and
- (e) Ongoing maintenance and review of the Plan to ensure effective project-management of its further implementation and maintenance.
- (f) Investigation of all alleged acts of fraud and corruption that are detected and those reported to the department.

Ongoing Risk Assessment & Management

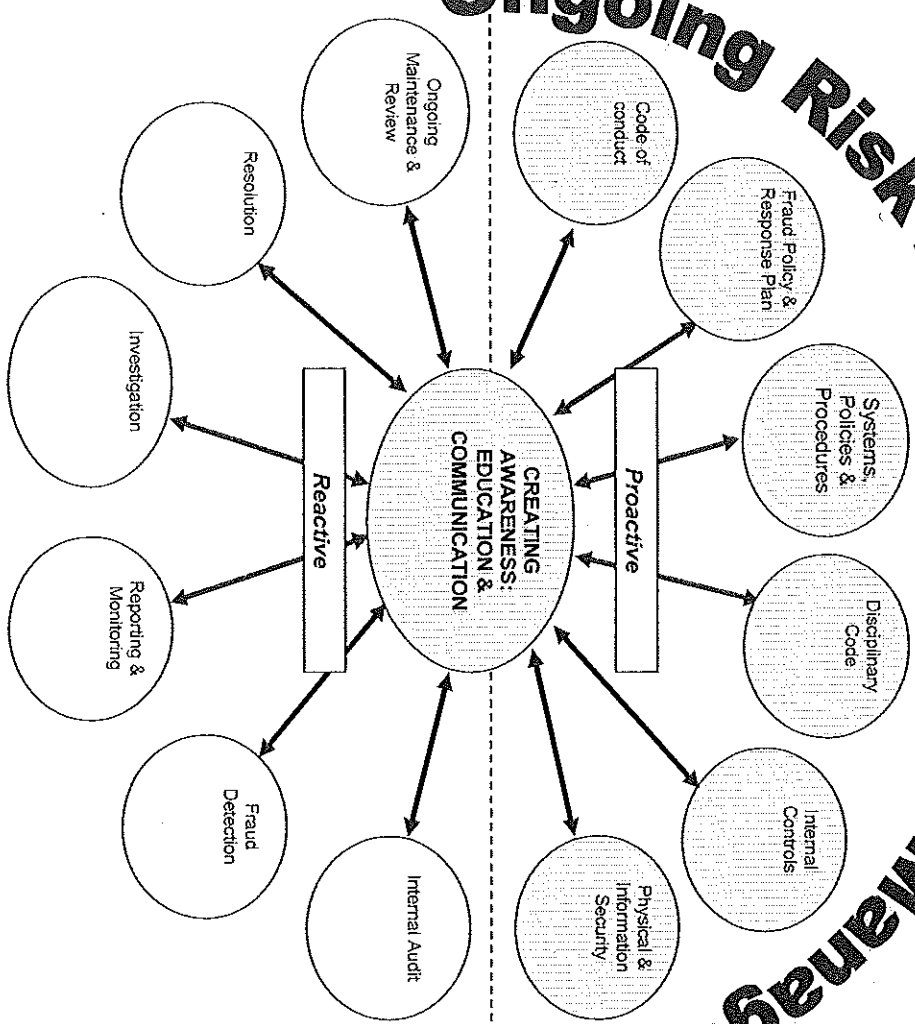
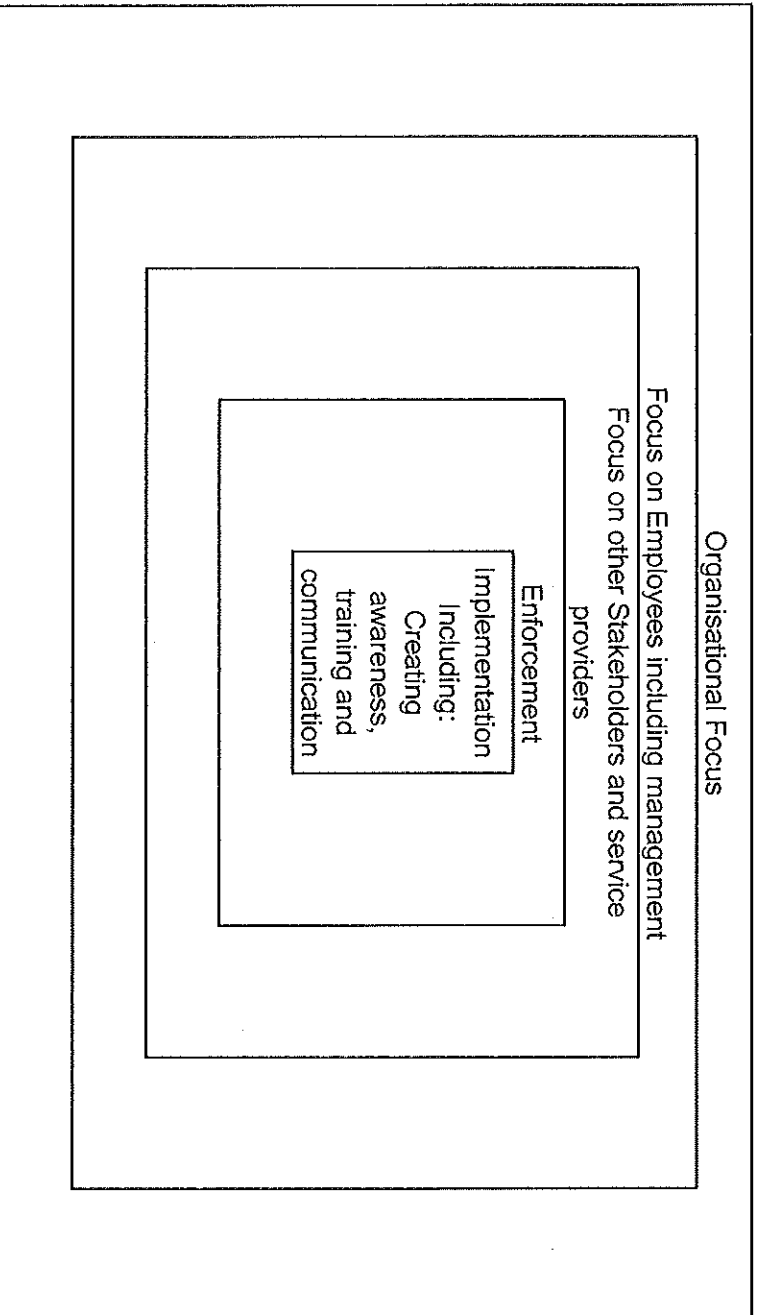


ILLUSTRATION OF THE PLAN IS CONTAINED IN THE FIGURE ABOVE

SECTION III: APPROACH TO FRAUD PREVENTION

The approach to fraud prevention in the Department can be illustrated as follows:



SECTION IV: THE ANTI FRAUD, CORRUPTION AND ETHICS IMPLEMENTATION PLAN

ITEM	RESOLUTION	IDENTIFIED DEPARTMENTAL PROJECTS	DEPARTMENTAL STATUS	PLANNED ACTIVITIES
A	<i>Ethics, Awareness and Prevention/Code of conduct for public sector Employees</i>			
A1	To promote leadership in department that is committed to the creation of a culture of integrity and to restore confidence in the fight against fraud and corruption.	<ul style="list-style-type: none"> • Promotion of Batho Pele principles, values, initiatives and their relationship with integrity during the Public Service Month, September 2016. • Conduct education and awareness workshops and campaign on fraud, corruption and ethics management to Management. • Ethical leadership training conducted for MMS and Assistant Directors. 	<ul style="list-style-type: none"> • Batho Pele principles and values have been adopted by the Department • Employees are trained periodically on the Batho Pele principles and values. • Education and awareness project plan for 2016/2017 approved by the Acting HOD during the 1st quarter. • SMS Induction workshop conducted during the 1st quarter. 	<ul style="list-style-type: none"> • Ongoing training of employees on Batho Pele principles and values • 10 Education and awareness workshops to be conducted during 2016/2017. • 4 awareness campaigns planned to be conducted during 2016/2017. • Ethical leadership training budgeted for in the Department's procurement plan.

A2	To foster a greater culture of transparency and accountability in department.	<ul style="list-style-type: none"> • Improve usefulness and reliability of information in the annual performance report. 	<ul style="list-style-type: none"> • Inadequate systems to collect, collate, verify and store performance information to valid accurate and complete reporting of actual achievements was implemented. 	<ul style="list-style-type: none"> • The Department is working on improving the document management processes within the PIM/R unit for proper record management and tracking. A G-Drive has been created for the storage and efficient management and archiving of Departmental reports. A G-Drive has been created for the storage and efficient management and archiving of Departmental reports. Performance information not accompanied by POE will no longer be reported
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<p>A3</p> <p>To encourage whistle blowing and reporting in department and strengthen measures to protect all persons from victimisation where they expose corrupt and unethical practices.</p>	<ul style="list-style-type: none"> • Whistle blowing policy • Education and awareness workshops to raise awareness on how to blow the whistle on fraud, corruption and unethical conduct. 	<ul style="list-style-type: none"> • Whistle blowing policy in place but under review to incorporate new MPAT 1.6 Standards. • Whistle blowing form part of current education and awareness activities. 	<ul style="list-style-type: none"> • Review and approval of the Whistle blowing policy to be finalized by end of 2nd quarter. • To promote the whistle blowing mechanisms, National Anti-Corruption Hotline and Department's AFCU.
<p>A4</p> <p>Ethics training must form a critical point of the ethics and awareness programme of all business units.</p>	<ul style="list-style-type: none"> • Ethical leadership training conducted for MMS and Assistant Directors. 	<ul style="list-style-type: none"> • Ethical leadership training conducted for SMS and MMS in previous financial years. 	<ul style="list-style-type: none"> • Ethical leadership training budgeted for in the Department's procurement plan. • Ongoing training on ethical leadership.
<p>A5</p> <p>Values and principles of Code of conduct of the department must be established, promoted and enforced through a defined programme.</p>	<ul style="list-style-type: none"> • Conduct education and awareness workshops and campaign on fraud, corruption and ethics management to Management. 	<ul style="list-style-type: none"> • Education and awareness project plan for 2016/2017 approved by the Acting HOD during the 1st quarter. 	<ul style="list-style-type: none"> • 10 Education and awareness workshops to be conducted during 2016/2017. • 4 awareness campaigns planned to be

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				conducted during 2016/2017.
B	Combating fraud and corruption			
B1	To promote, support and strengthen co-operation and co-ordination between and within the different business units	<ul style="list-style-type: none"> Provide quarterly reports to the Audit Committee on Fraud Cases and Fraud Risk Assessment. Provide quarterly reports on Fraud Risk Assessment to the Risk Management Committee. 	<ul style="list-style-type: none"> Quarterly reports submitted to the Audit Committee, Risk Management Committee. 	<ul style="list-style-type: none"> Ongoing reporting to the Audit Committee and Risk Management Committee on fraud cases and fraud risk assessment conducted and action plans implemented.
B2	To ensure better co-ordination with the different law enforcement agencies responsible for combating corruption	<ul style="list-style-type: none"> Enhance prosecution by working together with NPA Enhance investigation by working together with SAPS 	<ul style="list-style-type: none"> Working relations established with the Provincial Directorate for Priority Crimes (DPCI), Hawks. 	<ul style="list-style-type: none"> Periodic meetings with SAPS to obtain feedback and refer new matters for investigation.

B3	To strengthen the capacity of AFCCU to be able to assist the Department and law enforcement agencies to identify and recover assets obtained through illicit or corrupt means in line with the fight against corruption	<ul style="list-style-type: none"> Recruitment of staff to fill vacant posts within the AFCCU. 	<ul style="list-style-type: none"> Recruitment process commenced. Posts have been advertised. 	<ul style="list-style-type: none"> Shortlisting of suitable candidates. Interviews conducted. Appointment of staff to fill vacant posts.
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C	<i>Oversight, Transparency and Accountability</i>			
C1	To promote good governance within the Department and with all stakeholders	<ul style="list-style-type: none"> Establish governance structures within the department for the purposes of providing oversight and promoting transparency and accountability. 	<ul style="list-style-type: none"> Risk Management Committee in place. Ethics Committee in place 	<ul style="list-style-type: none"> Ethics Committee to be re-established to incorporate new Public Service Regulations of 2016.
C2	To ensure compliance with the the Financial Disclosure Framework by SMS Members and Designated Employees (Chief Construction Project Managers) and where necessary to ensure better	<ul style="list-style-type: none"> eDisclosure is in place and managed by Department of Public Service and Administration (DPSA). 	<ul style="list-style-type: none"> 100 % submission of Financial Disclosure by SMS members for 2015/2016 financial year and past three (3) financial years. 	<ul style="list-style-type: none"> Ongoing education and awareness to SMS Members on new requirements for Financial Disclosure Framework, Public Service

	management through greater compliance, timely submission, improved procedures and the enforcement of penalties/sanctions in the absence of compliance			Regulations of 2016.
C3	The Financial Disclosure Framework should be extended to include personnel with designated responsibilities in Supply Chain Management and Project Management.	<ul style="list-style-type: none"> Review of the Declaration of Interest and Financial Disclosure policy to be finalized by end of 2nd quarter 2016/2017. 	<ul style="list-style-type: none"> Policy under review. 	<ul style="list-style-type: none"> Consultative workshop with internal stakeholders to obtain inputs on the policy.
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D Policies and procedures				
D1	To ensure the development and implementation of departmental policies and procedures on combating fraud and corruption	<ul style="list-style-type: none"> Review policies within the Department and ensure that they are in line with changes in legislation, regulations, instructions, and policies. 	<ul style="list-style-type: none"> The following policies and strategies are under review and the relevant considerations emanating from the Regulations and MPAT 1.6 Standard are in the process of being incorporated 	<ul style="list-style-type: none"> Submission of the policies and strategies to the relevant authority for approval by end of 2nd quarter.

			<ul style="list-style-type: none"> into policies: ✓ Whistle Blowing Policy; ✓ Remuneration Work Outside the Public Service Policy; ✓ Gift and Hospitality Declaration Policy; ✓ Declaration of Interest and Financial Disclosure Policy; ✓ Fraud Prevention Plan, Fraud Policy and Response Plan, Fraud Prevention Implementation Plan; ✓ Ethics Policy; ✓ Strategic Framework on Anti-Corruption, 	
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E	<i>Investigation</i>			
E1	Ensure that the department has an investigation strategy which will address the investigation of all matters of allegation of fraud and corruption.	<ul style="list-style-type: none"> Review the Strategic Framework on Anti-Corruption, Anti-Fraud and Ethics Management. 	<ul style="list-style-type: none"> The department has an investigation strategy in place ISO process and procedures are in place 	<ul style="list-style-type: none"> Review the strategy to incorporate any changes in legislation, regulations, instructions and policies.
E2	Ensure proper prioritization and investigation of all matters of fraud and corruption reported to the Department	<ul style="list-style-type: none"> All cases of procurement irregularities to be prioritized and investigated in line with the Treasury Instruction Note on Prevention and Combating of Abuse in the Supply Chain Management System. All cases reported to the NACH to be prioritized and investigated as per the NACH requirements. All allegations of fraud and corruption reported to be 	<ul style="list-style-type: none"> Ongoing investigations of all cases received. 	<ul style="list-style-type: none"> Monthly and quarterly reports to the HOD and MEC on cases received, investigated and finalized.

Fraud and Ethics;
and
✓ AF-CU-Service Standards

	investigated in line with the investigation strategy.		
<p>E3</p> <p>Procure Case Management System to enhance investigations and better management of investigations.</p>	<ul style="list-style-type: none"> Establish a system that encourages and allows employees and citizens to report allegations of corruption and other unethical conduct, and such system shall provide for— <ul style="list-style-type: none"> (i) confidentiality of reporting; and (ii) the recording of all allegations of corruption and unethical conduct received through the system or systems; Establish an information system that— <ul style="list-style-type: none"> (i) records all allegations of corruption and unethical conduct; (ii) monitors the management of the allegations of corruption and unethical conduct; (iii) identifies any systemic weaknesses and recurring risks; and (iv) maintains records of the outcomes of the allegations of corruption and unethical conduct; and 	<ul style="list-style-type: none"> Provincial Treasury has procured an Investigation Case Management (ICM) System to be used by all Department to report on fraud cases. Officials within AFCU have been trained on ICM. Microsoft Excel based Case Management Database in place since 2005. Budget set aside to procure a Case Management System to be customized for internal use by 	<ul style="list-style-type: none"> Procurement of internal Case Management system from State Information & Technology Authority by end of 3rd quarter.

		<ul style="list-style-type: none"> Refer allegations of corruption to the relevant law enforcement agency and investigate whether disciplinary steps must be taken against any employee of the department and if so, institute such disciplinary action. 	AFCU	
ITEM	RESOLUTION	IDENTIFIED DEPARTMENTAL PROJECTS	DEPARTMENTAL STATUS	PLANNED ACTIVITIES
F	<i>Fraud Detection</i>			
F1	Conduct periodic fraud detection reviews in business units exposed to or have inherent fraud and corruption risks.	<ul style="list-style-type: none"> Conduct regular fraud risk assessment in identified high risk business units in the department 	<ul style="list-style-type: none"> Periodically engaging business units on fraud risks Periodic review of all preventative and or control measures to ensure that they are sufficient. 	<ul style="list-style-type: none"> Quarterly reports on fraud risk assessment to the Risk Management Committee.
ITEM	RESOLUTION	IDENTIFIED DEPARTMENTAL PROJECTS	DEPARTMENTAL STATUS	PLANNED ACTIVITIES
G	<i>Reporting and Monitoring</i>			
G1	Develop and implement an ethics management strategy that prevents and	<ul style="list-style-type: none"> Ethics Management Strategy developed. Ethics Awareness Week 	<ul style="list-style-type: none"> Draft strategy in place, to be submitted to the 	<ul style="list-style-type: none"> Education and awareness workshops

	deters unethical conduct and acts of corruption	<ul style="list-style-type: none"> • Campaign. • Establish the Ethics Helpdesk. 	<p>Acting HOD for approval.</p> <ul style="list-style-type: none"> • Ethics Awareness Week Campaign conducted in August, 11th to 19th August 2016. • Ethics Helpdesk established, dedicated email address and landline. 	<p>conducted to raise awareness amongst employees to report incidents of unethical conduct.</p> <ul style="list-style-type: none"> • Response to ethics enquires within 2 days of receipt of simple enquires.
G2	<p>Establish an information system that—</p> <ul style="list-style-type: none"> (i) records all allegations of corruption and unethical conduct; (ii) monitors the management of the allegations of corruption and unethical conduct; (iii) identifies any systemic weaknesses and recurring risks; 	<ul style="list-style-type: none"> • Procure Investigative Case Management System (ICMS). 	<ul style="list-style-type: none"> • Budget allocated for procurement of the Case Management System. • User System Requirements developed with the assistance of Information & Communication Technology (ICT). 	<ul style="list-style-type: none"> • ICT has initiated formal discussion with the State Information Technology Authority (SITA) with the purpose of procuring an Investigative Case Management System (ICM) from SITA.

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	and (iv) maintains records of the outcomes of the allegations of corruption and unethical conduct;			<ul style="list-style-type: none"> Procurement of the ICM from SITA.
<i>H</i>	<i>Communication</i>			
H1	Ensure that the Communication Strategy of the Department incorporates aspects on communication on fraud, corruption and ethical conduct to both internal and external stakeholders of the Department.	<ul style="list-style-type: none"> Communication Strategy of the Department which promotes consumer education on fraud and corruption and promotes ethical conduct. 	<ul style="list-style-type: none"> Departmental Communication Strategy currently under review. 	<ul style="list-style-type: none"> Procure promotional material (posters, pamphlets) to market all anti-fraud and anti-corruption measures of the Department. 4 awareness campaigns conducted to promote ethics, how to blow the whistle, Department's stance on

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1	<i>Fraud Risk Assessment</i>	<ul style="list-style-type: none"> Fraud Risk Assessment conducted and Fraud Risk Register developed. 	<ul style="list-style-type: none"> Fraud Risk Assessment conducted. Draft Fraud Risk Register in place. 	<ul style="list-style-type: none"> Meetings with Risk Owners to incorporate new control measures in place to mitigate the fraud risks and to develop action plans to implement the
	Conduct fraud risk assessment based on Auditor General's reports findings on fraud risk faced by the Department.			fraud & corruption. <ul style="list-style-type: none"> 4 articles published on the Department's Newsletter to communicate successes in combating fraud and corruption and promoting the Code of Conduct.

				control measures.
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SECTION V: Approval and Noting

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Mr. Mpendulo Radebe

Aiding Director: Anti-Fraud and Corruption Unit

Date: 12/12/2016

Ms. Matilda Gaséla

Head of Department: Department of Human Settlement

Date: 02 FEBRUARY 2017

Approved

Not Approved