

# **GAUTENG PROVINCE**

HUMAN SETTLEMENTS  
REPUBLIC OF SOUTH AFRICA

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## **FRAUD PREVENTION PLAN**

**THREE YEAR**

**Period:**

**2016/2017 – 2018/2019**

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## GLOSSARY OF TERMS

Throughout this document, unless otherwise stated, the words in the first column below have the meanings stated opposite them in the second column (and cognate expressions shall bear corresponding meanings):

“AFCU”	Anti Fraud and Corruption Unit of Gauteng Department of Human Settlements
“Cabinet”	Cabinet of the Republic of South Africa
“CFO”	Chief Financial Officer: Department of Human Settlements
“Code”	Code of Conduct for the Public Service
“Constitution”	Constitution of the Republic of South Africa dated as adopted on 8 May 1996 and amended on 11 October 1996 by the Constitutional Assembly
“DPSA”	Department of Public Service and Administration
“FPP”	Fraud Prevention Plan
“Fraud and corruption”	Includes, but is not limited to, the following: (a) The following legal definitions: (i) <i>Fraud</i> , i.e. the unlawful and intentional making of a misrepresentation resulting in actual or potential prejudice to another; (ii) <i>Theft</i> , i.e. the unlawful and intentional misappropriation of another's property or property which is in his/her lawful possession, with the intention to deprive the owner of its rights permanently; (iii) Offences in respect of <i>corrupt activities</i> as defined in the Prevention and Combating of Corrupt Activities Act, 2004, i.e.: ▪ The general offence of <i>corruption</i> which could be summarised as directly or indirectly accepting or agreeing to accept any

gratification from another person; giving or agreeing to give any other person any gratification in order to influence that person directly or indirectly to exercise his powers, duties or legal obligations in a manner which is/amounts to:

- Illegal, dishonest, unauthorised, incomplete, or biased;
  - Misuse or selling of information or material acquired;
  - Abuse of position of authority;
  - Breach of trust;
  - Violation of a legal duty or set of rules;
  - Designed to achieve an unjustified result; and
  - Any other unauthorised or improper inducement to do or not to do anything.
- Corrupt activities in relation to:
- Public officials;
  - Foreign public officials;
  - Agents;
  - Judicial officers;
  - Members of the prosecuting authority;
  - Unauthorised gratification received or offered by or to a party in an employment relationship;
  - Witnesses and evidential material during certain proceedings;
  - Contracts;
  - Procuring and withdrawal of tenders;
  - Auctions;

- Sporting events; and
- Gambling games or games of chance.
- Conflicts of interests and other unacceptable conduct, e.g.:
  - Acquisition of private interests in contract, agreement in or investment in public body;
  - Unacceptable conduct relating to witnesses; and
  - Intentional interference with, hindering or obstruction of investigation of offence.
- Other offences relating to corrupt activities, viz:
  - Accessory to or after an offence;
  - Attempt, conspiracy and inducing another person to commit offence; and
- Failure to report corrupt transactions.

(b) Fraudulent and corrupt acts may include:

*Systems issues:* where a process/system exists which is prone to abuse by employees, the public or other stakeholders, e.g.:

- Irregular collusion in the awarding of building contracts or orders for goods and/or services or tenders;
- Deliberate non-compliance with tender and procurement policy and procedures;
- Inadequate verification of supplier credentials;
- Deliberate non-compliance to recruitment policy and procedures;
- Deliberate or non-compliance with Housing Subsidy policy or procedures;

- Falsification or forging of documents to register for low cost houses by employees of the Department;
- Houses allocated to non South African citizens and/or citizens below the age of 21;
- Ghost employees.

*Financial issues:* i.e. where individuals or companies have fraudulently obtained money from the Department, e.g.:

- Unauthorised sale of assets;
- Theft of funds;
- Rent collected from Affordable-Rental Housing not being paid to Treasury;
- Fraudulent mileage and subsistence claims; and
- Payments made to contractors for work not carried out.

*Equipment and resource issues:* i.e. where the Department's equipment is utilised for personal benefit or stolen, e.g.:

- Abuse of time management systems;
- Destruction of equipment in the office or other sites (Regional offices);
- Theft of assets, e.g. IT equipment, Office furniture, etc;
- Personal use of resources, e.g. telephones, internet, e-mail;
- Irregular destruction, removal, or abuse of records; and
- Disclosing confidential or proprietary information to outside parties.

*Other issues:* i.e. activities undertaken by employees of the Department, which may be against policies or fall below established ethical standards, e.g.:

- Soliciting gifts or favours from applicants for housing, building contactors, consultants or other suppliers of goods and/or services, e.g. acceptance of "kick-backs";
- Pursuing private business interests without permission;
- Illegal receipt and sale of low cost houses by Department officials;
- Non-disclosure of personal interests;
- Nepotism; and
- Favouritism.

"Fraud Policy"	Fraud Policy and Response Plan, as annexed to the Fraud Prevention Plan
"GAS"	Gauteng Audit Services
"GPG"	Gauteng Provincial Government
"Handbook"	Public Service Handbook issued in terms of the Senior Management Service
"HOD"	Head of Department: Gauteng Department of Human Settlements
"MEC"	Member of the Executive Council, Gauteng Department of Co-operative Governance and Traditional Affairs and Human Settlements
"MISS"	Minimum Information Security Standards
"PFMA"	Public Finance Management Act, Act No. 1 of 1999
"MFMA"	Municipal Finance Management Act No. 56 of 2003
"MISS"	Minimum Information Security Standards
"SIU"	Special Investigation Unit
"PACCC"	Provincial Anti-Corruption Co-ordinating Committee



"Province"	The Province of Gauteng
"SMS"	Senior Management Service
"The Department"	Gauteng Department of Human Settlements
"Treasury"	The Gauteng Provincial Treasury

## SECTION 1: INTRODUCTION

- 1.1 During the course of the first quarter of 2016/2017 financial year, the Anti Fraud and Corruption Unit reviewed and updated the Fraud Prevention Plan of the Gauteng Department of Human Settlements, herein referred to as the Department.
- 1.2 The main issues addressed in this document are the review and update of the Fraud Prevention Plan, incorporating the Fraud Policy and Response Plan and the Matrix of tasks and responsibilities.
- 1.3 The Fraud Prevention Pan (FPP) takes into account the risks of fraud and corruption as identified in fraud risk assessments initiated by the Department. The FPP addresses strategic fraud and corruption risks that must be addressed and which could jeopardise the successful implementation of each component of the FPP.
- 1.4 The plan is a three (3) year(s) long term i.e. 2016/2017 to 2018/2019, plan for the department driven by a vision that a strong anti-corruption effort is a critical component of the department's work, and AFCU is committed to working with operational staff to deepen and systemize good ethical business practices to mitigate integrity fraud and corruption risks across all components of the department's work.
- 1.5 The FPP is dynamic and it will continuously evolve as the Department makes changes and improvements in its internal control measures and continuing in its drive to promote ethics, as well as to fight fraud and corruption.

## SECTION 2: APPROACH TO THE UPDATING OF THE PLAN

- 2.1 The FPP incorporates principles contained in the Public Sector Anti-Corruption Strategy dated January 2002, certain provisions of the PFMA and Treasury regulations and other relevant legislation.
- 2.2 The Fraud Policy (**Annexure A**), and Matrix of tasks and responsibilities (**Annexure B**) are attached to the Plan as they form an integral part thereof.
- 2.3 The fraud and corruption risks identified in the development of the Plan cannot be relied upon as an indication of the full spectrum of fraud and corruption risks facing the Department, but rather as an indication of the type of fraud risks that the department can be exposed to. The FPP does not guarantee that the Department will not be impacted by incidents of fraud and corruption but is intended to serve as an additional measure to assist in the prevention, management and mitigation of fraud and corruption risks with a particular focus on educating creating and awareness, advocacy, enforcement and promoting ethical business conduct.
- 2.4 The process of reviewing and updating the FPP was not conducted as an audit in terms of South African Auditing Standards.
- 2.5 The Directorate: Corporate Governance of the Department will conduct audit reviews of the plan, its implementation and advise on improvement where relevant.

## SECTION 3: COMPONENTS OF THE PLAN

3.1 In terms of the PFMA and Treasury Regulations, the responsibilities of the Accounting Officer include, amongst others, a Risk Management Strategy which must include a Fraud Prevention Plan. The HOD must ensure that the plan is implemented effectively to mitigate the fraud and corruption risks and to deter any possible acts of fraud and corruption from occurring.

3.2 The **main principles of the Plan** are the following:

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

3.3 The **objectives of the Plan** could be summarised as follows:

- Developing a culture of ethical behaviour and instilling zero-tolerance to fraud and corruption;
- 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;
- Improving accountability, efficiency and effective administration within the Department and to deal decisively with acts of fraud and corruption;
- Improving the application of systems, policies, procedures and regulations;

- Changing aspects of the Department which could facilitate fraud and corruption and allow these to go unnoticed or unreported; and
- 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.

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

3.5 The **components of the Plan** for the Department are the following:

The plan is designed using as a two multi-facet approach of that of being proactive and reactive in the prevention of fraud and corruption.

**PROACTIVE MEASURES:**

The proactive measures can be identified as follows:

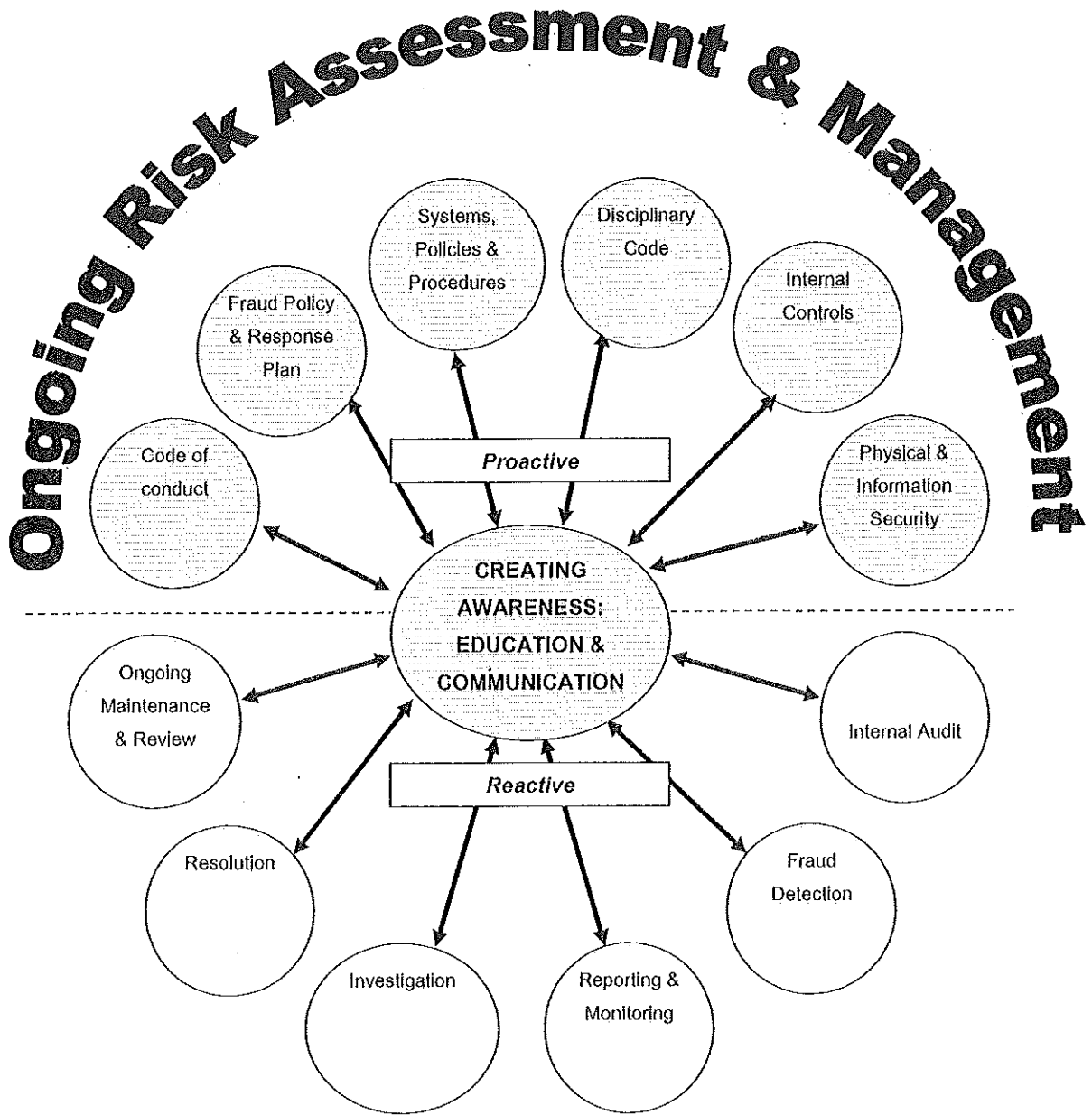
- (a) Ethics: Code of Conduct for the Public Service;
- (b) Department's systems, policies, procedures, rules and regulations;
- (c) Disciplinary Code and Procedures;
- (d) Internal controls;
- (e) Physical and information security management;
- (f) Education and awareness on ethics, fraud and corruption

**REACTIVE MEASURES:**

The reactive measures can be identified as follows:

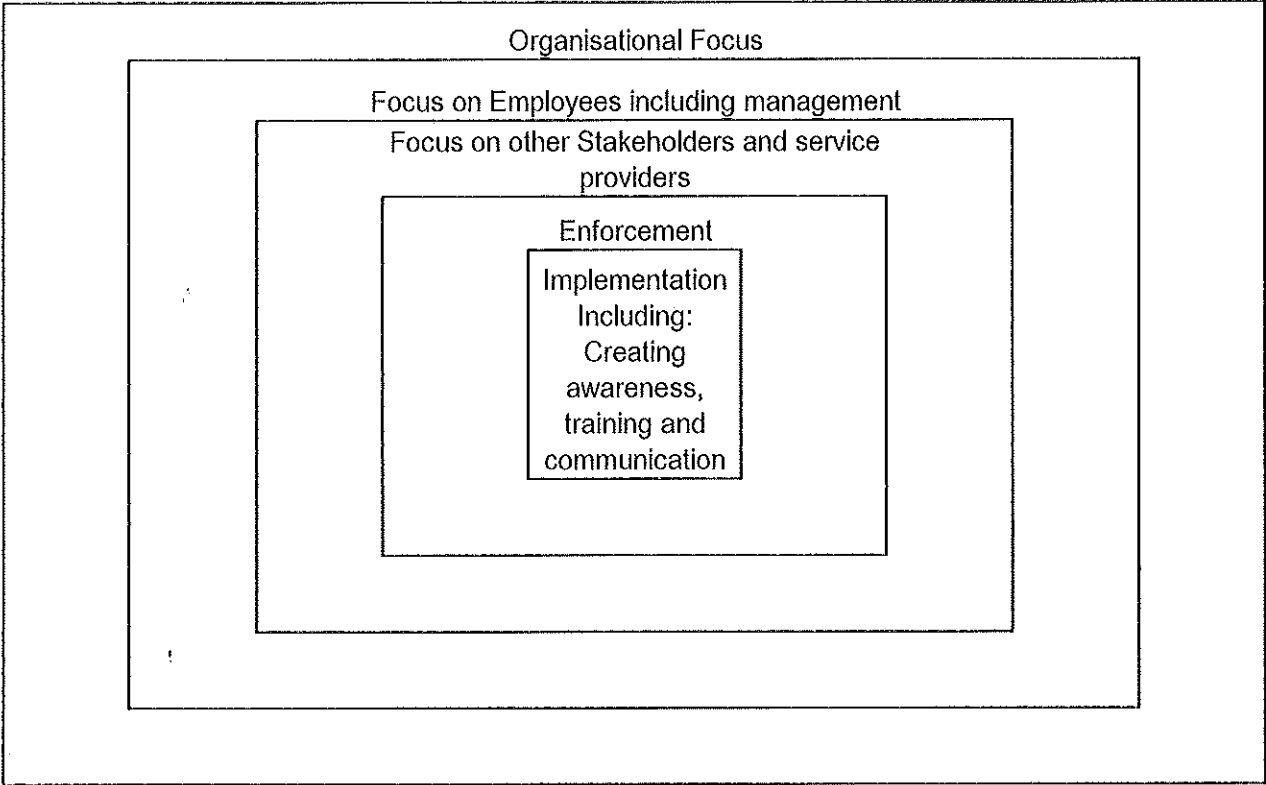
- (a) Internal Audit;
- (b) Ongoing risk assessment and management, which includes systems for fraud and corruption detection;
- (c) Reporting and monitoring of allegations of fraud and corruption;
- (d) Creating awareness amongst employees, the public and other stakeholders (service providers, communities) 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.

An illustration of the Plan is contained in the figure below:



**SECTION 4: APPROACH TO FRAUD PREVENTION**

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





## **A PREVENTING FRAUD AND CORRUPTION**

### **4.1 Ethics: Code of Conduct for the Public Service**

4.1.1 The Office of the Public Service Commission is mandated in terms of the Constitution to promote a high standard of professional ethics in the Public Service. The Code of Conduct for the Public Service was promulgated in 1997 as an important pillar in the establishment of good governance and ethical conduct of public servants. The ethical principles contained in the Code are applicable to all employees of the Department.

4.1.2 The Gauteng Provincial Government has further developed a Code of Conduct the purpose of which is:

- 4.1.2.1 To serve as a brief description of the Gauteng Provincial Government's core values;
- 4.1.2.2 To provide a framework for identifying conduct that is ethical and acceptable for the employees of the Gauteng Provincial Government who, effectively, act as its agents at all levels;
- 4.1.2.3 To create the context for the ethical use of authority; and
- 4.1.2.4 To support all efforts aimed at curbing moral degeneration.

4.1.3 The Code of Conduct applies to all employees within the Gauteng Provincial Government. The fundamental ethical standards underlying the Code of Conduct are:

- 4.1.3.1 Absolute integrity;
- 4.1.3.2 A culture of honesty;
- 4.1.3.3 Loyalty;
- 4.1.3.4 Professionalism;
- 4.1.3.5 Acceptance of responsibility and accountability;
- 4.1.3.6 A positive public image;
- 4.1.3.7 Confidence from the public;
- 4.1.3.8 Striving for and maintaining credibility;

- 4.1.3.9 High standards of service delivery;
  - 4.1.3.10 A sense of pride in belonging to the Department;
  - 4.1.3.11 Sanctioning bad, and rewarding good behavior; and
  - 4.1.3.12 All other positive attributes contributing toward sound ethical standards.
- 4.1.4 The department has further developed an Ethics Policy, the purpose of which *"is to build and support a culture of openness, trust, and integrity to all employees of the Department and to promote good ethical business practices. Further to that, it seeks to emphasize the importance of engaging in fair business practices in meeting public expectations. It also serves as a guide to employee's behaviour to ensure ethical conduct and inculcate the ethical values and the value system espoused by the Constitution"*.
- 4.1.5 The Ethics Policy applies to all employees of the department. The fundamental principles being:
- 4.1.5.1 Honesty
  - 4.1.5.2 Loyalty
  - 4.1.5.3 Professionalism
  - 4.1.5.4 Human dignity
  - 4.1.5.5 Excellency
  - 4.1.5.6 Service delivery
  - 4.1.5.7 Sanctioning bad and rewarding good behaviour
  - 4.1.5.8 Sound ethical standards
  - 4.1.5.9 Accountability
  - 4.1.5.10 Integrity
- 4.1.6 The Ethics Policy further provides a guideline on the responsibilities of employees and the employer with regard to management of relationship and also expected conduct.

- 4.1.7 The Department will arrange workshops to educate employees and create awareness on fraud and corruption, the manifestations thereof and the Plan, in general, among employees. A further objective of this training is to reinforce the expectations of GPG with regard to their conduct and behaving ethically and with integrity.
- 4.1.8 Processes and mechanisms to manage professional ethics are key to the fight against fraud and corruption. In line with the principles contained in the Public Service Anti-Corruption Strategy, the Gauteng Anti-Corruption Strategy 2015 - 2019, the Department's Strategic Framework on Anti-Fraud and Corruption and Ethics and the overall Fraud Prevention Plan.
- 4.1.9 The Department will pursue the following additional steps to communicate the principles contained in the Code and Ethics Policy:
- 4.1.9.1 A copy of the Code of Conduct and Ethics Policy will be circulated to all employees and included in induction packs for new employees. All employees will also be required to sign an annual declaration serving as an indication of their understanding of, and commitment to, the Code of Conduct and Ethics Policy; and
  - 4.1.9.2 Include relevant aspects of the Code of Conduct and Ethics Policy in further awareness presentations, training sessions and communication programmes to create awareness thereof amongst employees and other stakeholders.  
Further objectives of this training will be the following:
    - 4.1.9.2.1 Helping employees to understand the meaning of unethical behaviour (including harassment in any form) in line with expectations of the Department;
    - 4.1.9.2.2 Presenting case studies which will assist in developing behaviour to articulate and encourage attitudes and values which support ethical business conduct;

- 4.1.9.2.3 Helping employees to understand issues involved in making ethical judgements; and
- 4.1.9.2.4 Communicating the implications of unethical behaviour and its impact for individuals, the workplace, professional relationships, the Department as a whole and external stakeholders including the public.
- 4.1.10 Section C.5.3 of the Code states that *“an employee for herself or himself does not use her or his official position to obtain private gifts or benefits for herself or himself during the performance of her or his official duties nor does she or he accept any gifts or benefits when offered as these may be construed as bribes”*.
- 4.1.11 In line with the above, the Department will create awareness on Gifts and Hospitality Declaration Policy in order to address both the acceptance and offering of business courtesies, including gifts, by all employees of the Department.
- 4.1.12 The Department implements the compulsory Financial Disclosure Framework of DPSA for disclosing financial interests and personal property for Senior Management Service and will consider introducing it to all members of staff in Supply Chain Management Directorate in line with the PFMA Treasury Regulations, Section 4.6.3 and should also consider rolling it out to lower levels of management.
- 4.1.13 The development of a more robust system for the declaration of private business interests and actual or potential conflicts of interest by all employees and keeping of a centralised record thereof will be considered.
- 4.1.14 In addition to the Code, the Senior Management Services Unit within the Department of Public Service and Administration has developed the Public

Service Handbook which is intended to achieve a modern, people-centred public service that recognises the critical role that management plays in the effective and efficient functioning of the Public Service.

4.1.15 Chapter 6 of the Public Service Handbook deals with ethics and conduct of senior management within the Public Service and contains specific conduct standards categorised as follows:

- 4.1.15.1 Responsiveness and impartiality;
- 4.1.15.2 Accountability;
- 4.1.15.3 Leadership;
- 4.1.15.4 Communication;
- 4.1.15.5 Management misconduct;
- 4.1.15.6 Confidentiality of official information;
- 4.1.15.7 Financial and other private interests (disclosure);
- 4.1.15.8 Political participation;
- 4.1.15.9 Outside employment;
- 4.1.15.10 Labour relations;
- 4.1.15.11 Intellectual property; and
- 4.1.15.12 Access to information and administrative justice.

## **4.2 The Department's systems, policies and procedures, rules and regulations**

4.2.1 The management of the Department will improve awareness and knowledge of the systems, policies and procedures, including the requirements of the PFMA, Preferential Procurement Policy Framework Act and Supply Chain Management Guidelines amongst its employees. The Department will develop clearly defined communication and training strategies to create awareness of existing and new policies and procedures in order to ensure that all employees are made aware of, and

adequately trained in the implementation of policies and procedures relevant to their duties and responsibilities, including:

- 4.2.1.1 Provisions for all employees to acknowledge, in writing, that they have read the policies and procedures applicable to their duties, have undergone relevant training and/or are aware of these policies and procedures;
  - 4.2.1.2 The keeping of adequate records serving as proof that employees have been made aware of the policies and procedures relevant to their duties; and
  - 4.2.1.3 The development and distribution of a regular communiqué outlining the importance of complying with policies and procedures and the implications for employees, for example, the taking of corrective action against offenders not complying with policies and procedures.
- 4.2.2 A structured monitoring mechanism will be developed for the keeping of proper records of the policies and procedures that are being updated, and of new policies and procedures that are being developed in order to set clear targets and monitor progress.
- 4.2.3 The Department is committed to developing human resources systems, policies and procedures, which will incorporate the fraud and corruption prevention practices detailed below.
- 4.2.3.1 The maintenance of a system for transparent and merit-based hiring and promotion practices with objective standards in order to reduce the risk of nepotism and favouritism, both of which are damaging forms of fraud and corruption;
  - 4.2.3.2 Thorough vetting and security clearance screening will be conducted of candidates for sensitive positions. A comprehensive framework within which to address employee fraud and corruption risk will include:

- (i) **Advertising posts:** The inclusion of specific provisions when advertising posts to provide an indication to applicants that only people with the highest levels of personal integrity will be considered and that submission to appropriate pre-employment and security clearance screening processes are obligatory for consideration in any post;
- (ii) **Pre-employment, security clearance screening and probity:** The MISS Policy prescribes that thorough pre-employment and security clearance screening should be conducted for all employees in sensitive positions. The Department is committed to complying with and meeting this requirement. The Department intends ensuring that pre-employment screening procedures are applicable to all employees, regardless of level, including employees acting in specific positions, seconded employees, temporary and contract workers. Relevant probity will be included in all employee screening processes;
- (iii) **Probation:** Compulsory probationary periods should be applicable to all full-time employees. Relevant vetting will again be considered for employees on probation, during probation and prior to their final appointment in view of the long duration of the probationary periods;
- (iv) **Ongoing financial disclosure:** Senior managers will be obliged to complete financial disclosure forms, as prescribed by DPSA, wherein specific personal assets and private business interests must be declared. This will include non-designated employees from Directorates exposed to high fraud risk such as Supply Chain Management, Construction Project Managers.
- (v) **Regular reviews relating to employees in sensitive posts:** This relates to the use of a system of more frequent probity and vetting of employees who occupy high-risk posts. This system

will include the identification and relevant security grading of posts.

- (vi) **Employee induction programmes:** Employee induction is an opportunity to introduce employees to the culture and ethos of the organisation. Efforts will be made to ensure that the organisational strategy, integrity, ethics and conduct standards are included in employee induction. Specific steps will also be developed to include seconded employees, temporary and contract workers in relevant aspects of induction programmes;
- (vii) **Obligatory Leave Periods:** In order to limit the risk of over-worked employees who could become lackadaisical leading to non-compliance to internal controls and to further limit the risk of unethical conduct, fraud and corruption, a policy obliging all employees to take annual leave has been implemented. This will also limit the risk of unethical individuals monopolising specific tasks.
- (viii) **Exit Procedures:** Exit procedures for employees leaving the organisation will generally require the return of assets and an exit interview. The return of assets, if not addressed promptly, could lead to obvious losses. Steps should be taken to ensure that specific follow-up time frames are set to encourage managers to apply this requirement more promptly.

4.2.3.3 The Department has a grievance procedure which enables employees who have been unfairly or falsely accused to seek recourse. This is based on the recognition that aggrieved employees may become malicious, thus increasing the risks of them committing fraud and corruption.

4.2.1 Management must be held accountable for complying with, and implementing the Department's systems, policies and procedures for preventing fraud and corruption. This will be addressed in job



descriptions, agreed work plans and performance contracts and appraisals.

- 4.2.1 The Department will also develop a system with clear guidelines for the placing of prohibitions on individuals and restrictions on entities found guilty of fraud and corruption against it.

### **4.3 Disciplinary code and procedures**

- 4.3.1 The disciplinary code and procedures prescribes appropriate steps to be taken to resolve disciplinary matters. Human Capital Management support the Department in instituting and completing disciplinary action for cases of fraud and corruption.

- 4.3.2 The Department recognises the fact that the consistent and efficient application of disciplinary measures is an integral component of effective fraud and corruption prevention. The following steps to expedite the consistent, efficient and speedy application of disciplinary measures will be performed:

- 4.3.2.1 Creating awareness amongst employees of conduct that is forbidden in terms of the disciplinary code. Where disciplinary standards are not adhered to, action will be taken against offenders;

- 4.3.2.2 Ongoing training of managers in the application of disciplinary measures and the disciplinary process, and sustaining this training;

- 4.3.2.3 Developing a system to facilitate the consistent application of disciplinary measures; and

- 4.3.2.4 Regular monitoring and review of the application of discipline with the objective of improving weaknesses identified.

4.3.3 Where managers are found to be inconsistent and/or inefficient in the application of discipline firm corrective action will be considered.

#### 4.4 Internal controls

4.4.1 This section of the FPP relates to basic internal controls to prevent and detect fraud and corruption and the training of employees in internal control and the conducting of their day-to-day duties. The systems, policies and procedures of the Department, together with regulations from National Treasury, regulations from the DPSA, etc prescribe various controls, which if effectively implemented, would limit the risk of fraud and corruption. These controls may be categorised as follows, it being recognised that the categories contain overlapping elements:

4.4.1.1 Internal controls; and

4.4.1.2 Training of employees in internal control and the conducting of their day-to-day duties.

#### 4.4.2 Internal Controls

(a) Prevention controls, which is further subdivided into:

i. **Treasury Instruction SCM Note:** The National Treasury Instruction SCM Note 3 of 2016/2017, Prevention and Combating Abuse in Supply Chain Management System, provide guidance on measures to prevent and combat abuse in the Supply Chain Management System. The Treasury Note prescribes the following:

1. **Register of complaints.** The Accounting Officer must establish a system that deals with the management of complaints and or allegations of abuse in the Supply Chain Management System. Complaints that implicates the Accounting Officer must be reported to the relevant Treasury within 14 days calendar days of the receipt of

the complaint, by the delegated official in relevant institution.

2. **Investigate complaints.** The Accounting Officer must initiate an investigation within 14 days of receipt of the complaint and or allegation of abuse. The investigation must be completed within 30 calendar days from date of initiation unless extension was approved the relevant treasury. The Accounting Officer must inform the relevant treasury of the outcome of the investigation, together with the proposed actions within 7 calendar days of receiving the investigation report.
3. **Implement remedial action.** The Accounting Officer must initiate disciplinary proceedings if the investigation report confirms the allegations of financial misconduct. Report such allegations to the South African Police Service (SAPS) within 7 working days if the investigation report confirms the allegations of a criminal nature. Inform Treasury, in writing, of any criminal case registered with SAPS within 7 days of the case being reported.
4. **Report outcomes.** The Accounting Officer must table the reports on the allegations received, outcome of the investigations and the remedial actions at the Provincial Legislature on quarterly basis.
5. **Restriction of Suppliers, Shareholders and Directors.** The Accounting Officer must notify the supplier and any other person of the intention to restrict by registered and the letter must amongst others provide for grounds for restriction, period of restriction which must not exceed 10 years, a period of 14

calendar days for the supplier to provide reasons why the restriction should not be imposed.

6. **Deviation from normal bidding process.** The Accounting Officer must only deviate from inviting competitive bids in cases of emergency and sole supplier status. Any other deviation will be allowed in exceptional cases subject to the prior written approval from the relevant treasury.

- ii. Authorisation controls which require that all transactions require authorisation or approval by an appropriate responsible person and that the limits for these authorisations are specified in the delegations of authority of the Department; and
- iii. Physical controls which are concerned mainly with the custody of assets and involve procedures and security measures designed to ensure that access to assets is limited to authorised personnel.

(b) Detection controls, which is further subdivided into:

- i. Arithmetic and accounting controls, which are basic controls within the recording function which ensure that transactions to be recorded and processed have been authorised, are complete, are correctly recorded, and accurately processed. Such controls include checking arithmetical accuracy of records, the maintenance and checking of totals, reconciliation, controls accounts, and accounting for documents;
- ii. Physical controls, which relate to the security of records and are similar to preventive controls in that they are also designed to limit access;

- iii. Supervision, which relates to supervision by responsible officials of day-to-day transactions and the recording thereof; and
- iv. Management information which relates to the review of management accounts and budgetary controls. These controls are normally exercised by management outside the day-to-day routine of the system.

(c) Segregation of duties

- i. One of the primary means of control is the separation of those responsibilities or duties that would, if combined, enable one individual to record and process a complete transaction, thereby providing him/her with the opportunity to manipulate the transaction irregularly and commit fraud and corruption.
- ii. Segregation of duties reduces the risk of intentional manipulation or error and increases the element of checking.
- iii. Functions that should be separated include those of authorisation, execution, custody, recording, and, in the case of computer-based accounting systems, systems development and daily operations; and
- iv. Placed in context with fraud and corruption prevention, segregation of duties lies in separating either the authorisation or the custodial function from the checking function.

4.4.3 Despite the existence of systems, policies, procedures, rules and regulations to address and tighten internal control, fraud risk assessments have identified the following fraud and corruption risks that the department is exposed to being:

**(Sourced from: Auditor General's Final Management Report Gauteng Department of Human Settlements: 31 March 2015 and**

**Auditor General's Final Management Report Gauteng Department  
of Human Settlements: 31 March 2016)**

1. Awards to persons in the service of the state and their close family members.

Causes identified:

- a) Failure by service providers to declare their interest when submitting bid documents.
  - b) Public officials doing business with the state.
  - c) No system in place to detect relationship between service providers and employees or detect whether service provider is a public official.
2. Procurement process: Shortcomings in administration of SCM Database of suppliers.

Causes identified:

- a) No properly implemented vendor master file controls for adding, deleting or changing the supplier master file.
- b) Procurement without inviting competitive bids and the deviations were not approved.

3. Fraud.

Causes identified:

- a) Vacancies and inappropriate policies and procedures.
- b) Inadequate document management.
- c) Non-utilization of HSS.

- d) Segregation of duties.
- e) Inappropriate policies and procedures and lack of controls in SCM.
- f) Inconsistencies in reporting processes or methods.
- g) Lack of consequence management.
- h) Procedures and controls in place for identified irregular and fruitless expenditure are not effective.
- i) Non recovery of long outstanding debt.
- j) Erroneous devolution of properties.
- k) Inadequate policies and procedures relating to document management.

4. Possible fictitious suppliers.

Causes identified:

- a) Shared bank accounts: Departmental employee and supplier share bank accounts.
- b) Duplicate bank accounts: Various suppliers share the same bank account Duplicate bank accounts

**Residual fraud risks: (fraud risks that remains even after management has put control measures in place)**

- 5. Fraud and corruption: Illegal sale of houses after completion; Illegal transfer of land owned by the Department:

- 4.4.4 The department is committed through its Fraud Risk Plan to prevent further re- occurrence; and also mitigate any of such fraudulent and corrupt acts from re-occurring.
- 4.4.5 The Department will continue to initiate steps to address the problem of lack of training, expertise and knowledge in systems, policies and procedures to improve internal control. Areas of weakness will be identified during audits and risk assessments.
- 4.4.6 Furthermore, the Department will continue to re-emphasise to all managers that consistent compliance by all employees with internal control is one of the fundamental controls in place to prevent fraud and corruption. Managers will be encouraged to recognise that internal control shortcomings identified during the course of audits are, in many instances, purely symptoms and that they should strive to identify and address the causes of these internal control weaknesses, in addition to addressing the control weaknesses.
- 4.4.7 Where managers do not comply with basic internal controls, e.g. non-adherence to the delegation of authority limits, firm disciplinary action(s) will be considered.

#### **4.5 Physical and information security**

##### ***Physical security***

- 4.5.1 The Department's main physical security threat arises in the area of control over its information and physical assets, e.g. leaking of confidential information and theft of assets such as ICT equipment and office equipment.



4.5.2 The Department will consider conducting a regular detailed review of the physical security arrangements at its offices and other sites, e.g. Regional Offices, and improve weaknesses identified. Specific focus areas will be physical security over infrastructure, assets and staff.

### ***Information security***

4.5.3 The Department will ensure that all employees are sensitised on a regular basis to the fraud and corruption risks associated with information security and the utilisation of computer resources, in particular – access control, and ensure that systems are developed to limit the risk of manipulation of computerised data.

4.5.4 Regular communiqués will be forwarded to employees pointing out security policies, with a particular emphasis on e-mail and Internet usage and the implications (e.g. disciplinary action) of abusing these and other computer related facilities. Where employees are found to have infringed on prevailing policy in this regard, disciplinary action will be taken.

4.5.5 Regular reviews of information and computer security will also be considered. Weaknesses identified during these reviews will be addressed.

4.5.6 The Department will further ensure that all employees dealing with sensitive information, especially Management and staff in units dealing with such information e.g. Supply Chain Management have a Security Clearance at the level of minimum “Secret”.

4.5.7 The Department will further develop a Plan in terms of MISS to ensure proper protection and classification of sensitive information.

## **4.6 Education and awareness on ethics, fraud and corruption.**

### **4.6.1 Education and awareness project plan**

The purpose of the project is to raise awareness and educate all employees of the Department on anti-fraud and corruption measures and ethical conduct.

The main purpose of the Education and Awareness project is to assist in the prevention, detection, and reporting of fraud and corruption and unethical conduct by raising the level of awareness as to how fraud and corruption and unethical conduct is manifested in the workplace. It is also aimed at educating employees on ethical conduct and basic ethical principles of the Department. The objective of the project is to:

- a) To create a zero-tolerance culture towards fraud and corruption and unethical conduct in line with the Strategic Framework on Anti-Fraud, Corruption and Ethics of the Department;
- b) Convey a clear message to all employees of the Department, the public, stakeholders who interact with the Department that the Department is committed;
- c) To magnify the AFCU efforts to creating awareness and education about fraud, corruption and ethics in the entire Department, and how and where to report corruption and /or any ethical misdemeanours;
- d) To promote good governance and best practices in the entire Department;
- e) To fight through combating and prevention of corruption in all its forms and change aspects of the department which could facilitate fraud, corruption and unethical conduct and allow these actions to go unnoticed or not reported;
- f) To ensure and strengthen public servants accountability as well as effective administration within the department and to deal decisively with unethical conduct;
- g) To promote professional ethics and build an organization with a strong

ethical business conduct;

- h) To strengthen compliance and enforcement of regulatory mechanism and accountability of all employees within the department;
- i) To foster a greater culture of transparency and accountability in the Department.
- j) To report on the ethics performance.

Raising awareness amongst employees is intended to address the following issues:

- a) To ensure that all employees receive appropriate education with regards to policies that governs specifically fraud, corruption and ethics;
- b) Educating officials on a continuous basis on what constitutes fraud and corruption and unethical conduct;
- c) Promoting the Department's policies, guidelines, principle of good governance, procedures and processes that must be adhered to, including values and the code of conduct of the public service;
- d) Encourage employees to blow the whistle on fraud and corruption and make them aware of systems in place to protect the whistle blowers from being victimized;
- e) Raising awareness to all officials on how to report allegations of corruption, fraud and unethical conduct in a responsible manner;
- f) To articulate the Unit's mandate on Fraud and Corruption and adopt a comprehensive approach to the management of fraud, corruption and ethical risks;
- g) To promote the culture of ethical leadership through the provision of ethical leadership and to conduct education and awareness on ethics, fraud and Corruption through workshops;
- h) Raising awareness to SMS and OSD members on their obligations in terms of the Financial Disclosure Framework as per the requirement of DPSA; and
- i) Educate all employees of the Department about declaration of business

interests requirements, provisions of the declaration of gifts policy, how to seek permission for remunerative work outside the public service.

## **B. DETECTING AND INVESTIGATING FRAUD AND CORRUPTION**

### **4.7 Anti-fraud and corruption investigation capacity**

- 4.7.1 The Gauteng Department of Human Settlements has established an Anti-Fraud & Corruption unit, which has been mandated to investigate all allegations of fraud, corruption, unethical conduct and maladministration. The Anti Fraud and Corruption Unit (AFCU) of the Department assume responsibility to investigate all allegations of fraud and corruption impacting negatively or having the potential to impact negatively on the Department's Strategic Objectives.
- 4.7.2 The AFCU reports directly to the Accounting Officer and the Director: AFCU is the Ethics Officer of the Department.
- 4.7.3 During the 2<sup>nd</sup> quarter of 2016/2017, the AFCU through the Human Capital Services Directorate embarked on a recruitment process to fill vacant posts within the Unit in order to increase capacity.
- 4.7.4 There are four (4) Certified Fraud Examiners (CFEs) in the AFCU which were trained through capacity building programme of the Office of the Premier. Two CFEs are at Deputy Director Level and two CFEs are at Assistant Director Level.
- 4.7.5 Where the AFCU lacks resources, the Department will outsource to service providers with the required knowledge and expertise in forensic investigation.

### **4.8 Internal Audit**

- 4.8.1 GAS provides internal audit services to GPG and the Department recognises the fact that the positive support by all its managers for internal audit and its functions, speedy response to, and the addressing of queries raised by internal audit is vital to the success of the FPP. Where managers

are found to be slow in addressing internal control queries, firm action will be taken.

4.8.2 Corporate Governance Directorate: provides internal audit services to the Department. The Corporate Governance is responsible for facilitating external audit (GAS and Auditor General) and developing action plans to ensure that business units respond to the audit queries raised.

4.8.3 The Department will regularly re-emphasise to all managers that consistent compliance by employees with internal control is one of the fundamental controls in place to prevent fraud and corruption. Managers will be encouraged to recognise that internal control shortcomings identified during the course of audits are, in many instances, purely symptoms and that they should strive to identify and address the causes of these internal control weaknesses, in addition to addressing the control weaknesses.

#### 4.9 **Ongoing enterprise risk assessment.**

4.9.1 Acknowledging the fact that the Department faces diverse business and fraud risks from both internal and external sources and in order to comply with the requirements of the Treasury Regulations and the PFMA, the Department has conducted risk assessment and fraud risk assessment. This information will be used to assist management with the following:

- (a) Prioritising areas for attention and subsequently developing appropriate controls to limit the material risks identified; and
- (b) To enable management to continually assess and update the risk profile (incorporating fraud and corruption risk) of the Department.

4.9.2 The risk assessment is conducted by the Enterprise Risk Management Directorate and a Global Risk Report is submitted and considered by the Risk Management Committee which comprises of Senior Management in Department.

4.9.3 The Department has further performed a fraud and corruption risk assessment which is intended to focus specifically on the fraud and corruption risks. The outcomes of the fraud and corruption risk assessment is intended to assist Management with the following:

4.9.3.1 Taking responsibility in terms of ensuring that internal controls to minimise occurrences of fraud and corruption are strengthened in all business units.

4.9.3.2 To assist management to continually assess and update fraud risk profiles in the respective business components where risk has been identified.

4.9.3.3 To encourage reporting and monitoring on all sensitive areas.

4.9.4 The Fraud Risk Register, which is the final report on fraud risk assessment conducted, will be presented to the Risk Management Committee for consideration and concurrence.

4.9.5 The Fraud Risk Register will also be submitted to the Audit Committee for consideration.

#### **4.10 Fraud and corruption detection**

- 4.10.1 The department will consider developing a detection tool meant to assist the department to “pick-up” fraud and corruption weak points/ areas before the act occurs.
- 4.10.2 The Department will also consider performing specific fraud and corruption detection reviews in the following areas on a regular basis. These include:
- 4.10.2.1 Supply Chain Management, including urgent/emergency matters, sole suppliers and other trading partners for both internal and transversal procurement;
  - 4.10.2.2 Conflicts of interest and private work declarations;
  - 4.10.2.3 Payments made to contractors for services not rendered;
  - 4.10.2.4 Recruitment of staff;
  - 4.10.2.5 Allocation of RDP houses
  - 4.10.2.6 Contract Management to ensure that service providers adhere to contractual obligations and where breach has been identified, corrective action be taken.

#### **4.11 Reporting and monitoring**

- 4.11.1 The Department should keep a consolidated record of allegations of fraud and corruption which it receives and report these including their resolution to the DPSA in line with the Cabinet instruction issued in 2002. The result would be that fraud and corruption risks can be managed effectively, and threats to the Department would be given the necessary attention.
- 4.11.2 Whistle blowing (Protected Disclosure):

Any disclosure made in good faith and substantially in accordance with any procedure prescribed by the Department for reporting allegations of fraud and corruption is considered a protected disclosure under the



Protected Disclosure Act 26 of 2000. An employee making a protected disclosure is protected from harassment and victimisation on the basis of the disclosure.

The Department will not tolerate any form of harassment and victimisation by fellow employees or managers which is in contravention of the Protected Disclosures Act 26 of 2000. Such victimisation should be reported to the Head of Department to take reasonable action to protect such employee(s).

4.11.3 The Department will continue and enhance the use of the National Anti-Corruption Hotline which is housed in the Office of the Public Service Commission and which is intended to achieve the following:

4.11.3.1 To deter potential fraudsters and corrupt individuals by making all employees and other stakeholders aware that the Department is not a soft target, as well as encouraging the participation of employees in supporting, and making use of this facility;

4.11.3.2 To raise the level of awareness that the Department is serious about preventing fraud and corruption;

4.11.3.3 To detect incidents of fraud and corruption by encouraging whistle blowers to report incidents which they witness or come to their attention.

4.11.3.4 To assist the department in managing the requirements of the Protected Disclosures Act by creating an additional channel through which whistle blowers can report irregularities which they witness or which come to their attention; and

4.11.3.5 To further assist the Department in identifying areas of fraud and corruption risk in order that preventive and detective controls can be appropriately improved, developed and implemented.

4.11.4 In line with Cabinet instructions, the Department will provide the DPSA, through the Office of the Premier and the Gauteng Provincial Treasury with the following minimum information at the end of each financial year:

4.11.4.1 Number of allegations of corruption received and corruption cases detected per defined categories as defined in the Prevention and Combating of Corrupt Activities Act, 2004 and service delivery areas.

4.11.4.2 Number of allegations and cases referred to in (4.10.5.1) above:

- (i) Handled in terms of disciplinary procedure;
- (ii) Referred to law enforcement agency or other body;
- (iii) Not investigated for disciplinary purposes or not referred;
- (iv) Description of corruption risk areas; and

4.11.4.3 Report on the performance of its minimum anti-corruption capacity as part of its annual report.

4.11.5 The Public Service Regulations, 2016, Chapter 2, Anti-corruption and ethics management provides that the Head of Department shall—

- (a) Analyse ethics and corruption risks as part of the department's system of risk management;
- (b) Develop and implement an ethics management strategy that prevents and deters unethical conduct and acts of corruption;
- (c) 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—
  - (i) confidentiality of reporting; and
  - (ii) the recording of all allegations of corruption and unethical conduct received through the system or systems;
- (d) Establish an information system that—
  - (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
- (d) 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.

#### 4.11.6 How allegations of fraud and corruption should be reported.

**Step one:** The first step will be for the employee to raise the concern with his/her immediate supervisor/ manager. This may be done verbally or in writing.

**Step two:** If for whatever reason, the employee feels unable to raise the concern with his/her manager or feel that the matter is so serious that he/she cannot discuss it with any one in his/her business unit, the employee can approach the Director: Anti-Fraud & Corruption Unit as per below information:

Anti Fraud and Corruption Unit  
Bank of Lisbon Building  
Cnr. Pixley Seme and Market Street  
2<sup>nd</sup> Floor  
(011) 355-4229/4326/4324 (tel)  
(011) 355-4327 (fax)  
Email: [EthicsDHS@gauteng.gov.za](mailto:EthicsDHS@gauteng.gov.za)

Where a concern relates to a very sensitive issue or high profile such that it cannot be reported telephonically or by fax for security reasons, employees can call the AFCU and the necessary arrangement will be done.

**Step three:** If the above steps have been followed but the employee still have the concern or if an employee thinks that the concern is so serious that he/she cannot discuss it with any of the above, he/she must contact the Head of Department

Should an employee exhaust these internal mechanisms or where an employee has substantial reason to believe that there would be a cover-up or that evidence will be destroyed or that the matter might not be handled properly. He/she may raise the matter in good faith with a Member of the Executive Council (MEC) for Cooperative Governance, Traditional Affairs and Human Settlements in Gauteng, Member of the Provincial Legislature, Institutions established in terms of Chapter 9 & Chapter 10 of the Constitution of the Republic of South Africa.

The Department encourages communities and stakeholders or service provider who suspect fraud and corruption to contact the National Anti-Fraud Hotline that is administered by the Public Service Commission on 0800 701 701. The National Anti-Corruption Hotline is available 24 hours in all official language, you have an option to remain anonymous or identify yourself when reporting.

#### **4.12 Investigation conducted without interference.**

4.12.1 All allegations of fraud, corruption and unethical conduct reported to the Department will be investigated without fear and favour.

4.12.2 No member of staff or Management may interfere with any investigation conducted lawfully in line with all relevant Legislation, Regulations, and Treasury Regulations after allegations have been reported for investigation.

#### **4.13 The Fraud Policy and Response Plan.**

4.13.1 An Anti-Fraud and Corruption Policy, which contains the policy stance of the Department to fraud and corruption as well as the response mechanisms in place to report, investigate and resolve incidents of fraud and corruption which impact on the Department has been reviewed and updated.

4.13.2 The updated Anti-Fraud and Corruption Policy will be circulated to all employees of the Department and appropriate sections to the customers, the general public and providers of goods and services.

4.13.3 The following are steps included in the fraud policy for the reporting of fraud and corruption:

4.13.3.1 All allegations of fraud and corruption should be reported by employees to their immediate managers;

4.13.3.2 If there is a concern that the immediate manager is involved, the report must be made to the HOD, and/or the Chairperson of the Ethics Committee of the Department;

4.13.3.3 All managers should report all allegations to the HOD who will initiate an investigation; and

4.13.3.4 If there is a concern that the HOD is involved, the report must be made to the MEC or the Provincial Treasury.

4.13.3.5 Employees can also report allegations directly to the Anti-Fraud and Corruption Unit of the department.

4.13.3.6 Should an employee wish to make a report anonymously, they can contact the National Anti-Corruption Hotline that is

administered through the Office of the Public Service Commission on 0800 701 701.

## **C. FURTHER IMPLEMENTATION AND MAINTENANCE**

### **4.14 Creating awareness**

This component of the Plan comprises two approaches, namely education and communication.

#### **4.14.1 Education**

4.14.1.1 Creating of awareness amongst employees is intended to address the following issues:

- (a) Informing employees on an ongoing basis on what constitutes fraud and corruption;
- (b) Promote the Department's policies that must be adhered to, including values and the Code;
- (c) Informing employees of fraud and corruption risks to enable understanding of specific risks to which the Department may be exposed, thus enhancing the prospect of detecting irregularities earlier;
- (d) Encouraging employees to blow the whistle on fraud and corruption; and
- (e) Employee awareness of the current legislative framework as it relates to fraud and corruption, and their obligations and rights should they blow the whistle on fraud and corruption, the nature of the witness protection system and the roles and responsibilities of existing anti-corruption institutions.

#### **4.14.2 Communication**

4.14.2.1 The objective of the communication approaches is to also create awareness amongst employees, the public and other stakeholders, of the FPP in order to facilitate a culture where all stakeholders strive to contribute toward making the FPP a success as well as for the sustaining of a positive, ethical culture within the Department. This will increase the prospect of fraud and corruption being reported and improve the Department's prevention and detection ability.

**4.14.3 Communication strategies that will be considered by the Department are the following:**

- 4.14.3.1 Posters, newsletters, pamphlets and other publications to market all anti corruption measures of the Department, aimed at employees, customers, the general public and other stakeholders;
- 4.14.3.2 Press release to the media in cases where people alleged to have committed fraud and corruption have been arrested. This is to ensure that the efforts of the Department in fighting fraud and corruption are communicated and the zero tolerance stance of the Department is reinforced.
- 4.14.3.3 Attachments to bid documents relating to the Department's stance to fraud and corruption, where such irregularities can be reported and the actions which will be considered;
- 4.14.3.4 Appropriate attachments to offers of employment and inclusion of appropriate items in induction and training programmes;
- 4.14.3.5 Prudent terms in contracts signed with providers of goods and/or services relating to offering of gifts to employees of the Department and the right to audit records;
- 4.14.3.6 Ensuring that ethics, fraud and corruption prevention is a fixed agenda item in meetings;

- 4.14.3.7 Signing of declarations of commitment by all employees to the FPP and the Code of Conduct;
- 4.14.3.8 Endorsements of correspondence directed at providers of goods and/or services and other stakeholders with anti-fraud and corruption and integrity messages; and
- 4.14.3.9 Publish the FPP and successes in its implementation in the Annual Report of the Department.

#### **4.15 Provincial Anti-Corruption Co-ordinating Committee**

4.15.1 The Gauteng Provincial Anti-Corruption Co-ordinating Committee (PACCC) was established in December 2004 to oversee the implementation of strategies dealing with fraud and corruption with the objective to identify, manage, and reduce the risk of fraud and corruption which may affect the performance of the GPG.

4.15.2 The PACCC consists of Managers responsible for fraud prevention, investigation, ethics management of all departments of GPG and is convened quarterly. The responsibilities of the forum include:

- 4.15.2.1 Monitoring the implementation of anti-fraud and anti-corruption strategies, supporting and enabling communication of anti-fraud and corruption initiatives within GPG;
- 4.15.2.2 Monitoring the effectiveness of the implementation of the fraud prevention and anti-corruption initiatives;
- 4.15.2.3 Monitoring the resolution of fraud and corruption related matters to ensure acts of fraud and corruption are dealt with; and
- 4.15.2.4 Reporting to the Heads of Department with regards to the status on the implementation of the anti-fraud and anti-corruption strategies.



4.15.3 The Departments Anti-Fraud & Corruption Unit will be responsible for representing the Department at the PACCC and provide reports to the Committee when required. This includes:

- 4.15.3.1 Evaluating reports of fraud and corruption received and highlighting areas of fraud and corruption risk within the province;
- 4.15.3.2 Providing reports to the Office of the Premier and the Gauteng Provincial Treasury, Forensic Audit Services, on Minimum Anti Corruption Capacity and National Anti Corruption Hotline cases.
- 4.15.3.3 Considering fraud and corruption threats to the province and making recommendations to appropriate committees or management;
- 4.15.3.4 Considering criminal activity threatening the province and making fraud and corruption prevention recommendations with regard to areas that should be examined;
- 4.15.3.5 Monitoring action taken to implement recommendations relating to incidents of fraud and corruption;
- 4.15.3.6 Reviewing and making appropriate amendments to the Fraud Policy;
- 4.15.3.7 Amending the awareness programme as necessary, and implementing the changes; and
- 4.15.3.8 Ensuring that ongoing communication and implementation strategies are developed and implemented.

#### **4.16 Ongoing maintenance and review.**

4.16.1 The FPP will be reviewed on an annual basis, whilst progress with the implementation of the various components will be reviewed on a quarterly basis. In the latter regard, specific priorities stemming from the FPP, actions to be taken, responsible persons and feedback dates relating to

progress made will also be set. A matrix of tasks and responsibilities (Annexure B) has been developed to facilitate this.

4.16.2 The Fraud Prevention and Ethics Implementation Plan has been developed for purposes of implementing the Fraud Prevention Plan.

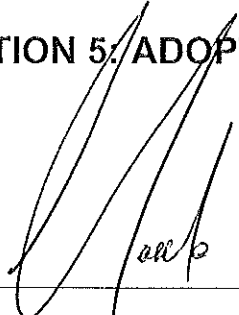
**4.17 Oversight and monitoring.**

4.17.1 The HOD assumes the responsibility for oversight and monitoring the implementation of the Fraud Prevention Plan, Fraud Policy and the Response Plan and the Fraud Prevention and Ethics Implementation Plan.

4.17.2 In order for the HOD to conduct oversight and monitor the implementation of the above Plans, the AFCU will provide monthly and quarterly report to the HOD.

4.17.3 Quarterly reports will be submitted to the Office of the Premier and the PACCC in order for both to be able to conduct oversight and monitor implementation of the Plans.

**SECTION 5: ADOPTION OF THE FRAUD PREVENTION PLAN**



Ms. Matilda Gasela  
Head of Department: Department of Human Settlements:  
Date: 03 FEBRUARY 2017

 Approved Not Approved