

BERGRIVIER MUNICIPALITY



Anti - Fraud and Corruption Policy

2020/2021 FINANCIAL YEAR

TABLE OF CONTENTS

CONTENT	PAGE NUMBER
TERMS AND ABBREVIATIONS	4-6
SECTION I: INTRODUCTION	7-9
SECTION II : COMPONENTS OF THE POLICY	9-10
SECTION III: FRAUD PREVENTION STRATEGY	11
FOCUS ON THE ORGANISATION <ul style="list-style-type: none"> <i>Codes of Conduct for Municipal Employees and Councillors</i> <i>Systems, policies and procedures</i> <i>Human Resources – Employment Practices</i> <i>Discipline</i> <i>Financial Systems and Control</i> <i>Procurement</i> <i>Housing</i> <i>Risk Management and Assessment</i> <i>Fraud Detection Reviews</i> <i>Physical and Information Security</i> 	11-19
FOCUS ON EMPLOYEES	19
FOCUS ON OTHER STAKEHOLDERS <ul style="list-style-type: none"> <i>Trading Partners</i> <i>Employee representative organisations</i> <i>Department of Provincial and Local Government</i> <i>SALGA</i> <i>The general public</i> 	19-20
ENFORCEMENT <ul style="list-style-type: none"> <i>Reporting and Monitoring of fraud and corruption</i> <i>Reporting Channels</i> 	20-21
IMPLEMENTATION AND AWARENESS	22-23
Annexure A: WHISTLE BLOWING POLICY	24-25
Annexure B: FRAUD AND CORRUPTION IMPLEMENTATION PLAN	26-28

TERMS AND ABBREVIATIONS

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):

TERM	DESCRIPTION/ MEANING
Municipality	Bergervier Municipality with its central administration in Piketberg, serves an area of 4 407 square kilometers. The area extends to Piketberg, Velddrif, Porterville, Redelinghuys, Eendekuil and Aurora. We also cover the smaller towns of Dwarskersbos and Laaiplek as well as the Moravian Church-owned towns of Wittewater and Goedverwacht.
Constitution	Constitution of the Republic of South Africa, As adopted on 8 May 1996 and amended on 11 October 1996 by the Constitutional Assembly
Demarcation Act	Local Government Municipal Demarcation Act, 1998 (Act 27 of 1998)
DPLG	Department of Provincial and Local Government, Western Cape
Fraud and Corruption	<p>Includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Fraud, i.e. the unlawful and intentional making of a misrepresentation resulting in actual or potential prejudice to another; <input type="checkbox"/> Theft, 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; <input type="checkbox"/> Offences in respect of <i>corrupt activities</i> as defined in the Prevention and Combating of Corrupt Activities Act, 2004, i.e: <ul style="list-style-type: none"> o The general offence of corruption 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: <ul style="list-style-type: none"> <input type="checkbox"/> Illegal, dishonest, unauthorised, incomplete, or biased; <input type="checkbox"/> Misuse or selling of information or material acquired; <input type="checkbox"/> Abuse of position of authority; <input type="checkbox"/> Breach of trust; <input type="checkbox"/> Violation of a legal duty or set of rules; <input type="checkbox"/> Designed to achieve an unjustified result; and <input type="checkbox"/> Any other unauthorised or improper inducement to do or not to do anything; o Corrupt activities in relation to: <ul style="list-style-type: none"> <input type="checkbox"/> Public officials; <input type="checkbox"/> Foreign public officials; <input type="checkbox"/> Agents; <input type="checkbox"/> Judicial officers; <input type="checkbox"/> Members of the prosecuting authority; <input type="checkbox"/> Unauthorised gratification received or offered by or to a party with an employment relationship; <input type="checkbox"/> Witnesses and evidential material during certain proceedings; <input type="checkbox"/> Contracts; <input type="checkbox"/> Procuring and withdrawal of tenders; <input type="checkbox"/> Auctions; <input type="checkbox"/> Sporting events; and

- Gambling games or games of chance;
- o 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;
- o 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;

Irregularities relating to the following:

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

- HR – Employment Practices:
- Inadequate vetting of employees;

Procurement:

- Non-compliance to tender procedures;
- Procurement fraud, e.g. collusion between employees and suppliers;
- Fraudulent information submitted by suppliers when tendering for work;

Housing:

- Manipulation of the beneficiary waiting list;
- Irregular allocation of a housing subsidy;

Financial Systems and Control:

- Theft of blank cheques;
- Deliberate non-compliance to policies and procedures;
- Abuse of the system of overtime;
- Abuse of the system of travel claims;
- Fraudulent payment certificates submitted for payment;
- Non-compliance to delegated authority limits;

Financial issues: i.e. where individuals or entities have fraudulently obtained money from Bergrivier, e.g.:

HR – Employment Practices:

- Ghost employees;
- Irregular appointment of staff for undue benefits;

Procurement:

- Suppliers invoicing for work not done;
- Service providers double invoicing;
- Contractors “fronting”.

Housing:

- Diversion of rental payments on rental stock;

Financial Systems and Control:

- Theft, e.g. petty cash, etc.;
- Fraudulent cashing of cheques;
- Fraudulent travel claims by employees;

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

Financial Systems and Control:

- Theft of assets;
- Abuse of assets;
- Deliberate destruction of property; and
- Use of Bergrivier resources and equipment for private gain.

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

	e.g.: <ul style="list-style-type: none"> • Conflict of interest ; • Favouritism; and • Non-disclosure of private work
LGAS	Local Government Anti-Corruption Strategy
MFMA	Municipal Finance Management Act 2003, t.56 of 2003)
Municipal Manager	A person appointed in terms of section 82 (1) of the Structures Act
Policy	Anti- Fraud Prevention Policy for Bergrivier Municipality ("Bergrivier
RSA	Republic of South Africa
SALGA	South African Local Government Association
SARS	South African Revenue Services
Structures Act	Municipal Structures Act, 1998 (Act 17 of 1998)
Systems Act	Municipal Systems Act 32, 2000 (Act 32 of 2000)

I. SECTION 1: INTRODUCTION

- 1.1 Bergrivier Municipality subscribes to the principles of good corporate governance, which requires the conducting business in an honest and transparent fashion.
- 1.2 Subsequently Bergrivier Municipality is committed to fighting fraudulent behavior at all levels within the organisation.
- 1.3 The Policy is premised on the organisations core ethical values driving the business of Bergrivier Municipality, the development of its systems, policies and procedures, interactions with ratepayers, the public and other stakeholders, and even decision-making by individual managers representing the organisation. This means that in practice all departments and other business units of Bergrivier Municipality and even external stakeholders must be guided by the Policy as the point of reference for their conduct in relation to Bergrivier.

VISION AND MISSION

Our **vision** is “Bergrivier: a prosperous community where all want to a live, work, learn and play in a dignified manner”. Our **mission** is “Commitment to sustainable development and the delivery of services that are responsive to the developmental needs of all communities in Bergrivier Municipality.

The core values of Bergrivier Municipality are:

- We are all part of Bergrivier Municipality;
- We strive to render good service to ensure that all people can live together in a dignified manner;
- We are unashamedly pro-poor;
- We believe in good relationships;
- We believe in close innovative partnerships;
- We believe in social and economic development of the area;
- We are disciplined;
- We render good services
- We care about our work and our colleagues;
- We serve with pride; and
- We believe in ethical behaviour.

- 1.4 In addition to promoting ethical conduct within Bergrivier Municipality, the Policy is also intended to assist in preventing, detecting, investigating and sanctioning fraud and corruption.
- 1.5 This dynamic document details the steps, which have been, and will continually be taken by Bergrivier Municipality to promote ethical conduct and address fraud and corruption.
- 1.6 **Purpose of the policy**

This policy has been developed to give effect to the objects of the Protected Disclosures Act, namely:

- To protect an employee from being subjected to occupational detriment on account of having made a protected disclosure;
- To provide for remedies in connection with any occupational detriment suffered on account of having made a protected disclosure; and
- To provide for procedure in terms of which an employee can, in a responsible manner, disclose information regarding improprieties by his or her colleagues, other stakeholders and employer.
- To encourage employees to report the matters as set out under paragraph 2 of the Whistle Blowing policy providing procedures and mechanisms for such reporting as well as ensuring that employees who make such reports in good faith are not victimised, harassed and do not

suffer any occupational detriment.

2. POLICY STANCE

- 2.1 The policy of Bergrivier Municipality is zero tolerance to fraud and corruption. In addition, all fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of Bergrivier Municipality.
- 2.2 The efficient application of instructions contained in the policies and procedures of Bergrivier Municipality, is one of the most important duties to be applied by every employee in the execution of their daily tasks.

3. WHAT SHOULD AN EMPLOYEE DO IF HE/SHE SUSPECTS FRAUD AND CORRUPTION?

- 3.1 It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their immediate manager. Should an employee be concerned that the manager is involved, the report can be made to any other member of management, the Municipal Manager and /or the Chairperson of the Performance and Audit Committee.
- 3.2 All managers are responsible for the detection, prevention and investigation of fraud and corruption and must report all incidents and allegations of fraud and corruption to the Municipal Manager. The Municipal Manager will initiate an investigation into the matter.
- 3.3 Should employees wish to report allegations of fraud and corruption anonymously, they can contact any member of management, the Municipal Manager, the Chairperson of the Performance and Audit Committee, Mayor and/or the Internal Auditor on 022 913 6000.
- 3.4 Employees and members of the public can also report allegations of fraud and corruption via the West Coast Anti-Fraud and Corruption Hotline. This hotline is available 24/7 and the contact details are as follows:

Toll free number: 0800 004 009

Email address: westcoast@behonest.co.za

4. WHAT SHOULD A MEMBER OF THE PUBLIC OR PROVIDERS OF GOODS AND/OR SERVICES DO IF THEY SUSPECT FRAUD AND CORRUPTION?

Bergrivier Municipality encourages members of the public or providers of goods and/or services who suspect fraud and corruption to contact any member of management, the Municipal Manager, the Mayor and/or the Internal Auditor on 022 913 6000.

Alternatively they can report it via the West Coast Anti-Fraud and Corruption Hotline.

5. HOW WILL ALLEGATIONS OF FRAUD AND CORRUPTION BE DEALT WITH?

- 5.1 For issues raised by employees, ratepayers, members of the public or providers of goods and/ or services, the action taken will depend on the nature of the concern. The matters raised will be screened and evaluated and may subsequently:
- Be investigated internally; or
 - Be referred to another law enforcement agency.
- 5.2 Any fraud and corruption committed by an employee or any other person will be pursued by thorough investigation and to the full extent of the law, including (where appropriate) consideration of:
- a) In case of employees, taking disciplinary action within a reasonable period of time after the incident;
 - b) Instituting civil action to recover losses;
 - c) Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency; and
 - d) Any other appropriate and legal remedy available.

6. RECOVERY OF LOSSES

Managers are required to ensure that losses or damages suffered by Bergrivier Municipality as a result of all reported acts committed or omitted by an employee, ratepayer or any other person are recovered from such an employee, ratepayer or other person if he or she is found to be liable for such losses.

7. FEEDBACK TO REPORTERS OF FRAUD

The Municipal Manager will, upon receiving a report of fraud from an external person, write to the person making the report:

- acknowledging that the concern has been received;
- Indicating how he proposes to deal with the matter and whether any initial enquiries have been made;
- Giving an estimate of how long it will take to provide a final response; and
- Informing them whether any further investigations will take place, and if not, why not.

8. CONFIDENTIALITY

All information relating to fraud and corruption that is received and investigated will be treated confidentially. The progression of investigations will be handled in a confidential manner and will not be disclosed or discussed with any person(s) other than those who have a legitimate right to such information. This is important in order to avoid harming the reputations of suspected persons who are subsequently found innocent of wrongful conduct.

9. MEDIA

No person is authorised to supply any information with regard to allegations or incidents of fraud and corruption to the media without the express permission of the Municipal Manager.

10. PROTECTION OF WHISTLE BLOWERS

10.1 Any person who reports suspected fraud and/or corruption may remain anonymous should he/she so desire. Concerns expressed anonymously are difficult to investigate; nevertheless they will be followed up at the discretion of Bergrivier Municipality. This discretion will be applied by taking into account the following:

- the seriousness of the issue raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation.

10.2 No person will suffer any penalty or retribution for good faith reporting of any suspected or actual Incident which occurred within Bergrivier Municipality. This may include:

- **Harassment or victimisation:** Bergrivier Municipality acknowledges the fact that the decision to report a concern can be a difficult one to make, not least because of fear of reprisal from those responsible for the irregularity. Bergrivier Municipality will not tolerate harassment or victimisation and will take action to protect employees when they raise a concern in good faith. This does not mean that if an employee is already the subject of disciplinary or other action, that action will be halted as a result of their whistle blowing.
- **Confidentiality:** Bergrivier Municipality will do its best to protect an individual's identity when he/she raises a concern and does not want their identity to be disclosed. It must be appreciated, however, that the investigation process may reveal the source of the information and a statement by the employee may be required as part of the evidence.

10.3 All managers should discourage employees or other persons from making allegations, which are false and made with malicious intentions. Where such allegations are discovered, the person who made the allegations must be subjected to firm disciplinary, or other appropriate action.

11. SECTION II: COMPONENTS OF THE POLICY

11.1 The **main principles** upon which the Policy of Bergrivier Municipality is based on and aligned to the LGAS includes the following:

- Creating a culture which is ethical and 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 in the event of such irregularities, e.g. disciplinary action, recovery of losses, prosecution, etcetera; and
- Applying sanctions that includes blacklisting and prohibition from further employment.

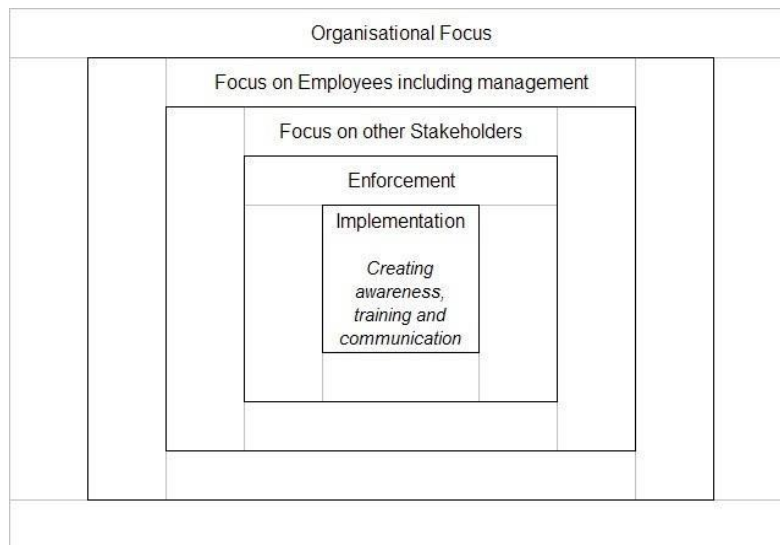
11.2 The above is not intended to detract from the premise that all the components are equally essential for the successful implementation of the Policy. The **components of the Policy** for Bergrivier Municipality are the following:

➤ **Fraud Prevention Strategy**

- Focus on the Organisation
- Focus on Employees
- Focus on other stakeholders
- Enforcement
- Implementation

12. SECTION III: FRAUD PREVENTION STRATEGY

The approach to fraud prevention in Bergrivier Municipality can be summarised as follows:



13. FOCUS ON THE ORGANISATION

13.1 Codes of Conduct for Municipal Employees and Councillors

13.1.1 Schedule 2 of the Systems Act contains the Code of Conduct for Municipal Employees with specific conduct standards categorised as follows:

- General Conduct;
- Commitment to serving the public interest;
- Personal gain;
- Disclosure of benefits;
- Unauthorised disclosure of information;
- Undue influence;
- Rewards, gifts and favours;
- Council property;
- Payment of arrears;
- Participation in elections;
- Sexual harassment;
- Reporting duty of staff members; and
- Breaches of Code.

13.1.2 Schedule 1 of the Systems Act contains the Code of Conduct for Councillors with specific standards for good conduct in the following categories:

- General conduct of councillors (Cross reference to section of Act);
- Attendance at meetings;
- Disclosure of interests;
- Personal gain;
- Declaration of interests;
- Full-time councillors;
- Rewards, gifts and favours;
- Unauthorised disclosure of information;
- Intervention in administration;
- Council property;
- Duty of chairpersons of municipal councils;
- Breaches of Code; and
- Application of Code to traditional leaders.

- 13.1.3 A gifts register has been implemented, in order to ensure that both the acceptance and offering of business courtesies, including gifts, by all employees of Bergrivier Municipality occurs only within the ethical standards as prescribed by the supply chain regulations in the MFMA. All gifts of value of R350, 00 or more must be declared at the supply chain management offices, Head: Assets and SCM or Administrator SCM.
- 13.1.4 A 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 has been developed and are revised annually. The process is managed by the human resources department.

13.2 Systems, policies and procedures

- 13.2.1 Bergrivier Municipality has a number of systems, policies and procedures designed to ensure compliance with specific laws and regulations and basic internal control.

These include the following:

- Approved Risk Register (approved annually by council).
 - Compliance Assist – electronic monitoring and reporting with regards to the MFMA, Structures and Systems Acts.
 - Performance Management Policy
 - Supply Chain Management Policy (including the regulations).
 - Fully functional Performance and Audit Committee and Oversight Committee
- 13.2.2 All employees and other stakeholders are expected to comply with the applicable policies and procedures. A fundamental risk in this area is the lack of knowledge, awareness, effective communication and training relating to prevailing systems, policies and procedures.
- 13.2.3 Non-compliance with policies and procedures is a risk with the potential to seriously impact the success of Bergrivier Municipality . This will be addressed by developing clearly defined communication and training strategies to create awareness of all 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, e.g. 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, etc.
- 13.2.4 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.

13.3 Human Resources – Employment Practices

- 13.3.1 Bergrivier Municipality is committed to developing human resources systems, policies and procedures, which incorporate fraud and corruption prevention practices. There is a risk of poor implementation of its human resource systems, policies and procedures and Bergrivier Municipality undertakes testing thereof during internal audits in which control shortcomings are subsequently addressed.
- 13.3.2 Employee focussed anti-fraud and anti-corruption measures should be visible from the point of advertising a vacant post, recruitment, specific employment conditions, maintaining high employee morale, performance management and even exit procedures upon resignation or retirement. The approaches indicated below are key to Bergrivier Municipality's efforts in this regard.
- **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 screening processes are obligatory for consideration in any post.
 - **Pre-employment screening and probity:** Bergrivier Municipality intends ensuring that pre-employment screening procedures are applicable to all employees, regardless of level, including employees acting in specific positions, seconded employees and temporary and contract workers. Relevant probity will be included in all employee screening processes.
 - **Probation:** Compulsory probationary periods should be applicable to all full-time employees.

This provision will be extended to include seconded employees and temporary and contract workers. 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 period.

- o **Ongoing financial disclosure and lifestyle audits:** Senior managers will be obliged to declare specific personal assets and private business interests.
- o **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 organisational strategy, business ethics and conduct standards are included in employee induction. Specific steps will also be developed to include seconded employees, interns and temporary and contract workers in relevant aspects of induction programmes.
- o **Obligatory leave periods:** In order to limit the risk of over-worked employees who could become lackadaisical leading to non-compliance to internal control and to further limit the risk of fraud and corruption Bergrivier will compel all employees to take annual leave. This control also limits the risk of unethical individuals monopolising specific tasks.
- o Managers will be encouraged to ensure that appropriate controls, e.g. appropriate scrutiny and supervision, are put in place in instances where employees do not take leave for extended periods of time due to work commitments.
- o **Exit procedures for employees and control over assets:** The exit procedures for employees leaving Bergrivier Municipality usually require the return of assets and an exit interview. Steps will be taken to ensure that specific follow-up time frames are set to encourage managers to apply the requirement related to the return of assets more promptly.
- o Bergrivier Municipality will ensure that an exit interview process is in place which includes the assessment of the perceptions of the business ethics and conduct standards within the organisation. This will assist in identifying areas for improvement.

13.4 Discipline

13.4.1 Bergrivier Municipality will be consistent and efficient in its application of the disciplinary measures. Additional measures, which will be considered include:

- Communication of specific disciplinary standards and forbidden conduct;
- Introducing a system where the application of disciplinary measures is applied consistently;
- Steps for ongoing training of managers in the application of disciplinary measures;
- Where managers are found to be inconsistent and/or inefficient in the application of discipline, Bergrivier will consider firm action; and
- Publication (within the permissible legal framework) of the outcomes and sanctions of disciplinary actions, including lessons learned. The successful achievement of these initiatives, together with their communication is expected to have a deterrent effect.

13.5 Financial Systems and Control

13.5.1 Appropriate finance policies and procedures are also necessary to ensure appropriate internal control over finance management and to limit fraud and corruption risks. The effectiveness of the existing finance policies and procedures will also be tested during the course of internal audits and shortcomings are addressed.

13.5.2 The Council of Bergrivier Municipality must approve an annual budget for Bergrivier before the start of the financial year. Bergrivier Municipality may only incur expenditure in terms of an approved budget and within limits of the amounts appropriated for the different votes in an approved budget.

13.5.3 The Municipal Manager of Bergrivier Municipality is regarded as the accounting officer for Bergrivier. Therefore the Municipal Manager should ensure that the financial systems and controls that are in place in Bergrivier Municipality address the following:

- ☐ Effective, efficient and economic use of resources;
- ☐ Proper record keeping of the financial affairs of Bergrivier Municipality;
- ☐ Effective, efficient and transparent systems of financial and risk management and internal control;
- ☐ Effective, efficient and transparent systems of internal audit;
- ☐ Prevention of irregular or fruitless and wasteful expenditure; and
- ☐ Institution of disciplinary or, when appropriate, criminal proceedings against employees who have committed an act of financial misconduct or other offence, including fraud and corruption.

13.5.4 Further, the Municipal Manager must ensure that an effective system of expenditure control is in place. According to the MFMA, the accounting officer of Bergrivier Municipality must report to the South African Police Service all cases of alleged theft and fraud that occurred in Bergrivier.

13.5.5 Top management, senior management and other officials of Bergrivier Municipality must assist the Municipal Manager in coordinating the financial systems and controls within Bergrivier.

13.5.6 The finance policies, procedures and other prescripts of Bergrivier Municipality prescribe various controls, which, if effectively implemented, would limit fraud and corruption within Bergrivier. These controls may be categorised as follows, it being recognised that the categories contain overlapping elements:

- (a) Prevention controls, which is further subdivided into:
 - i. Authorisation Controls which require that all transactions must be authorised or approved by an appropriate responsible person and that the limits for these authorisations are specified in the delegations of authority of Bergrivier Municipality.
 - ii. 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, control 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.
 - 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.
 - iv. Placed in context with fraud and corruption prevention, segregation of duties lies in separating either the authorisation or the custodial function from the execution function.

13.5.7 Despite the existence of policies and procedures to address internal control, deficiencies such as ineffective application of policies and procedures resulting from lack of training, expertise, knowledge and capacity has the potential to lead to increased incidence of fraud and corruption.

13.5.8 Bergrivier Municipality 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.

13.5.9 Furthermore, Bergrivier Municipality will also continue to re-emphasize to all supervisors 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.

13.5.10 where managers do not comply with basic internal controls, e.g. non-adherence to the delegation of authority limits, firm action(s) will be considered.

13.6 Procurement

13.6.1 The MFMA requires every municipality to have a procurement policy that is fair, equitable, transparent, competitive and cost effective.

13.6.2 Further, the MFMA stipulates that the procurement policy of Bergrivier Municipality must at least address the following aspects:

- The barring of persons from participating in tendering or other bidding processes that have:
 - Been convicted of fraud or corruption during the past five years;
 - Wilfully neglected, reneged on or failed to comply with government contract during the past five years; and
 - Whose tax matters are not cleared by SARS.

13.6.3 The Municipal Manager of Bergrivier Municipality must implement the procurement policy and take all responsible steps to ensure that proper mechanism and separation of duties in the procurement system are in place to minimise the risk of fraud, corruption, favouritism and unfair and irregular practices.

13.6.4 At a minimum, the procurement policy of Bergrivier Municipality should contain the following anti-fraud and anti- corruption provisions:

- The range of supply chain management processes that Bergrivier Municipality may use, e.g. tenders, quotations, etc;
- When a particular process must be used;
- Procedures for each type of process;
- Open and transparent pre-qualification processes for tenders and other bids;
- Competitive bidding processes;
- Bid documentation, advertising of and invitations for contracts;
- Procedures for:
 - the opening, registering and recording of bids in the presence of interested parties;
 - the evaluation of bids;
 - negotiating the final terms of the contracts; and
 - the approval of bids;
- Screening processes and security clearances for prospective contractors on tenders or other bids above a prescribed value;
- Compulsory disclosure of conflicts of interests;
- The barring of persons from participating in tendering or other bidding processes who have:
 - been convicted of fraud or corruption during the past five years;
 - wilfully neglected, reneged on or failed to comply with a government contract during the past five years; and
 - tax matters that are not cleared with SARS;
- Any additional measures for:

- combating fraud, corruption, favouritism and unfair and irregular practices in Bergrivier Municipality's supply chain management; and
- promoting ethics of officials and other role players involved in Bergrivier Municipality's supply chain management.

13.7 Housing

In order to fulfil its housing role, Bergrivier Municipality must carry out the following functions:

- Health and Safety: ensure that conditions not conducive to health and safety of the inhabitants of its areas of jurisdiction are prevented or removed;
- Efficient Services: ensure that services in respect of water, sanitation, electricity, roads, stormwater drainage and transport are provided in a manner that is economically efficient;
- Housing Delivery Goals: set housing delivery goals in respect of its area of jurisdiction;
- Land for Housing: identify and designate land for housing development;
- Public Environment: create and maintain a public environment conducive to housing development which is financially and socially viable;
- Conflict Resolution: promote the resolution of conflicts arising in the housing development process;
- Bulk and Revenue Generating Services: provide bulk engineering services, and revenue generating services in so far as specialist utility suppliers do not provide such services;
- Land Use: plan and manage land use and development; and
- Housing Development: initiate, plan, co-ordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction.

13.7.1 Housing Subsidy

13.7.1.1 A housing subsidy is a grant by Government offered to qualifying beneficiaries for housing purposes. The grant is not paid in cash to the beneficiaries. The grant is paid to a seller or may be used to construct a house, which is then transferred to a beneficiary.

13.7.1.2 Applications for a housing subsidy must satisfy the following criteria:

- An applicant must be married or be living together with any other person. A single person with proven financial dependents (such as children or family members) may also apply;
- An applicant must be a citizen of the Republic of South Africa, or be in the possession of a permanent resident permit;
- An applicant must be legally competent to contract (i.e. over 21 years of age, or married or divorced) and of sound mind;
- An applicant's gross monthly household income must not exceed R3 500. Adequate proof of income must be submitted;
- An applicant or anyone else in the household must not have received previous housing benefits from the Government. Except in the following:
 - An applicant that qualifies for a Consolidation Subsidy; or
 - Disabled persons;
- An applicant may not own or has owned a house previously, except for the following:
 - Disabled persons
 - Persons who:
 - own a vacant stand that was obtained through the Land Restitution Programme;
 - have acquired a residential property for the first time without Government assistance and the house/dwelling on the property, if any, does not comply with the Norms and Standards in respect of Permanent Residential Structures. The property must be in possession and registered in the name of the applicant; and
 - qualify for a consolidation subsidy

- 13.7.1.3 Applications for a housing subsidy may be made at either the relevant Provincial Housing Department or at the offices of Bergrivier Municipality.
- 13.7.1.4 Where applications are received by Bergrivier Municipality, receipt of the following documents should be ensured in order to mitigate the risk of beneficiaries irregularly a housing subsidy:
- 13.7.1.5
- A certified copy of the following:
 - o the page of the bar-coded R.S.A. identity document or Smart ID card containing photograph of applicant and that of his/her spouse;
 - o the page of the bar-coded Permanent Residence Permit containing the photograph of the applicant and that of his/her spouse where the applicant is not a South African Resident;
 - o a marriage certificate (if applicable);
 - o a spouse's death certificate (if applicable);
 - o a divorce decree (if applicable);
 - o birth certificates of all dependants (if applicable); and o most recent pay slip (applicant and spouse);
 - Agreement of Sale;
 - Building Contract and Approved Building Plan;
 - Sale of Land and House Building Support agreement in respect of People's Housing Process (PHP) (if applicable);
 - Proof of Disability (where applicable);
 - Proof of loan granted by lender (if applicable); and
 - Application for exemption for capital contribution (if applicable).

13.8 Risk Management and Assessment

- 13.8.1 In order to identify and address risks facing Bergrivier Municipality, a risk assessment will be performed on an annual basis and an electronic risk register has been implemented which reflects the strategic risks in the municipality as identified by council and management. This process will be complimented by the specific identification of existing controls to mitigate risks identified. Additional actions to further mitigate these risks will culminate in a risk management plan.
- 13.8.2 Presentations to employees of Bergrivier Municipality will be conducted in order to ensure that they have a more detailed understanding of the fraud and corruption risks facing Bergrivier Municipality and the areas wherein these risks exist, thus enhancing the prospect of detecting irregularities earlier.
- 13.8.3 A risk committee has been established and meets quarterly. Minutes of the Risk Committee are submitted quarterly to council. (Please note that this committee also performs the function of an anti-fraud and corruption and ethics committee. Documentation and relevant information in this regard are presented and discussed at the risk committee meetings).

13.9 Fraud Detection Reviews

Bergrivier Municipality will perform specific detection reviews in areas, which are at high risk of unethical conduct, fraud and corruption on a regular basis. This will include the conducting of presentations to employees, including managers, to ensure that they have a more detailed understanding of the risks associated with these areas, thus also enhancing the prospect of detecting irregularities earlier. These include:

- ☐ Recruitment of staff;
- ☐ Procurement, e.g. emergency procurement, sole suppliers, etc;
- ☐ Housing, e.g. allocation, administration of housing waiting lists, etc; and
- ☐ Financial Systems and Control, e.g. payment of suppliers, receipt and banking of revenue received.

- 13.10.2 Bergrivier Municipality have appointed an Internal Auditor, which will include anti-corruption capacity under the guidance of a Performance and Audit Committee. In terms of its Charter, the primary role of the Performance and Audit Committee will be to:

- Evaluate the performance of internal audit;
- Review the internal audit function's compliance with its mandate as approved by the Audit Committee;
- Review and approve the internal audit charter, internal audit plans and internal audit's conclusions with regard to internal control;
- Review significant differences of opinion between management and internal audit function;
- Evaluate the independence and effectiveness of internal auditors; and
- Review the co-operation and co-ordination between the internal and external audit function and co-ordinating the formal internal audit work plans with external auditors to avoid duplication of work.

13.10.3 The Internal Audit Department within Bergrivier Municipality will be responsible for the investigation of allegations of fraud and corruption that is brought to its attention. Additionally, it will support the risk management procedures from a fraud risk identification perspective.

13.10.4 Bergrivier Municipality 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 Plan. Where managers are found to be slow in addressing internal control and shortcomings raised by Internal Audit, firm action will be considered.

13.10.5 Awareness strategies will also be developed to enhance managers' understanding of the role of Internal Audit.

13.10.6 Bergrivier Municipality is also the subject of annual external audits. These audits include the following tasks:

- Examining evidence supporting the amounts and disclosures in the financial statements;
- Assessing the accounting principles used and significant estimates made by management; and
- Evaluating the overall financial statement presentation.

13.11 Physical and Information Security

13.11.1 Physical Security

13.11.1.1 Bergrivier Municipality's main physical security threat arises in the area of control over its physical assets, facilities and employees. Security personnel and access systems are deployed to mitigate this threat. However, control over security personnel and access systems should continuously be reviewed for adequacy.

13.11.1.2 Bergrivier Municipality's will also consider conducting a regular detailed review of the physical security arrangements at its offices and other sites and improve weaknesses identified. Specific focus areas will be physical security over infrastructure, assets and staff.

13.11.1.3 Furthermore, Bergrivier Municipality will continue to pursue steps to ensure adequate security over its people, confidential information and information systems.

13.11.2 Information Security

13.11.2.1 Bergrivier Municipality 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.

13.11.2.2 Communiqués will be provided to all employees on the management of intellectual property and confidential information to limit the risk of manipulation of information.

- 13.11.2.3 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.
- 13.11.2.4 Regular reviews of information and computer security will also be considered. Weaknesses identified during these reviews will be addressed.

14. FOCUS ON EMPLOYEES

Key ambassadors for the successful implementation of the Policy for Bergrivier Municipality are its employees. In essence, this means that their conduct often forms the base upon which Bergrivier as an organisation is judged. Bergrivier Municipality employees have to therefore demonstrate behavior beyond approach in the execution of their duties.

15. FOCUS ON OTHER STAKEHOLDERS

15.1 Stakeholders

15.1.1 Bergrivier Municipality has several other stakeholders with whom it interacts. These are indicated below:

- Trading partners/service providers, e.g. suppliers, contractors, consultants;
- Employee representative organisations;
- DPLG;
- SALGA; and
- The general public.

15.1.2 All stakeholders with whom Bergrivier Municipality interacts are expected to abide by the principles contained in the Policy. Although Bergrivier Municipality has limited legal rights to enforce these principles on external stakeholders, it can exercise moral persuasion to gain compliance to the principles contained in the Plan or choose not to enter into relationships with stakeholders who do not comply.

15.2 Trading Partners/Service providers

15.2.1 It is a common perception that employees face the greatest challenge to their integrity in the form of enticement to accept bribes from unethical suppliers, contractors and consultants. Furthermore, these trading partners are also often viewed as untrustworthy in delivery of goods and/or services.

15.2.2 Approaches to address the risk of fraud and corruption relating to trading partners are the following:

- Appropriate terms and conditions in invitations to propose for services relating to the standards of business ethics expected by Bergrivier Municipality;
- Appropriate pre-award screening of credentials supplied by contractors;
- Provisions for the compulsory declaration of actual and/or potential conflicts of interest both by suppliers and employees of Bergrivier Municipality dealing with these suppliers;
- Appropriate contract terms and conditions indicating the conduct expected by Bergrivier Municipality;
- Ongoing communication of these standards;
- Sound project management;
- Monitoring and evaluation of breaches;
- Taking sound action in the event of breaches such as:
 - Prosecution;
 - Loss recovery; and
 - Placing of appropriate prohibitions on future contracts and cancellation of exiting contracts.

15.3 Employee representative organisations

Bergrivier Municipality is committed to complying with the resolutions of recognition agreements with trade unions. Nonetheless, it is also expected of trade union representatives to comply with the principles of the Policy of Bergrivier Municipality. Trade unions will also be consulted prior to the finalisation/amendment or review of the Policy.

15.4 Department of Provincial and Local Government

- 15.4.1 DPLG is a national department and its primary function is to develop policies and legislation with regard to provinces and local government, and to monitor the implementation of the Municipal Structures Act, Municipal Demarcation Act, Systems Act as well as the MFMA. Efforts will be made to ensure that this stakeholder is also made aware of the principles contained in the Policy and the conduct encouraged by Bergrivier Municipality.

15.5 SALGA

SALGA is an organisation mandated by the South African Constitution to assist in the transformation of Local Government in South Africa. SALGA plays a core role in areas related to local government transformation and as a national representative of the local government sector and its employees. Bergrivier will also ensure that SALGA is made aware of the Plan and appropriately compliment it when dealing with Bergrivier Municipality.

15.6 The general public

Members of the general public will also be made aware of Bergrivier Municipality's commitment to fraud prevention and encouraged, through awareness programmes, to report irregularities affecting Bergrivier Municipality .

16. ENFORCEMENT

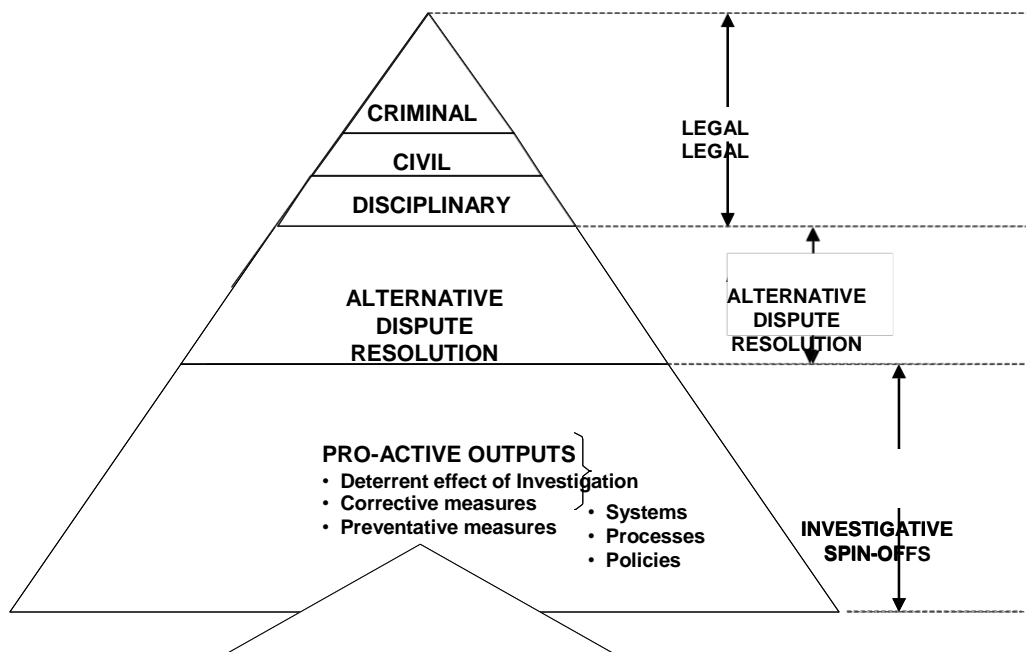
No Fraud Prevention Policy would be complete without enforcement forming an integral component for instances where fraud and corruption occur.

17. REPORTING AND MONITORING OF FRAUD AND CORRUPTION

17.1 Reporting Channels

- 17.1.1 The reporting channels for unethical conduct, fraud and corruption impacting Bergrivier Municipality are the following:
- All allegations of fraud and corruption should be reported by employees to their immediate managers;
 - If there is a concern that the immediate manager is involved, the report must be made to any other member of management, the Municipal Manager and/or the Chairperson of the Performance and Audit Committee;
 - All managers should report all allegations to the Municipal Manager who will initiate an investigation; and
 - Should an employee wish to make a report anonymously, such a report may be made to any member of management, the Municipal Manager, the Chairperson of the Performance and Audit Committee the Mayor and/or the Internal Auditor.

17.1.2 Parallel to the above enforcement approaches, is the task of fixing of controls to limit future recurrence of fraud and corruption in the event of breaches. The resolution mechanisms, which can be pursued in enforcement, are illustrated below.



18. IMPLEMENTATION AND AWARENESS

The Policy 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 Policy, actions to be taken, responsible persons and feedback dates relating to progress made will also be set.

18.1 Monitoring

Bergrivier Municipality will ensure that a fraud and corruption information system is developed for the following purposes:

- (a) Recording all allegations;
- (b) Tracking progress with the management of allegations;
- (c) To facilitate the early identification of systemic weaknesses and recurring risks, and inform managers and employees of systemic weaknesses/risks; and
- (d) Provide feedback to employees and other whistle blowers on the management of allegations.

18.2 Creating awareness

This component of the Policy comprises two areas, namely education and communication.

18.3 Education

Formal awareness presentations will be conducted for employees of Bergrivier in planned workshops. The ongoing creating of awareness amongst all employees is, however, the responsibility of all managers. Approaches to create awareness amongst employees will address the following issues:

- Employee awareness and the application of professional ethics in their work environment;
- Employee awareness of the current systems, policies and procedures relating fraud and corruption and their rights should they blow the whistle;
- Encouraging employees to blow the whistle on fraud and corruption within their work environments;
- Encouraging employees to understand specific fraud and corruption related risks to which Bergrivier may be exposed, thus enhancing the prospect of detecting irregularities earlier.

18.4 Communication

18.4.1 The objective of communication is to further create awareness amongst employees, the public and other stakeholders, of the Policy in order to facilitate a culture where all stakeholders strive to contribute towards making it a success. This will increase the prospect of fraud and corruption being reported and improve Bergrivier Municipality's prevention and detection ability.

18.4.2 Communication approaches that will be considered by Bergrivier Municipality are the following:

- An official launch for the Plan aimed at all stakeholders;
- Posters, newsletters and pamphlets to advertise the Codes of Conduct for staff members and Councillors, aimed at employees, the public and other stakeholders;
- A suggestion box for employees and other stakeholders to make submissions which could enhance the further development of the Policy;
- Ensuring that ethics promotion is a fixed agenda item in meetings;
- Signing of declarations of commitment by all employees to the Policy;
- Endorsements of other correspondence directed at providers of goods and/or services with pro-ethics and anti-fraud and anti-corruption messages; and
- Screensavers on computers with appropriate pro-ethics and anti-fraud and corruption messages; and
- Publishing the Policy and successes in its implementation in the Annual Report of Bergrivier

Municipality.

18.5 Implementation structure

18.5.1 Bergrivier Municipality has established a Risk Committee which also include ethics as well as anti fraud and corruption activities in the municipality whose responsibility includes the implementation of the Policy. This Committee include champions from all departments. The terms of reference of this team will includes the following in relation to the Policy:

- Securing buy-in from all stakeholders;
- Information sharing;
- Ongoing identification of weaknesses in systems and solutions;
- Creating awareness and ensuring adequate training and education to promote the Plan; and
- Assessing progress and ongoing maintenance and review.

ANNEXURE A

WHISTLE BLOWING POLICY

1. INTRODUCTION

The Protected Disclosures Act 2000(Act 26 of 2000) came into effect on 16 February 2001. This Act is commonly referred to the Whistle Blowing Act. In order to remain in compliance with the Act, the Municipality has created a whistle blowing program with the following objectives:

- ☐ To encourage the reporting of matters that may cause financial or non-financial loss to the Municipality, or damage to the Municipality's reputation;
- ☐ To enable the Municipality to effectively deal with reports from whistleblowers by providing clear guidelines for the disclosure of such information and protection against reprisals as a result of such disclosure;
- ☐ To provide for the appropriate infrastructure including an alternative mechanism for reporting;

2. SCOPE OF THE POLICY

The Whistle Blowing Policy is not a replacement of the existing grievance procedure and therefore grievances should not be reported in terms of this policy. Any grievances should be lodged in accordance with the provisions of the grievance procedure. In terms of the Protected Disclosures Act, the following concerns may be raised:

- 1) That a criminal offence has been committed, is being committed or is likely to be committed;
- 2) That a person has failed, is failing or is likely to fail to comply with any legal obligation to which that person is subject;
- 3) That a miscarriage of justice has occurred, is occurring or is likely to occur;
- 4) That the health or safety of an individual has been, is being or is likely to be endangered;
- 5) That the environment has been, is being or is likely to be damaged;
- 6) Unfair discrimination as contemplated in the Promotion of Equality and Prevention of Unfair Discrimination Act, Act 4 of 2000; or

That any matter referred to in paragraphs (1) to (6) had been, is being or is likely to be deliberately concealed.

3. WHO CAN RAISE A CONCERN?

Any member or staff who reasonably belief that there is fraud/corruption or misconduct relating to any of the protected matters specified under paragraph 2 may raise a concern under the procedure detailed below. Concerns must be raised without malice, in good faith and not for personal gain and the individual must reasonably believe that the information disclosed, and any allegations contained in it, are substantially true. The issues raised may relate to a manager, another member of staff, or a group of staff.

4. CONFIDENTIAL REPORTING PROCEDURE

This procedure encourages you to report issues of fraud, corruption or unethical behavior to your manager, however, should you wish to raise your concern anonymously, such anonymity will be respected.

- If you have an issue to report, please raise the issue with your Manager or Head of Department unless he/she is the subject of your complaint. If this is the case, proceed to one level higher to the person to whom the Manager/Head of Department reports. Provide as much information about the concern you wish to raise, providing names, dates and places, where possible, should be set out and the reason why you are particularly concerned about the issue you wish to report. Should the complaint be found by the manager to be substantiated, he/she will decide on whether the matter should be referred to a higher authority, investigated internally or referred to the appropriate external body for investigation.

Should employees wish to report allegations of fraud and corruption anonymously, they can contact any member of management, the Municipal Manager, the Chairperson of the Performance and Audit Committee, Mayor and/or the Internal Auditor on 022 913 6000.

- Employees and members of the public can also report allegations of fraud and corruption via the West Coast Anti-Fraud and Corruption Hotline. This hotline is available 24/7 and the contact details are as follows:

Toll free number: 0800 004 009

Email address: westcoast@behonest.co.za

- Should you have exhausted these internal mechanisms or where you have 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, you may raise the matter in good faith with a member of the Cabinet or Executive Council in this Province.

5. HOW THE MUNICIPALITY WILL RESPOND

The action taken by the Municipality will depend on the nature of the concern reported. The possible actions open to the Municipality are to:

- investigate internally; and/or
- refer the matter to the South African Police Services (SAPS) or other relevant law enforcement agency, if applicable.
- Initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form the investigation should take. Concerns raised may not necessarily require an investigation to resolve them.

The amount of contact between the body investigating the issues and the persons raising the concern (if not anonymous) will depend on the nature of the concern raised and the investigations which may require to be performed. If required, further information may be sought from the person who made the report.

All investigation will be handled confidentially and will not be discussed with persons other than those who legitimately have the right to such information.

6. FALSE OR MALICIOUS ALLEGATIONS

Those wishing to make reports must guard against making allegations which are false and made with malicious intent. Persons making such reports will not enjoy the protection offered by the Protected Disclosures Act. Furthermore, there are resource and cost implications in respect of initiating investigations, which need to be considered in the event of a false or malicious accusation.

ANNEXURE B

FRAUD AND CORRUPTION MANAGEMENT IMPLEMENTATION PLAN

NO	RESPONSIBILITY	RESPONSIBLE OFFICER	COMPLETION TIMEFRAME
1	Overall responsibility for ensuring implementation of the Anti-Fraud and Corruption Strategy and Fraud Prevention Policy, and communication of this to staff.	Municipal Manager and Directors.	Ongoing
2	Report on the co-ordination of fraud prevention, detection strategies and response to fraud incidents to the Municipal Manager and Chairman of the Audit Committee.	Internal Auditor/Risk Manager and Chairperson of the Risk Committee.	Monthly
3	Engagement of external expertise to assist in conducting investigations	Municipal Manager / Chairperson of Audit Committee / Speaker.	As required
4	Remain vigilant to any suspected fraudulent or corrupt behavior and report all instances of fraud or potential fraud to line management or through such alternative channels that may be provided.	All Employees	
5	Comply with the requirements of the Anti-Fraud and Corruption Strategy and Prevention Plan	All Employees	Ongoing. In all daily tasks and actions.
6	Assess the need for a formal integrity/ethics management strategy	Human Resources	As required
7	Understand and monitor adherence with allocated responsibilities under this Responsibility Matrix	Municipal Manager – oversight by the Risk Committee.	Ongoing
8	Conduct a review of the Anti-Fraud Strategy and Prevention Policy	Municipal Manager assisted by Line Management – oversight by the Risk Committee.	Annually
9	Ensure there is regular communication promoting compliance with the Anti-Fraud and Corruption Strategy and Prevention Plan and adherence thereto by all employees.	Municipal Manager assisted by Line Management – oversight by the Risk Committee.	Within six months of Implementation of the Anti-Fraud and Corruption Strategy and Prevention Plan.
10	Co-ordination of training including Fraud Awareness Training.	HR assisted by the Risk Committee.	As deemed appropriate.
11	Ensuring Fraud Risk Assessments are conducted.	Municipal Manager assisted by Line Management – oversight by the Risk Committee	As deemed appropriate.

NO	RESPONSIBILITY	RESPONSIBLE OFFICER	COMPLETION TIMEFRAME
12	Co-ordinate the follow-up of the Fraud Risk Assessments by ensuring that all timetabled strategies are appropriately implemented.	Municipal Manager assisted by Line Management – oversight by the Risk Committee.	As appropriate following each Fraud Risk Assessment.
13	Assign responsibility for pre-employment screening and background checks on all candidates offered positions within the Municipality.	Human Resource/Municipal Manager	Ongoing
14	Development of fraud detection systems (including retrospective view of transactions, computer strategies and management accounting report analysis) with reference to most recent Fraud Risk Assessments	Municipal Manager assisted by Line Management and Risk Manager oversight by Risk Committee.	As required
15	Maintaining an appropriate recording, reporting and analysis system to ensure that all instances of suspected fraud are satisfactorily resolved.	Risk Manager – oversight by the Risk Committee.	Ongoing
16	Ensuring external auditors give adequate consideration to ISA 240 ("The Auditors" responsibility to consider fraud in the audit of a financial statement")	Chief Finance Officer	Ongoing
17	Appointment of Municipal personnel and, if necessary, external consultants to conduct investigations.	Municipal Manager/ Chairpersons of Municipal Councils.	As required
18	Ensuring that Municipal Manager is briefed on allegations of suspected fraud.	Internal Audit/Line Managers/HR Manager/Chairperson of the Risk Committee.	As required
19	Ensuring the MEC for local Government, Auditor General and other requisite persons in terms of the Municipal Systems Act and Municipal Finance Management Act are briefed on any allegation of suspected fraud.	Municipal Manager/Chairperson of Audit Committee/Chairpersons of Municipal Councils.	As required
20	Preservation of evidence and containment of loss in an investigation	Line Manager/ Investigating Manager	As required
21	Compilation of a written report to the Municipal Manager outlining circumstances and recommended remedial action following the investigation.	Investigator	As required
22	Providing details of the fraud or possible fraud to the Audit Committee.	Municipal Manager and Chairperson of the Risk Committee.	As required

NO	RESPONSIBILITY	RESPONSIBLE OFFICER	COMPLETION TIMEFRAME
23	Determination of whether incidents of fraud will be reported to SAPS.	Municipal Manager/HR Manager/Line Manager.	As required
24	Inform the Audit Committee of any decision not to report the incident to SAPS.	Municipal Manager/Internal Auditor.	As required
25	Determining who will be the complainant when an incident is reported to	MM in conjunction with the Investigator.	As required
26	Determining the appropriate course of remedial action.	Municipal Manager in conjunction with Line Management/HR Management.	As required
27	Conducting exit interviews and ensuring compliance with the exit checklist of procedures.	Human Resource Department.	As required
28	Appointment of a spokesperson to handle media enquiries, should a fraud be detected.	Municipal Manager	As required