

SETSOTO LOCAL MUNICIPALITY



OFFICE OF MUNICIPAL MANAGER

RISK MANAGEMENT UNIT

FRAUD PREVENTION POLICY

TABLE OF CONTENT

1.1. POLICY BACKGROUND

1.2. SCOPE OF POLICY

1.3. POLICY

1.4. ACTIONS CONSTITUTING FRAUD AND CORRUPTION

1.5. POLICY ADMINISTRATION

1 Policy on Fraud and Corruption

1.1 Background

This policy is established to facilitate the development of controls which will assist in the prevention and detection of fraud and corruption, as well as provide guidelines as to how to respond should instances of fraud and corruption be identified. This policy is also established to give effect to the various legislative instruments as described in the previous section.

1.2 Scope of the policy

This policy applies to all employees, stakeholders, contractors, vendors / suppliers and any other party doing business with the Municipality.

1.3 Policy

It is the policy of the Municipality that fraud, corruption, maladministration or any other dishonest activities of a similar nature will not be tolerated. Such activities will be investigated and actions instituted against those found responsible. Such actions may include the laying of criminal charges, civil and administrative actions and the institution of recoveries where applicable.

Prevention, detection, response and investigative strategies will be designed and implemented. These will include any existing controls (system controls and manual internal controls) and those currently prescribed in existing policies, procedures and other relevant prescripts to the activities of the Municipality.

It is the responsibility of all employees to report all incidents of fraud and corruption that may come to his / her attention to his / her supervisor. Alternatively, such reports can be made by way of submitting a report through the prescribed whistle blowing mechanism.

All reports received will be treated with the requisite confidentiality and will not be disclosed or discussed with parties other than those charged with investigation into such reports.

All Managers are responsible for the prevention, detection and investigation of fraud and corruption, within their areas of responsibility.

1.4 Actions constituting fraud and corruption

Fraud and corruption manifests in a number of ways and varying degrees of intensity. These include, but are not limited to:

- Unauthorised private use of the Municipality's assets, including vehicles;
- Falsifying travel and subsistence claims;
- Conspiring unfairly with others to obtain a tender;
- Disclosing proprietary information relating to a tender to outside parties;

- Accepting inappropriate gifts from suppliers;
- Employing family members or close friends;
- Operating a private business during working hours;
- Stealing equipment or supplies from work;
- Accepting bribes or favours to process requests;
- Accepting bribes or favours for turning a blind eye to a service provider who does not provide an appropriate service;
- Submitting or processing false invoices from contractors or other service providers; and
- Misappropriating fees received from customers, and avoiding detection by not issuing receipts to those customers.

1.5 Policy Administration

This Policy shall be reviewed annually to reflect the current stance on risk management. In order to comply with any changes that might have happen whenever there are changes adopted by National or Provincial Treasury or whatever relevant stakeholder in order to comply, furthermore, changes may be made by Council itself if it deems it necessary to do so.

The amendments will be sent to the Risk Management Committee for recommendations and to the Accounting Officer and Council for approval.

ACCOUNTING OFFICER HAS REVIEWED AND APPROVED THIS POLICY:

.....

.....

**MR. STR RAMAKARANE
MUNICIPAL MANAGER**

DATE

COUNCIL HAS REVIEWED AND APPROVED THIS POLICY

.....

.....

**Cllr. T JAKOBO
MAYOR**

DATE