



the dr&pw

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Department:  
Roads and Public Works  
NORTHERN CAPE PROVINCE  
REPUBLIC OF SOUTH AFRICA

## THE PLAN:

### **DR&PW ANTI-FRAUD AND CORRUPTION POLICY AND RESPONSE PLAN (Annexure C)**

## **DR&PW ANTI-FRAUD AND CORRUPTION POLICY AND RESPONSE PLAN**

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## **1. INTRODUCTION**

- 1.1 An objective of the Public Finance Management Act (PFMA), Act No. 1 of 1999, as amended is to secure transparency, accountability, and sound management of the revenue, assets, and liabilities of the institution to which the act applies.
- 1.2 Section 38 (2) (a) of the PFMA provides that the Head of Department (HOD) is the Accounting Officer (AO) for the Department of Roads and Public Works (DR&PW). In terms of section 38, she/he has a number of responsibilities. These responsibilities imply that the HOD must take effective and appropriate steps to:
  - 1.2.1 Prevent unauthorised irregular, fruitless, and wasteful expenditure and losses resulting from criminal conduct.
  - 1.2.2 The Accounting Officer must take effective and appropriate disciplinary steps against any officials in the service of the DR&PW who:
    - a) Contravenes or fails to comply with a provision of the PFMA.
    - b) Commits an act that undermines the financial management and internal control system of the DR&PW.
    - c) Makes or permits an unauthorised expenditure, irregular expenditure or fruitless and wasteful expenditure.
- 1.3 Should the Accounting Officer wilfully or negligently fail to comply with the requirements of section 38 of the PFMA or should the Accounting Officer make or permit an unauthorised expenditure, an irregular expenditure, or a fruitless and wasteful expenditure, she/he commits an act of financial misconduct. Should the Accounting Officer's actions be wilful or grossly negligent she/he commits an offence and is liable to imprisonment of up to five (5) years.
- 1.4 From the above it is clear that there is a heavy burden on the shoulders of the Accounting Officer to actively prevent fraud, corruption and unauthorized expenditures.
- 1.5 In terms of paragraph 3.21 of the Treasury Regulations, the Accounting Officer must ensure that a fraud prevention plan is developed.
- 1.6 This policy is intended to set down the stance of the DR&PW to fraud and corruption, as well as to reinforce existing policies and procedures of the DR&PW aimed at preventing, reacting to, and reducing the impact of fraud and corruption, where such dishonest activities occur.
- 1.7 The spirit of this document imparts support for, and fosters a culture of zero tolerance to fraud and corruption by all individuals covered within the scope of this policy.

## 2. BACKGROUND

- 2.1 The DR&PW is committed to protecting its revenue, property, information and other assets from any attempt, either by members of the public, contractors, subcontractors, agents, intermediaries or its own employees, to gain by deceit, financial or other benefits.
- 2.2 In addition, all incidents and allegations of fraud and corruption will be investigated and followed up by application of all remedies available within the full extent of the law as well as the application of appropriate prevention and detection controls and checking mechanisms as prescribed in the policies and procedures relevant to the activities of the DR&PW.
- 2.3 It is the responsibility of all employees of the DR&PW to report all incidents of fraud and/or corruption to his/her Manager, the Chief Director: Corporate Services or the Head of Department (HOD).
- 2.4 All employees are responsible for the detection and prevention of fraud and corruption.
- 2.5 The efficient application of Treasury Regulations issued in terms of the Public Finance Management Act (PFMA), 1999, instructions contained in the policies and procedures of the DR&PW and other government prescripts relating to Government and Constitutional Institutions in general, is one of the most important duties to be applied by every employee of the DR&PW in the execution of her/his daily tasks.

## 3. SCOPE OF THE POLICY

- 3.1 This policy applies to all employees of the Department of Roads and Public Works (DR&PW).
- 3.2 Actions constituting fraud and/or corruption refer to, but are not limited to, the following:
  - 3.2.1 Any dishonest, fraudulent or corrupt act.
  - 3.2.2 Theft of funds, supplies, or other assets.
  - 3.2.3 Maladministration or financial misconduct in handling or reporting money, financial transactions or other assets.
  - 3.2.4 Making a profit from insider knowledge.
  - 3.2.5 Disclosing confidential or proprietary information to outside parties.
  - 3.2.6 Irregular requesting or accepting anything of material value from contractors, suppliers, researchers or other persons providing services and/or goods to the DR&PW.
  - 3.2.7 Irregular offering or giving anything of material value to contractors, suppliers, researchers or other persons services and/or goods to the DR&PW.
  - 3.2.8 Irregular destruction, removal, or abuse of records (including intellectual property and other assets) and equipment.

- 3.2.9 Deliberately omitting or refusing to report or act upon reports of any such irregular or dishonest conduct.
- 3.2.10 Forgery or alteration of cheques, drafts, promissory notes and securities.
- 3.2.11 Any misappropriation of funds, securities, supplies or any other asset.
- 3.2.12 Any irregularity in the handling or reporting of money transactions.
- 3.2.13 Misappropriation of furniture, fixtures and equipment.
- 3.2.14 Unauthorized use or misuse of the DR&PW's property, equipment, materials or records.
- 3.2.15 Any computer-related activity involving the theft, alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of the DR&PW's owned software.
- 3.2.16 Any claim for reimbursement of expenses that are not made in relation to the execution of duties for the exclusive benefit of the DR&PW.
- 3.2.17 Any similar or related irregularity.

#### **4. REPORTING PROCEDURES AND RESOLUTION OF REPORTED INCIDENTS**

- 4.1 It is the responsibility of all employees to immediately report all matters relating to fraud and/or corruption to their respective managers. An employee may also report such matters in terms of the DR&PW Policy on Whistle Blowing / Protected Disclosures (see Annexure D) and the DR&PW Whistle Blowing / Protected Disclosures Guidelines (see Annexure E).
- 4.2 No employee may undertake an investigation with malicious intention and in pursuit of a personal grudge. This includes the accessing of personal files of employees and other confidential records of the DR&PW in an attempt to create false allegations. Firm disciplinary action or other appropriate action will be taken against employees who are found to have engaged in such conduct.
- 4.3 Any fraud and/or corruption committed by any employee of the DR&PW will not be tolerated and will be pursued by thorough investigation and to the full extent of the law, including:
  - 4.3.1 Taking disciplinary action within a reasonable period of time after the incident.
  - 4.3.2 Instituting recovery of losses or other civil action.
  - 4.3.3 Initiating criminal prosecution.
  - 4.3.4 Any other appropriate and legal remedy available.
- 4.4 The following steps can serve as an additional guideline to managers when faced with a report of fraud and/or corruption. These should be considered in consultation with the Chief Financial Officer (CFO) and the Chief Director: Corporate and Management Services.

<b><u>Step 1</u></b>	<ul style="list-style-type: none"> <li>⬇ Secure the assets at risk by, for example, notify banks and other parties holding assets or relevant documentary records.</li> <li>⬇ Where appropriate, eliminate the immediate threat by the suspension or removal of the suspect from a position of authority.</li> <li>⬇ Ensure that all accounting records are secured and back-ups of computer data have been made.</li> <li>⬇ Secure the contents of office(s) where the suspect was employed, such as files and computer data.</li> </ul>
<b><u>Step 2</u></b>	<ul style="list-style-type: none"> <li>⬇ Start tracing and securing the documentation that was under the control of the suspect.</li> <li>⬇ Start the investigation process if losses can be recovered.</li> </ul>
<b><u>Step 3</u></b>	<ul style="list-style-type: none"> <li>⬇ Start the procedure of recovering the DR&amp;PW's assets. Contact the South African Police Service (SAPS) or other relevant law enforcement agency where appropriate, for assistance.</li> <li>⬇ Audit current accounting procedures and correct any flaws.</li> </ul>

4.5 Managers are also required to ensure that losses or damages suffered by the DR&PW as a result of all reported acts committed or omitted by an employee are recovered from such an employee if she or he is liable in law.

## **5. RESPONSE TO FRAUD AND CORRUPTION**

### **5.1 Employees**

Any employee who has knowledge of any occurrence of irregular conduct, or has reason to suspect that fraud and/or corruption has occurred, shall immediately report such an occurrence in terms of the DR&PW Policy on Whistle Blowing / Protected Disclosures and the DR&PW Whistle Blowing / Protected Disclosures Guidelines.

## **5.2 Managers and Senior Managers**

Upon notification from an employee of suspected fraud and/or corruption, or if the manager has reason to suspect that fraud and/or corruption has occurred, he/she shall immediately notify the HOD (Accounting Officer). The manager shall not attempt to investigate the suspected fraud and/or corruption or to discuss the matter with anyone other than the person to whom the fraud and/or corruption was reported, namely the Chief Director Corporate and Management Services and the HOD.

## **5.3 Head of Department (HOD)**

Upon notification from an employee or manager of suspected fraud and/or corruption, or if the HOD has reason to suspect that fraud and/or corruption has occurred, the HOD shall immediately contact the DR&PW's Internal Auditor. The HOD shall not attempt to investigate the suspected fraud and/or corruption or to discuss the matter with anyone other than the DR&PW's Auditor, the Executive Authority (MEC), the Internal Audit Committee (IAC) Chair or the SAPS.

## **5.4 The Executive Authority (Member of the Executive Council (MEC))**

Upon notification from an employee or manager of suspected fraud and/or corruption, or if the Executive Authority (MEC) has reason to suspect that fraud and/or corruption has occurred, the Executive Authority shall immediately contact the HOD. If the HOD is involved in the suspected fraud and/or corruption, the Executive Authority shall immediately contact the IAC Chair and the SAPS.

## **5.5 The Chief Director Corporate and Management Services**

Upon notification or discovery of a suspected case of fraud or corruption, the Chief Director Corporate and Management Services will promptly initiate an investigation. In all circumstances where there appears to be reasonable grounds for suspecting that fraud and/or corruption has taken place, the Chief Director Corporate and Management Services, in consultation with the HOD, will contact the SAPS.

## **5.6 Contacts / Protocols**

After an initial review and determination that the suspected fraud and/or corruption warrants additional investigation, the Chief Director Corporate and Management Services (CD/CMS) will notify the HOD and the Chair of the IAC of the allegations. The CD/CMS shall coordinate the investigation with the appropriate law enforcement officials.



### **5.7 Security of Evidence**

Once a suspected fraud and/or corruption incident is reported, the Chief Director Corporate and Management Services, in consultation with the HOD, shall take immediate action to prevent the theft, alteration, or destruction of relevant records and evidence. Such actions include, but are not necessarily limited to, removing the records and/or evidence and placing them in a secure location, limiting access to the location where the records and/or evidence currently exist, and preventing the individual suspected of committing the fraud and/or corruption from having access to the records and/or evidence. The records and/or evidence must be adequately secured until the Head of Security Services obtains the records and/or evidence to begin the audit investigation.

### **5.8 Managers' Confidentiality**

All participants in a fraud and/or corruption investigation shall keep the details and results of the investigation confidential. However, the Chief Director Corporate and Management Services, in consultation with the HOD and the SAPS, may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.

### **5.9 Personnel Actions**

If a suspicion of fraud and/or corruption is substantiated by the investigation, disciplinary action, up to and including dismissal, shall be taken by the appropriate level of management, in consultation with the Human Resources Management (HRM) Division, the Chief Director Corporate and Management Services and the HOD, in conformance with the DR&PW's Personnel Policies and Procedures.

### **5.10 Media Issues**

Any staff member, person or elected official contacted by the media with respect to an audit investigation shall refer the media to the Manager: Communication and Marketing Services. The alleged fraud and/or corruption or audit investigation shall not be discussed with the media by any person other than through the HOD or her/his designate. The Manager Communication and Marketing Services and the HOD will determine media messages and identify an appropriate DR&PW spokesperson, as required.

### **5.11 Documentation**

At the conclusion of the investigation, the Chief Director Corporate and Management Services will document the results in a confidential memorandum report to the HOD and Executive Authority (MEC). A copy will be provided to the Chair of the IAC. If the report concludes that the allegations are founded, the report will be forwarded to the SAPS. The Chief Director Corporate and Management Services will also

be required to make recommendations to the HOD, which will assist in the prevention of future similar occurrences.

### **5.12 Completion of Investigation**

Upon completion of the investigation, including all legal and personnel actions, any records, documents and other evidentiary material will be returned by the Chief Director Corporate and Management Services to the appropriate DR&PW custodian.

### **5.13 Reporting to External Auditors**

The Chief Director Corporate and Management Services will, through the HOD, report all information relating to investigations to the external auditors (including the Auditor General (AG) of South Africa) of the DR&PW.

### **5.14 Annual Report**

As directed by legislation, the DR&PW will report, on an annual basis, information related to investigations related to fraud and corruption conducted during the financial year.

## **6. RESPONSIBILITY TO CONDUCT INVESTIGATIONS INTO SERIOUS CASES OF FRAUD AND CORRUPTION**

The responsibility to initiate investigations in serious cases of fraud and/or corruption resides with the Chairperson of the Fraud Prevention, Ethics and Risk management Committee (FPERC) of the DR&PW. The FPERC is a sub-committee of the departmental Internal Audit Committee (IAC). The Chairperson of the FPERC will, in serious cases decide, in consultation with the other members of the FPERC whether to report such incidents to the SAPS or other law enforcement agency, and/or whether to secure the assistance of external providers of forensic services (which can include forensic auditing).

## **7. CONFIDENTIALITY**

All employees will treat all information relating to irregularities that is received and investigated as confidential. 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. No person is authorised to supply any information with regard to the issues covered within this policy document in particular, or The Plan in general, to the media without the express permission of the HOD of the DR&PW.

## **8. APPLICATION OF PREVENTION CONTROLS AND DETECTION MECHANISMS**

In respect of all reported incidents of fraud and/or corruption, managers are required to immediately review, and where possible, improve the effectiveness of the controls which have been breached in order to prevent similar irregularities from taking place in future.

## **9. RESPONSIBILITY TO CREATE AWARENESS**

It is the responsibility of all managers to ensure that all employees are made aware of, and receive appropriate training, with regard to this policy.

## **10. ADMINISTRATION**









The custodian of this Policy is the Head of Department (HOD) of the DR&PW, who is supported in its implementation by the Fraud Prevention, Ethics and Risk management Committee (FPERC), a sub-committee of the Internal Audit Committee (IAC). The FPERC is responsible for the administration, revision and interpretation of this Policy. The FPERC will review this Policy every five (5) years or as required and make appropriate recommendations regarding changes and/or amendments, should it be required, in writing.

## **11. IMPLEMENTATION PLAN (CONTAINING MATRIX OF TASKS AND RESPONSIBILITIES)**

**IMPORTANT NOTE:** The HOD is responsible for driving strategic policies and the CFO is responsible for driving the operational side of the Anti-Fraud and Corruption Policy and Response Plan. See the table below for the Implementation Plan, containing a matrix of tasks and responsibilities. The key to abbreviations used is as follows:

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-  **PR** = Primary Responsibility.
-  **SR** = Shared Responsibility.
-  **HOD** = Head of Department (the Accounting Officer).
-  **CFO** = Chief Financial Officer.
-  **D: HRM/D** = Director: Human Resources Management and Development.
-  **CD: CMS** = Chief Director: Corporate and Management Services.
-  **IA** = Internal Audit.
-  **H: IT** = Head of Information Technology (the Senior Manager responsible for IT).

COMPONENT OF THE ANTI-FRAUD AND CORRUPTION POLICY AND RESPONSE PLAN	HOD	CFO	D: HRM/D	CD: CMS	IA	H: IT	All CDs and Ds	Feedback Date	Progress
<b><u>PREVENTING FRAUD AND CORRUPTION:</u></b>									
<b>Conduct Standards</b>									
Code of Conduct awareness workshops.		<b>PR</b>	<b>SR</b>	<b>SR</b>					
Communicate the requirement to declare private/business interest, gifts, etc. annually in accordance with the Financial Disclosure Framework.		<b>PR</b>	<b>SR</b>	<b>SR</b>			<b>SR</b>		
Communicate specific values			<b>PR</b>	<b>SR</b>			<b>SR</b>		

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and conduct standards to all new employees.									
<b>COMPONENT OF THE ANTI-FRAUD AND CORRUPTION POLICY AND RESPONSE PLAN</b>	<b>HOD</b>	<b>CFO</b>	<b>D: HRM/D</b>	<b>CD: CMS</b>	<b>IA</b>	<b>H: IT</b>	<b>All CDs and Ds</b>	<b>Feedback Date</b>	<b>Progress</b>
<b><u>PREVENTING FRAUD AND CORRUPTION:</u></b>									
<b>Systems of Control, Policies, Procedures, Rules and Regulations</b>									
Develop a structured monitoring and evaluation mechanism and a system for the keeping of proper records of policies and procedures concerning fraud and corruption that are being updated, and of new policies on fraud and corruption, as well as procedures that are being developed regarding fraud and corruption.		<b>SR</b>		<b>PR</b>			<b>SR</b>		

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The maintenance of a system for recruiting and promotion in order to reduce the risk of nepotism and favouritism.		SR	SR	PR					
<b>COMPONENT OF THE ANTI-FRAUD AND CORRUPTION POLICY AND RESPONSE PLAN</b>	<b>HOD</b>	<b>CFO</b>	<b>D: HRM/D</b>	<b>CD: CMS</b>	<b>IA</b>	<b>H: IT</b>	<b>All CDs and Ds</b>	<b>Feedback Date</b>	<b>Progress</b>
<b><u>PREVENTING FRAUD AND CORRUPTION:</u></b>									
<b>Systems of Control, Policies, Procedures, Rules and Regulations</b>									
Qualification verification, vetting and security clearance screening will be conducted regarding candidates for sensitive positions.	PR		SR	SR					
A grievance procedure which enables employees who have been unfairly or falsely accused to seek recourse.		SR	PR	SR					







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COMPONENT OF THE ANTI-FRAUD AND CORRUPTION POLICY AND RESPONSE PLAN	HOD	CFO	D: HRM/D	CD: CMS	IA	H: IT	All CDs and Ds	Feedback Date	Progress
<b><u>PREVENTING FRAUD AND CORRUPTION:</u></b>									
<b>Physical Security</b>									
Regular review of the physical security.				PR		SR	SR		
<b>Information Security</b>									
Ensure that all employees are sensitised on a regular basis to the fraud and corruption risks.		PR				SR	SR		
Regular communication to employees regarding security policy.				PR		SR	SR		
Regular review of information/security policy.				PR		SR	SR		





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<b>COMPONENT OF THE ANTI-FRAUD AND CORRUPTION POLICY AND RESPONSE PLAN</b>	<b>HOD</b>	<b>CFO</b>	<b>D: HRM/D</b>	<b>CD: CMS</b>	<b>IA</b>	<b>H: IT</b>	<b>All CDs and Ds</b>	<b>Feedback Date</b>	<b>Progress</b>
<b><u>IMPLEMENTATION AND MAINTENANCE:</u></b>									
<b>Creating Awareness</b>									
Conduct formal fraud and corruption awareness presentations / training.		<b>PR</b>	<b>SR</b>	<b>SR</b>					
Develop communication mechanisms on fraud and corruption.		<b>SR</b>	<b>SR</b>	<b>PR</b>			<b>SR</b>		
<b><u>IMPLEMENTATION AND MAINTENANCE:</u></b>									
<b>Ongoing Maintenance and Review</b>									
Evaluate reports of fraud and corruption received and highlighting areas of fraud and corruption risk.	<b>PR</b>	<b>SR</b>		<b>SR</b>			<b>SR</b>		
Consider fraud and corruption threats to the DR&PW.	<b>PR</b>	<b>SR</b>		<b>SR</b>			<b>SR</b>		
Consider criminal activity threatening the DR&PW and	<b>PR</b>	<b>SR</b>		<b>SR</b>			<b>SR</b>		

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make fraud and corruption prevention recommendations.									
<b>COMPONENT OF THE ANTI-FRAUD AND CORRUPTION POLICY AND RESPONSE PLAN</b>	<b>HOD</b>	<b>CFO</b>	<b>D: HRM/D</b>	<b>CD: CMS</b>	<b>IA</b>	<b>H: IT</b>	<b>All CDs and Ds</b>	<b>Feedback Date</b>	<b>Progress</b>
Monitor action taken to implement recommendations.	PR	SR		SR					
Responsibility for the Anti-Fraud and Corruption Policy and Response Plan.	PR	SR		SR					
Review / make amendments to the components of the Anti-Fraud and Corruption Policy and Response Plan.	PR	SR		SR					
Implement an awareness programme.	PR	SR		SR					
<b><u>DETECTION / INVESTIGATION:</u></b>									
<b>Fraud and Corruption Detection</b>									
Presentations to managers and staff to ensure that they have a more detailed understanding of the fraud and corruption risks.		PR	SR	SR	SR	SR	SR		
<b>Reporting and Monitoring</b>									
Monitoring status of all tip-offs received.		PR		SR	SR				
Keeping record of all allegations of fraud and corruption.		PR			SR				

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COMPONENT OF THE ANTI-FRAUD AND CORRUPTION POLICY AND RESPONSE PLAN	HOD	CFO	D: HRM/D	CD: CMS	IA	H: IT	All CDs and Ds	Feedback Date	Progress
<b>Anti-Fraud and Corruption Policy and Response Plan</b>									
Circulate the Policy to employees.		SR		PR			SR		
<b><u>IMPLEMENTATION AND MAINTENANCE:</u></b>									
<b>Creating Awareness</b>									
Conduct formal fraud and corruption awareness presentations / training.		PR	SR	SR			SR		
Develop communication mechanisms on fraud and corruption.		SR	SR	PR					
<b><u>IMPLEMENTATION AND MAINTENANCE:</u></b>									
<b>Ongoing Maintenance and Review</b>									
Evaluate reports of fraud and corruption received and	PR	SR		SR			SR		



COMPONENT OF THE ANTI-FRAUD AND CORRUPTION POLICY AND RESPONSE PLAN	HOD	CFO	D: HRM/D	CD: CMS	IA	H: IT	All CDs and Ds	Feedback Date	Progress
<b><u>IMPLEMENTATION AND MAINTENANCE:</u></b>									
<b>Ongoing Maintenance and Review</b>									
Ongoing communication and implementation strategies are developed and implemented.	PR	SR		SR			SR		

## 12. POTENTIAL SOURCES OF FRAUD AND CORRUPTION

### 12.1 Cash Transactions

- 12.1.1 Improper delegation and non-segregation of duties between personnel receiving cash, recording cash and depositing cash in bank account.
- 12.1.2 Non-reconciled bank statement or no follow up of reconciling items.
- 12.1.3 Non-reconciled cash book items.
- 12.1.4 Cash entry voids.
- 12.1.5 Refunds.
- 12.1.6 Cash journal and other adjusting entries.
- 12.1.7 Bounced cheques.
- 12.1.8 No numerical pre-numbering of receipts in receipts book.
- 12.1.9 Non-reconciliation of receipts written and cash and cheques received.
- 12.1.10 Cash received not deposited regularly.



- 12.1.11 Non-reconciliation of petty cash on a regular basis.
- 12.1.12 No receipts available for purchases done with petty cash.
- 12.1.12 Unallocated transactions.

## 12.2 Accounts Receivables (Debtors)

- 12.2.1 Diversion of payments.
- 12.2.2 Borrowing.
- 12.2.3 Round figures.
- 12.2.4 Large amounts of bad debts (accounts receivables) written off.
- 12.2.5 Bad debt (accounts receivables) written off without proper authorisation.
- 12.2.6 Non-management of debtors' turnover rate.
- 12.2.7 Non-provision of an allowance for the writing off of bad debt.
- 12.2.8 Inadequate allowance provision for the writing off of bad debt.
- 12.2.9 Non-control over customer payment dates and delays in the receipt of payments from clients.
- 12.2.10 Unusual interest rates.
- 12.2.11 Large and/or unauthorized discounts.
- 12.2.12 Missing or misplaced accounts receivable files.

## 12.3 Inventory

- 12.3.1 Inadequate and incomplete inventory records.
- 12.3.2 Inventory records not updated with regard to purchases and sales.
- 12.3.3 Recorded inventory not supported by source documents.
- 12.3.4 Inventory on hand not recorded in inventory records.
- 12.3.5 Theft/ disappearance of inventory.
- 12.3.6 Purchases and sales not recorded in inventory records.
- 12.3.7 Theft / disappearance of inventory.
- 12.3.8 Purchases and sales not recorded with appropriate documents.
- 12.3.9 Over or understatement (creative accounting) of inventory for financial statement purposes.
- 12.3.10 Improper cut-off at financial year-end.
- 12.3.11 Non performance of inventory counting on a regular basis reconciliation between inventory records and physical inventory on hand Unauthorized purchases of inventory.
- 12.3.12 Inaccurate estimation of the value of inventory.
- 12.3.13 Non-safeguarding of inventory.

- 12.3.14 No access control to inventory storage a real warehouse.
- 12.3.15 No authorised requisitions for the control over the removal of inventory to individual section.

#### **12.4 Purchasing / Services Rendered**

- 12.4.1 Unauthorised purchases.
- 12.4.2 Unnecessary purchases.
- 12.4.3 Purchasing levels.
- 12.4.4 Favouritism of particular companies.
- 12.4.5 Vendors (e.g. Assessors, Lawyers and Consultants) who do poor quality work.
- 12.4.6 Invoices submitted by vendors for work not performed.
- 12.4.7 Warranty claims not honoured.
- 12.4.8 Vendors who bid who appear on the National Treasury restricted list of suppliers.
- 12.4.9 Bids for a specific type or work.
- 12.4.10 New vendors established.
- 12.4.11 New vendors and kickbacks.
- 12.4.12 Vendors used who is not on the official approved vendor list.
- 12.4.13 Vendors have the same street address as employees.
- 12.4.14 Vendors have only a Post Office (P.O.) Box address.

#### **12.5 Payroll and Personnel Expenses**

- 12.5.1 Fictitious employees.
- 12.5.2 Employees with the same identity number.
- 12.5.3 Employees with the same bank account number.
- 12.5.4 Employees with the same address.
- 12.5.5 Overtime abuse.
- 12.5.6 Withholding tax schemes.
- 12.5.7 False personal expense claims.
- 12.5.8 Employee deductions.
- 12.5.9 Expense claims.
- 12.5.10 Accidental wages.
- 12.5.11 Unauthorised access and changes to payroll information.

## 12.6 Accounts Payable

- 12.6.1 False invoices.
- 12.6.2 Fake vendors.
- 12.6.3 Photocopied invoices.
- 12.6.4 Invoice sequence.
- 12.6.5 Fake accidents and related victims, fake vendors, etc.
- 12.6.6 Invoices appear similar.
- 12.6.7 Duplication of invoices.
- 12.6.8 Non-cancellation of invoices already paid (e.g. using "PAD" stamp).
- 12.6.9 Vendor not on approved Vendor List.
- 12.6.10 Invoice amounts not compared to original order/ requisition/ etc. for correctness.
- 12.6.11 Vendor Invoice does not show a street address.
- 12.6.12 Vendor Telephone Number.
- 12.6.13 Answering machines.
- 12.6.14 Vendor company has same address as an employee.
- 12.6.15 Vendor company has same phone number as an employee.
- 12.6.16 Vendor company has same banking details as an employee.
- 12.6.17 Payments done in the name of the owner of the company instead of in the name of the business as indicated on the invoice.
- 12.6.18 Vendor pushed by insiders.
- 12.6.19 Discounts received for early payment of accounts receivable not recorded in records but "absorbed" by person doing the Accounts Payable account.
- 12.6.20 Unauthorised payments.
- 12.6.21 Improper delegation of authority — payment levels.
- 12.6.22 Non-control / verification of the quality of actual services rendered/ goods received prior to payment of invoices.

## 12.7 Compensation Claims Payable

- 12.7.1 Personal injury claims.
- 12.7.2 Medical claims.
- 12.7.3 Staff claims.
- 12.7.4 Legal cost claims.
- 12.7.5 Fictitious claims.

**13. APPROVAL OF THE DR&PW ANTI-FRAUD AND  
CORRUPTION POLICY AND RESPONSE PLAN**

*This Policy is Approved / Not Approved*

*Comments:*

.....  
.....  
.....  
.....  
.....



ACCOUNTING OFFICER

02/11/20  
DATE



**the dr&pw**

Department:  
Roads and Public Works  
NORTHERN CAPE PROVINCE  
REPUBLIC OF SOUTH AFRICA

## INTERNAL MEMO

<b>DATE:</b>	27 OCTOBER 2020	<b>REF. NO.</b>	
<b>TO:</b>	THE DIRECTOR: STRATEGIC PLANNING		
<b>FROM:</b>	THE DEPUTY DIRECTOR: POLICY AND RESEARCH MANAGEMENT SERVICES		
<b>SUBJECT:</b>	<b>SUBMISSION FOR APPROVAL OF THE PLAN: REVIEWED COMPILATION OF DEPARTMENTAL POLICIES ON FRAUD, CORRUPTION AND ETHICS MANAGEMENT, VERSION 3</b>		

Dear Ms. Bekebeke

Please find attached the draft policies and submission documents that the Compilation of Policies on Fraud, Corruption and Ethics Management, called The Plan consist of, for your perusal and consideration, and which are hereby submitted for approval and / or adoption by the Acting Head of Department (HOD).

Regards

---

Mr. T. Ferreira  
Manager: Policy and Research Management Services



**the dr&pw**

Department:  
Roads and Public Works  
NORTHERN CAPE PROVINCE  
REPUBLIC OF SOUTH AFRICA

## INTERNAL MEMO

<b>DATE:</b>	27 OCTOBER 2020	<b>REF. NO.</b>	
<b>TO:</b>	THE HEAD OF DEPARTMENT (HOD)		
<b>FROM:</b>	THE DIRECTOR: STRATEGIC PLANNING MANAGEMENT		
<b>COPY:</b>	THE CHIEF DIRECTOR: CORPORATE AND MANAGEMENT SERVICES		
<b>SUBJECT:</b>	<b>SUBMISSION FOR APPROVAL OF THE PLAN: REVIEWED COMPILATION OF DEPARTMENTAL POLICIES ON FRAUD, CORRUPTION AND ETHICS MANAGEMENT, VERSION 3</b>		

### Purpose

1. The purpose of this submission is to obtain approval from the Acting Head of Department (HOD) for the operationalization within the Department of the draft policies that the Compilation of Policies on Fraud, Corruption and Ethics Management, called The Plan, consist of, which have been reviewed.

### Recommendations

1. The final drafts of the above mentioned policies have been circulated departmentally by the Communication and Marketing Unit.
2. It is therefore recommended that the Acting HOD approve these reviewed policies as Departmental policy.
3. Please see e-mail attached of the Evidence of Departmental Consultation.

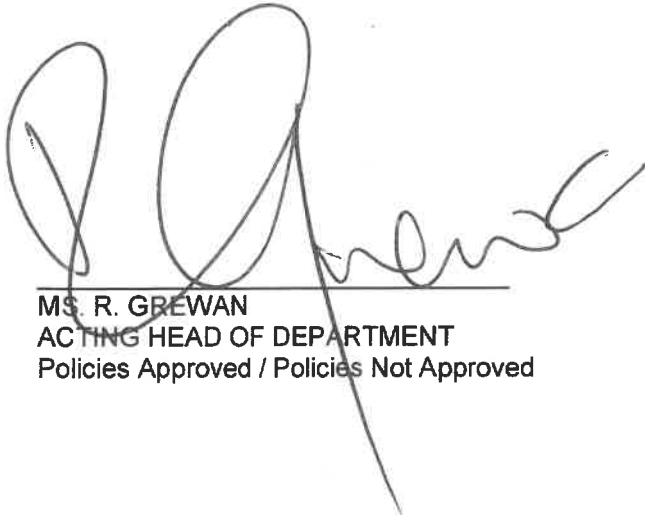
  
\_\_\_\_\_  
MS. B. BEKEBEKE  
DIRECTOR: STRATEGIC PLANNING MANAGEMENT  
Recommended / Not Recommended

  
DATE

**SUBMISSION FOR APPROVAL OF THE PLAN REVIEWED COMPILATION OF  
DEPARTMENTAL POLICIES ON FRAUD, CORRUPTION  
AND ETHICS MANAGEMENT, VERSION 3**

\_\_\_\_\_  
MS. A. MPOTSANG  
CHIEF DIRECTOR: CORPORATE AND MANAGEMENT SERVICES  
Recommended / Not Recommended

\_\_\_\_\_  
DATE



\_\_\_\_\_  
MS. R. GREWAN  
ACTING HEAD OF DEPARTMENT  
Policies Approved / Policies Not Approved

02/11/20  
\_\_\_\_\_  
DATE



**the dr&pw**

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Department:  
Roads and Public Works  
NORTHERN CAPE PROVINCE  
REPUBLIC OF SOUTH AFRICA

**THE PLAN: REVIEWED COMPILATION  
OF DEPARTMENTAL POLICIES ON  
FRAUD, CORRUPTION AND ETHICS  
MANAGEMENT**

**SUBMISSION FOR APPROVAL  
OCTOBER 2020**

**EVIDENCE OF CONSULTATION WITH  
DEPARTMENTAL STAKEHOLDERS**



**From:** DRPW-Info  
**To:** ABavasah; ABrand; AFembers; AKula; ALesotho; ALSishi; amaina@vodam...  
**Date:** 8/20/2020 8:18 AM  
**Subject:** ANTI-CORRUPTION, FRAUD & ETHICS - REVIEW OF THE PLAN POLICY  
COMPILATION  
**Attachments:** DR&PW DEPARTMENTAL POLICY - THE PLAN - 2020.docx

Good day Colleagues,

Kindly find attached the latest version of the DR&PW Policy Document, The Plan, which is a compilation of Policy Documents on Anti-Corruption, Fraud and Ethics measures, which is also under review.

The due date for inputs/feedback from staff members is Friday, 11 September 2020. Inputs can be sent to [tferreira@ncpg.gov.za](mailto:tferreira@ncpg.gov.za)

Thank you

**From:** DRPW-Info  
**To:** A AMokwadi; A Maina; A van Staden; ABavasah; ABrand; AFembers; AKu...  
**Date:** 10/5/2020 9:24 AM  
**Subject:** POLICY CONSULTATION: DR&PW ANTI-FRAUD, ANTI-CORRUPTION, ETHICS STRATEGY  
**Attachments:** DR&PW ANTI-FRAUD, ANTI-CORRUPTION AND ETHICS STRATEGY - .docx

Good day Colleagues,

Kindly find attached Version of the Draft DR&PW Anti-Fraud, Anti-Corruption and Ethics Strategy.

Please note that the due date for feedback is Monday, 12 October 2020 and inputs can be sent to [tferreira@ncpg.gov.za](mailto:tferreira@ncpg.gov.za)

Thanking you

## TFerreira - POLICY CONSULTATION: DR&PW Committee Terms of Reference

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**From:** DRPW-Info

**To:** A AMokwadi; A Maina; A van Staden; ABavasah; ABrand; AFembers; AKula; ALesotho; ALSishi; AMasisi; AMiller; AMkhize; AMoeti; AMofokeng; AMPotsang; Andre Jooste; Andrew Pulen; APulen; ARudman; ASwanepoel; AvanHeerden; B BDamon; BaatileItumeleng; Babalwa Bekebeke; BBarends; BBoebeje; BChotelo; BCloete; BGAonakala; BGoba; BKapanda; BMazwi; BMeruti; BMontshiwa; BonoloMakoko; BosmanP; BPitso; Bradley Slingers; BSedisho; BSemau; BSlingsers; BValentine; C CvanRooi; C Robertson; CAbrahams; CAdams; CBailey; CChakela; CDenysschen; CFourie; ChanelFourie; ChantelleCloete; ChristinaF; CKakora; Clive Bailey; CMrwebi; CNdebele; CRabaji; CRobertson; CValentine; D DMokoena; D DMwembo; DBingwa; DBingwane; Denice Bingwane; DGaehete; DKowa; DMAqutya; DMAqutya; DMokgatlhe; DMonyamane; DPhirisi; DRPW-Info; DRPW-Switchboard; DSolo; DSwartz; DTsoai; DvdMerwe; EbenSwartboo; EBeukes; EBlauw; EBreytenbach; Ed Simon; EduPlessis; Edward Simon; EJobe; EJonkers; EKhatwane; ELecwedi; Ella Modise; EMichaels; ENodoba; EPino; EricksenA; ESimon; FDooring; FMogoje; FPetoro; fufemakotong@gmail.com; FvanVuuren; GAppels; Garnett Keyser; GJacobs; Gladwyn Stuurman; GMoabi; GMolale; GNakana; GPIetersen; GPino; GRiet; GSalimana; GSefotlho; GSwanepoel; GThupe; GTopkin; Harold Roberts; Henry De Wee; HvanderMerwe; I Bulane; I ICarolus; IIThopile; I Michaels; IFredericks; I Lottering; IMolore; IOliphant; IRammutla; Isaac Prins; J Esterhuyse; J JHanekom; JillianWilliams; JMarx; JMhlongo; JMhlongo; JMolale; JMoncho; JMphole; JSehume; JSeptember; JSibiya; JSpetember; JTawine; June Erasmus; K KMaarman; K KMatonkonyane; K Malgask; KAaron; KagishoModise; KatzS; KBeuzana; KBopape; KChomi; KDennis; Kenneth Markman; KERicksen; KHenyekane; KKgomo; KKross; KLawrence; Kleboko; KLeserwane; KMarkman; KMatthews; KNdaba; KPike; KPMogorosi; KRifles; KrugerS; KSegwai(...)

**Date:** 10/13/2020 2:55 PM

**Subject:** POLICY CONSULTATION: DR&PW Committee Terms of Reference

**Attachments:** ToR of the DR&PW FPERC - Ver 1 - 2020.docx

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Good Day colleagues

Please find attached the Terms of Reference of the Departmental Fraud Prevention, Ethics and Risk management Committee (FPERC).

The due date for inputs is Wednesday, 21 October 2020 and feedback can be sent to Mr. Tom Ferreira, email address: [tferreira@ncpg.gov.za](mailto:tferreira@ncpg.gov.za)

Thank You



DRPW-info@ncpg.gov.za  
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 Fax: 053 8392290

*Trendsetters in infrastructure delivery to change the economic landscape of the province'*

## TFerreira - REMINDER: POLICY CONSULTATION: DR&PW Committee Terms of Reference

---

**From:** DRPW-Info

**To:** A AMokwadi; A Maina; A van Staden; ABavasah; ABrand; AFembers; AKula; ALesotho; ALSishi; AMasisi; AMiller; AMkhize; AMoeti; AMofokeng; AMPotsang; Andre Jooste; Andrew Pulen; APulen; ARudman; ASwanepoel; AvanHeerden; B BDamon; Baatiletumuleng; Babaiwa Bekebeke; BBarends; BBoebeje; BChotelo; BCloete; BGAonakala; BGoba; BKapanda; BMazwi; BMeruti; BMontshiwa; BonoloMakoko; BosmanP; BPitso; Bradley Slingers; BSedisho; BSemau; BSlingers; BValentine; C CvanRooi; C Robertson; CAbrahams; CAdams; CBailey; CChakela; CDenysschen; CFourie; ChanelFourie; ChantelleCloete; ChristinaF; CKakora; Clive Bailey; CMrwebi; CNdebele; CRabaji; CRobertson; CValentine; D DMokoena; D DMwembo; DBingwa; DBingwane; Denice Bingwane; DGaehete; DKowa; DMAqutyana; DMAqutyana; DMokgatthe; DMonyamane; DPhirisi; DRPW-Info; DRPW-Switchboard; DSolo; DSwartz; DTsoai; DvdMerwe; EbenSwartbooi; EBeukes; EBlaauw; EBreytenbach; Ed Simon; EduPlessis; Edward Simon; EJobe; EJonkers; EKhatwane; ELecwedi; Ella Modise; EMichaels; ENodoba; EPino; EricksenA; ESimon; FDooling; FMogojee; FPetoro; fufemakatong@gmail.com; FvanVuuren; GAppels; Garnett Keyser; GJacobs; Gladwyn Stuurman; GMoabi; GMolale; GNakana; GPIetersen; GPino; GRiet; GSalimana; GSefotlho; GSwanepoel; GThupe; GTopkin; Harold Roberts; Henry De Wee; HvanderMerwe; IBulane; IICarolus; IIThipole; IMichaelsI; IFridericks; ILottering; IMolore; IOliphant; IRammutla; Isaac Prins; J Esterhuyse; J JHanekom; JillianWilliams; JMarx; JMhlongo; JMhlongo; JMolale; JMoncho; JMphole; JSehume; JSeptember; JSibiya; JSpetember; JTawine; June Erasmus; K KMaarman; K KMatonkonyane; K MalgasK; KAaron; KagishoModise; KatzS; KBeuzana; KBopape; KChomi; KDennis; Kenneth Markman; KERicksen; KHenyekane; KKgomo; KKross; KLawrence; KLeboko; KLeserwane; KMarkman; KMatthews; KNdaba; KPike; KPMogorosi; KRifles; KrugerS; KSegwai(...)

**Date:** 10/15/2020 8:00 AM

**Subject:** REMINDER: POLICY CONSULTATION: DR&PW Committee Terms of Reference

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Good day Colleagues

Kindly be reminded that the due date for inputs regarding the Policy Consultation below is **21 October 2020**.

**For clarity, kindly consult Mr. tom Ferreira, Manager for Policy and Research Management Services**

Thank you



DRPW-info@ncpg.gov.za  
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Fax: 053 8392290

*Trendsetters in Infrastructure delivery to change the economic landscape of the province'*

>>> DRPW-Info 10/13/2020 3:01 PM >>>

Good Day colleagues

Please find attached the Terms of Reference of the Departmental Fraud Prevention, Ethics and Risk management Committee (FPERC).

The due date for inputs is Wednesday, 21 October 2020 and feedback can be sent to Mr. Tom Ferreira, email address: [tferreira@ncpg.gov.za](mailto:tferreira@ncpg.gov.za)

Thank You



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