



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT
OF
PUBLIC WORKS**

Policy Name	Fraud and Corruption Policy
The revision/ version of the Policy	02
Domain	HOD's Support

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1. ACRONYMS AND ABBREVIATIONS

AO	: Accounting Officer
EA	: Executive Authority
EM	: Executive Management
HOD	: Head of Department
SAPS	: South African Police Service

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2. EXECUTIVE SUMMARY

2.1 The Department of Public Works has to provide leadership in the delivery of provincial government buildings infrastructure and the management of immovable assets that are sustainable and cost effective. Fraud, corruption, as well as other related malpractices is a serious threat to the achievement of the above. This Departmental Fraud & Corruption Prevention Strategy and Plan is to put in place arrangements to reduce fraud and corruption to totally eradicate fraud and corruption within three years and to continuously keep on eradicating any forms of fraud and corruption on a permanent basis. It is not acceptable that losses due to fraud and corruption should be allowed to deprive the people of the Province the resources intended for the provision of good and quality services.

I am fully supportive of the measures taken by the Accounting Officer to counter fraud and corruption as outlined in this document. I believe that they are in line with the National Anti-Corruption Summit and the Public Service Anti-Corruption Strategy and form part of a holistic approach to fight fraud and corruption.

The professionalism required for dealing with fraud and corruption will be supported by well-designed and comprehensive awareness programmes, capacity building programmes, as well as building partnership with other stakeholders.

Fighting fraud and corruption is an important contribution to the struggle to create a better life for the population, reduce poverty and unemployment, and defend our hard won liberation.

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2.2 FORWARD

In my capacity as Accounting Officer of the Provincial Department of Public of Public Works based, Polokwane, and acting in terms of section 38 of the Public Finance Management Act (act 1 of 1999 as amended by Act 29 of 1999), hereby declare that henceforth it is departmental policy that:

The Department have **Zero Tolerance towards fraud, corruption, theft, and other acts of dishonesty;**

All employees have an obligation to report any act of fraud, corruption, theft, or any other act of dishonesty that they suspect or know to be going to happen or to have happened;

No employee that reports any act or suspected act of theft, fraud, corruption and other acts of dishonesty shall be victimised or be subjected to some occupational detriment as a result of that report and the Department will protect any employee that is so victimised and take strong legal and disciplinary action against any employee who is found to victimise others;

All supervisory staff will positively act to prevent and combat fraud, corruption, theft and other acts of dishonesty within their spheres of responsibility;

All officials of the Department will cooperate with any State Agency or Department to prevent or combat fraud and corruption;

No fraud, corruption, theft, or any act of dishonesty within the department will be tolerated and that allegations of fraud or corruption will be investigated and all transgressors shall be punished both internally and externally to the fullest extent possible; and that

The anti-fraud and corruption policy is applicable and binding to all officials of the Department of Public Works, Limpopo Province, and willful failure to adhere to its prescripts constitutes a disciplinary offence.

3. INTRODUCTION

The Department of Public Works is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity, loyalty and transparency, which are the key components of good governance.

The Department recognizes that Fraud and Corruption have the potential to cause significant financial and non financial harm and damage to the reputation and image of the Department, and that, therefore, the prevention and control of fraud and corruption should feature predominantly within the systems and procedures of the responsible management of the department.



The Department is committed to be an organization/institution that does not tolerate any form of fraud and corruption, and is vigilant in the prevention, deterrence, detection and investigation of all suspected forms of fraud and corruption.

4. PURPOSE AND OBJECTIVES

This policy is designed to protect public funds, assets, integrity, security and reputation of the Department.

This policy outlines the department's approach to the prevention, detection and control of fraudulent and/or corrupt activities and, summarizes the associated responsibilities of management and employees.

The Department will not tolerate fraudulent or corrupt activities and is therefore committed to its control and prevention through:

- 4.1 Establishing and maintaining an effective system of internal controls and enforcing compliance with those controls
- 4.2 Regularly undertaking fraud risk assessments to identify circumstances in which fraud and corruption could potentially occur.
- 4.3 Implementing fraud and corruption prevention and mitigation strategies in its day to day operations.
- 4.4 Establishing formal procedures for the investigation of allegations relating to fraudulent and /or corrupt activities.
- 4.5 Taking appropriate step or action to allegations of fraud and corrupt activities, including reporting such allegations to SAPS, and where appropriate, taking disciplinary action in accordance with disciplinary codes and procedures.
- 4.6 Ensuring that management and employees of the Department are aware of their obligations in regards to the prevention, detection and reporting of fraud and corrupt within the department.
- 4.7 Fostering an ethical environment in which dishonest and fraudulent behavior is actively discouraged
- 4.8 Generating public awareness of the department's commitment to the fighting, prevention and detection of fraud and corruption.

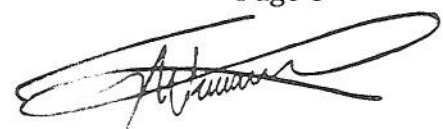
5. AUTHORITY OF THE POLICY

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6. LEGAL FRAMEWORK

This policy is intended to complement and be implemented in conjunction with other departmental policies, including;

- 6.1. Code of Conduct for Public Service.
- 6.2. Departmental Whistle-Blowing Policy

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- 6.3. Departmental Fraud and Corruption Prevention Strategy.
- 6.4. Departmental Fraud and Corruption Prevention plan
- 6.5. Departmental Enterprise Risk Management Policy
- 6.6. The Constitution of the RSA, Act 108 of 1996 as amended;
- 6.7. The Public Service Act, of 1994 (Promulgated under Proclamation 103 of 1994 as amended, and its regulations);
- 6.8. The Public Finance Management Act, Act 1 of 1999 as amended, and the Treasury Regulations issued in terms of it;
- 6.9. The Labour Relations Act, Act 66 of 1995 as amended;
- 6.10. The Protected Disclosures Act, Act 26 of 2000.
- 6.11. Prevention and Combating of Corrupt Activities Act, Act 12 of 2004.
- 6.12. The Financial Intelligence Centre Act,
- 6.13. Prevention of Organised Crime Act,
- 6.14. The Public Service Anti-Corruption Strategy; and
- 6.15. The Anti-Corruption Strategy of the Limpopo Provincial Government.

7. SCOPE OF APPLICATION

This policy is applicable to all employees of the Department of Public Works, external customers and or other interested parties.

8. DEFINITIONS

8.1. Executive Authority.

For the purposes of this policy, Executive Authority that receives disclosure of public interest information may include:

- 8.1.1. Member of Executive Council
- 8.1.2. Accounting Officer or Head of Department

8.2. Fraud is:

- 8.2.1. Dishonest activities that may cause loss to the department.
- 8.2.2. The use of deception to dishonestly obtain or give an improper benefit at a cost to the department.
- 8.2.3. Improper access to, use or disclosure of confidential information or government information for personal gain.
- 8.2.4. The intentional distortion of financial statements or other records by persons internal or external to the department that is carried out to conceal the misappropriation of assets or otherwise for personal gain.
- 8.2.5. The improper use of position as an employee of the department for a benefit.
- 8.2.6. Dishonest activities causing loss to the department or other third parties where this is associated or connected with the department.
- 8.2.7. Theft of assets.
- 8.2.8. Misappropriation of funds.



8.2.9 Falsification of records.

8.2.10 Attempting or conspiring to commit any of the above.

8.3 Corruption is:

8.3.1 Any conduct of a person or employee that adversely affects the honest performance of the departmental employee's functions

8.3.2 The offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions of a person.

8.3.3 The conduct of an employee of former employee that amounts to a breach of public trust.

8.3.4 The conduct that amounts to misuse of resources, abuse of power, insider trading, abuse of privileged information for personal gain or benefit.

8.3.5 A conspiracy or attempts to engage in the above conduct.

8.4 Appropriate disclosure.

Any information of public interest if the person believes on reasonable grounds that the information is true or is not in a position to form a belief on reasonable grounds about the truth of the information but believes on reasonable grounds that the information may be true and is of sufficient significance to justify its disclosure so that its truth may be investigated.

The disclosure is made to appropriate Authority.

8.5 An employee

Any person who is employed by the department, and also includes any contractors, volunteers, consultants and learnership, undertaking work for or on behalf of the department.

8.6 False disclosure

Any information involving actual or suspected fraud or corruption that is made by a person who knows that the information is false, or is reckless as to whether it is false.

8.7 Maladministration

Maladministration generally includes impropriety or negligence, which may extend to conduct of a serious nature that is:

8.7.1 Contrary to the law.

8.7.2 Unreasonable, unjust, oppressive or improper discriminatory.

8.7.3 Based upon improper motives

8.7.4 A result of acting outside the parameters of recommended practice



8.8 Whistle-Blower

A whistle-blower is any person who makes an appropriate disclosure of public interest information.

9. POLICY PRONOUNCEMENT

9.1 Sources of fraud and corruption

Fraud and Corruption could arise from many sources, both internal and external. Possible external sources include suppliers, service providers, contractors, consultants, customers, members of the public, computer hackers and a range of other third parties. Examples of the ways in which they could be a source of fraud and corruption include:

- 9.1.1 Offering of bribes and excessive gifts.
- 9.1.2 Suppliers submitting inflated prices.

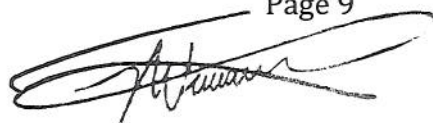
9.2 Prevention measures

The Department recognizes that:

- 9.2.1 The occurrence of fraud and corruption will prevail in an administrative environment where opportunities exist for waste, abuse and maladministration and
- 9.2.2 The most effective way to prevent the occurrence of fraud and corruption is to promote the ethical environment in which internal control mechanisms have been implemented.

In general, the Department expects that Executive Management will assist in preventing fraud and corruption within the department through:

- 9.2.3 Understanding the responsibilities of their position.
- 9.2.4 Familiarizing themselves with departmental procedures and adhering to them.
- 9.2.5 Understanding what behavior constitutes fraud and corrupt conduct.
- 9.2.6 Maintaining the awareness of the strategies that have been implemented by the department to minimize fraud and corruption.
- 9.2.7 Being continuously vigilant to the potential for fraud and corruption to occur.
- 9.2.8 And reporting suspected or actual occurrence of fraud and corruption to the Executive Authority or directly to SAPS.
- 9.2.9 Vetting of officials working in high risk areas like Supply Chain Management, Finance, Human Resource, Information Technology and other strategic areas.
- 9.2.10 Enforce declaration of financial interests for members of Evaluation and Adjudication Committees.
- 9.2.11 Ensuring declaration of financial disclosure by all staff members before 30 April of each financial year.



- 9.2.12 Ensuring compliance with Departmental policy on Remunerative work outside the Public Service by all employees.
- 9.2.13 Taking appropriate and disciplinary action against any employee who contravenes the departmental policies and procedures.
- 9.2.14 Recovering losses and damages as a result of non compliance with rules and regulations.

9.3 SPECIFIC RESPONSIBILITIES

The Executive Management of the Department of Public Works, are responsible for ensuring that the department:

- 9.3.1 Promotes fraud and corruption awareness as its commitment to the prevention of fraud and corruption.
- 9.3.2 Provides adequate security for the prevention of fraud and corruption through the provision of secure facilities for storage of assets and procedures to deter fraudulent or corrupt activities from occurring.
- 9.3.3 Ensures that, where appropriate, proper investigations are conducted into allegations that involve fraud and corruption.
- 9.3.4 Provides mechanisms for receiving allegations of fraud and corruption.
- 9.3.5 Forwards information relating to fraud and corruption to SAPS where necessary and facilitates cooperation with special investigating units.
- 9.3.6 Ensures that all employees are aware of their responsibilities in relation to fraud and corruption through the provision of appropriate and regular training.
- 9.3.7 Promotes a culture and environment in which fraud and corruption is actively discouraged and is readily reported should it occur.
- 9.3.8 Undertakes a fraud and corruption risk assessment on a regular basis.

9.4 SUPERVISORS/ MANAGERS

Supervisors and Managers are responsible for the following:

- 9.4.1 The conduct of any employees whom they supervise and, will be held accountable for such.
- 9.4.2 Any property under their control, and will be held accountable for such.
- 9.4.3 Reporting any suspected or actual occurrences of fraud and corruption within their areas of responsibility.
- 9.4.4 Creating an environment in which fraud and corruption is discouraged and is reported immediately by employees upon discovery.
- 9.4.5 Ensuring that new employees for whom they are responsible are aware of their responsibilities in relation to fraud and corruption and the standard of conduct expected from all employees.
- 9.4.6 Identifying potential fraud and corruption risks
- 9.4.7 Leading by examples to promote ethical behavior.



9.5 EMPLOYEES.

Employees are responsible for the following:

- 9.5.1 Performing their functions and duties with care, diligence, honesty, loyalty and integrity.
- 9.5.2 Conducting themselves in a professional manner at all times.
- 9.5.3 Adhering to those guidelines and other procedures that have been established to prevent fraud and corruption.
- 9.5.4 Taking care of the departmental properties which include avoiding the waste, abuse and misuse.
- 9.5.5 Maintaining and enhancing the reputation of the department.
- 9.5.6 Remaining scrupulous in their use government information, assets, funds, property, goods and services.
- 9.5.7 Reporting any occurrence of fraud and corruption to the relevant authority in terms of the whistle-blowing policy and procedures.

9.6 REPORTING AND INVESTIGATION.

- 9.6.1. Managers and employees who are aware of fraudulent and corrupt activities in the department are required to report the information to their immediate supervisors or the Head of the Department.
- 9.6.2. Reports of fraud and corruption activities received by any person who is not a designated officer, are to be brought to the attention of the Head of the Department.
- 9.6.3. The Head of the Department must report such allegations of fraud and corruption, where necessary, to the South African Police Services and other Law enforcement agencies.
- 9.6.4 The Head of the Department, will ensure that, where appropriate, the department undertakes investigation into the allegations of fraud and corruption pursuant to reporting procedures outlined in the Whistle-Blowing policy and procedures.

9.7 FALSE DISCLOSURE.



9.7.1 Any employee who makes a false disclosure, is guilty of misconduct pursuant to paragraph 23 of the whistle-blowing policy and procedures.

9.7.2 Any employee who makes a false disclosure, in addition to being guilty of a misconduct, will face disciplinary inquiry which may include dismissal depending on the gravity of the matter.

9.7.3 Any member of Executive Management, who makes a false disclosure, in addition to being guilty of misconduct, may face disciplinary enquiry which may also lead to a possible dismissal.

9.8 EDUCATION AND AWARENESS

9.8.1 The Department recognizes that the success and credibility of this policy will largely depend upon how effectively it is communicated throughout the department and beyond.

9.8.2 The Department will, therefore, from time to time take proactive steps towards ensuring that the whole department is aware of the Executive management's zero tolerance stance towards fraud and corruption.

9.8.3 The Department will increase awareness by promoting the Executive Management's initiatives and policies regarding the mitigation and prevention of fraud and corruption.

10. DEFAULT

Any employee who contravenes the provision of this policy, will be subject to disciplinary action in terms of Disciplinary Code and Procedures.

11. INCEPTION DATE

The inception date of this policy will be effective from the date of approval.

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12. TERMINATION AND REVIEW

The policy shall be reviewed as and when there are new developments in the relevant legislation.

13. ENQUIRIES

Any enquiries related to this policy should be forwarded to Fraud and Corruption Unit.

APPROVED BY



EXECUTIVE AUTHORITY

25/07/13
DATE