



Fraud Prevention Policy

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1. Introduction

Fraud prevention is a process that is adopted by SASSETA, by putting mechanisms in place, to manage the SETA's vulnerability to fraud. Such mechanisms are designed to prevent and deter fraud.

As part of Enterprise-wide Risk Management (ERM), it is the responsibility of the Accounting Authority and /or the Chief Executive Officer to establish structures to address the threat of fraud.

1.1. Purpose

The purpose of this Policy is to articulate SASSETA's philosophy on fraud prevention. SASSETA adopted a comprehensive approach to the management of fraud risk.

1.2. Scope

This Policy applies to:

- The Accounting Authority and all governance structures within SASSETA;
- The Chief Executive Officer and all employees of SASSETA; and
- Suppliers, Service Providers, Bankers and Employers registered with SASSETA.
- All other Stakeholders, having relationships with SASSETA.

1.3. Definitions and Terms

Terms/Acronym	Definition
SASSETA	Safety and Security Sector Education and Training Authority.
Accounting Authority	The Board of SASSETA as appointed by the Minister of Higher Education, Science & Technology.
CEO	The Chief Executive Officer of SASSETA.
ARC	The Audit and Risk Committee of SASSETA.
RMC	The Risk Management Committee of SASSETA.
Fraud	A false representation of a matter of fact, whether by words or conduct, by false or misleading allegations, by concealment of what should have been disclosed.
Fraud Risk Prevention/Management	A process that is adopted by the institution by putting mechanisms in place to manage the institution's vulnerability to fraud. Such mechanisms are designed to prevent, detect and deter fraud.

1.4. Policy Statement

Fraud represents a significant potential risk to SASSETA's assets, services delivery efficiency and reputation. The SETA will not tolerate fraudulent or corrupt activities, whether internal or external to the Institution, and will vigorously pursue and prosecute any parties who engage in such practices or attempt to do so, by all legal means available.

All alleged fraud, and other economic crimes will be investigated, and all perpetrators will be pursued through both SASSETA's disciplinary processes, together with criminal and civil prosecution. This will be based on the evidence obtained during the investigation process. SASSETA will also take a proactive stance in preventing incidences of fraud from occurring.

1.5. Policy Objectives

The objectives of this policy are to:

- Prevent and detect instances of fraud, theft, and misappropriation of SASSETA's resources;
- Assign responsibilities for the development, implementation and monitoring of fraud prevention mechanisms;
- Communicate the channels of the reporting of economic crimes;
- Create an awareness and obtain co-operation from Management, employees and third parties in the prevention and detection of fraud within SASSETA;
- Defines SASSETA's response to fraudulent incidents;
- Recover financial losses incurred by SASSETA as a result perpetrated fraud;
- Prevent fraud through an effective implementation of the Fraud Prevention Plan; and
- Maintain SASSETA's reputation and good standing as a good corporate citizen.

2. Legislation

Sections 51 (1) (a) of the Public Finance Management Act of 1999 stipulates that the Accounting Authority is responsible for ensuring that the public entity has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

Furthermore, section 27.2.1 of the Treasury Regulations require that risk assessments be conducted on a regular basis and a Risk Management Strategy, Methodology and

Approach, which includes a Fraud Prevention Plan, be used to direct internal audit effort. The Risk Management Strategy, Methodology and Approach and the Fraud Prevention Policy and Plan shall be clearly communicated to all employees to ensure that risk management is incorporated into the language and culture of the entity.

3. Investigation procedures

SASSETA has developed the following investigation procedures to ensure uniformity in the reporting and investigation of incidents of fraud and corruption:

- Reporting of suspicious acts;
- Preliminary investigations of incidents reported
- Investigation procedures;
- Involvement of other law enforcement agencies;
- Procedure in taking resolutions; and
- Recovery of loss.

4. Anti-Fraud Programmes

SASSETA has developed the following programmes to address the risk of fraud and corruption:

- Recruitment and Selection Policy;
- Accounting and operational policies;
- Fraud awareness training (indicators of fraud);
- Fraud risk assessment;
- Ethics Policy and Code of conduct;
- Fraud response plans; and
- Whistle Blowing Policy.

5. Roles and responsibilities

SASSETA has taken a stance that management of fraud and corruption risks is the responsibility of everyone in the organisation.

The Accounting Authority and the Chief Executive Officer has delegated the ownership and communication of fraud risk management to Management and all staff within SASSETA.

6. Risk Management Oversight

6.1. Executive Authority

The Executive Authority takes an interest in fraud risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management and internal controls are in place to protect the SETA against significant risks.

6.2. Audit & Risk Committee

The Audit and Risk Committee is an independent Committee responsible for oversight of the organisation's control, governance, compliance and risk management. The responsibilities of the Audit and Risk Committee with regard to fraud risk management are formally defined in its charter. The Audit and Risk Committee provides an independent and objective view of risk.

6.3. Risk Management Committee

The internal risk Management Committee is appointed by the Audit and Risk Committee to assist Management in discharging their responsibilities for risk management including fraud risk management. The Committee's role is to also review the fraud management progress of SASSETA, the effectiveness of fraud risk management activities, the key fraud risks facing the department, and the responses to address these key fraud risks.

7. Risk Management implementers

7.1. Accounting Authority / Board

The Accounting Authority / Board is accountable for the SETA's overall governance of fraud risk. By setting the tone at the top, the Board promotes accountability, integrity and other factors that will create a positive control environment.

7.2. Chief Executive Officer and Management

The CEO has delegated to Management, the responsibility for identifying and effectively managing all fraud risks in their respective Departments / Business Units and for integrating risk management onto the operational processes and other routines.

7.3. Other Officials

Other officials are responsible for integrating fraud risk management into their day-to-day activities, they must ensure that their delegated risk management responsibilities are executed and continuously report on progress.

7.4. Use of Information technology

The use of ICT-based tools and techniques has the potential of preventing electronic fraud, and such ICT-based tools and techniques are effective in detecting electronic fraud.

Continuous online auditing and analysis shall be used as an effective method in preventing fraud, and such tools shall be deployed within SASSETA for such purposes.

8. Risk Management Support

8.1. Chief Risk Officer

The Chief Risk Officer / Statutory Reporting, Governance, Compliance and Risk Manager is the custodian of the Fraud Prevention Policy and the co-ordinator of fraud risk management activities throughout SASSETA. The primary responsibility of this function is to bring high-quality expertise to assist the SETA in embedding risk management and leveraging its benefits to enhance performance.

8.2. Executive Management

The Executive Managements' responsibility involves intervention in instances where the fraud risk management efforts are being hampered, for example, lack of co-operation by Management and other officials and / or lack of departmental skills and expertise.

9. Risk Management Assurance Providers

9.1. Internal Audit

The role of internal audit in fraud risk management is to provide an independent, objective assurance on the effectiveness of SASSETA's system of fraud risk management. Internal Audit shall evaluate the effectiveness of the entire system of fraud risk management and provide recommendations for improvements where necessary.

9.2. External Auditor

The external auditor has a responsibility to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud.

10. Policy Accountability

The Chief Executive Officer is accountable for the overall policy implementation and reserves the right to intervene and take necessary steps when the policy is not adhered

to. The Governance, Compliance and Risk Unit shall be responsible for its future amendments or reviews.

11. Policy Implementation

The Policy shall upon approval, be communicated to all staff members.

12. Policy Validity

The policy will be reviewed every two year or as and when the need arises to reflect the organisation's current stance on fraud prevention.

13. Annexure

Fraud Prevention Plan