



**human settlements**

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# FRAUD & CORRUPTION PREVENTION POLICY

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<b>POLICY MAKERS &amp; IMPLEMENTOR(S)</b>	
<p><b>National Department of Human Settlements</b></p> <p><b>Internal</b></p> <ul style="list-style-type: none"> <li>• <b>DG</b></li> <li>• <b>DDG'S</b></li> <li>• <b>CD: INTERNAL AUDIT, RISK MANAGEMENT &amp; SPECIAL INVESTIGATIONS</b></li> <li>• <b>CD: LEGAL ADVISORY SERVICES</b></li> <li>• <b>CD: FINANCIAL MANAGEMENT SERVICES</b></li> <li>• <b>CD: POLICY AND RESEARCH</b></li> <li>• <b>CD: HUMAN RESOURCES MANAGEMENT</b></li> </ul> <p><b>External</b></p> <ul style="list-style-type: none"> <li>• <b>Law Enforcement(SAPS, SIU, ETC)</b></li> <li>• <b>NPA (National prosecuting Authority)</b></li> <li>• <b>Judiciary</b></li> </ul>	<p><b>2012/ 2013</b></p>

**Definitions**

For purposes of this document, unless otherwise stated in the document, the terms/phrases in the stated in the first column in the table below will have the meanings as indicated in the second column (and cognate expressions shall bear corresponding meanings)

<b>TERM/ PHRASE</b>	<b>MEANING/ CONTEXT USED WITHIN THIS POLICY</b>
Code	Code of Conduct for the Public Service
Committee	Audit Committee and/or Risk Management Committee
Conflict of Interest	A situation where the impartiality of an employee/ official, in discharging his/her duties, could be questioned because of the potential (perceived or actual) improper and impermissible influence of personal considerations or vested interests (financial or otherwise) may have on him/her judgment/conduct
Corruption	Any unlawful conduct or behavior where a person, accepts or offers any consideration for his/her own benefit or the benefit of another person, which is not legally due to him/her. It includes any person with vested powers (by virtue of his/her employment) who acts wrongly/ criminally/ fraudulently and/or omits to act in accordance with their powers or duties. The alleged conduct can also be classified as misconduct as defined in the Public Service Act (including the Regulations) and Public Service Code of Conduct.
Department of Human Settlements (Department)	The national department) of the Republic of South Africa which supports the National Minister of Human Settlements in the implementation of his/her mandate as contemplated in the Housing Act, 1997 (Act No. 107 of 1997).
Director-General (DG)	Director-General of the Department of Human Settlements
Employee	Any individual who is a party to a contract of employment with the Department of Human Settlements. This includes both permanent and temporary employees of the Department. Also, see official and staff member.
External Fraud & Corruption	Fraud/ corruption committed by an agent/ employee/ official or representative of a partner or supplier/ service provider related to the business or services provided by and/ or on behalf of the Department.
External Party	Any legal entity or individual other than the staff members of the Department and/ or its Entities.
Fraud	It involves an act of deliberate deception, which is perpetrated for

	profit or to gain an advantage. It can involve one or more persons and the party/ parties involved/ responsible are most often/ always aware that their actions are criminal. There is always intent to commit crime.
Fraud & Corruption Prevention	Strategies to proactively prevent, detect and/ or reduce/ eliminate internal and external fraud and corruption.
Fraud Prevention Policy	The Department's Policy to prevent fraud and corruption and the Incident Response Plan.
Internal Control	A process and procedures developed and implemented by the Department (in compliance with the prescripts of the Public Finance Management Act, Treasury Regulations and related frameworks) which seek to provide reasonable assurance that risks are managed and mitigated to enable the Department to achieve its strategic objectives.
Internal Fraud & Corruption	Fraud/ corruption committed by an employee/ official of the Department, directly against the Department.
Investigation	A verification process in search for evidence to either refute or verify accusations and identify an employee/ official/ party responsible for the commission of fraud/ corruption against the Department.
Official	Any individual who has been employed by the Department and who is a party to a contract of employment with the Department. This includes both permanent and temporary employees of the Department. See employee and staff member.
PFMA	Public Finance Management Act, 1999 (Act No 1 of 1999)
Plan	The official Departmental Fraud Prevention Plan, revision 1 dated January 2012
Risk Assessment	A process that identifies and analyses all the risks (including fraud risks) that may prevent or have a negative impact on the ability of the Department to achieve its objectives and mandate. The process is also used to determine whether those risks should be prevented, mitigated, transferred or accepted.
Risk Management	A process that is used to managed the risks that have been identified. The process involves the prevention, mitigation, transfer or acceptance of identified risks.
Service Provider	Institution that offers/ conduct legal and professional services for the Department. See partner and supplier.
Staff Member	Any individual who is a party to a contract of employment with the Department. This includes both permanent and temporal employees of the Department. See employee and official.
Service Supplier	Institution/company/person who / contracted with the Department to deliver legal and/or professional services to the Department

	and/ or an institution/company/person who has offered to deliver services to the Department. See partner and service provider.
Whistle Blower	Any person or employee who reports misconduct/ unlawful conduct by a fellow employee, manager/ supervisor and/ or service provider to the Department.

**1. INTRODUCTION**

- 1.1 The National Department of Human Settlements (the Department) acknowledges that fraud is an increasing global problem which affects all public and private institutions. The Department is not immune to this epidemic and to address the problem, the Fraud and Corruption Prevention Policy (the Policy) has to be developed and instituted.
- 1.2 This Policy is founded on the principle of “zero tolerance” towards fraud and corruption in all its manifestations. The policy gives effect to the Fraud Prevention Plan (the Plan) which provides measurable solutions to the Department’s fight against fraud and corruption related activities. The Department is committed to the establishment of a culture of fair and just administration and transparency and accountability which is aimed at achieving the highest ethical behavior amongst its employees.

**2. OBJECTIVES**

- 2.1 The intention of the policy is to clearly stipulate the Department’s fundamental position regarding fraud and corruption and to reinforce existing systems, policies and procedures of the Department aimed at detecting, preventing, and responding to as well as reducing the impact of fraud and corruption.
- 2.2 It is confirmed that the Department fosters a culture of **zero tolerance** towards fraud and corruption in all Departmental activities and this is the Department’s business norm.
- 2.3 The policy principles and operational framework provided in this policy are aimed at supporting improved service delivery, fair and just public administration and to ensure compliance with Constitutional obligations and financial regulations. This will be pursued through:

- a) Identifying and addressing areas of potential fraud/ corruption risk;
- b) Strategies to detect the existence of fraudulent and/or corrupt activities;
- c) Increasing the levels of awareness about fraud and corruption;
- d) Establishing effective anti-fraud and corruption practices; and
- e) Taking appropriate action against parties within the human settlements sector who are accused, suspected and/ or found guilty of engaging in fraudulent and corrupt activities.

### 3. SCOPE OF THE POLICY

- 3.1 The policy applies to all employees of the Department and all and the service providers who enter into an agreement/ contract to offer goods and services to the National Department of Human Settlements.
- 3.2 This policy applies to all cases where allegations of fraud and corruption are tabled and where attempts and incidents of fraud and corruption are detected
- 3.3 All managers and employees of the Department must comply with the spirit and content of the policy

### 4. THE POLICY

- 4.1 The policy of the Department is founded on the principle of **zero tolerance** towards fraud and corruption. In addition all fraud and corrupt activities will be investigated and administered through by the application of all available remedies in line with the provisions of all the applicable legislation and through the risk mitigation measures available to the Department These prevention measures include the existing financial and other control mechanisms as prescribed in the policies and procedures of the Department.
- 4.2 The efficient application of, and compliance with the PFMA and Treasury Regulations, and related policy frameworks, are important obligations to be adhered to by every employee in the execution of their daily tasks.

## 5. WHAT IS FRAUD & CORRUPTION?

5.1 Fraud and Corruption includes, but is not limited to, the following:

- (a) **Fraud**, is an act of deliberate deception, trickery or cheating intended to gain an advantage or a personal gain. The common purpose of fraud is to gain money or valuables of an entity or person in an illegal manner.
- (b) **Theft**, i.e. the dishonest taking of property that belongs to another person or institution with the intention to deprive the person/institution permanently of its possessions.
- (c) Offences defined in the **Prevention and Combating of Corrupt Activities Act, Act 12 of 2004**, including:
  - i. The general offence of corruption, i.e. 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:
    - Illegal, dishonest, unauthorized, incomplete, or biased Actions/ conduct
    - Misuse or selling of information or material acquired
    - Abuse of position of authority
    - Breach of trust
      - Violation of a legal duty or set of rules designed to achieve unjustified results
      - Any other unauthorized or improper inducement to do or not to do anything
  - ii. Corrupt activities, in terms of the Prevention and Combating of Corrupt Activities Act, in relation to :
    - Public officials
    - Foreign public officials
    - Agents
    - Judicial Officers
    - Members of the prosecuting authority
    - Unauthorized gratification received or offered by or to a party with an employment relationship
    - Witnesses and evidential material during certain proceedings
    - Contracts
    - Procuring and withdrawal of tenders

- Auctions
- Conflicts of interest and other unacceptable conduct, i.e. acquisition on private interest in contract, agreement in or investment in public body
- Unacceptable conduct relating to witnesses
- International Interference with, hindering or obstruction of investigation of offence
- Accessory to or after an offence
- Attempt, conspiracy and inducing another person to commit offence
- Failure to report corrupt transactions

**5.2 Examples of fraud and corruption**

Fraudulent and corrupt acts may either be systemic, financial, equipment/ resource based, etc. These can be described as follows:

- a) Systemic issues happen where and when available systems are prone to abuse;
- b) Fraudulent issues happen where and when individuals (including employees) and suppliers fraudulently obtain money from the Department; and
- c) Equipment issues happen where and when the department's resources are utilized recklessly and/ or for personal gain.

The examples of fraud and corruption which is likely to happen within the Department and human settlements sector are:

<b>WITHIN THE DEPARTMENT (AND ITS ENTITIES)</b>	<b>WITHIN HUMAN SETTLEMENTS SECTOR</b>
Manipulating/ deliberately capturing false information on HSS and/ or Supplier Database	False information supplied on subsidy applications and supplier database
Unauthorized requests for payment from the general public or service providers/ suppliers in exchange for government services.	Tender Processes: a) Manipulation of tender conditions and project scope to the advantage of certain or preferred bidders, b) Non-compliance with prescribed tender processes, c) Offering or kickbacks in return for contract favours, d) Awarding tenders to friends/ relatives,

	<p>e)Participation at Bid Adjudication Committee with ulterior motives to influence the awarding of tenders,                  f) Not declaring a conflict of interest and or continue to participate in tender processes where a conflict of interest exists, etc</p>
<p>Knowingly supplying false information under oath/ affirmation;</p>	<p>Provision of bulk infrastructure, internal municipal engineering services/ top structures:                  a)theft/ illegal sale of material,                  b)use of inferior quality material,                  c)poor workmanship,                  d)stalled/ incomplete projects,                  e)non-compliance with set regulatory norms/ standards/ practices,                  f)knowingly appointing incompetent contractors/ sub-contractors/ service providers                  g)incompetent contractors/ sub-contractors, etc</p>
<p>Inflating costs for services rendered to/ for the Department government;</p>	<p>Payment of claims/ claims process:                  a)poor monitoring &amp; evaluation of projects                  b)falsification of inspection reports,                  c)double billing/ false claims                  d)approval of claims for poorly constructed houses                  e)inadequate controls/ systems to verify claims, etc</p>
<p>Giving preferential treatment to service providers in return for kick backs/ financial gain;</p>	<p>Offering money/ other benefits to officials in return for favours/ non-compliance with policy/ illegal practices</p>
<p>Failure to declare one's interests in business, recruitment;</p>	<p>Illegal collaboration with officials/ employees to secure business favours</p>
<p>Using another person's password or pin number;</p>	
<p>Absence from work without leave; and</p>	
<p>Deliberate failure to perform one's official duties</p>	
<p>Misuse/ theft of government assets</p>	
<p>Irregular destruction, removal or abuse of records</p>	
<p>Disclosing confidential or proprietary information to outside</p>	



parties	
	Allocation of stands & low-income houses a)illegal allocation, sale & renting of low-income houses to non-qualifying persons, foreigners & business persons b)illegal, c)demanding payment for the allocation to low-income houses and title deeds, etc
	Sale of low-income houses by beneficiaries (before expiry of the 5 year term from allocation).

**6. HOW FRAUD AND CORRUPTION OCCURS?**

There are many factors which may contribute towards the occurrence of fraud and corruption. These factors vary from failure (deliberate or otherwise) by the relevant officials to follow proper control procedures and lack of proper internal control systems and procedures.

The failure to follow proper controls may include:

- (i) carelessness in verifying and approving actions /expenditures ;
- (ii) inadequate separation of functions, supervision and duties; and
- (iii) the ability to override internal controls by management, rendering the governance structures/ systems ineffective.

**7. HOW CAN FRAUD AND CORRUPTION BE PREVENTED?**

7.1 Every employee of the Department has a responsibility and obligation to contribute towards the prevention, detection and reduction of fraud and corruption - within the Department and the Human Settlements sector, in general.

7.2 On the other hand, managers have a responsibility to ensure that the opportunities of fraud and corruption are minimized. Opportunities of fraud and corruption may be reduced by ensuring that the Department has adequate/ sound internal control systems. The management, particularly senior management, must set the tone and promote the culture of anti-fraud and corruption within the Department.

7.3 Staff members, as one of the key stakeholders, must demonstrate a certain level of awareness and conduct themselves in a manner that

upholds the values and ethics of the Department. They must also know that there is a high probability that they might get caught, disciplined and eventually dismissed - if found guilty of engaging fraudulent or corrupt activities. Criminal prosecution must also be considered as an option to deal with fraudsters.

- 7.4 Most importantly, the Department must uphold the values of good corporate governance, including accountability, transparency, leadership and ethical behavior.
- 7.5 Lastly, the Department expects and requires its stakeholders, including staff members and service providers, to be honest and fair in their dealings with it (Department) and usage of departmental resources. The Department will not tolerate any level and form of fraud and corruption. Any detected case will be thoroughly investigated and disciplinary and criminal procedures will be considered where appropriate and possible.
- 7.6 The Department would, where necessary, institute proceedings to recover any losses that may be incurred because of fraud and corrupt activities.

**8 CONFIDENTIALITY & MANAGEMENT'S RESPONSIBILITY**

- 8.1 All information relating to fraud and corruption that is received and investigated will be treated 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 legitimate rights to such information. This is important in order to avoid harming the reputation of suspected persons who are subsequently found guilty/ innocent of wrongful conduct. The findings of the investigations will determine further cause of action, if any?
- 8.2 No person is authorised to supply any information with regard to allegations or incidents of fraud and corruption to external sources without the express permission of the Director-General.
- 8.3 The management (including supervisors) of the Department has the following responsibilities in the handling of fraud and corruption:
  - a) Treat staff members who report cases of fraud & corruption with respect;
  - b) Listen carefully and accept all cases that are reported to him/ her;
  - c) Treat every reported case with the seriousness, sensitivity and

- confidentiality it deserves;
- d) Obtain as much information as possible regarding the alleged fraud/ corruption;
  - e) Reassure staff members that they will be protected and will not suffer any reprisal for having reported allegations – made in good faith;
  - f) Prepare a report on any suspected or actual fraud case reported to supervisors;
  - g) Escalate or refer the reported case of fraud and corruption to the Special Investigations or Director: Special Investigations for handling.

8.4 Whilst the management (including supervisors) has numerous responsibilities towards the handling of suspected or actual cases of fraud and corruption, they must not do the following:

- a) Attempt to conduct an investigation;
- b) Question the suspect/s and witnesses;
- c) Ridicule the staff member who is reporting the suspected or actual case of fraud and corruption; and
- d) Discuss the case or spread a rumour about the suspect/s or any party allegedly involved in the commission of the suspected or actual fraud/ corruption.

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

### **9.1 What should an employee do if he/ she suspects fraud and corruption?**

It is the responsibility of all employees to immediately report all suspected or actual

incidents of fraud and corruption, that they become aware of, to their immediate supervisor. However where the supervisor is suspected of such conduct the official must report the matter to the Director: Special Investigations.

Should employees wish to report allegations of fraud and corruption anonymously, they can contact the Presidential Hotline, National Anti-Corruption Hotline, the Departmental Call Centre, the Director-General or

the Chairpersons of the Audit Committee and Risk Management Committee.

**9.2 What should a member of the public or providers of goods and /or service do if they suspect fraud and corruption?**

The Department encourages members of the public or providers of goods and /or services who suspect fraud and corruption to report to the South African Police Service, the National Anti-Corruption Hotline and the Department – as prescribed by the Protected Disclosure Act. .

**9.3 How will allegations of fraud and Corruption be dealt with by the Department**

The action taken by the Department will depend on the nature of the allegations and circumstances of each case. The matters raised will be screened and evaluated by the Special Investigations Directorate and may subsequently:

- a) Be investigated internally; or
- b) Referred to another law enforcement agency.

Any fraud and corruption committed by an employee of the Department or any other person will be pursued thorough investigation and the application of the full extent of the law, including (where appropriate) consideration of:

- a) In case of an employee, taking disciplinary action within the timeframe that is prescribed in terms the departmental policies (for disciplinary procedure);
- 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

Managers are required to make sure that loss or damages suffered by the Department as a result of all acts committed or omitted by an employee or

any other person are recovered from such employee or other person if he or she is found to be liable for such loss

The Director: Special Investigations will, upon receiving an allegation of fraud or corruption from an external person/ institution/ company in writing confirm the following to that person/ institution/ company – at different phases of handling the complaint:

- a) That the allegation/ complaint has been received;
- b) Indicate how he proposes to deal with the matter;
- c) Give an estimate of how long it will take to provide a final response. This will be informed by based on the complexity of the complaint; and
- d) Indicate whether any further investigations will take place, and if not, why not.

The Department accepts that any person, including the employees who reported the alleged fraud incidents, need to be assured that the matter has been/ will be properly addressed. However it must be accepted that the integrity of the investigation must be upheld under all circumstances and this may result in the limitation of information that is released on each case.

8.8 The Department will ensure that a fraud and corruption information technology system/ database is developed for the following purposes:

- a) Recording all allegations;
- b) Tracking progress with the management of allegations;
- c) Facilitating the early identification of systematic weaknesses and recurring risks, and inform managers and employees of systematic weaknesses/ risks;
- d) Providing feedback to employees and other whistle blowers on the management of allegations; and
- e) Providing minimum information on fraud and corruption to designated stakeholders.

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- 8.3 In line with Cabinet instructions, the Department will provide stakeholders with the following minimum information at the end of each financial year:
- a) Number of all allegations of fraud and/ or corruption received and/ or cases detected per defined categories as defined in the Prevention and Combating of Corrupt Activities Act, 2004 and services delivery areas;
  - b) Number of allegations and cases referred to in (a) above
    - (i) Handled in terms of disciplinary procedure;
    - (ii) Referred to law enforcement agency or other body;
    - (iii) Description of corruption risks areas; and
    - (iv) Report on the performance of the minimum anti-corruption capacity as part of its annual report

**9 FRAUD AND CORRUPTRION RESPONSE**

The Director-General, as the accounting officer, has the overall responsibility for dealing with fraud and corruption within the Department. However, the Director-General may delegate his responsibility to a relevant member of senior management. The Director-General must ensure that the member of senior management delegated to deal with fraud and corruption is not responsible for or attached to areas affected by fraudulent or corrupt practices.

**10 INVESTIGATION OF COMPLAINTS**

- 13.1 The Department of Human Settlements adopted a “Comprehensive Plan for the Creation of Integrated Sustainable Human Settlements” (the Plan) in August of 2004..
- 13.2 The purpose of the Plan is, *amongst others*, to identify and build the capacity of the Department to adequately deal with challenges created by fraud and corruption within the human settlements service delivery value chain.
- 13.3 *Paragraph 6.4, of the Plan or BNG, makes provision for the Department to “Establish a Special Investigating Unit to deal with fraud and corruption and commission forensic investigations where necessary”.*
- 13.4 This culminated in the establishment of the Special Investigations Directorate (SID), within the National Department of Human Settlements. The role and function of SID is to:

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- *Manage and develop anti-corruption measures, analysis and monitor processes and trends of corruption in the housing sector; and*
- *Manage, coordinate and conduct housing fraud and corruption investigations.*

13.5 The National Department of Human Settlements receives allegations of fraud and corruption within the human settlements sector , from a variety of sources including members of the public,

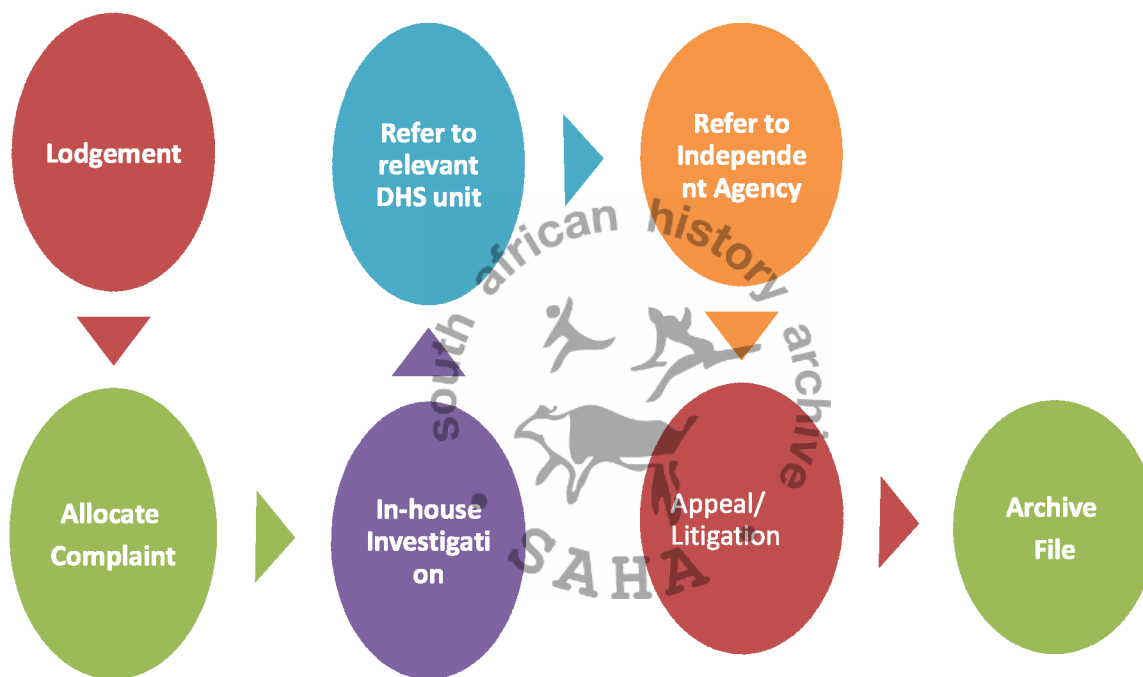
13.6 Some of the complaints are referred to the Department through the Presidential Hotline, National Anti Corruption Hotline, Minister of Human Settlements, Director-General: Human Settlements, DHS Call Centre and staff members of the Department. These complaints are lodged or referred to SID for resolution and report back.

13.7 The complaints which are lodged with the Department of Human Settlements will be handled in terms of the procedure highlighted in paragraph 14 (below).

## 11 COMPLAINTS HANDLING PROCEDURE

The Chief Directorate: Internal Audit, Risk Management and Special Investigations developed and adopted a procedure for the handling and/ or resolution of complaints. This was an attempt to ensure that the Department has a consistent, efficient and structured procedure of handling all complaints which are lodged/ referred to the Chief Directorate: Internal Audit, Risk Management and Special Investigations. The procedure that is currently used by the Department for handling complaints is as follows:

**SPECIAL INVESTIGATIONS DIRECTORATE  
COMPLAINTS HANDLING PROCEDURE**



a) **Lodgement**

This process entails:

- Assessment of the allegations to determine whether it pertains to human settlements or related aspects. Where it is established that the allegations do not relate to the human settlements aspects it is referred to a relevant responsible institution;
- Where the allegations pertain to aspects or related aspects of human settlements, the complaint is registered and case awarded a reference number;
- An acknowledgement of receipt is then issued to complainant;
- Update Case Management System (every action/ step taken)



**b) Allocate complaint for investigation**

This process entails:

- The allocation of the case to an investigator;
- Assessment by the Investigator (to determine appropriate cause of action)
  - In-house investigation (See “C” below)
  - Referral to a relevant unit within DHS(See “D” below)
  - Referral to a relevant external agency (See “E” below)
- Update Case Management System (every action/ step taken)

**c) In-house investigation**

This process entails:

- Submission of the allegations to respondent/ implicated official/ party
- Obtain a response from the respondent
- Draft report on the findings and formulate recommendations
- Advice complainant(s) of response/ outcome of investigation
- Submit report to the Director-General
- Update Case Management System (every action/ step taken)
- Further Action/ Close file

**d) Referral to relevant unit (within DHS)**

This process entails:

- Referral letter to relevant unit
- Inform complainant(s) of the referral
- Follow-up with referral unit (progress report/ update)
- Submit report to the complainant(s)/ request referral unit to submit report to the complainant
- Submit report to the Director-General
- Update Case Management System (every action/ step taken)
- Further Action/ Close file

**e) Referral to independent agency (SIU, SAPS, Province, etc)**

This process entails:

- Referral letter to relevant agency
- Inform complainant(s) of the referral
  - Follow-up with relevant agency

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- Submit report to the complainant(s)/ request referral agency to submit report to the complainant
- Submit report to the Director-General
- Update Case Management System (every action/ step taken)
- Further Action/ Close file

f) **Appeal/ Litigation against our decision or findings (by the complainant or respondent)**

This process entails:

- Receive appeal/ notice of motion
- Notify/ refer matter to DHS Legal Advisory Services
- Notify the Department of the appeal/ litigation
- Instruct state attorneys (by Legal Advisory Services)
- Brief Counsel (by Legal Advisory Services)
- Court processes (witnessing, testifying)
- Notify the Director-General of outcome
- Update Case Management System (every action/ step taken)
- Further Action/ Close file

g) **Archive file**

- All case files are classified and stored as secret documents.
- Update Case Management System (every action/ step taken)
- Scan file and storage (Records Management)

**12 RECOVERY OF LOSSES**

Where the Department has suffered financial losses or loss of other material value, the matter would be handled in line with the Department's Recovery of Debts Policy which is enforced by Internal Control.

**13 INSTITUTING PROGRESSIVE CORRECTIVE MEASURES**

Progressive Corrective Proceedings, in a form of disciplinary action, should be considered and instituted by the Department in cases where it is established that a staff member/ employee/ official has indeed committed fraud or corruption. This action should be instituted after consultation with the Department's Legal Services & Litigation Management Unit and Labour Relations Unit.

*This action should be instituted in line with the department's policy.*

#### **14 PUBLICATION OF SANCTIONS**

The Director-General will decide whether any information relating to corrective actions taken or sanctions imposed, regarding incidents of fraud and corruption should be brought to the direct attention of any person or made public through any other means.

#### **15 PROTECTION OF WHISTLE BLOWERS**

- 15.1 An employee who reports actual/ suspected fraud and corruption may remain anonymous should he/ she so desire.
- 15.2 No person will suffer any penalty or retribution for good faith reporting of any suspected or actual incident of fraud and/ or corruption which occurred within the Department.
- 15.3 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.
- 15.4 This section must be read with the Department's Whistle Blowing Policy and Protected Disclosure Act.

#### **16 APPLICATION OF PREVENTION CONTROLS AND DETECTION MECHANISMS**

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

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## **17 RIGHTS AND RESPONSIBILITIES OF PERSONS/ EMPLOYEES WHO ARE ACCUSED OF FRAUD AND CORRUPTION**

20.1 A suspect or person accused of committing/ engaging in corrupt and/or fraudulent activities has the following rights

- (i) to dignity and be treated with respect;
- (ii) not to have his privacy invaded/ violated;
- (iii) to be informed about the charges brought against him/ her;
- (iv) to legal<sup>1</sup> representation or to be represented by a colleague/ union;
- (v) to be afforded reasonable time<sup>2</sup> to respond to charges against him/ her; and
- (vi) to administrative action which is lawful, reasonably fair and procedurally fair (PAJA).

20.2 A suspect or person accused of committing/ engaging in corrupt and/ or fraudulent activities, also, has the following responsibilities:

- (i) to co-operate with the person conducting the investigation;
- (ii) to respond to allegations made against him/ her, within the stipulated time/ period;
- (iii) to submit relevant information which will assist the investigation;
- (iv) to organize his/ her representation (either legal or union);
- (v) not to interfere with the investigation process;
- (vi) not to interfere, victimize or threaten witnesses; and
- (vii) not to publicize the details of the investigation and outcome of the hearings, without the written consent of the Department.

## **19. CREATING AWARENESS**

19.1 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.

19.2 The Special Investigations Directorate has a responsibility to coordinate and conduct awareness campaigns for all the employees of the Department, and relevant stakeholders.

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1 Legal representation will be at own cost.

2 14 days (including weekends)

**20. CORPORATION WITH STAKEHOLDERS**

The objective to reduce fraud and corruption will yield no results unless we establish partnerships with credible and effective stakeholders within the sector. This has become necessary particularly because the sector (human settlements) is dynamic and provides lots of opportunities to SMMEs to grow –through the awarding of tenders for the provision of human settlements.

The Department has a number of relevant stakeholders (both internal and external) who make a meaningful contribution towards its commitment to root out fraud and corruption within the sector and the Department of Human Settlements.

**21. ADMINISTRATION**

21.1 The custodian of this policy is the Director-General who is supported, in its implementation, by all supervisors of the Department.

21.2 The Department’s Audit Committee and Risk Management Committee are responsible for the administration, revision and interpretation of this policy. This policy will be reviewed annually and amended as appropriate.

21.3 Once approved, this policy will have to be adopted by the Department’s Audit Committee.

**21. RESPONSIBILITIES**

<b>Responsibility</b>	<b>Director-General</b>
<b>Implementation</b>	<b>Director: Special Investigations</b>
<b>Compliance</b>	<b>Executive Management Team</b>
<b>Monitoring and Evaluation</b>	<b>Chief Director: Internal Audit, Risk Management and Special Investigations</b>
<b>Development and/ or Review</b>	<b>Director: Special Investigations</b>
<b>Interpretation and advice</b>	<b>Audit Committee and Risk Management Committee</b>

**22. ADOPTION**

**THAPELO MASHABANE**

**ACTING CHIEF DIRECTOR: INTERNAL AUDIT, RISK MANAGEMENT AND SPECIAL INVESTIGATIONS**

**DATE:**



**THABANE ZULU**

**DIRECTOR-GENERAL: NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS**

**DATE:**