

POLICY ON PREVENTION OF FRAUD/CORRUPTION AND OTHER IRREGULARITIES

1. PREAMBLE

- 1.1 A Policy on Prevention of Fraud/Corruption and other Irregularities is supportive of good corporate governance practices.
- 1.2 It is the responsibility of stakeholders (managers, employees and students) at the University of South Africa (UNISA) to adhere to the UNISA [Code of Ethics and Conduct](#) and other policies to assist the institution in the prevention and prosecution of those involved in the perpetration of fraud/corruption and other irregularities.
- 1.3 All forms of fraud/corruption and other irregularities, prejudicial or beneficial to UNISA, are prohibited and would be dealt with in accordance with UNISA's Disciplinary Code for employees and students respectively.
- 1.4 When dealing with allegations of fraud/corruption and other irregularities at UNISA, the institution will strive to protect the rights of all parties involved in terms of the Constitution and the Laws of the Republic of South Africa, or any other country from where UNISA is operating, and any applicable policy at UNISA.

2. DEFINITIONS

- Conflict of interest refers to situations in which financial or other personal considerations may compromise, or have the appearance of compromising, an employee's professional judgment in administration, management, instruction, research and other professional activities;
- Corruption¹ Any person who, directly or indirectly -
- (a) accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or
 - (b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person, in order to act, personally or by influencing another person so to act, in a manner –

¹ Section 3 of The Prevention and Combating of Corrupt Activities Act No. 12 of 2004

- (i) that amounts to the –
 - (aa) illegal, dishonest, unauthorised, incomplete, or biased; or
 - (bb) misuse or selling of information or material acquired in the course of the, exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;
- (ii) that amounts to-
 - (aa) the abuse of a position of authority;
 - (bb) a breach of trust; or
 - (cc) the violation of a legal duty or a set of rules;
- (iii) designed to achieve an unjustified result; or
- (iv) that amounts to any other unauthorised or improper inducement to do or not to do anything.

is guilty of the offence of corruption;

Fraud	is defined as the unlawful and intentional making of a misrepresentation which causes actual prejudice or which is potentially prejudicial to another;
Immediate family	in this context includes a spouse, if any, parents and any natural or adopted siblings or children, stepchildren, parents-in-law, brothers, sisters and all in-laws. "Spouse" includes any male or female person with whom the employee is cohabiting as habitual partners.
Irregularity	means any conduct that is in contravention of any approved policy at UNISA including, amongst others, fraud.
Vested interest	exists where a person has a special interest in protecting or supporting something for the purpose of self-interest, gain or benefit, whether financially or otherwise.

3. MISCONDUCT THAT CONSTITUTES CORRUPTION AND OTHER IRREGULARITIES AT UNISA

Any employee who commits, amongst others, any of the following acts² would be considered to have committed fraud/corruption or an irregularity against the institution:

- 3.1 Misappropriation or misuse of funds and property that belongs to UNISA.
- 3.2 Destruction, removal or concealment of UNISA property.

² This list is not exhaustive

- 3.3 Alteration or falsification of documents prejudicial to UNISA or any party conducting business with UNISA.
- 3.4 Presenting any false claim for reimbursement by any party associated with UNISA.
- 3.5 Theft of property in any form, corporeal or incorporeal, from UNISA.
- 3.6 Knowingly creating, condoning or presenting inaccurate financial statements contrary to proper financial reporting standards adhered to at UNISA.
- 3.7 Colluding, for a benefit, with any party (internal or external) in any manner that creates actual or potential prejudice to UNISA.
- 3.8 Improper handling or reporting of financial transactions.
- 3.9 Knowingly giving authority for the payment of or signing for fictitious goods and services.
- 3.10 Knowingly submitting or authorizing false overtime and travel claims.
- 3.11 The use of or authorizing the use of any UNISA logo or trademarks in any manner that causes prejudice to the institution.
- 3.12 Exercising or failing to exercise any power or authority delegated to the individual as a UNISA employee resulting in the employee or his/her immediate family member obtaining a personal benefit.
- 3.13 Failing to disclose any vested interest where there is likely to be any conflict of interest while conducting UNISA business.
- 3.14 Making any misrepresentation of facts that results in actual or potential prejudice against a party at UNISA.
- 3.15 Failure to comply with the provisions of any policy and/or procedure duly approved by Council and/or UNISA Management in a manner that causes prejudice to the institution.
- 3.16 Failure to act or refrain from acting in a reasonable manner, where such conduct or omission is not regulated by policy, causing prejudice to UNISA.

4. RESPONSIBILITY TO INVESTIGATE FRAUD/CORRUPTION AND OTHER IRREGULARITIES

- 4.1 It is the responsibility of the Head of the Internal Audit Department, to investigate fraud/corruption and other irregularities at UNISA and to ensure that adequate preventative measures are taken by UNISA Management to prevent such practices.
- 4.2 The Head of the Internal Audit Department is responsible for all matters relating to investigations in terms of the approved policies and the Fraud/Corruption and Irregularity Prevention Framework at UNISA in support of the institutional Anti-Fraud/Corruption and Irregularity Strategy.
- 4.3 All instances of reported fraud/corruption and other irregularities will be submitted to the Head of the Internal Audit Department and shall be authorized by the Assistant Principal or the Principal and Vice-Chancellor for investigation.

- 4.4 The Executive Director: Legal Services will be consulted on all matters that require reporting and/or responding to external organizations.
- 4.5 The Internal Audit Department will have unrestricted access to all functions, records, employees and property, including intellectual and electronic properties, required in the performance of authorized investigations. This entails obtaining the necessary assistance from all employees in units/departments of UNISA where an investigation is being conducted. The access to employees and documents would be subject to all relevant laws in the Republic of South Africa.
- 4.6 It is the responsibility of the Head of the Internal Audit Department to ensure that adequate resources are allocated for investigations and to determine the scope of the investigation.
- 4.7 It is the responsibility of the Head of the Internal Audit Department to ensure that an investigation report is prepared and distributed to:
- (a) The Principal and Vice-Chancellor
 - (b) The Assistant Principal
 - (c) The Portfolio Manager responsible for the area being investigated
 - (d) The line manager of the department being investigated, provided that he/she is not the subject of the investigation
 - (e) The Head of the Enterprise Risk Management Department
 - (f) The Chairperson of the Audit Committee
- 4.8 The nature of the report will depend on the circumstances and scope of each investigation. The following types of reports may be produced depending on the circumstances:
- (a) An interim report when the investigation is prolonged and there is a need for urgent intervention;
 - (b) An abridged report when the matter being investigated does not warrant a full report;
 - (c) A full report when the matter is of a serious nature.
- 4.9 The primary role of an investigation report is to establish the facts surrounding an allegation of corruption and other irregularities, but in the course of performing the investigation, the control weaknesses that provided the opportunity to commit such prohibited conduct may be identified, assessed and appropriate recommendations made to improve the system of internal control.
- 4.10 Though an investigation report may contain recommendations to address the risks identified during the investigations it remains the prerogative of the Portfolio Manager and the Management Committee to decide whether or not to implement the recommendations contained therein.
- 4.11 If an investigation report recommends disciplinary action against an individual, the relevant portfolio/line manager should, in consultation with a representative from the Labour Law Directorate in the Legal Services Department, determine and formulate the nature of the charges to be brought

against that individual, in addition to consulting with the Internal Audit Department.

- 4.12 When the Labour Law Official decides to proceed with disciplinary action against the employee identified in an investigation report, all proceedings will be in compliance with UNISA's Disciplinary Code.

5. DUTY TO REPORT FRAUD/CORRUPTION AND OTHER IRREGULARITIES

- 5.1 Any employee, student or vendor who becomes aware of or reasonably suspects/believes that another person is committing or has committed fraud/corruption or any other irregularity against UNISA has a duty to report such contravention in terms of the provisions for reporting fraud/corruption and other irregularities at UNISA.
- 5.2 Any person who becomes aware of or reasonably believes or suspects that another person is or has committed fraud/corruption or any other irregularity will refrain from confronting that person, conducting any unauthorized investigation or discussing the incident with any person other than a party in a position of authority and who has been authorized to receive such information as indicated in paragraph 6.2 of this policy.

6. PROCEDURES FOR REPORTING FRAUD/CORRUPTION AND OTHER IRREGULARITIES

- 6.1 Any person may, depending on the circumstances, report fraud/corruption and other irregularities to any of the following:
- His/her line manager
 - The relevant line manager where the alleged fraud is or was committed
 - Head of Department: Protection Services at UNISA
 - Head of the Internal Audit Department at UNISA
 - Any other party, within UNISA, in a position of authority and appropriate structure.
- 6.2 Any person who makes unfounded and/or malicious allegations of fraud/corruption or other irregularities against another person will be committing an act of misconduct and disciplinary action may be taken against him/her.
- 6.3 Where a person has reason to suspect that he/she will be victimized for making a report with regard to fraud/corrupt or irregular activities, he/she can make an anonymous report in terms of UNISA's Whistle Blowing Policy.
- 6.4 Any person reporting a fraud/corruption/irregularity in terms of the Whistle blowing Policy at UNISA shall enjoy all the rights and privileges set out in the policy subject to the limitations stipulated in the Protected Disclosures Act 26 of 2000.
- 6.5 All reported fraud/corrupt/irregular activities shall be dealt with in terms of the fraud/corruption/irregularities response protocol approved by the Management Committee, the Audit Committee and the Council of UNISA.

7. CIVIL AND CRIMINAL PROCEEDINGS

- 7.1 UNISA will via the Legal Services Department report any conduct that constitutes a criminal act or a contravention of any law that it becomes aware of, to the South African Police Services (SAPS) or the relevant authorities. The matter will be reported to the relevant authorities irrespective of whether or not the act was beneficial to UNISA.
- 7.2 The Assistant Principal, as the person designated by the Principal and Vice-Chancellor to deal with all matters concerning corruption/irregularities, shall report any fraud/corrupt/irregular activity involving an amount of R100 000.00 or more to SAPS.
- 7.3 Where UNISA has suffered a loss as a result of the fraud/corrupt/irregular conduct, a preliminary investigation shall be conducted to establish:
- The nature and amount of the loss suffered
 - The possibility of recovering the loss
 - The desirability of instituting criminal and/or civil proceedings
- 7.4 The report, detailing the results of the preliminary investigation, shall be submitted to the Principal and Vice-Chancellor, Assistant Principal and Executive Director: Legal Services for a final decision on recovery of the loss.

8. REVIEW OF FRAUD/CORRUPTION/IRREGULARITY PREVENTION POLICY

- 8.1 This policy shall be reviewed at least annually for its effectiveness to ensure that it is in compliance with the practices and procedures at UNISA and with the relevant legislation in the Republic of South Africa.
- 8.2 It is the responsibility of the Internal Audit Department to ensure that the relevant changes are made to this document in accordance with the relevant UNISA policies.

9. IMPLEMENTATION OF POLICY

Related policies of the former institutions that were in force prior to the commencement of this Policy are replaced with effect from the date on which Council approves this Policy.

