



**arts, culture,  
sports & recreation**

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**POLICY TITLE** : FRAUD PREVENTION AND ANTI-CORRUPTION  
POLICY

**OWNER** : DEPARTMENT OF ARTS, CULTURE, SPORTS AND  
RECREATION (ACSR)

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## TABLE OF CONTENTS

<b>SUBJECT</b>	<b>PAGE</b>
<b>1. ACRONYMS</b>	3
<b>2. DEFINITION OF CONCEPTS</b>	3
<b>3. PREAMBLE</b>	3-4
<b>4. SCOPE OF APPLICATION</b>	4
<b>5. POLICY STATEMENT</b>	4
<b>6. POLICY OBJECTIVE</b>	4
<b>7. POLICY FRAMEWORK</b>	4
<b>8. POLICY PRINCIPLES</b>	5
<b>9. POLICY CONTENT</b>	5
9.1 The Concept of Fraud Prevention	5
9.2 Investigation Procedures	5
9.3 Anti-Fraud Programmes	5-6
<b>10. ROLE AND RESPONSIBILITIES</b>	6
10.1 Risk Management Oversight	6
10.1.1 Executive Authority	6
10.1.2 Audit Committee	6
10.1.3 Risk Management Committee	7
10.1.4 Office of the Premier	7
10.2 Risk Management Implementers	7
10.2.1 Accounting Officer	7
10.2.2 Departmental Management Structures	7
10.2.3 Other Officials	7
10.3 Risk Management Support	7
10.3.1 Chief Risk Officer	8
10.3.2 Risk Champion	8
10.3.3 Provincial Treasury	8
10.4 Risk Management Assurance Providers	8
10.4.1 Internal Audit	8
10.4.2 External Audit	9
<b>11. POLICY REVIEW</b>	9
<b>12. APPROVAL AND COMMENCEMENT</b>	9
<b>13. ANNEXURES 1, 2 &amp; 3</b>	10-14

## ACRONYMS

<b>EA:</b>	Executive Authority
<b>AO:</b>	Accounting Officer
<b>AC:</b>	Audit Committee
<b>ACSR:</b>	Arts, Culture, Sport and Recreation
<b>CRO:</b>	Chief Risk Officer
<b>MEC:</b>	Member of the Executive Council
<b>RMC:</b>	Risk Management Committee
<b>TR:</b>	Treasury Regulations

## 2. DEFINITION OF CONCEPTS

<b>ACCOUNTING OFFICER</b>	It refers to the Head of Department (HOD).
<b>BATHO-PELE</b>	Refer to the service delivery principles from DPSA that guides all service provisions by public institutions. Visit <a href="http://www.dpsa.gov.za/batho-pele">www.dpsa.gov.za/batho-pele</a>
<b>CORRUPTION</b>	Can be defined as when a person " <b>A</b> " offers another person " <b>B</b> ", who is in a position of power or authority gratification as a way of influencing the use of his/her authority in favour of a person " <b>A</b> " or another person elected by person " <b>A</b> "
<b>DEPARTMENT</b>	Refers to the Department of Arts, Culture, Sports and Recreation
<b>DPSA</b>	Refers to the Department of Public Service Administration which is a National department executing authority – the Member of the Executive Council (MEC) of a Province is accountable to the Provincial Legislature for that Department.
<b>MACC</b>	Minimum Anti-Corruption Capacity Booklet produced by the Department of Public Service Association (DPSA) to guide public institutions in setting up an Anti-corruption system. Visit: <a href="http://www.dpsa.gov.za/macc/">www.dpsa.gov.za/macc/</a>
<b>MANAGEMENT</b>	All officials of the institution, except for the Chief Risk Officer (CRO) and officials reporting to him/her.

<b>NIA</b>	Refer to the National Intelligence Agency under the Department of State Security responsible for specialised investigations.
<b>NGO</b>	Non-Government Organisation.
<b>PSA</b>	Refers to Public Service Commission which is a constitutionally mandated body tasked to ensure good corporate governance within the Public Sector. They are the custodian of the <b>National Anti-Corruption Toll-free Hotline: 0800 701 701.</b>
<b>RISK MANAGEMENT</b>	A continuous, proactive and systematic process, effected by a department's Executive Authority, Accounting Officer, management and other personnel, applied in strategic planning and across the department, designed to identify potential events that may affect the Department, manage risks to be within its risk tolerance, to provide reasonable assurance regarding the achievement of departmental objectives".
<b>RISK MANAGEMENT COMMITTEE (RMC)</b>	A Committee appointed by the Accounting Officer/Authority to review/fulfil oversight on the Institution's system of risk management.
<b>Other Official</b>	An official other than the Accounting Officer/Authority, Management, Chief Risk Officer and his/her staff
<b>INTERNAL AUDITING</b>	An independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
<b>SAPS</b>	Refer to South African Police Services which is a Law Enforcement Agent of the Republic under the Department of State Security.

### 3. PREAMBLE

- 3.1 The provisions of Section 38(1)(a)(i) of the Public Finance Management Act (PFMA) stipulates that the Accounting Officer/Authority is responsible for ensuring that the Department, Trading Entity or constitutional Institution has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

- 3.2 Furthermore, Sections 3.2.1 and 27.2.1 of the Treasury Regulations (TR) require that a Risk Assessment is conducted regularly and a Risk Management Strategy, which includes a Fraud Prevention Plan, be used to direct the Internal Audit effort. The Strategy must be communicated to all employees to ensure that risk management is incorporated into the language and culture of the Department or Entity.

#### **4 SCOPE OF APPLICATION**

This Policy applies to the following:-

- 4.1 Employees of the Department whether seconded from other departments, institutions, permanent or on contract.
- 4.1 Consultants, contractors, suppliers and/or other parties with a business relationship with the Department.

#### **5 POLICY STATEMENT**

- 5.1 Fraud and corruption pose a major potential risk to the Department's assets, service delivery efficacy and reputation.

The Department will not tolerate any form of internal and external fraudulent or corrupt activities, and will vigorously pursue and prosecute any parties, by all legal means available, which engage in such practices or attempt to do so.

#### **6 POLICY OBJECTIVE**

- 6.1 The objective of this Policy is to articulate the Department's philosophy on the Fraud Prevention and Anti-Corruption Policy/Plan.
- 6.2 The Department adopts a comprehensive approach to the management of fraud and corruption risks.
- 6.3 This Policy also aims to set the tone in which Top Management commits themselves to reject fraud and corruption by communicating fraud prevention and anti-corruption measures.

## 7 POLICY FRAMEWORK

<b>PAJA:</b>	Promotion of Administrative Justice Act of 2000
<b>PAIA:</b>	Promotion of Access to Information Act of 2000
<b>PDA:</b>	Protected Disclosure Act of 2000
<b>PFMA:</b>	Public Finance Management Act of 1999
<b>POCA:</b>	Prevention of Organized Crime Act of 1998
<b>POHA:</b>	Protection from Harassment Act of 2011
<b>PRECCA:</b>	Prevention and Combating of Corrupt Activities Act of 2004
<b>PSC:</b>	Public Service Commission Act of 1997
<b>TR:</b>	Treasury Regulations of 2005

## 8 PRINCIPLES

<b>Effectiveness</b>	Public assets should be utilized and managed with the reasonable care they deserve.
<b>Efficiency</b>	Public assets should be protected against any form of fraud and corruption.
<b>Transparency</b>	Public assets should be used transparently.
<b>Accountability</b>	Public resources must be accounted for at all times.

## 9 POLICY CONTENT

### 9.1 The Concept of Fraud Prevention and Anti-Corruption

9.1.1 Fraud prevention and anti-Corruption is a process that is adopted by the Department in putting mechanisms in place, to manage the Department's vulnerability to fraud and corruption. Such mechanisms are designed to prevent, discourage and detect fraud and corruption.

9.1.2 As part of risk management, it is the responsibility of the Accounting Officer (AO) to establish structures to address the threat of fraud and corruption.

### 9.2 Investigation Procedures

9.2.1 Arts, Culture, Sports and Recreation (ACSR) developed investigation procedures to ensure uniformity in the reporting and investigation of incidents of fraud and corruption, and this includes (but are not limited to) amongst others:-

- a) Reporting of suspicious acts.
- b) Preliminary investigation of incidents reported.
- c) Investigation procedure.
- d) Involvement of other law enforcement agencies.
- e) Procedure in making resolutions.
- f) Recovery of loss.

The investigation procedures will be conducted by relevant competent person/s.

### 9.3 Anti-Fraud and Corruption Programmes

9.3.1 Arts, Culture, Sports and Recreation (ACSR) developed the following programmes (*not limited to what's outlined hereunder*) to address the threat of fraud and corruption at the workplace:-

- a) Recruitment Policy;
- b) Accounting and Operational policies;
- c) Fraud and corruption Awareness Training (*indicators of fraud*);
- d) Fraud and corruption Awareness Audit;
- e) Fraud and Corruption Risk Assessment;
- f) Fraud and corruption Response/Treatment Plans and
- g) Code of Conduct.

## 10 **ROLE PLAYERS**

- a) The Department has taken a stance that the management of fraud and corruption threats, like any other risk, is the responsibility of everyone in the organisation.
- b) The Accounting Officer (AO) has delegated the ownership and communication of fraud and corruption risk management to Business Unit Managers / Line Managers / Divisional Managers / Employees in specific areas of the Department outlined in the *Fraud Prevention and anti-Corruption Strategy 2024/2025 and the Fraud Prevention and Anti-Corruption Implementation Plan of 2024/2025*).

#### 10.1 Risk Management Oversight

The Executive Authority, Audit Committee, Office of the Premier's Provincial Anti-Corruption, Forensic and Ethics Directorate and the Risk Management Committee (RMC) are responsible for providing oversight and monitoring pertaining to the implementation of risk management systems in the Department.

##### 10.1.1 **Executive Authority (EA)**

The Executive Authority (EA) takes an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the Department against significant fraud and corruption risks.

##### 10.1.2 **Audit Committee (AC)**

The Audit Committee provides an independent and objective view of the Department's risk management effectiveness.

##### 10.1.3 **Risk Management Committee (RMC)**

The Risk Management Committee (RMC) is appointed by the Accounting Officer (AO) to assist him/her to discharge his/her responsibilities for risk management.



The Committee's role is to review the risk management progress of the Department; the effectiveness of fraud and corruption risk management activities; the key fraud and corruption risks facing the Department; and the Responses/Treatment Plans (Fraud Risk Register) to address these key fraud and corruption risks.

#### 10.1.4. **Office of the Premier's Provincial Anti-Corruption, Forensic and Ethics Directorate**

The role of the Provincial Anti-Corruption, Forensic and Ethics Directorate in the Office of the Premier (OOP) is to co-ordinate anti-corruption programmes and forensic investigations.

Facebook	: North West Office of the Premier
Call Centre	: Bua le puso
Address	: North West Archives Building, opposite NW University MMABATHO 2735
Toll-free line	: <b>(0800) 111 700</b>

#### 10.2 Risk Management Implementers

The Accounting Officer, the Departmental Management Structures and other officials are responsible for the implementation of risk management systems in the Department.

##### 10.2.1 **Accounting Officer (AO)**

The Accounting Officer (AO) is accountable for the Department's overall governance of fraud and corruption risks.

It is incumbent upon the Accounting Officer (AO) to set the appropriate tone as a measure to promote accountability, integrity and other factors that will create a positive control environment in the Department.

### 10.2.2. **Departmental Management Structures**

The Departmental Management Structures are responsible for executing their responsibilities outlined in the Fraud Prevention and Anti-Corruption Strategy and Plan and for integrating risk management into their day-to-day operational routines.

### 10.2.3 **Other Officials**

Other officials are responsible for integrating fraud and corruption management into their day-to-day activities as outlined in the Fraud Prevention and Anti-corruption Strategy and Plan of the 2024/25 Financial Year.

They must ensure that their delegated fraud and corruption management responsibilities are executed and continuously report on progress if suspected.

### 10.3 Risk Management Support

The Organisational Integrity and Risk Management Unit and Risk Champions are responsible for providing support to the implementation of Fraud and Corruption Risk Management systems in the Department.

#### **10.3.1 Chief Risk Officer (CRO)**

The primary responsibility of the Chief Risk Officer (CRO) is to provide his/her specialist expertise primarily to assist with awareness of Fraud Prevention and Anti-Corruption and assist the Labour Relations Unit to institutionalise Risk Management systems and leverage its benefits to enhance performance.

### Risk Champion (RC)

The Risk Champion's responsibility involves intervening in instances where the Fraud and Corruption Risk management efforts are being hampered, for example, by the lack of cooperation by Management and other officials and the lack of departmental skills and expertise. The Risk Champions should not assume the role of the Risk Owner but should assist the Risk Owner to resolve problems.

## 10.4 Risk Management Assurance Providers

The Provincial Internal Audit (PIA) and the Auditor-General (AG) are responsible for providing quality assurance services regarding the implementation of Fraud and anti-Corruption Risk Management systems in the Department.

### Provincial Internal Audit (PIA)

The role of the Provincial Internal Audit (PIA) in Fraud and anti-Corruption Risk Management is to provide independent and objective assurance of the effectiveness of the Departmental Fraud and anti-Corruption Risk Management systems.

The Provincial Internal Auditors must evaluate the effectiveness of the entire system of Fraud and anti-Corruption Risk Management and provide recommendations for improvement where necessary.

### Provincial Risk Management Unit (PRMU)

The Provincial Risk Management Unit (PRMU), residing under the Provincial Treasury monitor and assess the implementation of risk management, build risk management capacity and enforce the Public Finance Management Act (PFMA) by implementing specific prescripts pertaining to risk management.

### External Audit (Auditor-General [AG])

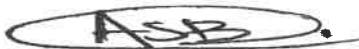
The external auditor ([Auditor-General] (AG) provides an independent opinion on the effectiveness of Fraud and Corruption Risk Management.

## **11. POLICY REVIEW**

The Fraud Prevention and Anti-Corruption Policy shall be reviewed annually or as/when necessary to reflect the current stance on fraud and corruption to ensure its continued relevance to the Department.

## **12. RECOMMENDATION AND APPROVAL**

Recommended by:



**Date: 26/03/2025**

**Chairperson:** Risk and Integrity Management Committee (RIMC)

Approved by:



**Date: 28/03/2025**

**Accounting Officer**

Department of Arts, Culture, Sports and Recreation