

# FETAKGOMO LOCAL MUNICIPALITY



## FRAUD AND CORRUPTION PREVENTION POLICY 2015/16

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## **1 PURPOSE**

The purpose of this Policy is to articulate the municipal philosophy on fraud prevention plan. Fetakgomo Local Municipality adopts a comprehensive approach to the management of fraud risk.

## **2 BACKGROUND**

The provisions of **Section 62(1)(c)(i) of the Municipal Financial Management Act** stipulates that the Accounting Officer is responsible for ensuring that the municipality has and maintains effective, efficient and transparent system of financial and **risk management** and internal control

**2.2. Furthermore, sections 3.2.1 and 27.2.1 of the Treasury Regulations** require that risk assessment is conducted on regular basis and a risk management strategy, which includes a **fraud prevention plan**, be used to direct internal audit effort. The strategy must be clearly communicated to all employees to ensure that risk management is incorporated into the language and culture of the Municipality.

## **3 SCOPE OF THE POLICY**

This policy applies throughout the Municipality as far as risk management is concerned.

## **4 POLICY STATEMENT**

4.1. Fraud represents a significant potential risk to **Fetakgomo Local Municipality's** assets, service delivery efficiency and reputation.

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

## **5 THE CONCEPT OF FRAUD PREVENTION**

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

5.2. As part of the Enterprise Risk Management (ERM), it is the responsibility of the Accounting Officer to establish structures to address the threat of fraud.

## **6 INVESTIGATION PROCEDURES**

**6.1. Fetakgomo Local Municipality** has developed investigation procedures to ensure uniformity in the reporting and investigation of incidents of fraud and corruption.

- a) Reporting of suspicious acts;
- b) Preliminary investigation of incidents reported;
- c) Investigation procedure;
- d) Involvement of other law enforcements agencies;



- e) Procedure in taking resolutions; and
- f) Recovery of loss.

**7 POLICY REVIEW**

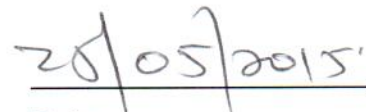
This Policy shall be reviewed annually to reflect the current stance on risk management.

**8 APPROVAL**

Fetakgomo Local Municipality's Fraud Prevention Policy is recommended by the Chairperson of Risk Management Committee Chairperson.

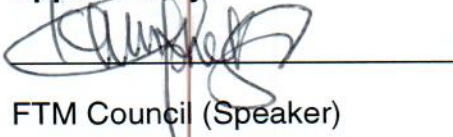


Risk Management Committee Chairperson

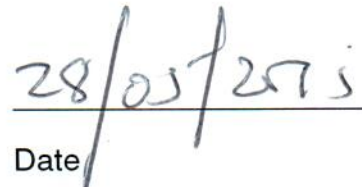


Date

**Approved by:**



FTM Council (Speaker)



Date

**C100/2015**

Council resolution number

**28 May 2015**

Date