



NKONKOBÉ MUNICIPALITY

FRAUD PREVENTION STRATEGY

2011

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PART A

1. DEFINITION OF TERMS AND WORDS

Throughout this document, unless otherwise indicated, the words in bold below have the meanings stated opposite them:

“Anti-Fraud Manager” means the senior manager delegated the function of Anti-Fraud Management within the Municipality;

“Anti-Fraud Management” means an integrated system of measures and controls aimed at the effective prevention, detection, investigation and reporting of fraud;

“fraud” means any practice that involves acts of deceit or dishonesty by which a benefit is obtained from the Municipality, or where a benefit is obtained by virtue of one’s duties or functions within the Municipality;

“Fraud Prevention Officer” means the official within each Department of the Municipality, to be appointed by the Head of Department as the Fraud Prevention Officer for that particular Department.

“MFMA” means the Municipal Finance Management Act 56 of 2003;

“Municipality” means the Nkonkobe Local Municipality.

2. INTRODUCTION

While it is important that the Municipality reacts appropriately when confronted with fraud, the MFMA requires that management *proactively* initiate measures to prevent unauthorized, irregular or fruitless and wasteful expenditure and other losses from occurring. The Fraud Prevention Plan is intended to be such a proactive mechanism.

The purpose of this document is to detail the functional plan or framework to guide the Municipality in its strategic fraud prevention initiative as committed in the IDP. As such, the Fraud Prevention Plan is a key component of the Municipality’s Anti-Fraud Management Strategy.

The Plan cannot guarantee that the Municipality will not be impacted by incidents of fraud, but it is intended to serve as a dynamic measure to reduce

the Municipality's exposure to the risk of fraud through fraud risk management, with particular focus on creating awareness and promoting ethical conduct.

As a dynamic instrument, it is envisaged that the Fraud Prevention Plan will continuously evolve as new fraud risks are identified or as new factors come into play that may alter the environment within which the Municipality operates. The Plan further allows for the development of fraud prevention measures/strategies to be incorporated into the Plan to counter specific fraud risks as and when these are identified. As such, the Fraud Prevention Plan should be considered a living document open to continuous review and amendment.

The success of the Plan is largely dependent on its complete support by the Municipality and its personnel.

3. OVERVIEW

The framework, as set out in Parts B, C, and D of the Plan, has been developed in response to the general premise that a fraud takes place when the perpetrator identifies an 'opportunity' (a weakness in systems), and this is combined with a perception that the potential rewards will outweigh the risk of being caught.

Accordingly, the framework seeks the following three broad objectives in combating fraud:

- a. Ensuring that the 'opportunities' are minimized or do not arise;
- b. Ensuring that the potential perpetrator contemplating an 'opportunity' believes that the chances of being caught are high;
- c. Ensuring that potential perpetrators understand that the consequences of being caught are severe.

Part B provides for the on-going assessment of the Municipality's procedures and controls, through a process of Fraud Risk Management, to both identify

fraud risk areas and to develop and implement specific fraud prevention measures or strategies to minimize fraud risk in these areas. The intention is to systematically reduce weaknesses in the Municipality's processes and thereby reduce the opportunity for fraudulent activity.

Part C deals with two critical interlinked aspects to fraud prevention:

- the development of a working environment in which officials believe that fraudulent acts will be detected and acted upon; and
- the development of an anti-fraud culture within the organization.

Hence Part C addresses the human element which is a common factor to all fraudulent activities.

Part D sets out communication mechanisms to be introduced to deter would-be perpetrators of fraud by reinforcing the message that perpetrators will be dealt with severely, without fear or favour. While fraud deterrence is largely dependent on the manner in which fraud, once detected, is responded to, Part D focuses on the communication of the anti-fraud message. (The detection and response to fraud is dealt with in a separate plan falling under the Municipality's Anti-Fraud Strategy.)

As a functional plan, this document also sets out the reporting channels and procedures to be followed in implementing the prevention framework detailed herein, as well as identifying key personnel within the Municipality who will be responsible for its implementation. Specific fraud prevention measures or strategies that will form part of the Plan as and when these are developed shall also identify persons responsible for implementing such measures/strategies.

PART B

4. FRAUD RISK MANAGEMENT

Fraud Risk Management refers to the systematic identification, assessment and treatment of fraud risks. This involves identifying the potential for fraud and developing appropriate strategies to minimize the risk of it occurring.

Hence effective Fraud Risk Management as proposed in this framework, entails a three-pronged approach:

- the identification and assessment of fraud risks;
- the development and implementation of specific measures/strategies; and
- the monitoring and review of implemented measures/strategies.

4.1 Identification and Assessment of fraud risks (Fraud Risk Analysis)

Identifying fraud risks will follow the following process or any similar methodology:

- Identifying general areas of vulnerability within the Municipality. Although not a closed list, factors that may indicate an area of vulnerability include:
 - areas of financial interest to parties outside the Municipality;
 - recent growth or significant change;
 - area of operational complexity;
 - a history of fraudulent activity;

- Identifying risk factors associated with the areas of vulnerability (Fraud risk factors can broadly be grouped into those pertaining to personnel, those pertaining to procedures, policies and systems, and those pertaining to physical location); and

- assessing the fraud risk factors identified to determine if singularly or collectively they give rise to the potential for fraud, that is, a fraud risk.

By the use of the standard Risk Matrix, the severity of the fraud risks identified in the process above can be determined. Typically the Risk Matrix requires that:

- the probability of the possible fraud occurring being assessed on a scale of 1 to 4 corresponding with the probability being rare, unlikely, likely or certain (differing scales may be used);
- the impact or consequence should the fraud occur being assessed on a scale of 1 to 4 corresponding with the consequence being negligible, marginal, critical, or catastrophic (differing scales may be used);
- The probability rating being multiplied by the impact/consequence rating to give the severity rating of the fraud risk as being low, medium or high.

4.1.1 Internal mechanisms for the systematic conducting Fraud Risk Assessments:

4.1.1.1 Fraud Risk Assessment Schedule

- A schedule detailing Fraud Risk Assessments to be conducted at the Municipality over the financial year must be tabled before the Risk Management Committee or Executive Management of the Municipality for approval by no later than 31 August of each year.
- The Fraud Risk Assessment Schedule shall detail, in respect of each assessment listed:
 - the department(s) and/or business unit(s) within the Municipality where the assessment is to be conducted;

- the scope of the assessment (ie areas to be assessed)
 - the proposed commencement date and time-frame for the assessment;
 - whether the assessment is to be conducted internally or by external consultants, or a combination of both. If external consultants are contemplated, the financial implications of such engagement.
- Should the Schedule need to be amended at any time during the year, such amended Schedule must be approved by the Risk Management Committee/Executive Management.
 - Once approved by the Risk Management Committee /Executive Management, the Schedule or amended Schedule, reflecting the date of approval, shall be filed under **Appendix A** of this Plan.
 - The Anti-Fraud Manager, in consultation with the management of the Internal Audit Unit, and the Risk Manager, is tasked with identifying areas of vulnerability for assessment and is responsible for the drafting of the Fraud Risk Assessment Schedules.

4.1.1.2 *Conducting of Fraud Risk Assessments*

- Where possible, Fraud Risk Assessments are to be conducted by members of the Internal Audit Unit, in consultation with the Anti-Fraud Manager.
- Where need be specialist consultants may be engaged to assist in the conducting of assessments. In such instances, the Anti-Fraud Manager shall be responsible for the management of such engagements.

- On completion of each assessment undertaken, a report on the assessment is to be tabled by the Anti-Fraud Manager, to the Risk Management Committee for noting.
- Each assessment report, noted by the Risk Management Committee, must be filed under **Appendix C** of this Plan, reflecting the date it was noted by the Risk Management Committee.

4.1.1.3 *Fraud Risk Register*

- A Fraud Risk Register, listing all medium to high severity fraud risks as identified in Fraud Risk Assessment reports appearing under Appendix C, or identified during audits, reviews or investigations carried out at the Municipality, shall be maintained and updated by the Anti-Fraud Manager.
- Each fraud risk appearing on the Register shall be allocated a reference number.
- The Fraud Risk Register shall also track the steps taken to address the fraud risks listed, dates of implementation and officials responsible for such implementation.
- Bi-annually, update reports on the Fraud Risk Register shall be tabled by the Anti-Fraud Manager, before the Risk Management Committee. The Risk Management Committee shall:
 - Allocate responsibility for each fraud risk listed on the Register, to a Head of Department irrespective of whether the fraud risk is relevant to more than one department or relevant to the Municipality as a whole;
 - Prioritize those fraud risks for urgent intervention.
- The Fraud Risk Register must be filed under **Appendix B** of this Plan.

4.2 Development and Implementation of specific measures/strategies

Typically any intervention seeking to effectively address a particular fraud risk should be formulated as a response to the following three questions:

- What action is to be taken? (nature of intervention)
- When is the action to be completed by? (time-frame) and
- Who is responsible for the completion of the action (accountability)?

Actions to be taken will be determined by the nature of the risk factors giving rise to the fraud risk. Therefore, the development of measures to minimize a fraud risk must address the underlying fraud risk factors whether these are in relation to personnel, procedures, policies and systems, or physical location, and not merely concentrate on developing additional internal controls. Mindful that while the implementing of more controls may appear a solution, additional controls can reduce efficiency through increased workload and therefore be resisted by officials. Hence, the emphasis must be on effective controls, rather than having more controls.

The nature of the actions to be taken will largely determine the time frames for implementation; as well as persons to be responsible for implementation

4.2.1 *Internal mechanisms for the development and implementation of specific measures/strategies:*

4.2.1.1 *Fraud Risk Action Plans*

- For each fraud risk appearing on the Fraud Risk Register a corresponding Action Plan must be developed under the fraud risk reference number of the fraud risk.
- The Action Plan must sufficiently detail:

- the specific actions/interventions/strategies to be undertaken to address each fraud risk factor identified in the Fraud Risk Assessment;
 - whether external consultants are to be involved in the implementing of the action, and if so, what the financial implications are;
 - the officials who are to be responsible for implementing and managing the process;
 - the proposed time-frames for implementation.
- The Head of Department allocated responsibility for a fraud risk or his/her delegated official shall be responsible for the formulating and compiling of the Action Plan, drawing in the expertise/assistance of other departments or business units where necessary.
 - The Anti-Fraud Manager must be consulted in the process.
 - Each Action Plan is to be approved by the Risk Management Committee or Executive Management before it can be implemented.
 - Each approved Action Plan must be filed together with the Fraud Risk Assessment report which identified the fraud risk in question, under **Appendix C** of this Plan.

4.2.1.2 Implementation

- The officials identified in the Action Plan shall be responsible for the implementation of actions in accordance with the given time-frames.
- The identified officials must provide monthly progress reports to the Anti-Fraud Manager in respect of implementation.
- Where appropriate, it may be necessary for the Anti-Fraud Manager to request the Municipal Manager to approve the establishment of a project team to oversee

the implementation of an action plan. In such instances, the project team should consist of officials identified in the Action Plan as being responsible for implementation and as well as other relevant officials and/or consultants, and be headed by Anti-Fraud Manager.

- In instances where a specialist consultant is appointed to implement certain actions, it will be required that the consultant concerned supply the Anti-Fraud Manager with monthly progress reports.
- The Anti-Fraud Manager shall report to the Risk Management Committee on a quarterly basis regarding all Action Plans being implemented.
- Once implementation is completed a final/close-out report must be tabled by the Anti-Fraud Manager to the Risk Management Committee, setting out the actions completed, and where actions could not be implemented as per the Action Plan, the reasons for this.
- Copies of all final/close-out reports must be filed together with the Risk Assessment Report and the Action Plan pertaining to the fraud risk in question, under **Schedule C** of this Plan.

4.3 Monitoring and Review of Implemented measures/strategies

Monitoring of measures or strategies implemented is an important aspect of fraud risk management providing necessary 'feed-back' necessary to review the effectiveness of measures introduced under paragraph 4.2.1.2, above.

Monitoring, on an on-going basis, can also provide early warning of the potential for fraudulent activity. As changes to the operational environment of the Municipality, department or business unit take place, so too changes may occur to the nature of the initial fraud risk

factors, or may give rise to new risk factors, altering the nature of the fraud risk in question. The monitoring process allows for early detection of such changes, thereby allowing for further assessment and appropriate interventions to be made in response to the new challenges.

4.3.1 *Internal mechanisms for the monitoring and review of implemented measures/strategies:*

4.3.1.1 *Compliance testing*

- Within six months of the final/close-out report being tabled before the Risk Management Committee, a compliance test ought to be conducted to gauge compliance with new systems, policies or procedures, as the case may be, that have been introduced.
- Depending on the nature and the extent of the system, policy or procedural measures implemented, the Anti-Fraud Manager may request the Internal Audit Unit or the Fraud Prevention Officer of the department concerned to conduct the compliance test and compile a report in respect of levels of compliance to the Anti-Fraud Manager.
- The compliance test report must record:
 - the specific areas of non-compliance;
 - the extent of non-compliance;
 - the manager/supervisor responsible for the area of non-compliance;
 - comments from management; and
 - comment by the auditors as to possible reasons for non-compliance.
- The Anti-Fraud Manager must review compliance test reports and in instances of substantial non-compliance determine, in consultation with the department(s)

concerned, whether the system, policy or procedure not being complied with, as the case may be, require further adjustment/amendment.

- In instances where non-compliance is purely a matter of non-performance on the part of officials, the Anti-Fraud Manager shall issue a notice of non-compliance addressed to the manager/supervisor concerned, informing him/her to ensure future compliance with the measures concerned, failing which disciplinary proceedings may be instituted against officials failing to comply.
- The Anti-Fraud Manager must report the findings of compliance tests, and make recommendations regarding further actions to be taken, to the Risk Management Committee.
- The Risk Management Committee or Executive Management may, on the basis of recommendations of the Anti-Fraud Manager, approve adjustments/amendments being made to the system, policy or procedure concerned. (Amended policies may require Council approval before becoming effective.)
- The official(s) identified in the fraud risk's Action Plan responsible for implementation, shall be responsible for ensuring that further adjustments/amendments approved by the Risk Management Committee/Executive Management, are implemented.
- Copies of compliance test reports together with confirmation of approval of amendments to systems, policies or procedures, as the case may be, must be filed together with the Risk Assessment Report, the Action Plan, and the final/close-out implementation report pertaining to the fraud risk in question, under **Schedule C** of this Plan.

- A second compliance test should be carried out, in accordance with the procedures documented above, within eighteen months of the first compliance test.
- Further compliance tests may be carried out, at the discretion of the Anti-Fraud Manager in consultation with the Internal Audit Unit and the Risk Manager.

4.3.1.2 Re-Assessment of Fraud Risk

- Within 18 months of the final/close-out report being tabled before the Risk Management Committee, a Re-Assessment of the fraud risk must be undertaken to gauge the effectiveness of measure or strategies implemented.
- A Schedule of Re-Assessments to be conducted in a financial year, similar in form and substance to the Fraud Risk Assessment Schedule, as detailed under paragraph 4.1.1.1 of the Plan, must be tabled by the Anti-Fraud Manager for approval by the Risk Management Committee/Executive Management, before 31 August of each year. The approved Schedule is to be filed under **Appendix A** of this Plan.
- In compiling the Re-Assessment Schedule, the Anti-Fraud Manager, must consult the management of the department(s) concerned, the Internal Audit Unit, and the Risk Manager.
- Preferably, the Re-Assessment must be conducted by the Internal Audit team or the consultant who conducted the initial Fraud Risk Assessment which identified the fraud risk in question.
- Having regard to the initial Fraud Risk Assessment, Action Plan and other documents filed in Schedule C of the Plan pertaining the fraud risk in question, the auditors conducting the Re-Assessment must consider:

- whether the risk factors identified in the initial Fraud Risk Assessment remain relevant despite measures or strategies introduced in terms of the Action Plan;
 - whether new risk factors have, since the initial Fraud Risk Assessment, become relevant;
 - whether the remaining risk factors, or new risk factors, identified singularly or collectively still give rise to the potential for fraud, that is, a *residual* fraud risk (i.e. a fraud risk remaining after interventions have been made),
- In instances where a residual fraud risk is identified, the severity rating of the residual fraud risk as being low, medium or high, must be given.
 - On completion of each Re-Assessment undertaken, a report on the Re-Assessment is to be tabled by the Anti-Fraud Manager to the Risk Management Committee for noting.
 - Each Re-Assessment report noted by the Risk Management Committee must be filed under **Appendix C** of this Plan, reflecting the date it was noted by the Risk Management Committee.
 - The Fraud Risk Register, filed under Appendix B must be updated to reflect the residual rating of the fraud risk in question as per the Re-Assessment report.
 - Where a residual fraud risk severity rating is medium or high, the provisions of paragraphs 4.2 and 4.3 of this Plan shall apply, unless the Risk Management Committee/Executive Management decide otherwise.
 - The Fraud Risk Manager may motivate for further Re-Assessments to be conducted, over and above the Re-Assessment following implementation as documented above. Further Re-Assessments may only be conducted

once approved by the Risk Management Committee/
Executive Management.

4.3.1.3 *Conducting of Spot-checks*

- Over and above the conducting of Compliance Testing as provided for under paragraph 4.3.1.1, and Re-Assessments of Fraud Risks, as provided for under paragraph 4.3.1.2, it shall be competent for the Anti-Fraud Manager to conduct random spot-checks to both ascertain levels of compliance with introduced systems, policies or procedures and to gauge the effectiveness of fraud prevention measures in place.
- In this regard, the Fraud Risk Manager may request the assistance of the Fraud Prevention Officer of the Department concerned.
- Any issues of substance arising from the spot-checks conducted by the Anti-Fraud Manager, must be reported to the Risk Management Committee.

PART C

5. ENVIRONMENT AND CULTURE

While it is true that even the best controls may be circumvented by a devious mind, it is also true that a stringent fraud risk management regime operating within an environment where fraud is detested, makes it difficult for perpetrators of fraud to remain faceless. It is this fear of exposure that is often a powerful deterrent to persons who may otherwise contemplate engaging in fraudulent activity.

This chapter addresses the development of the Municipality's 'indirect' fraud prevention controls, that is, the development of an anti-fraud culture within the Municipality where it is understood and accepted that fraud will be detected and acted upon.

The establishment of an anti-fraud culture is a multifaceted and complex issue requiring time to take hold and flourish within an organization. As such the key areas examined in this Chapter, which largely deal with development and training, should be considered only as elementary starting blocks in the process. It is recognized that over time, it may be appropriate to incorporate further initiatives into this Plan.

This Chapter has been drafted to allow flexibility in the internal mechanisms or initiatives to be implemented to address the interrelated key areas of:

- Increasing awareness and raising vigilance;
- Encouraging involvement; and
- The responsibilities of management.

The suggested initiatives are premised on the belief that for the vast majority of officials, fraud is ethically unacceptable.

5.1 *Increasing Awareness and Raising Vigilance*

Those involved in the day-to-day business of an organization, especially junior staff, are more likely to become aware of incidences of fraud or the potential for fraud long before senior management does. In a very real sense they are the 'eyes and ears' of the institution offering a vital early warning mechanism to management. However personnel often do not expose fraudulent activity in the workplace, choosing rather to remain silent when confronted with such activities. Key motivations for such silence are:

- A prevailing attitude that loyalty to a fellow employee, even when involved in fraud, supersedes any loyalty to the organization. Fuelling this attitude may be a lack of appreciation of the harm fraudulent activities pose not only to the organization but to individual employees as well;
- Fear, both in respect of physical harm and in respect of being ostracized by colleagues as being a 'sell-out' and therefore not to be trusted, should a report be made on a fellow employee;
- A belief that even if a report is made to senior management, no action will be taken.

The development and training initiatives suggested below, seek to increase awareness and levels of vigilance by addressing these negative attitudes, fears and beliefs that may be prevalent within the workforce.

5.1.1 Internal mechanisms to increase awareness and vigilance:

5.1.1.1 Anti-Fraud presentation at the Induction of new members of staff

- A brief overview of NKM's Anti-Fraud Management Strategy should be presented to all new staff joining the Municipality during their Induction course.

- The Anti-Fraud presentation should give an overview of, among other things:
 - The Anti-Fraud Policy;
 - The Whistle-blowing Policy; and
 - The Code of Conduct for Municipal Staff;
- The Anti-Fraud Manager shall be responsible for developing the presentation for Induction and for compiling a loose-leaf or bound copy of the above policies for distribution to new employees at Induction.

5.1.1.2 *Anti-Fraud Training*

- Bi-annually, the Anti-Fraud Manager, in consultation with management within Corporate Services dealing with staff development and training, must develop an Anti-Fraud Training Schedule of workshops, seminars, presentations, and training sessions, to be conducted with staff over a six month period.
- The Schedule must indicate for each workshop, seminar, presentation, and training session listed:
 - the purpose/subject matter of the training
 - the proposed target group to attend the session; and
 - whether the training is to be conducted in-house or by consultants/ specialists.
- The subject matter of such seminars, presentations, training sessions may pertain to any aspects of Anti-Fraud Management, including but not limited to:
 - ethics and integrity ;
 - roles and responsibilities of both junior and senior staff in respect to fraud prevention;
 - fraud awareness;
 - whistle-blowing and legally protected disclosures;

- legal rules pertaining to the gathering of evidence and investigations.
- The Anti-Fraud Training Schedule must be submitted by the Anti-Fraud Manager to the Risk Management Committee for noting.
- Anti-Fraud Training Schedules are to be filed under **Appendix D** of this Plan. All training completed must be reflected the Schedule for record purposes.
- A report on all anti-fraud training conducted at the Municipality of the six month period, must be submitted by the Anti-Fraud Manager to the Risk Management Committee.

5.2 Encouraging Involvement

Increased involvement by staff members in fraud prevention initiatives serves to create a sense of ownership or buy-in to the process. This in turn leads to better compliance with fraud prevention interventions by willing staff members and a stronger commitment to fraud prevention in the organization.

Increased awareness as intended in paragraph 5.1, should automatically lead to increased involvement in fraud prevention. However further initiatives to encourage involvement, are set out below:

5.2.1 Internal mechanisms to encourage involvement:

5.2.1.1 Fraud Risk Identification Workshops

- Staff, both junior and senior, working in areas identified as being vulnerable to fraud in the Fraud Risk Management process under PART B of this Plan, must, where at all possible, be engaged in the process of identifying possible fraud risks;

- In this regard, the Internal Audit team or consultant conducting the Fraud Risk Assessment, will be expected to incorporate into the process, the conducting of Fraud Risk Identification Workshops with relevant staff members;
- Such Workshops should preferably be held with junior staff separately from more senior staff. This is to allow junior staff that may otherwise feel inhibited in the presence of my senior staff, to actively engage in the workshops.
- The Workshops must be geared towards a free-flow of information from participants in respect of both identifying fraud risk factors, and to providing suggestions as to what measures should be introduced to neutralize or minimize such risk factors.
- The outcomes of the Workshops should be considered in the Fraud Risk Assessment Report as well as in the formulation of Action Plans, provide for under PART B.

5.3 *Management Responsibility*

In any organization, the ethical tone is set at the top. Senior managers, who appear not to take fraud prevention seriously, are likely to have subordinate managers that do not take fraud prevention seriously. Similarly, it is doubtful that junior staff will show much enthusiasm for fraud prevention, if their superiors appear not to be interested.

So too are subordinate staff more likely to engage in unethical conduct when their manager is perceived to have a flexible ethical attitude towards the organization or who has a propensity for 'bending the rules'.

It is essential then that managers are aware that fraud prevention is part of their normal duties. Both middle and senior managers have a

stewardship role over the publicly funded resources and associated processes under their control, which includes guarding against losses arising from fraud. However, as this is seldom specified or stressed, fraud prevention is generally perceived as a secondary role by managers.

Accordingly the initiatives proposed hereunder are intended to both formally assign management's responsibility in respect of fraud prevention, and to ensure a clear understanding of what this responsibility entails

5.3.1 Internal mechanisms to enhance management responsibilities:

5.3.1.1 Formalizing Management's Responsibility

- The Anti-Fraud Manager will:
 - consult with the Municipal Manager with a view of incorporating into the Municipality's Delegation Policy, formal delegations to management in respect of Anti-Fraud Management;
 - consult with the Strategic Manager and the Municipal Manager regarding the possible incorporation of Anti-Fraud Management as a performance goal into the Municipality's performance management system.

5.3.1.2 Management Seminar

- The Anti-Fraud Manager, shall in consultation with management within Corporate Services dealing with staff development and training, be responsible for developing an Anti-Fraud Training Seminar for middle and senior management.

- The Anti-Fraud Training Seminar will focus on the role and responsibilities of management in Anti-Fraud Management, with particular emphasis on ethics and integrity.
- The Anti-Fraud Manager must submit for approval to the Risk Management Committee or Executive Management, details of the proposed Seminar including:
 - a programme of topics to be discussed in the Seminar;
 - the names of presenters/speakers/trainers involved;
 - the financial implications; and
 - the proposed dates for the holding of the Seminar.
- After the Seminar has been held, the Anti-Fraud Manager must submit to the Risk Management Committee a report in respect of the Seminar. A copy of the report must thereafter be filed for record purposes, under **Appendix B** of this Plan;
- Preferably, such seminars should be held every third year, or sooner depending on changes to management.

PART D

6. COMMUNICATION

The purpose of this Chapter is to set in place mechanisms for the continuous communication of the message that perpetrators of fraud will be dealt with severely by the Municipality, no matter who these persons may be.

6.1.1 Internal mechanisms to enhance management responsibilities:

6.1.1.1 Internal Communication:

- The Anti-Fraud Manager, in consultation with management within Corporate Services responsible for industrial relations, shall as soon as is practically possible after the finalization of a disciplinary hearing where a finding has been made confirming dishonest conduct on the part of an employee, communicate the details of the matter, including the sanction imposed, to all officials and councillors, subject to the following:
 - the identity of the employee not being disclosed until such time that the employee has exhausted all avenues of appeal/review open to him/or her, and further subject to
 - legal opinion being sought that disclosure in this regard is legally permissible.
- On a bi-monthly basis, the Anti-Fraud Manager shall circulate internally a brief update on fraud prevention and fraud trends as well as relevant information emerging from disciplinary matters dealt with both internally and emerging from reported labour/criminal cases.

6.1.1.2 External Communication:

- The Anti-Fraud Manager, in consultation with the Communications Manager, shall ensure that all instances where

a criminal court has made a finding of guilt in respect of any fraudulent activity relating to the Municipality, full particulars of the matter, including the names of the those found guilty, shall be published on the Municipality's web-site as well as being circulated internally.

PART E

7. CONCLUSION

It can be seen the Plan is largely operational in orientation seeking to give effect to the strategic direction that the Municipality has committed to in the Municipality's Anti-Fraud Management Policy in regard to fraud prevention. However, as well intentioned as the Plan is, its effectiveness is dependent on the support and commitment of those tasked to drive and implementing its provisions. From Council's and Executive Management's support and oversight role, the responsibility of staff members to conscientiously implement fraud prevention measures, to the vigilance required of even the most junior member of staff, all have a responsibility of ensuring that the Plan succeeds in its objectives.