



Policy & title GEN005_Fraud and Corruption Prevention

Objective The objective of this policy is to:

- formalise UCT's position with regards to fraud and corruption;
- reinforce existing systems, policies and procedures aimed at deterring, preventing, detecting, reacting to and reducing the impact of fraud and corruption at the University; and
- to ensure a proper process of investigation is followed for all suspicious activities reported.

UCT supports and fosters a culture of zero-tolerance towards fraud and corruption in all its activities. UCT is a publicly funded university, while also receiving funding from donors, corporates and other entities. This policy supports good and responsible governance of all university funding, in accordance with the Higher Education Act, 1997 as amended, related regulations, the Prevention and Combatting of Corrupt Activities Act, 2004 ("PRECCA") and other applicable South African legislation.

The Regulations for Reporting by Public Higher Education Institutions commit a public higher education institution to the highest standards of integrity, behaviour and ethics in dealing with all its stakeholders, including its Council members, managers, employees, students, customers, suppliers, competitors, donors and society at large. Council members and staff are expected to observe the institution's ethical obligations in order to conduct its business through the use of fair commercial competitive practices.

Scope The Prevention and Combatting of Corrupt Activities Act has made it a requirement to report certain **actual or suspected crimes**. Section 34 places the duty on certain persons to report certain offences.

These offences include, but are not limited to, the following:

- Corruption, i.e. any person who gives or accepts or offers to give or accept any gratification amounting to an unauthorised or improper inducement to act or not to act in a particular manner, is guilty of an offence.
- Fraud, i.e. the unlawful and intentional making of a misrepresentation which causes actual prejudice or which is potentially prejudicial to another.
- Theft, i.e. the unlawful and intentional appropriation of movable corporeal property, including information in electronic format.
- Bribery, i.e. dishonesty or persuading someone to act in one's favour by a gift of money or any other inducement.
- Extortion: i.e. consists of taking from another some patrimonial or non-patrimonial advantage by intentionally and unlawfully subjecting that person to pressure which induces him or her to submit to the taking.



- Forgery: i.e. unlawfully and intentionally making a false document to the actual or potential prejudice of another.
- Uttering of forged documents: i.e. unlawfully and intentionally passing off a false document (forged) to the actual or potential prejudice of another.
- Nepotism: i.e. where favouritism is shown towards family or friends, or connected by association, usually in economic or employment terms.

What to report In terms of UCT policy, all actual or suspected offences must be reported. Failure to report such incidents can implicate the reporting person, who has a liability to report such incidents. The Vice-Chancellor will decide whether any information relating to an offence or suspected offence should be brought to the attention of any third party. Furthermore, in terms of the PRECCA, all actual or suspected offences greater in value than R100 000 must be reported to the SA Police Services (SAPS).

According to section 34(1) of the Act, any person who holds a position of authority (defined in section 34(4) of the Act), who knows or ought reasonably to have known or suspected that any other person has committed an offence (of corruption) in terms of sections 3 to 16 or 20 to 21 of the Act, or theft, fraud, extortion, forgery or uttering of a forged document involving an amount of R100 000 or more, must report such knowledge or suspicion or cause such knowledge or suspicion to be reported to any SAPS official.

Applicable to All UCT staff members, job applicants and students, including joint staff on Western Cape Government or National Health Laboratory Service conditions of service and any related parties, whether through committees or associations, who act on behalf of the University, or represent the University in any way.

This policy is applicable to all allegations, attempts and incidents of fraud and corruption which impact or may potentially impact on the University, and related parties.

Additional Information Related legislation, policies, guidelines and practices:

- All [University policies](#) – including [Policy on Conflict of Interests](#) and [Whistle-Blowing guidelines](#)
- All [Finance policies, guidelines and practice notes](#)
- All [HR policies and conditions of service](#) - including disciplinary procedures
- [University Student Discipline Tribunal procedures and guidelines](#)
- All [ICTS policies and guidelines](#)
- All [Research Integrity policies](#)
- [Higher Education Act \(101 of 1997\)](#)
- [Regulations for Reporting by Public Higher Education Institutions](#)
- [Prevention and Combating of Corrupt Activities \(Act 12 of 2004\)](#)



Policy UCT has a zero-tolerance policy towards fraud and corruption. In addition, all alleged cases of fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection measures (controls).

Reporting procedures It is the responsibility of every stakeholder to immediately report any alleged incident of fraud and corruption to his/her immediate line manager, or if this is not appropriate or possible, then to the 24 hour externally operated [Whistle-Blowing Hotline](#).

The University encourages every staff member, student, member of the public, provider of goods and/or services, or anyone who is in anyway connected to UCT, who suspects fraud and corruption in the University environment, to report such suspicion as noted above. Any fraud committed by students will be dealt in line with the University student discipline tribunal procedures and guidelines, unless it is more appropriate that the matter be referred directly to the SAPS.

Resolution of reported incidents Once a suspected incident has been reported, either to the line manager, UCT representative, or to the Whistle-Blowing Hotline, the response will depend on the nature of the concern. All whistle-blowing incidents reported are dealt with in terms of the Whistle-Blowing guidelines.

Irrespective of the channel used to report the incident, any fraud or corruption committed by a staff member or any other person must be pursued by thorough investigation by the line manager or appropriate UCT representative, and to the full extent of the law, including (where appropriate) consideration of

- in the case of staff members, taking disciplinary action within a reasonable period after the incident;
- instituting civil action to recover any loss;
- initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency; and/or
- any other appropriate legal remedy available.

Where a staff member is dismissed for theft, fraud or a similar criminal offence, the agreed Council approved Audit Committee protocol will be followed. The Audit Committee protocol dictates that in the cases of theft, fraud or similar offences, the Audit Committee requires the Executive to lay criminal charges against those suspected of the crime. In cases where a loss was covered by a policy of insurance, this may also be required by the insurer. In cases where the offence involves external funding, this needs to be reported to the funder/donor. Where an offender is not a UCT staff member or student, a report back to their respective line of accountability is also required.



The following protocol defines roles and responsibilities for ensuring that this is done.

- 1) Where a staff member is found guilty in an internal disciplinary process, or where a staff member resigns in the face of a pending investigation or hearing into his/her conduct, of theft, fraud or a similar criminal offence, UCT will lay criminal charges against the individual; and will seek to recover any loss to UCT, including seeking to recover any loss from the individual's retirement benefit at withdrawal, having regard to the limitations imposed by S37D of the Pension Funds Act.
- 2) Criminal charges and recovery of any loss will be undertaken in all cases; the only exceptions will be where the Vice-Chancellor rules that, in his/her discretion, this is not to be done, in which case the decision and the reasons for not doing so will be reported to the Audit Committee. The onus will be on Human Resources (HR) (the manager of HR's Employee Relations section) to bring to the attention of the Vice-Chancellor any case where HR considers that a charge should not be laid.
- 3) The manager of Campus Protection Service's (CPS) investigations will be responsible for laying criminal charges, but must consult
 - the Director Legal Services; and
 - the ED:HR or nominee;in formulating the charges, and must inform the Director: Internal Audit when charges are to be laid.
- 4) The manager of HR's Employee Relations section will be responsible for informing the manager of CPS Investigations of all decisions that require criminal charges to be made. (In some cases, the manager of investigations will have been involved in the case, but this is not necessarily the case).
- 5) The role of Internal Audit in such matters will be:
 - to review and report on the control environment in the section/department concerned and to make recommendations to the line manager(s) about the control environment in the section/department;
 - where necessary, as judged by CPS, to assist in forensic investigations of the case (this will be the exception rather than the rule); and
 - to report the event and to report on the control environment to the Audit Committee.

The Vice-Chancellor or nominee must ensure that compensation for any loss or damage suffered by the University, as a result of any reported act or omission, which can be classified as fraudulent or corrupt, by a staff member, student or any other person, who falls under the authority of such manager, is recovered from such staff member, student or other person should he/she be found to be liable for such loss or damage.

The University accepts that every person, including a staff member or student or supplier



or external party, who reported the alleged fraud and corruption, needs to be assured that the matter has been properly addressed. Thus, subject to legal constraints, information about the outcome of any investigation may be disseminated on a "need to know" basis.

Should the person who reported the incident not be satisfied with the outcome of the investigation, and related sanctions, the [Office of the Ombud](#) can be approached.

Confidentiality All information relating to fraud and corruption which has been received and investigated must be treated confidentially. The progress made with investigations must be handled in a confidential manner and must not be disclosed or discussed with any persons who have no legitimate claim to such information. This is important to avoid damaging the reputation of a suspected person who may subsequently be found to be innocent of the alleged wrongful conduct.

No person may supply any information about allegations or incidents of fraud and corruption to the media without the express permission of the Vice-Chancellor or Registrar.

Proactive management of risk The Vice-Chancellor or nominee must ensure that a fraud and corruption information system is developed for the following purposes:

- recording of all allegations, irrespective of the reporting channel;
- tracking the progress made in the management of allegations;
- reporting all such allegations, and subsequent follow-up, to the Audit Committee;
- the early identification of systemic weaknesses and recurring risks to inform managers and employees of systemic weaknesses and recurring risks; and
- where appropriate and not subject to privilege, providing feedback to staff members and/or whistle-blowers on the management of allegations.

Implementation responsibility Heads of Departments must ensure that all policies and procedures are communicated to and implemented by the responsible individual(s), including research staff. The faculty/PASS finance manager is responsible for ensuring that controls exist to support the implementation of UCT policies and procedures.

Contact Whistle-Blowing Hotline
 0800 650 000

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