



Province of the  
**EASTERN CAPE**  
COOPERATIVE GOVERNANCE  
& TRADITIONAL AFFAIRS

# **FRAUD PREVENTION POLICY 2026**

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| Document Name                | Anti-Corruption Policy                                                                              |
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| Related Policies             | Whistle Blowing Policy, Ethics & Integrity Management Policy                                        |

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## **SIGN OFF**

### **1. Head of Department**

This Policy on Fraud Prevention has been recommended by Mr. V. Mlokothe in his capacity as Head of Department for the Eastern Cape Department of Cooperative Governance and Traditional Affairs.

I am satisfied and concur with the contents of this Policy.

The development of this policy will ensure that the department complies with the provisions of the Public Service Act, 1994.

|                     |                                                                                                              |
|---------------------|--------------------------------------------------------------------------------------------------------------|
| <b>SIGNED:</b>      | <br><b>MR. V. MLOKOTHI</b> |
| <b>DESIGNATION:</b> | <b>HEAD OF THE DEPARTMENT</b>                                                                                |
| <b>DATE:</b>        | 23/07/2026                                                                                                   |

### **2. Executive Authority**

The department of Cooperative Governance and Traditional Affairs has an opportunity to improve the livelihoods of the people by effectively rendering the many services that it is expected to provide. We have envisaged a department that has the required capacity to respond adequately to the challenges of its people.

I therefore trust that guidance from this Policy will contribute to the effective fulfilment of the departmental mandate, the service delivery expectations of the public and the performance expectations within the department.

|                        |                                                                                                                  |
|------------------------|------------------------------------------------------------------------------------------------------------------|
| <b>SIGNED:</b>         | <br><b>MR. Z. A WILLIAMS</b> |
| <b>DESIGNATION:</b>    | <b>MEMBER OF THE EXECUTIVE COUNCIL</b>                                                                           |
| <b>EFFECTIVE DATE:</b> | 12. 08. 2026                                                                                                     |

**FRAUD PREVENTION POLICY OF THE DEPARTMENT OF COOPERATIVE  
GOVERNANCE AND TRADITIONAL AFFAIRS**

**1. STATEMENT OF PURPOSE**

"Ultimately, the struggle against corruption depends upon our sense of morality which tells us that our own egotistic interests do not come before those of public interest. We can take all kinds of preventative measures, and they can be broken down and subverted. But if the moral fiber of our public servants in the delivery of public services is high, then no amount of corruption can subvert our preventative measures" - Dr. Dullar Omar (Fighting Corruption: Strategies for Prevention).

It is the policy of the Department of Cooperative Governance and Traditional Affairs of the Province of the Eastern Cape (CoGTA - EC), herein after referred to as the Department, that corruption, fraud, theft, maladministration or any other dishonest activities of a similar nature will not be tolerated in the Department.

In addition, such irregular activities will be investigated and followed up by the application of all remedies available within the full extent of the law, as well as the application of appropriate prevention and detection controls. These prevention and detection controls include the existing Financial and other controls and checking mechanisms as prescribed in the prescripts relevant to the activities of the Department.

**2. LEGISLATIVE PRESCRIPTS**

**2.1 DEFINITION OF FORMS OF CORRUPTION:**

**2.1.1 CORRUPTION**

Corruption is described as any conduct in relation to a person entrusted with responsibilities in public office which violates their duties as public officials and which is aimed at obtaining undue gratification of any kind for themselves or for others.

**2.1.2 FRAUD**

In South Africa fraud is defined as "the unlawful and intentional making of a misrepresentation which causes actual or potential prejudice to another". The use of the term is in its widest possible meaning and is intended to include all aspects of economic crime or acts of dishonesty.

### **2.1.3 BRIBERY**

Bribery involves the promises, offering or giving of a benefit that improperly persuades the actions or decisions of public servants. These benefits may accrue to the public servant, another person or an entity.

### **2.1.4 EMBEZZLEMENT**

This involves theft of resources by persons entrusted with the authority and control of such resources.

### **2.1.5 EXTORTION**

This involves coercing a person or entity to provide a benefit to a public servant, another person or an entity in exchange for acting in a particular manner. This involves a public servant using his/her vested authority improperly to benefit another public servant, persons or entity vested or to use authority to improperly discriminate against another public servant, person or entity.

### **2.1.6 ABUSE OF POWER**

This involves a public servant using his/her vested authority to improperly benefit from another public servant, person or entity, or using vested authority to improperly discriminate against another public servant, person or entity.

### **2.1.7 CONFLICT OF INTEREST**

This involves a public servant acting or failing to act on a matter where the public servant has an interest or another person or entity that stands in a relation with the public servant has an interest.

### **2.1.8 ABUSE OF PRIVILEGED INFORMATION**

This involves the use of privileged information and knowledge that a public servant possesses because of his/her office to provide unfair advantage to another person or entity to obtain a benefit, or to accrue a benefit for him/her.

### **2.1.9 FAVOURITISM**

This involves the provision of services or resources according to personal affiliation of a public servant.

### **2.1.10 NEPOTISM**

This involves a public servant ensuring that family members are appointed to public service positions or that family members receive contracts from the state.

### **12.2 LEGISLATIVE FRAMEWORK:**

1. Constitution of the Republic of South Africa
2. Prevention of Organised Crime Act, Act 121 of 1998
3. Public Service Act, 1994
4. Public Finance Management Act No. 1 of 1999
5. Protected Disclosures Act, Act 26 of 2000
6. Prevention and Combating of Corrupt Practices Act 12 of 2004
7. Public Service regulations 2016
8. Public Service Anti-Corruption Strategy
9. Provincial Whistle Blowing Policy

## **3. INTRODUCTION**

The adoption and maintenance of high ethical standards is a core principle of the Department, which is also committed to operating its business in compliance with all applicable laws and policies.

The Department recognises that conduct by employees outside of the work sphere may have legal implications for the Department and its public image, that corruption poses serious legal, commercial and reputational risks and that its responsibilities towards the public demand impartiality, fairness and transparency.

## **4. OBJECTIVES OF THIS POLICY**

The objective of this policy is to:

- To enforce the Department's commitment to Fraud Prevention compliance;
- To promote National and Provincial Government Policies aimed at the prevention and the combating of Corruption;
- To provide the foundation for the development of procedures to manage corruption and risk;
- To provide for effective communication and review of the policy and its associated procedures;
- To promote the culture of ethical conduct and integrity.

## 5. SCOPE OF THIS POLICY

This policy is applicable to all parties that have an interest in the Department, Service Providers and External Stakeholders as well as Employees, Officers and Authorised Representatives.

This policy sets out minimum standards of acceptable conduct and may be adapted or enhanced to reflect Legislative requirements relating to corruption in general.

The policy should be read and applied in conjunction with all approved Policies, Codes and Guidelines on related matters, including (but not limited to):

- Batho Pele Principles
- Provincial Whistle Blowing Policy
- Code of Conduct and Ethics
- Any guidance published pursuant to this Policy
- Disciplinary Rules and Procedures
- Anti-Corruption Legislative Framework

## 6. RESPONSIBILITY AND ACCOUNTABILITY

The maintenance, revision and distribution of this Policy are the responsibilities of the Accounting Officer, whose responsibility is to ensure that this policy is effectively implemented.

## 7. APPROVAL, COMMUNICATION AND REVIEW

This Policy is approved as of date hereof which is also the effective date and will be communicated to all Employees and External Stake Holders.

All Directorates are responsible for:

- a) Providing new employees with a copy of this Policy as part of their induction process and
- b) Ensuring that all Suppliers, Customers, Service Providers and External Stake Holders are made aware of this policy.
- c) This Policy and its associated procedures and documentation will be reviewed every five years, and/or when the need arises.

## 8. POLICY STATEMENT

The Department hereby adopts a Zero-Tolerance approach to corruption and is committed to carrying out business fairly, honestly and openly without improper influence. The Departmental Employees will not, either directly or indirectly through intermediaries or third parties, receive, offer, promise or provide any undue financial or other advantage in the execution of their duties.

Departmental Employees will not exercise improper influence with the intention of obtaining any improper advantage to their benefit in the execution of their duties during their time of employment.

All Employees, Service Providers and Stakeholders are required to comply with this Policy and are responsible for ensuring that business is undertaken with the utmost integrity.

Specific care must be exercised to combat the following:

### 8.1. ACTIONS CONSTITUTE FRAUD, CORRUPTION, THEFT AND MALADMINISTRATION

**The term fraud, corruption, theft and maladministration refer to, but is not limited to:**

8.1.1. Any dishonest, fraudulent and corrupt act which may results to / cause harm or prejudice to other party or state resources.

8.1.2. Theft of funds, suppliers, or other assets

8.1.3. Maladministration or financial misconduct in handling or reporting of money or financial transactions.

8.1.4. Making a profit from inside knowledge.

8.1.5. Disclosing confidential or proprietary information to outside parties.

8.1.6. Irregularly accepting or requesting anything of material value (which may otherwise not be accessible by proper means) from contractors, suppliers or other persons providing services/ goods to the department.

- 8.1.7. Irregularly offering or giving anything of material value improperly to contractors, suppliers or other persons providing services/goods to the department. Destruction, removal or abuse of records, furniture and equipment as way of defeating the ends of justice or weakening of evidence.
- 8.1.8. Deliberately omitting to report or to act upon reports of any such irregular, corrupt, fraudulent or dishonest conduct which is punishable through prosecution in terms of section 34(1) of PRECCA ACT.
- 8.1.9. Acts of financial misconduct contemplated in terms of section 81 and 85 of the PFMA
- 8.1.10. Incidents of unauthorized, irregular or fruitless and wasteful expenditure as defined in the PFMA.
- 8.1.11. Any similar or related irregularity

## **9. FRAUD AND CORRUPTION RISK ASSESSMENT**

The Department is committed to ensuring that:

- a) its exposure to corrupt activity is subject to periodic risk assessments and
- b) all relevant staff are provided with training on this policy and associated procedures and
- c) the efficacy of the same in managing and accessing the risk.

## **10. REPORTING WRONGDOING ("WHISTLE BLOWING")**

The Department undertakes to promote confidential and secure means for Persons and Stakeholders to report conduct that may be contrary to the Department's Values and Principles, including conduct that may breach this Policy or its associated procedures.

A "Whistle Blowing" facility will be strictly confidential, and the Department will not tolerate any form of retaliation, harassment or intimidation as a result of reporting concerns through the facility.

All concerns will be investigated, and appropriate remedial action must be instituted.

## **10. BREACH OF THIS POLICY**

### **SANCTIONS FOR NON-COMPLIANCE**

It is the responsibility of all Employees and Stakeholders to report any breach, or potential breach, of this Policy to:

- Their supervisor or
- Person to whom they report or
- Through the Whistle Blowing facility

Any violation of this Policy, including any:

- Involvement in any corrupt activity or
- Failure to report actual corrupt activity or
- Failure to report potential breaches of this Policy (or its associated procedures); will lead to disciplinary action in accordance with applicable disciplinary procedures.

In some circumstances, failure to report actual or suspected violations of this Policy may itself constitute a Legal offence punishable by law.

The Department is committed to reporting all instances of corruption and other forms of dishonesty to the relevant authorities.

The Department furthermore undertakes to facilitate criminal action against individuals involved in any irregular or illegal matter.

The Department will seek redress for all losses arising from any irregular or illegal action.

## **12. CONCLUSION**

It is the view of the Department that Corruption Prevention can be seen as the cumulative effect of both preventative and detection systems incorporated by Management. Detection of Fraud and Corruption can only lead to prevention therefore its response acts as a deterrent.

