

POLICY DEVELOPMENT FRAMEWORK

ANTI-FRAUD AND CORRUPTION

POLICY

Policy Number	Version 1.0
Date of Approval	November 2023
Policy Sponsor	Executive Director: Office of the Vice Chancellor
Next Review Date	November 2026
Approver	Council
Department/Unit	Compliance Management

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1. PURPOSE

- 1.1 The Cape Peninsula University of Technology (hereafter referred to as "CPUT" or the "university") is dedicated to upholding a culture of integrity and transparency requiring all staff and stakeholders to actively identify, disclose, and effectively manage conflicts of interest. This Anti-Fraud and Corruption Policy (hereafter referred to as "the Policy") supports the **Ethics Framework (our Code)** by:
- 1.1.1. outlining the university's commitment to the prevention of fraudulent, unlawful, negligent, or improper conduct.
- 1.2 This policy forms part of the university's wider commitment to a culture of integrity as provided for under the **Ethics Framework (our Code)** and works alongside the Whistleblowing Policy, which supports the implementation of the university's obligations under the PCCA (Prevention and Combating of Corrupt Activities).

2. SCOPE

2.1. INSTITUTIONAL SCOPE

2.1.1. This Policy applies to:

- 2.1.1.1. **All University Activities:** This includes everything the university does, its operations, governance, and administration of the University, including research activities.
- 2.1.1.2. **All University Sites:** This includes all campuses and locations of the University.
- 2.1.1.3. **At All Times whilst on University Business:** This applies whenever one is involved in university operations or representing the university in any capacity.

2.2. INDIVIDUAL SCOPE

2.2.1. This Policy applies to the following persons:

- 2.2.1.1. University Stakeholders, this includes staff, Council members, and members of university committees, panels, and advisory boards.
- 2.2.1.2. Individuals Appointed to roles with Associated Entities of the University: persons designated to positions within entities associated with the university.
- 2.2.1.3. Students Involved in University Operations and Student Governance: This includes students who take part in the management of university operations or participate in student governance, including those engaged with university-related structures and committees.

2.2.1.4. External stakeholders: This includes consultants, service providers, and volunteers offering their services to the University. consultants, service providers, and volunteers to the university.

2.2.2. This policy applies to all the individuals listed above in relation to Fraud and corruption arising from their contractual obligations with the university or when they represent the university in any capacity and must comply with this Policy.

3. OBJECTIVE AND CONTEXT

3.1. The primary objectives of this Policy are:

3.1.1. To unequivocally prohibit Fraud, corruption, and all forms of unethical practices within the university.

3.1.2. To instil an institutional commitment to compliance with anti-Fraud and anti-corruption laws, codes of conduct, and best practices.

3.1.3. To provide clear guidance on identifying, reporting, and managing instances of Fraud and corruption.

3.1.4. To promote awareness and understanding of the Policy among all university stakeholders, including staff, students, suppliers, partners, and Council members.

3.1.5. To underscore the university's dedication to upholding the highest ethical standards and maintaining its reputation as a responsible and transparent institution.

4. POLICY PRINCIPLE

POLICY STATEMENT

4.1. CPUT's Ethics Framework (our Code) requires all staff and university to behave with consistency, honesty and transparency in all activities and decision-making processes.

4.2. CPUT aims to conduct all its affairs in an honest and ethical manner.

4.3. CPUT has a responsibility to ensure that its activities, including those of its staff and stakeholders, conform to acceptable standards of integrity and good conduct.

4.4. CPUT has a responsibility to implement and enforce effective systems to counter Fraud and corruption.

4.5. This policy, in conjunction with the Ethics Framework, the Conflicts of Interest Policy, Gifts, Benefits, and Hospitality Policy, and the Whistleblowing Policy, plays a crucial role in advancing CPUT's commitment to:

4.5.1. **Fostering a Culture of Integrity and Upholding CPUT Values:** This collective framework reinforces and champions the cherished values of CPUT, cultivating a culture deeply rooted in integrity, transparency, and ethical behaviour.

- 4.5.2. **Preventing Serious Misconduct:** By establishing clear guidelines and expectations, this policy acts as a robust preventive measure against any form of serious misconduct, deterring individuals from engaging in wrongful acts.
- 4.5.3. **Identifying and Detecting Serious Misconduct:** It equips CPUT with the tools and processes needed to swiftly identify and detect any serious misconduct, ensuring that such actions are promptly addressed and mitigated.
- 4.5.4. **Enhancing Fraud and Corruption Prevention and Response Strategies:** A commitment to continuous improvement is central to our fraud and corruption prevention and response strategies. This policy, in harmony with its counterparts, contributes to ongoing enhancements in these areas, bolstering CPUT's resilience against unethical practices.

Culture and Behaviour

- 4.6. CPUT maintains an unequivocal zero-tolerance stance against fraud, corruption, and serious misconduct, and it is imperative that staff refrain from:
 - 4.6.1. **Participating in or Concealing Serious Misconduct:** This encompasses any fraudulent activities, corrupt practices, instances of severe mismanagement, substantial financial wastage, or severe negligent and intentional violations related to the protection of personal information.
 - 4.6.2. **Engaging in Retaliation or Harmful Conduct:** Staff must refrain from any form of victimization, bullying, harassment, or reprisals directed at individuals who report, intend to report, or have reports disclosed concerning serious misconduct. For detailed guidelines, please refer to the Whistleblowing Policy.

Responsibilities for Fraud and Corruption Prevention Strategies

- 4.7. The implementation of fraud and corruption prevention strategies within CPUT is a collective effort involving the CPUT **Council**, the **Vice-Chancellor**, members of **the executive**, and the **management committee**. These measures include:
 - 4.7.1. **Annual Management Signoffs:** This entails an annual confirmation of commitment and support by senior management for the prevention of fraud and corruption.
 - 4.7.2. **Annual Internal Audits:** Regular internal audits are conducted annually to assess the effectiveness of the prevention strategies.
 - 4.7.3. **Comprehensive Understanding:** A thorough comprehension of relevant risks, legal obligations, compliance requirements, and behavioural expectations is crucial.
 - 4.7.4. **Ethical Conduct:** Demonstrating a strong commitment to and exemplifying ethical conduct in all professional endeavours.

- 4.7.5. **Delegation Compliance:** Ensuring adherence to Delegations of Authority Principles when exercising any delegated functions (please refer to the Delegations of Authority document).
- 4.7.6. **Divisional Workplans:** Ensuring that line managers and senior leaders in each division have individual workplans that encompass the fraud and corruption control mechanisms outlined in this policy.
- 4.8. Line Managers play a crucial role in:
- 4.8.1. Setting an exemplary standard for adhering to CPUT's expected behaviours.
 - 4.8.2. Educating staff about the requirements outlined in this policy, the Conflicts of Interest Policy, the Whistleblowing Policy, and the Gifts, Benefits, and Hospitality Policy.
 - 4.8.3. Ensuring that staff understands their duty to act ethically and adhere to all policies governing conduct, behaviour, and integrity, as detailed in the Ethics Framework and Delegations of Authority Principles.
 - 4.8.4. Promoting a culture of ethical behaviour and a speak up culture in their division, unit, or team (refer Vuvuzela Hotline at CPUT website).
 - 4.8.5. Encouraging members of the CPUT community to report instances of serious misconduct.
 - 4.8.6. Raising awareness of fraud and corruption risks among staff through onboarding and induction procedures, staff development meetings, and the work planning process.
 - 4.8.7. Effectively managing cases of serious misconduct and addressing fraud and corruption risks encountered by CPUT, while acting consistently with their assigned responsibilities and Whistleblowing disclosures (refer to the Whistleblowing Policy).
- 4.9. As part of their work planning process, staff are required to:
- 4.9.1. Familiarise themselves with the conduct, behaviour, and integrity policies (refer Ethics Framework), and seek further information from their line managers if needed.
 - 4.9.2. Discuss conflicts of interest with their line managers regarding potential conflicts of interest and promptly disclose any such conflicts in accordance with the Conflicts of Interest Policy.
 - 4.9.3. Commit to adhering to the university's Delegations of Authority Principles when entrusted with delegated authority.
- 4.10. When contracting a third party to carry out work for or on behalf of CPUT, the following conditions must be met:

- 4.10.1. Comprehensive due diligence must be conducted before formal engagement with the third party commences.
 - 4.10.2. Third parties must receive and adhere to all conduct, behaviour, and integrity policies (see Ethics Framework).
 - 4.10.3. Third parties should be informed of this policy, the Whistleblowing Policy, and all relevant policies.
- 4.11. Members of the Council and its committees are obligated to adhere to the stipulated terms of reference and the Code of Conduct.

Fraud and Corruption Awareness

- 4.12. CPUT incorporates fraud and corruption awareness into its onboarding program, available through CPUT's **Staff Development Academy** (<https://sda.cput.ac.za/>). Furthermore, targeted training sessions are offered to designated staff members as part of their work planning process.
- 4.13. Our awareness and training initiatives are designed to:
- 4.13.1. Maintain ongoing awareness of fraud and corruption related risks.
 - 4.13.2. Equip line managers with the knowledge to recognize corruption risks, identify vulnerabilities, and establish prevention strategies.
 - 4.13.3. Empower staff to identify indications of serious misconduct or 'red flags' that may signify fraudulent activities.
 - 4.13.4. Offer clear guidance on how to report instances of fraud and corruption, aligning with the Whistleblowing Policy.
 - 4.13.5. Reinforce fraud control efforts through measures such as risk assessments and fraud and corruption prevention plans outlined below.
- 4.14. During the recruitment process, positions involving specific responsibilities for fraud control, compliance, or roles in identified risk areas (as referred to in Fraud and corruption high risk areas below) must:
- 4.14.1. Include relevant training requirements as outlined in the position description, informed by the corresponding fraud and corruption prevention plan.
 - 4.14.2. Incorporate an appropriate due diligence (or pre-screening) procedure in line with the Talent Acquisition and Selection Policy.

Fraud and Corruption High Risk Areas

- 4.15. The university recognizes that certain activities and operations inherently carry a higher risk of fraud and corruption.
- 4.16. Line managers must ensure that implement targeted measures for prevention, detection, and response to fraudulent activities, such as appropriate fraud and

corruption prevention training available for staff undertaking the activities recognised as **Fraud and Corruption High Risk Areas**.

- 4.17. These high-risk areas may include but are not limited to the following:
- 4.17.1. **Procurement and Contracting:** Involving the selection of suppliers, tender processes, and contract management.
 - 4.17.2. **Financial Management:** Covering the management of funds, revenue, expenditure, payroll, grants, and financial transactions.
 - 4.17.3. **Asset and Facilities Management:** Encompassing the use, maintenance, and protection of university assets and physical infrastructure.
 - 4.17.4. **Research and Intellectual Property:** Addressing research data, intellectual property, and grants management.
 - 4.17.5. **Student Records and Admissions:** Managing records, admissions processes, and academic matters.
 - 4.17.6. **Payroll and Human Resources:** Concerned with staff payroll, human resource management, and recruitment processes.
 - 4.17.7. **IT and Data Security:** Focusing on information technology, data management, and cybersecurity.
 - 4.17.8. **Student Affairs and Financial Aid:** Involving student support, financial aid, and related services.
 - 4.17.9. **Gifts and Benefits:** Covering the acceptance of gifts, benefits, and hospitality.
 - 4.17.10. **Travel and Expenses:** Concerned with university credit card use, travel expenses, and allowances.
 - 4.17.11. **University Data and Governance:** Addressing university information and governance practices.
- 4.18. The university shall regularly assess and review these high-risk areas to ensure that the identified risks remain relevant and up to date.

Risk Assessments and Fraud and Corruption Prevention plans

- 4.19. CPUT maintains and implements internal control systems to manage and mitigate the risks of fraud and corruption and may formulate additional control mechanisms in response to assessments of potential fraud and corruption vulnerabilities.
- 4.20. The Compliance Management Function is entrusted with the responsibility of offering guidance in the following areas:
- 4.20.1. Advising on the establishment of appropriate safeguards designed to shield against the threats of wrongdoing.
 - 4.20.2. Collaborating with the Risk Management function in crafting comprehensive prevention plans, conducting associated risk assessments, and devising corresponding action plans.

- 4.20.3. Driving the development of whistleblowing processes as provided in the Whistleblowing Policy.
- 4.20.4. Working with Risk Management to address gaps in risk and compliance management frameworks identified as part of the management of a whistleblowing process.
- 4.21. Deans and Directors (hereafter referred to as Directors) bear the responsibility for developing fraud and corruption prevention plans using the **Risk Management Software (BarnOwl)**. These prevention plans must include:
- 4.21.1. A meticulous assessment of fraud and corruption risks across all relevant activities, including assessment of the Fraud and Corruption High Risk Areas.
- 4.21.2. The formulation of an action plan to mitigate and manage the identified risks.
- 4.22. The assessment of fraud and corruption risks shall be executed utilizing the **BarnOwl** platform.
- 4.23. When conducting fraud and corruption risk assessments, utilize the guidance provided within **BarnOwl** platform via templates to thoroughly identify vulnerabilities. These assessments will be the development of an action plan. For detailed instructions on executing these assessments and creating action plans, please refer to the Risk Management Policy and Risk Management Methodology.
- 4.24. Directors are obligated to conduct an annual review of their respective prevention plans to ensure their relevance and efficacy in addressing newly emerging risks. These prevention plans should be furnished to the relevant executive member by the 31st of October each year, or as otherwise instructed by the Risk Manager.
- 4.25. The review of fraud and corruption prevention plans will follow a process determined by the Risk Manager and Compliance Manager to ensure that they remain current and adaptable to changing circumstances.
- 4.26. The Audit and Risk Committee (AROC) and the Governance and Ethics Committee (GEC) reserve the right to mandate actions, amendments, or improvements to this policy and its related instruments as deemed necessary to uphold the university's legislative requirements and obligations in accordance with prescribed legislation.

Identifying and Reporting Serious Misconduct

- 4.27. Serious Misconduct can be detected through observation of fraudulent or corrupt activities or the discovery of information that hints at such as fraud or corruption.
- 4.28. This detection process may involve any of the following activities:
- 4.28.1. **Continuous monitoring and data analytics:** CPUT's information systems, including software applications and computer-assisted audit capabilities, can serve as valuable sources of information regarding serious misconduct (e.g., by identifying suspicious transactions).

4.28.2. **Internal and external reporting channels:** These channels encompass the Whistleblowing Policy, the Conflicts of Interest Policy, the Gifts, Benefits, and Hospitality Policy, the Private Work Policy, and the Staff Grievance Policy.

4.28.3. **Internal audit program:** Annual internal audit plans at CPUT are informed by fraud and corruption risk assessments.

- 4.29. Staff and all other stakeholders are obligated to report incidents of serious misconduct in accordance with the Whistleblowing Policy. Any other individuals can report instances of serious misconduct involving the university, its staff, students, or other stakeholders (details on reporting options can be found on the Vuvuzela Hotline on the CPUT website).
- 4.30. The processes for managing fraud and corruption risks, reporting incidents, and responding to them will be subject to review as part of an ongoing improvement effort, driven by the outcomes of investigations.

Records Management

- 4.31. Information pertaining to fraud and corruption controls, such as fraud and corruption prevention plans, should be handled in accordance with the Records and Archives Management Policy and the Privacy Policy.
- 4.32. Information regarding the reporting of fraud and corruption should be handled in accordance with the Whistleblowing Policy.

Breaches

- 4.33. Breaches of this policy will be managed in line with the Ethics Framework (our Code) and will be addressed in line with the code and related instruments. This includes CPUT's right to inform the appropriate statutory authority and/or agency in the event of a breach of legislation.
- 4.34. Breaches of this policy that relate to acts of fraud or corruption will be managed in line with the Whistleblowing Policy.

5. Commonly Used Terms & Definitions

- 5.1. **Bribery:** A form of corruption and refers to the offering, giving, receiving, promising, accepting, or demanding of a reward or any other advantage to/ from another person with the intention of bringing about the improper performance by that other person, or to reward such improper performance. The reward may take many forms such as money, gifts, promotion, prevention of a loss, paying off a loan, inflated commission and various other favours which may be offered/ received.
- 5.2. **Corruption:** broadly defined as the “abuse of power for personal gain”. Corruption involves an act or omission by a person(s) which have an illegal, dishonest, unauthorised, or unlawful intention behind it, which may include bribery.
- 5.3. **Facilitation payments:** is also known as "grease payments", these are small payments of money or gifts made to an official, a foreign public official or any third party that acts as incentive for the official to complete some action or process expeditiously, or to provide the party making the payment or another party an unfair or unlawful advantage.
- 5.4. **Fraud:** an act of deception that it intended to make a financial gain or to cause loss to another party.
- 5.5. **Gift:** defined as any item of value, including goods, money (in whatever form), services or hospitality received by a CPUT staff member, as a consequence of, or resulting from, their employment at CPUT, other than those received from CPUT as part of their employment terms. This includes, inter alia, promotional items (calendars, pens, etc), lunches, event tickets, flights and/or hotel accommodation.
- 5.6. **Hospitality:** defined as any generous or material treatment that is more than an incidental kind, such as a beverage, meal, or entertainment.
- 5.7. **Immediate family member:** includes parents, siblings, children, and any other relative/ person who resides in the same household as the staff member.
- 5.8. **Kickbacks:** are typically payments made in return for a commercial favour or advantage
- 5.9. **Legitimate fees:** are fees that are sometimes payable for an expedited service provided by a government department, where this is legally permissible. For example, the payment of a published amount to get a visa or new passport expedited from a consulate.
- 5.10. **Serious Misconduct** includes the following:
 - 5.10.1. Corrupt conduct, as outlined in the Prevention and Combating of Corrupt Activities Act (PCCA).
 - 5.10.2. Instances of fraudulent activity, such as false insurance claims.
 - 5.10.3. Cases of serious maladministration, for example, systemic failures to adhere to proper recruitment procedures during staff hiring processes.
 - 5.10.4. Violation of privacy, such as the unlawful access of an individual's personal information within the university's database (see Privacy Policy for reference).

5.10.5. The term also encompasses acts resulting in a significant or severe misallocation of university funds. For instance, this may involve neglecting the use of a competitive tendering process when engaging external entities for university projects or tasks.

6.Responsibility

Accountability and Authority:	
Implementation:	Executive Management Compliance Management Function Deans and Directors of Units Line Managers
Compliance:	All staff
Monitoring and Evaluation:	Internal Audit Registrar GEC Council Compliance Management
Development/Review:	This policy should be reviewed in accordance with the attainment of CPUT's strategic objectives.
Approval Authority:	Council
Interpretation and Advice:	Compliance Management

Policy Development Framework				
Policy Type(s):	A: Administrative Policy B: Institutional Governance Policy			
Type:	Policy	√	Guideline	Manual
Tick document category	Procedure		Regulation	Plan

CPUT Statute and/or Regulation Reference no. and date:	Cape Peninsula University of Technology Statute, Government Notice No 46382 of 20 May 2022.				
Relevant Legislation and/or Policy, Codes of practice, Professional authorities:	<ul style="list-style-type: none"> • Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996) (The Constitution). • Higher Education Act (No. 101 of 1997) as amended. • Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004). • Protected Disclosures Act, 2000 (Act No. 26 of 2000). • Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001). • National Prosecuting Authority Act, 1998 (Act No. 32 of 1998). • Protection of Personal Information Act, 2013 (Act No. 4 of 2013). • Public Finance Management Act, 1999 (Act No. 1 of 1999). 				
Relevant Institutional Policies/ documents/manuals/ handbooks	<ul style="list-style-type: none"> • Cape Peninsula University of Technology Strategic Plan: Vision 2030. • Ethics Framework. • Whistleblowing Policy. • Gifts, Benefits, and Hospitality Policy. • Conflict of Interest Policy. • Compliance Management Policy. • Compliance Management Program. 				
Policy Reference and Version no.:	The next number in the document index. To be inserted by the Compliance Office.				
Consultation Process To be verified and signed off before approval					
Policy Owner/Sponsor	ED: VC				
Compliance Officers	Compliance Owners supported by Compliance Management Function.				
Certification of Due process: To be verified and signed once approved by the relevant authority	_____		_____		
	Vice Chancellor		Date		
Approval Date		Commencement Date		Review Date	

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REVISION HISTORY: Only applicable to amended or reviewed Policies. Record details of amendments/revision.					
Version No.	Approved/ Rescinded	Date	Approving Authority	Resolution Number/ (Minute number)	Date for next review (start date for review process)
1.0			Council		

