



DHA
FRAUD PREVENTION PLAN
2023/2024

DHA Fraud Prevention Plan

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DEFINITIONS

Term	Description
Fraud	The unlawful and intentional making of a misrepresentation resulting in actual or potential prejudice to another person or institution.
Corruption	Giving or offering, receiving or agreeing to receive, obtaining or attempting to obtain any benefit to which a person is not legally due to or by a person who has been charged with a duty or power by virtue of any employment, to do any act or omit to do any act in relation to that power or duty.
Ethics	Are concerned with human character and conduct and deal with questions of right and wrong, appropriate and inappropriate behavior and what constitutes good or bad.
Corporate Ethics	Corporate Ethics is concerned with conduct and deals with questions of appropriate and inappropriate behaviour, and what constitutes acceptable and unacceptable behaviour in the workplace.

ACRONYMS AND ABBREVIATIONS

Acronyms/Abbreviation	Meaning
Accounting Officer	Director-General of Home Affairs
CCSS	Counter Corruption and Security Services
Code of Conduct	Code of Conduct for the Public Service
DG	Director-General of Home Affairs
DHA	Department of Home Affairs
MISS	Minimum Information Security Standards
MPSS	Minimum Physical Security Standards
PFMA	Public Finance Management Act
Plan	DHA Fraud Prevention Plan
Strategy	DHA Counter Corruption and Fraud Prevention Strategy

SECTION I: INTRODUCTION AND DEVELOPMENT OF THE PLAN

1. INTRODUCTION

This document represents the Fraud Prevention Plan for the Department of Home Affairs. The Plan recognises basic fraud prevention initiatives within the Department. Furthermore, it identifies key risks of fraud and corruption that will be addressed as these risks could jeopardise the successful implementation of the various components of the Plan.

2. PRINCIPLES

The following reflects the main principles which form the basis of the Plan:

- Developing and maintaining a culture which is intolerant to fraud and corruption.
- Preventing, detecting and investigating fraud and corruption.
- Taking appropriate action against fraudsters, e.g. disciplinary action, prosecution, applying sanctions, which include redress in respect of financial losses.

3. OBJECTIVES

The primary objectives of the Plan are to:

- Provide guidelines in preventing, detecting and reporting fraudulent activities within the Department.
- Create a culture within DHA where all employees and stakeholders continuously behave ethically in their dealings with or on behalf of the Department.
- Encourage all employees and stakeholders to strive towards the prevention and detection of fraud impacting or having the potential to impact on the Department.
- Encourage all employees and stakeholders to report suspicions of fraudulent activities without fear of reprisals or recriminations.
- Provide a focus point for the allocation of accountability and authority.

4. LEGAL FRAMEWORK

- Corruption and fraud management is an integral part of strategic management in support of the Public Service Anti-Corruption Strategy, Chapter 2 of the Public Service Regulations, Treasury Regulations and general responsibilities for good governance.
- The provisions of Section 38(1)(a)(i) of the Public Finance Management Act stipulate that the Accounting Officer is responsible for ensuring that the Department has and maintains effective, efficient and transparent systems of financial and risk management and internal controls.
- Furthermore, Section 3.2.1 of the Treasury Regulations requires that risk assessments are conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, be developed and implemented by all departments.

- Chapter 2 of the Public Service Regulations, 2016 deals with conduct, financial disclosure, anti-corruption and ethics management.
- The following legislation has also been taken into consideration in the development of the Plan:
 - The Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004).
 - The Protected Disclosure Act, 2000 (Act No. 26 of 2000).
 - Promotion of Access to Information Act, 2000 (Act No. 2 of 2000).
 - Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000).
 - Protection of Personal Information Act, 2013 (Act No. 4 of 2013).
 - Public Administration Management Act, 2014 (Act No. 11 of 2014).
 - Criminal Procedures Act, 1977 (Act No. 51 of 1977).
 - Public Service Act, 1994 (Act No. 103 of 1994, as amended by the Public Service Amendment Act, Act No. 30 of 2007).
 - Labour Relations Act, 1995 (Act No. 66 of 1995).
 - Public Finance Management Act, 1999 (Act No 01 of 1999).
 - Protection of Personal Information Act, 2013, (Act No. 04 of 2013).
 - Minimum Information Security Standards, 1996 and Minimum Physical Security Standards, 2009.

5. SCOPE

The Plan applies to all employees, stakeholders, contractors, vendors/suppliers and any other party/person doing business with DHA.

6. APPROACH TO THE DEVELOPMENT OF THE PLAN

- The Plan is informed by the DHA Fraud and Corruption Risk Profile, which is a successor to the Baseline Study on Causes of Corruption in DHA.
- The risks of fraud addressed in this document should not be relied upon as the full spectrum of the risks facing the DHA, but rather as an indication of the type of risks, bearing in mind the transformation of the risks of fraud resulting from constant technological enhancements and changing business processes.

SECTION II: ATTRIBUTES OF FRAUD

7. MANIFESTATIONS OF FRAUD AND CORRUPTION

- In DHA, the magnitude of corruption can be attributed to a variety of factors such as, inter alia, RSA being an emerging democracy attracting people not only from Africa but from other parts of the world. Economic migrants do often exploit our porous borders and enter illegally, creating the demand for enabling documents to avoid detection by law enforcement authorities.

- Unfortunately, the scourge is facilitated by officials with low affinity for corporate values, ethos and ethics remain vulnerable to taking bribes. This is exacerbated by poor governance of internal systems and weak controls or the lack of will to enforce such measures. In addition, inadequate supervision and the non-segregation of duties leads to security vulnerabilities of assets to criminal syndicates operating from outside the Department.

8. INDICATORS OF FRAUD

- In order to understand and be able to detect fraudulent activities, employees should be aware of the behavioural aspects of individuals and organisations. The behavioural aspect of individuals assists in profiling a typical fraudster while that of organisations typifies the risks that make the organisation susceptible to fraud.

8.1 Indicators that employees may be vulnerable to becoming a target to committing fraud:

- The following, although not exhaustive, reflects the behavioural aspects of individuals and organisations which are typically “red flags” or “fraud indicators” that all employees within DHA should be aware of in their daily functions:
 - Living beyond one’s means.
 - Sudden change of lifestyle.
 - Unexplained wealth.
 - Feeling of being underpaid.
 - Unusually high personal debts.
 - Suppliers/contractors who insist on dealing with only one particular member of staff.
 - Excessive gambling habits, alcohol and drug abuse.
 - Domestic problems.
 - Involved in extra-marital relationships.
 - Undue family or peer pressure to succeed.
 - Highly stressful working environment.
 - Always working late.
 - Reluctance to take leave.
 - Refusal to accept promotion.
 - Dissatisfaction or frustration with job and/or continual threats to quit.
 - Feeling of insufficient recognition for job performance.
 - Close associations with suppliers/contractors/customers/romantic relationships with foreign nationals.
 - Rationalisation or justification of poor performance.
 - Lack of personal stability such as frequent job changes, residence, partners and acquaintances.
 - Desire to “beat the system”.
 - Undisclosed criminal records.
 - Undisclosed conflicts of interest.

8.2 Indicators that the Department may be vulnerable as a target for fraudster:

- Does not enforce clear lines of authority and responsibility.
- Does not enforce proper procedures for authorisation of transactions.
- Lack of segregation of duties.
- Inadequate record management capability.
- Lack of independent checks and balances.
- Understaffing.
- Incompetent and untrained personnel.
- Inadequate physical security such as locks, safes, fences, keys, cards, etc.
- Inconsistent application of disciplinary action.
- Inconsistent application of the remunerative work outside of the public service process.
- Undisclosed conflicts of interest.
- Operating on a crisis basis.
- Too much trust placed in key employees.
- Unrealistic productivity requirements.
- Inadequate communication and awareness about disciplinary codes, fraud policies and codes of conduct.
- Inadequate background and reference checks.

8.3 In addition to the abovementioned behavioural aspects, there are other factors which may result in fraudulent activity such as:

- Rapid turnover of employees through resignation or dismissal and continuous absenteeism.
- Dishonest or dominant management interfering with DHA processes.
- Inadequate communication and training programmes.
- Complex business systems and processes which lead to unnecessary red tape leading to officials circumventing processes.
- Ineffective internal control functions or lack of a risk based approach.
- Reluctance to provide auditors/consultants with requested information.
- Incorrect interpretation and/or non-compliance to legislation.
- Unexplained and unusual accounting transactions.

SECTION III: THE FRAUD PREVENTION PLAN

9. COMPONENTS OF THE PLAN

The Plan is structured to address the prevention, detection, investigation as well as the resolution of fraudulent activities.

PREVENTION

9.1.1 Ethical Culture

DHA will continue to ensure that the following ethics management processes are implemented and maintained:

- Functional Ethics Office and Ethics Management Committee to implement the DHA Ethics Management Programme.
- Conducting ethics risk assessments and updating the ethics risk register.
- Review and implementation of a DHA-specific Code of Ethics.
- Reporting on progress to EXCO and the Director-General annually.

9.1.2 Training and Awareness

9.1.2.1 Training

- Training on the Code of Conduct for the Public Service, workplace ethics at a strategic, systems and operational level as well as fraud and corruption related matters will be provided to all officials.
- Where necessary, specialist training may be provided to managers and those staff in key positions performing higher risk functions.
- Specific training will also be conducted on conflicts of interest, particularly to those officials involved in recruitment and procurement processes.

9.1.2.2 Awareness

- The Department shall continue to raise awareness amongst employees, the public and stakeholders in order to facilitate a culture where all stakeholders strive to contribute towards making the Plan a success as well as for the sustaining of a positive, ethical culture within DHA. This shall increase the prospect of corruption being reported and improve DHA's prevention and detection ability.
- The Department shall also raise awareness on the Code of Conduct to its employees with the objective to:
 - Inform employees on an ongoing basis of what constitutes fraud and corruption and the standards of ethical conduct expected of them.
 - Educate employees on fraud and corruption to enable an understanding of specific risks to which DHA may be exposed to, thus enhancing the prospect of detecting irregularities timeously.
 - Sensitise employees about the importance of ethical decision making.
 - Communicate the implications of unethical behaviour and its impact.

- Make employee aware of the current legislative framework as it relates to fraud and corruption and their obligations and rights should they blow the whistle.
- DHA will consider the following Communication strategies:
 - Posters, newsletters, pamphlets and other publications to create awareness on the Code, DHA Counter Corruption Strategy and DHA Fraud Prevention Plan.
 - Screensavers on computers with appropriate anti-corruption and pro-ethics messages.
 - Appropriate attachments to offers of employment and the inclusion of appropriate material during induction and training programmes.
 - Ensuring continuous reporting on ethics and corruption to governance structures (Risk Management and Audit Committees).
 - Endorsements of correspondence directed at service providers and other stakeholders with anti-fraud and corruption messages.
 - Publishing the Plan and successes in its implementation in the annual report of DHA.

9.1.3 Internal Controls

- While internal controls may not fully protect the Department against fraud and corruption, they are essential elements in the prevention of fraud and corruption. Internal controls are the first line of defence against fraud and corruption.
- Internal controls, however, are only effective if they are properly implemented and managers ensure that they are properly applied so that the risk is minimised. These controls should be regularly reviewed to ensure that they remain appropriate and effective.
- Internal control systems that are effectively implemented can reduce the risk that fraud being committed or remaining undetected. Management is required to establish and maintain internal controls, not only aimed at increasing process efficiency and effectiveness, but also to prevent and detect fraud and corruption.
- Integration of DHA systems can reduce the loopholes and potential risks.
- Internal controls that might limit, prevent and detect fraud and/or corruption if they are effectively implemented, not limited to policies, procedures and legislation are categorised as follows:

MANDATORY INTERNAL CONTROL MEASURES	
PREVENTATIVE CONTROLS	
Authorisation Controls	Transactions should require authorisation or approval by an appropriate responsible person and the limits for these authorisations should be specified in the delegations of authority.

Physical Controls	Custody of assets should be specified and include procedures and security measures designed to ensure that access to assets is limited to authorised personnel.
Adequate segregation of duties	Duties and responsibilities in authorising, processing, recording and reviewing transactions and events should be separated among individuals and not left to one person.
DETECTIVE CONTROLS	
Arithmetic and accounting controls	Basic controls within the recording function which ensure that transactions to be recorded and processed have been authorised, are complete, correctly recorded and accurately processed. Such controls include checking arithmetical accuracy of records, the maintenance and checking totals, reconciliations and accounting for documents
Management and supervision	Supervision by responsible officials of day-to-day transactions and the recording thereof – including assignment, review and approval of an employee’s work.

9.1.4 Preventative Security

a) Physical Security

DHA recognises that adequate and effective security is one of the frontline defences against fraud and corruption and will continuously put measures in place to improve physical security to minimise or reduce fraudulent and corrupt activities in line with Minimum Physical Security Standards (MPSS), Minimum Information Security Standards (MISS), DHA's Internal Security Policy and Vetting Policy.

b) Information Security

- The Department will continue to regularly sensitised employees about the risks of fraud associated with poor management of information.
- Access to software systems should be restricted to those who need system access for operational purposes.
- User passwords are required to be changed regularly and should not be shared amongst individuals.
- Regular reviews of Information and Computer security will also be conducted and weaknesses identified will be addressed with the respective managers.
- Raising awareness to employees on the content of IT Policy and procedures, with emphasis on Internet and e-mail usage and the implications of abusing these and other computer related facilities will be done on a regular basis.

c) Personnel Security (Pre- Screening and Vetting)

- As prescribed by the MISS policy and outlined in the DHA Vetting Policy, the department will ensure that thorough pre-screening procedures are applied to all employees, including applicants for employment within DHA, employees acting in specific positions, seconded employees, temporary and contract workers, consultants, third party employees, interns, students (research students) and business partners.
- The following measures will be undertaken:
 - Verification of personal data, educational, professional and qualifications, employment data and references.
 - Verification of citizenship and finances.
 - A declaration concerning any outstanding disciplinary notices from previous employers for which the employee has not been sanctioned.
 - A declaration concerning any conviction for a criminal offence for which a pardon has not been granted.
 - A Criminal Record Checks [CRC].
- Directorate: Vetting will conduct pre-screening of suppliers before they are registered on the DHA vendor database or as part of the tender process. Evidence of such screening will be maintained by Directorate: Vetting and the Chief Directorate: Supply Chain Management.
- Verification of the following will take place:
 - Supplier(s) registration with Companies and Intellectual Property Commission (CIPC).
 - Tax certificate with South African Revenue Services (SARS).
 - National Treasury database to determine if the supplier(s) was not blacklisted.
 - BEE status.
 - Requisite registration with all applicable regulatory agencies.
- Regular reviews relating to employees in sensitive or high risk posts will be undertaken.

9.1.5 Compatible/Integrated Systems

- One of the Department's priority goals is to digitise data and records so as to secure, integrate and automate processes and systems and create a paperless data environment.

9.1.6 Risk Management

- The Department shall, as coordinated by the Risk Management Unit, conduct an annual fraud risk assessment to identify potential fraud and corruption risks.
- This process will ensure the development of mitigating strategies to address the identified fraud and corruption such as:

- Prioritising areas for attention and subsequently developing appropriate controls to limit the material risks identified.
 - Continually assess and update the risk profile (incorporating fraud and corruption risks) of the Department.
 - Allocate responsibility in terms of ensuring that internal controls to minimise occurrences of fraud and corruption are strengthened in all business units.
- The DHA Risk Management Committee will ensure oversight over the management of the identified departmental risks.

9.1.7 DHA Process Reviews

- The Fraud and Corruption Risk Assessment document will be updated annually as part of the Branch Counter Corruption and Security Services operational risk profiling. The outcomes of these assessments will be used, in conjunction with the results of the trend analysis to guide fraud and prevention initiatives and update the Plan if necessary.
- Regular process reviews will be conducted in order to identify possible vulnerabilities to fraud, corruption and security breaches within DHA business processes and systems. The outcomes of these reviews will be shared with Management in order to inform business planning and strategic initiatives of the Department.

9.2 DETECTION

In order to effectively manage fraud and corruption within the Department, it is important to have early warning systems that will detect suspicious transactions and alert the relevant sections to investigate and address the incidents timeously. In this regard, the following measures will be put into effect:

9.2.1 Whistleblowing and Reporting Mechanisms

- DHA has adopted a whistleblowing policy which sets out the detailed procedure which must be followed in order to report any incidents of fraud and/or corruption, this includes:
 - A standard process for dealing with reports.
 - Details of the whistleblowers are kept confidential.
 - Protection of whistleblowers from occupational detriment.
 - Reporting line:
 - The National Anti-Corruption Hotline (NACH) 0800 701 701 manned by the Public Service Commission.
 - Via e-mail to report.corruption@dha.gov.za.
 - Ensuring ongoing awareness by promoting the hotline and other avenues for reporting corruption.

9.2.2 Analysis

- Analysis of data is critical in the identification of trends, loopholes, individuals and syndicates who are involved in fraudulent activities within the Department. Data from various sources such as departmental systems, documents and reports will be analysed in order to identify emerging trends, patterns and possible fraud and corruption risks.
- The Department will also work with external partners to gather information when necessary.

9.2.3 Internal Audit

- The primary function of the Internal Audit Unit is to assist the Department in improving the adequacy, efficiency and effectiveness of operations, risk management, control and governance. This is further intended to promote good corporate governance (including promoting ethical conduct and the prevention, detection and reporting of fraud) within the Department
- Internal audit processes include testing access controls, reviewing separation of duties and various reconciliations and have the potential to detect fraudulent or corrupt conduct. Internal Audit Function is to provide independent, objective assurance and consulting services, within DHA, designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

9.2.4 Case Management System

The Department shall establish a Case Management System (Database) that shall be used to:

- Keep record and track of all allegations of fraud and corruption.
- Track progress of each allegation.
- Identify emerging trends and patterns, the outcomes of which will be used to guide fraud and corruption prevention initiatives, and also reported to the Audit and Risk Committees quarterly.

9.2.5 Management Responsibility

- Management is responsible for the establishment and maintenance of effective systems of governance to:
 - Establish and communicate organisational goals and values.
 - Monitor the accomplishment of goals.
 - Ensure accountability and values are preserved.

- Management is further responsible for the establishment and maintenance of effective internal control systems which include activities designed to minimise fraud and corruption risks. The objectives of the systems of internal control are, *inter alia*, to provide senior management with reasonable, but not absolute, assurance that:
 - Identify, assess and manage potential fraud and corruption risks in their area of work.
 - Assets are safeguarded.
 - Financial and operational information is reliable.
 - Operations are effective and efficient.
 - Laws, regulations, policies and contracts are complied with.
 - Implement policies, strategies, processes and procedures to prevent possible fraud and corruption.
 - Report suspicious activities within their areas of responsibility.
- Ongoing financial disclosure: Managers and designated officials are obliged to complete financial disclosure forms, as prescribed by DPSA, wherein specific personal assets and private business interest must be declared.

9.3 INVESTIGATIONS

9.3.1 Internal Investigative Capacity

- DHA has established an internal investigative capacity, which is mandated to investigate fraud and corruption perpetrated by officials in relations to their official duties. The investigations will be conducted without any bias or influence, without fear, favour or prejudice, as outlined in the DHA Investigation Policy.

9.3.2 Inspectorate

- Within the central law enforcement mandate, inspectorate officials undertake special investigations and joint operations within the security cluster and participating enforcement arms. This includes investigating syndicates involved in illegal migration and collusion with officials; civics cases involving acquiring RSA documents illegally and the detecting international fugitives from justice; and investigating cases involving terror suspects and trafficking in persons.
- The department's inspectorate officials are also trained to assist with detecting fraudulent use of fake passports and identification documents.
- Where an investigation by Inspectorate reveals that a foreigner may have been assisted by a DHA official through fraudulent or corrupt means, such cases must be referred to the Counter Corruption and Security Services Branch.

9.3.3 Co-operation with other agencies

- A multi-agency approach will be invoked where the nature of matters under investigation warrant involvement of other law enforcement agencies. Investigators must maintain good working relationships with the law enforcement agencies.
- Criminal matters must be reported to the relevant agency without delay and all information and exhibits must be placed at their disposal.

9.4 RESOLUTION

9.4.1 Disciplinary Proceedings

All fraud and corruption cases investigated, and where evidence exists that acts of misconduct were committed, such cases shall be handled in accordance with the relevant legislative prescripts and Departmental Disciplinary Code and Procedures.

9.4.2 Referring to other Agencies and Criminal Prosecution:

- Appropriate mechanisms exist for the referral of cases to external law enforcement agencies. In cases where the Department has evaluated and/or performed an investigation and discovered evidence of fraud or corruption, the case is reported to the SAPS for further investigation and possible prosecution.
- The Department gives its full co-operation to any such law enforcement agency including the provision of reports compiled in respect of investigations conducted.

9.4.3 Civil and Asset Recovery

- The recovery process is initiated by the Chief Directorate: Legal Services after having been furnished with the investigation findings/report and recommendation for such recovery. Costs involved are determined to ensure that the cost of recovery is financially beneficial.

9.4.4 Review of Internal Controls

- Management will continue to be informed of the findings of investigations in order to review the internal control systems.
- Such reviews are documented and agreed upon with relevant Managers for the implementation of corrective actions.
- DHA shall continue to address the problem of inadequacy of training, expertise and knowledge in systems, policies and procedures to improve internal controls.

10. IMPLEMENTATION OF THE PLAN

- The Fraud Prevention Plan will be presented to DMC, endorsed by EXCO and signed off by the Director-General.
- The Branch: Counter Corruption and Security Services is responsible for communicating the Plan and providing the necessary information/advice regarding the implementation thereof.
- A detailed Implementation Plan has been developed to give further impetus to how this will be effected.
- All Management must ensure that the Plan is effectively implemented within their area of responsibility.

14. MONITORING AND REVIEW

- The progress report on the implementation of this Plan and its review will be done annually.