

FRAUD PREVENTION MANUAL

Fraud prevention is everyone's responsibility

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Issued by Marketing and Communication Unit, Quality Council for Trades and Occupations

Report fraud

Fraudulent activities can be reported through the following platforms:

- ◆ Your line manager
- ◆ Any member of Management
- ◆ Public Service Anti-corruption hotline—0800 701 701

Definition of fraud

Fraud is regarded as an unlawful and intentional deceiving effort causing harm to another person or institution and/or gain advantage.

Causes of fraud

- ◆ **Opportunity:** Weak organisational systems encourage people to commit fraudulent activities.
- ◆ **Rationale:** Legitimate reasons are professed as the cause of committing fraud.
- ◆ **Motivation:** In most cases, perpetrators are motivated by the love of money.

Gift register

“All gifts to the value of R250.00 or more that are related to the business of the QCTO must be disclosed to the Chief Executive Officer or QCTO Council in writing on the Quality Council for Trades and Occupations Disclosure Book.

Employees are strictly forbidden from accepting or giving any gift at the value of over R350.00. It is strictly forbidden that money be accepted as a gift.”

Fraud manifestations

- **Systems issues:** where a process/system exists which is prone to abuse by employees, the public or other stakeholders, e.g.:
 - Biased evaluation of bids;
 - Procurement fraud, e.g. collusion between employees and suppliers;
 - Contractors “fronting”;
 - Leaking of confidential information to third parties;
 - Abuse of travel claim system;
 - Overstated leave entitlement; and
 - Appointment of candidates without pre-employment checks such as qualifications, credit history and criminal records; and ghost employees.
- **Financial issues:** i.e. where individuals or entities have fraudulently obtained money from the QCTO, e.g.:
 - Irregular overpayment of salaries;
 - Suppliers invoicing for work not done or for poor quality services;
 - Duplicate payment of invoices, i.e. invoice paid more than once;
 - Payments made to incorrect bank accounts; and
 - Payments made for invalid claims or claiming for invalid expenses.

- **Equipment and resource issues:** i.e. where the QCTO equipment is utilised for personal benefit or stolen, e.g.:
 - Theft of IT assets;
 - Deliberate destruction of property;
 - Employees leaving QCTO without returning company assets; and
 - Abuse of assets.
- **Other issues:** i.e. activities undertaken by employees of QCTO, which may be against policies or fall below established ethical standards, e.g.:
 - Conflict of interest;
 - Bribery;
 - Selling and/or leaking confidential information;
 - Favouritism;
 - Non-disclosure of private work; and
 - Deliberate destruction of intellectual property.