



**ST STITHIANS COLLEGE**

**POLICY: ANTI-FRAUD, CORRUPTION & BRIBERY**

**Executive Summary**

1. St Stithians College (“the College”), including Thandulwazi, believes that governance, risk management, controls and compliance are essential for optimising stakeholder value.
2. To achieve this, it must act with the highest regard to standards of integrity and honesty in all it does, thereby ensuring that all stakeholders have confidence when doing business with the College.
3. The College recognises that fraud, corruption and bribery have an adverse effect on an organisation wherever they occur. The College is therefore committed to enforcing high moral and ethical standards in all its activities.
4. The College believes that organisational success should depend on a fair and open assessment of its activities rather than being partly or wholly reliant on illegal, unauthorised, and/or unorthodox gratifications provided to our employees or any related parties.
5. Infringement of this policy may have serious implications for the reputation of the College and beyond, including adverse regulatory and media comments together with the possibility that criminal or civil penalties may be levied.
6. This policy is aligned with and complies with the Prevention and Combating of Corrupt Activities Act 12 of 2004.

**Purpose**

7. The purpose of this policy is to:
  - 7.1. ensure that, the College employees, all its business partners, suppliers, contractors and office bearers will act with integrity to prevent the abuse of position for direct, personal gain, or to benefit others;
  - 7.2. manage and reduce the risk of fraud and corruption;
  - 7.3. raise the level of fraud and corruption awareness among employees and other stakeholders; and
  - 7.4. in the occurrence of fraud and corruption, provide contingency plans that will protect the interests of the College.

## **Policy Statement**

8. The College does not tolerate fraud or any corrupt acts. This policy requires that the College:
  - 8.1. Permanent and temporary employees, business partners, suppliers, contractors and office bearers do not commit fraud or corrupt acts,
  - 8.2. Permanent and temporary employees do not offer or make any unorthodox, unauthorised or illegal gratification or inducement of any kind to anyone.
  - 8.3. Permanent and temporary employees, business partners, suppliers, contractors and office bearers do not solicit business by offering any unorthodox, unofficial or illegal gratification to service providers.
  - 8.4. Permanent and temporary employees and officer bearers do not accept any kind of gratification that has not be authorised by the College in the ordinary course of business as defined in any procedure/policy/employment contract/code of conduct/Saints Code of Ethics dealing with the acceptance of gratifications, gifts and/or gratuities.
  - 8.5. Permanent and temporary employees, business partners, suppliers, contractors and office bearers clearly refuse any gratification or offer thereof and do so in a manner that can lead to no misunderstanding or false expectation; and report any such offers to the applicable person identified immediately (point 8.7).
  - 8.6. Permanent and temporary employees, business partners, suppliers, contractors and office bearers report any breaches of this policy or any regulatory requirement even if by doing so they have to disclose their own wrongdoing.
  - 8.7. Managers maintain an atmosphere where permanent and temporary employees can report any matters in confidence and without fear of reprisals.
  - 8.8. Investigate and follow up on all fraud by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls as prescribed in the systems, policies, procedures, rules and regulations of the College.

## **Applicability**

9. The policy applies to all permanent and temporary employees, business partners, suppliers, contractors and office bearers of the College. If a member of the public reports fraud or is suspected of having committed or committing fraud against the College, the College will ensure that the matter is handled in accordance with the provisions of this policy.

## Definitions

The following definitions bear the meanings assigned to them in this policy:

10. "**Bribery**" means the act of offering, giving, receiving, or soliciting something of value (such as money, gifts, or favours) with the intent to influence the actions or decisions of an individual or the College as an entity. It undermines trust, fairness, and the rule of law, and is considered a serious offense.
11. "**College**" means St Stithians College, including both Thandulwazi Academy and Kamoka Bush School, and consists of schools for students, from Grade RRR to Grade 12.
12. "**Council**" means the highest decision-making body that governs the College with overarching responsibility for and authority over the College.
13. "**Corruption**" means "giving or offering; receiving or agreeing to receive; obtaining or attempting to obtain any gratification which 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".
14. "**Cybercrime**" means crimes directed at computers, data or Information and Communication Technologies (ICTs), and crimes committed by people using computers or ICT. Examples of fraud and corruption related to cyber incidents include, but are not limited to:
  - A. Unlawful access
  - B. Unlawful interception of data
  - C. Inappropriate use of someone else's password
  - D. Non-compliance with the policies regarding the disclosure and safe keeping of passwords
  - E. Provision of information to cyber criminals
  - F. Cyber extortion
  - G. Cyber fraud
  - H. Cyber forgery and uttering
  - I. Theft of incorporeal property
  - J. Identity theft.
15. "**Cyber extortion**" is a crime that entails an attack or threat of an attack coupled with a demand for money or another response in exchange for halting or resolving the attack.
16. "**Employees**" means Persons employed by the College.
17. "**Fraud**" means, but is not limited to the following legal definitions:
  - 17.1. "**Fraud**" means "the unlawful and intentional making of a misrepresentation resulting in actual or potential prejudice to another".

18. **“Theft”** means "the unlawful and intentional misappropriation of another's property or property which is in their lawful possession, with the intention to deprive the owner of its rights permanently".
19. **“Fraudulent”** or **“Corrupt acts”** may include, but are not limited to:
- 19.1. **“Systems issues”** includes where a process/system exists which is prone to abuse by employees, the public or other stakeholders, e.g.:
- A. Procurement fraud, e.g., irregular collusion in the awarding of tenders or orders for goods and/or services;
  - B. Irregularities in the effecting of payments;
  - C. Deliberate non-compliance with delegation of authority limits;
  - D. Deliberate, material non-compliance with policies and procedures;
  - E. Self-approval of expenditure without appropriate authority;
  - F. Collusion in contract management;
  - G. Revenue fraud;
  - H. Irregularities in appointment of staff, conditions of employment and employee benefits;
  - I. Travel and subsistence fraud; and
  - J. Disclosing confidential or proprietary information to outside parties.
- 19.2. **“Financial issues”** includes where individuals or companies have fraudulently obtained money from the College, e.g.:
- A. Syndicate fraud;
  - B. Creditors fraud, e.g., diverting payments to incorrect creditors;
  - C. Suppliers submitting invalid invoices or invoicing for work not done;
  - D. Abuse of corporate credit cards and fuel cards;
  - E. Payroll fraud, e.g., creation and payment of "ghost employees";
  - F. Unauthorised opening of account in the name of the College;
  - G. Failing to record all income in the accounting system;
  - H. Misrepresentation of the nature of expenses in budget reporting and financial statements;
  - I. Mismanagement of long-term investments;
  - J. Mismanagement of funds in suspense or dormant accounts;
  - K. Fraudulent raising of funds by students or staff;
  - L. Fraudulent reallocation of funds;
  - M. Theft of funds; and

N. Making a profit from insider knowledge.

19.3. **“Equipment and resource issues”** includes where College equipment is utilised for personal benefit or is stolen, e.g.:

- A. Theft and/or misappropriation of equipment and assets, e.g., computers, etc;
- B. Abusive use of resources, e.g., telephones, internet, e-mail;
- C. Intentional damage to property, substandard or unnecessary repairs, for example by contractors “creating” additional work;
- D. Unauthorised use of facilities for private benefit; and
- E. Irregular destruction, removal, or abuse of records (including intellectual property).

**19.3.1. “Extortion and Bribery”** includes the threat of the wrongful use of authority or physical harm unless a person agrees to comply with an illegitimate request.

19.4. **“Other issues”** includes where activities are undertaken by employees of the College, which may be against policies or fall below the College’s established ethical standards, e.g.:

- A. Soliciting gifts or favours from consultants or other suppliers, e.g. acceptance of "kick-backs" (e.g. Staff Code of Conduct, Procurement Policy and Procedure, Employment Contract, Saints Charter, Constitution, St Stithians Code of Good Practice (2007), etc);
- B. Conflicts of interest;
- C. Nepotism;
- D. Cronyism;
- E. Abuse of position;
- F. Forgery;
- G. Uttering of forged documents;
- H. Favouritism; and
- I. Deliberately omitting or refusing to report or act upon reports of any fraud.

20. **“Gratification”** includes, but is not limited to:

20.1. Money, whether in cash or otherwise.

20.2. Any donation, gift, loan, fee, reward, valuable security, property or interest in property of any description, whether movable or immovable, or any other similar advantage. This requirement does not apply to gifts which are worth less than R1,000 for permanent and temporary employees, nor R5,000 for Office Bearers. If there is more than one gift from the same donor (or any family member, organisation or person associated in any way

directly or indirectly with the donor), this R1,000/R5,000 limit applies to the aggregate of all gifts donated within any calendar year.

- 20.3. The avoidance of a loss, liability, penalty, forfeiture, punishment or other disadvantage.
  - 20.4. Any office, status, honour, employment, contract of employment or services, any agreement to give employment or render services in any capacity and residential or holiday accommodation.
  - 20.5. Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part.
  - 20.6. Any other service or favour or advantage of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and includes the exercise or the forbearance from the exercise of any right or any official power or duty.
  - 20.7. Any right or privilege used unlawfully.
  - 20.8. Any real or pretended aid, vote, consent, influence or abstention from voting.
  - 20.9. Any valuable consideration or benefit of any kind, including any discount, commission, rebate, bonus, deduction or percentage.
  - 20.10. Any benefit for a third party (individual, group of persons or company), it still constitutes corruption.
21. "**Head**" means the person appointed as being Head of any one of the St Stithians College Schools / Departments.
  22. "**Member of the public**" means any person not employed by the College.
  23. "**Parent**" shall include: -
    - 23.1. the biological or adoptive parent/s or legal guardian/s of a Student attending the College;
    - 23.2. the biological or adoptive parent/s or legal guardian/s of a Student enrolled, but not yet attending the College;
    - 23.3. the person legally entitled to custody or guardianship of a Student, to the exclusion of the Parent, without any rights to legal custody or guardianship.
  24. "**Policies**" and "**Procedures**" means the documents which determine the governance and operational features of the College as approved and adopted by the St Stithians College Council, St Stithians College Subcommittees and or the College Executive.
  25. "**Rector**" means the chief executive of the College, with the authority to override decisions made by the Head. The Rector cannot override existing policies and procedures without the approval from Governance Committee, except in cases where the Rector is the final decision-maker listed in that existing policy or procedure.

26. **"Student"** means –

- 26.1. the child whose name appears on the Student Enrolment Form and whose Parent wishes them to be enrolled in and educated at the College, irrespective of whether they are minors or not; or
- 26.2. the child who pursuant to an enrolment process has been enrolled in and is being educated at the College, irrespective of whether they are minors or not.

### **Reporting Procedures and Resolution of Reported Incidents**

27. What should permanent and temporary employees, business partners, suppliers, contractors and office bearers do if they suspect fraud?

- 27.1. It is the responsibility of all permanent and temporary employees, business partners, suppliers, contractors and office bearers to immediately report all allegations or incidents of fraud to the Rector or, if the permanent and temporary employees, business partners, suppliers, contractors and office bearers has reason to believe that the Rector is involved, to the Chair of Council. If the permanent and temporary employees, business partners, suppliers, contractors and office bearers have reason to believe that both the Rector and the Chair of Council are involved, the matter should be reported to the Chair of the Governance Committee.
- 27.2. College Exco is responsible for the detection, prevention and investigation of fraud and must report all incidents and allegations of fraud to the Rector.
- 27.3. The Rector will initiate an investigation into the matter, in consultation with appropriate Senior Management.
- 27.4. Permanent and temporary employees, business partners, suppliers, contractors and office bearers can report allegations of fraud anonymously, utilising the methods of reporting, as documented in the Whistleblowing Policy.

28. What should members of the public or parents do if they suspect fraud?

The College encourages members of the public or suppliers and business partners who suspect fraud to contact the Rector. If there is reason to believe that the Rector is involved, then the Chair of Council is to be contacted. If there is reason to believe that the Chair of Council and Rector are involved, then the Chair of Governance Committee is to be contacted.

29. How will allegations of fraud be dealt with by the College?

- 29.1. For issues raised by employees, members of the public, suppliers, office bearers, business partners or contractors, the action taken by the College will depend on the nature of the concern. The matters raised may be:
  - 29.1.1. Investigated internally; or

- 29.1.2. Referred to the South African Police Service ("SAPS") or other law enforcement agencies when there is knowledge or suspicion of an offence (of corruption) in terms of sections 3 to 16 or 20 to 21 of the Criminal Procedures Act or theft, fraud, extortion, forgery or uttering of a forged document involving an amount of R100 000 (one hundred thousand Rand) or more.
- 29.2. Any fraud or corruption committed by an employee, or any other person will be pursued by thorough investigation and including (where appropriate) consideration of:
  - 29.2.1. In the case of employees, taking disciplinary action within a reasonable period of time after the incident, in terms of the College Policy;
  - 29.2.2. Instituting civil action to recover losses;
  - 29.2.3. Initiating criminal prosecution by reporting the matter to SAPS or any other relevant law enforcement agencies; and
  - 29.2.4. Any other appropriate and legal remedy available.
- 29.3. The Head of Finance, with the assistance of line managers, is required to ensure that losses or damages suffered by the College as a result of all reported acts committed by an employee, or any other person are recovered from such an employee or other person.
- 29.4. The responsible line manager, with the assistance of other relevant managers, must also ensure that the following steps are taken with regard to financial misconduct in line with the law:
  - 29.4.1. Ensuring that disciplinary proceedings are carried out in accordance with the relevant prescripts;
  - 29.4.2. Ensuring that disciplinary proceedings are instituted within 30 days;
  - 29.4.3. Advising the Rector on the outcome of disciplinary proceedings;
  - 29.4.4. Submitting to the Finance Committee and Governance Committee within 10 days of the outcome of the hearings/charges, a deidentified schedule of:
    - 29.4.4.1. The outcome of any disciplinary hearings and/or criminal charges;
    - 29.4.4.2. The designation of employees involved; and
    - 29.4.4.3. The sanctions and any further actions taken against these employees.
- 29.5. The following must be taken into account when determining the appropriateness of disciplinary steps against an employee:
  - 29.5.1. The circumstances of the transgression;
  - 29.5.2. The nature and seriousness of the transgression.

### **Confidentiality**

30. All information relating to fraud that is received and investigated will be treated confidentially.



31. The progression of investigations will be handled confidentially and will not be disclosed or discussed with any person(s) other than those who have a legitimate right to such information. This is important to avoid harming the reputations of suspected persons who are subsequently found innocent of wrongful conduct.
32. No person is authorised to supply any information about allegations or incidents of fraud to the media without the express prior written permission of the Rector.

#### **Publication of Sanctions**

33. The Rector will decide, in consultation with appropriate senior managers, whether any information relating to corrective actions taken or sanctions imposed, regarding incidents of fraud should be brought to the direct attention of any person or made public through any other means.

#### **Protection of Whistle-Blowers**

34. An employee who reports suspected fraud may remain anonymous should they so require and shall be protected by the College Whistle Blowing Policy and, in its absence, the Protected Disclosures Act, 26 of 2000.
35. The College's business partners, suppliers, contractors, office bearers, parents and members of the public who report suspected fraud may remain anonymous should they so require and shall be protected by the College Whistle Blowing Policy (refer to point 9).
36. No person will suffer any penalty or retribution for good faith reporting of any suspected or actual incident of fraud.
37. All line managers should discourage employees or other persons from making allegations that are false and made with malicious intent. Where such allegations are discovered, the person who made the allegations must be subject to disciplinary or other appropriate action.

#### **Application of Prevention Controls and Detection Mechanisms**

38. In respect of all reported incidents of fraud, line managers are required to immediately review, and where possible, improve the effectiveness of the controls which have been breached in order to prevent similar irregularities from taking place in future.

#### **Creating Awareness**

39. It is the responsibility of the College Exco to ensure that all employees are made aware of, and receive, appropriate training and education about this policy.

#### **Policy Governance**

40. Policy Review

This policy will be reviewed by the College Exco and Finance Committee (“FinCom”) and amended upon on any Gazetted regulatory amendments and according to the College agreed policy and procedure review cycle.

41. Ownership of this Policy is vested in the Rector.

42. Approval of Policy

This policy is approved by the Governance Committee (“GovCom”) according to the College agreed policy and procedure review cycle.

Any proposed interim changes must be approved by the GovCom.

43. Policy and legislative framework

List of relevant legislation or policy applicable to the policy:

43.1. Protected Disclosures Act 26 of 2000;

43.2. Labour Relations Act 66 of 1995;

43.3. Cybercrimes Act 2021;

43.4. Prevention and Combating of Corrupt Activities Act 12 of 2004;

43.5. Criminal Procedure Act 51 of 1977.

#### **Non-Compliance**

44. Instances of non-compliance with this policy will be reported in terms of the relevant Governance structures.

Instances which represent critical breaches of internal control systems will be reported to the College Exco, relevant Council Committees and the College Council.

Breaches of this policy may result in disciplinary action, which may include dismissal, in addition to any civil or criminal action that may be taken. Incidents rendering employees liable for such action include:

44.1. Any failure to abide by the obligations listed above.

44.2. Negligence by a manager who fails to take due care and diligence when reviewing the actions of employees under their control.

44.3. Any action where an employee directly or indirectly encourages others to breach this policy.

44.4. Where any employee knowingly falsely accuses another employee of a breach of this policy.

Adopted by College Executive Committee: 07 July 2023

Approved by Finance Committee: 12 January 2024

Approved by GovCom: 11 July 2024

Approved by Council: 01 August 2024

Author: Head of Finance  
Owner: Rector  
5-year review cycle date: 31 July 2029