

**SAICA GROUP  
Fraud Prevention  
Policy  
(including bribery, corruption,  
and any other unlawful  
activity)**

Managed by	Risk and Compliance
Policy Owner	Senior Executive: Risk and Compliance
Contact number	011 621 6645
Policy Sponsor (if different from owner)	Senior Executive: Risk and Compliance
Final approval by	ExCo
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Applies to	SAICA and its Controlled Entities
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## 1. Introduction & Purpose

- 1.1. SAICA's Board ("Board") is committed to establish and maintain an ethical culture within SAICA by promoting anti-bribery, anti-corruption and anti-fraud principles, including prevention, detection, investigation, remediation and possible eradication of incidents of all forms of offences, breaches of law, failure to comply with legal obligations, bribery, corruption, fraud and unlawful activity within SAICA, the accountancy profession and public interest.
- 1.2. This Policy sets out the minimum expected standards for preventing offences, breaches of law, failure to comply with legal obligations, bribery, corruption, fraud and unlawful activity within SAICA and the basis to properly, in whole or in part, address anti-bribery, anti-corruption and anti-fraud requirements in SAICA and to explain how the various components fit together.

## 2. Interpretation & Definitions

- 2.1. In this Policy the terms set out hereunder shall have the following meaning:
  - 2.1.1. "Business" means the whole or any part of a business, trade, undertaking or service;
  - 2.1.2. "Bribery" as defined in Annexure "A" hereto;
  - 2.1.3. "Board" means the board of SAICA, including any other person/s with whom the ultimate responsibility for compliance may rest;
  - 2.1.4. "CISA" means the Compliance Institute of South Africa;
  - 2.1.5. "Concern" means a concern of an employee, service provider or any stakeholder of SAICA, which include but are not limited to the following acts or omissions by SAICA or a SAICA employee;
  - 2.1.6. "Constitution" means the Constitution of the Republic of South Africa, 108 of 1996, as amended from time to time;

- 2.1.7. **“Controlled Entities”** means entities controlled by SAICA, being Thuthuka Educational Upliftment Fund NPC, The Hope Factory NPC and SAICA Enterprise Development (Pty) Ltd;
- 2.1.8. **“Corruption”** as defined in **Annexure “A”** hereto;
- 2.1.9. **“Discloser”** means any party who discloses Confidential Information to the other party;
- 2.1.10. **“Disclosure”** as defined in **Annexure “A”** hereto;
- 2.1.11. **“Employee”** means a person employed by SAICA through a permanent or fixed-term employment contract and who receives or received, or is entitled to any remuneration;
- 2.1.12. **“Employment Equity Act”** means the Employment Equity Act, 55 of 1998, as amended from time to time;
- 2.1.13. **“Fraud”** as defined in **Annexure “A”** hereto;
- 2.1.14. **“ExCo”** means the SAICA Executive Committee;
- 2.1.15. **“Prevention”** means any proactive measures undertaken to reduce the risk of bribery, corruption, fraud and unlawful activity occurring;
- 2.1.16. **“GACP”** means the General Accepted Compliance Practice Framework issued by the CISA;
- 2.1.17. **“King IV Report”** means the fourth report on Corporate Governance in South Africa published by the King Committee and which became effective from 01 April 2017;
- 2.1.18. **“Management”** means the Senior Management of SAICA;
- 2.1.19. **“Occupational Detriment”** as defined in **Annexure “A”** hereto;
- 2.1.20. **“PDA”** means the Protected Disclosures Act, 26 of 2000, as amended from time to time;
- 2.1.21. **“PEPUDA”** means the Promotion of Equality and Prevention of Unfair Discrimination Act, 4 of 2000, as amended from time to time;
- 2.1.22. **“PRECCA”** means the Prevention and Combatting of Corrupt Activities Act, 12 of 2004, as amended from time to time;
- 2.1.23. **“POC”** means the Prevention of Organised Crime Act, 121 of 1998, as amended from time to time;
- 2.1.24. **“Protected Disclosure”** as defined in **Annexure “A”** hereto;
- 2.1.25. **“POPIA”** means the Protection of Personal Information Act, 4 of 2013, as amended from time to time;
- 2.1.26. **“Regulatory Authority”** means an institution established to oversee the implementation of a particular legislation;
- 2.1.27. **“Report”** means the reporting of the concern or disclosure by any person, including but not limited to a Whistleblower or assurance providers;

- 2.1.28. **“SAICA”** means the South African Institute of Chartered Accountants and its entities;
- 2.1.29. **“SAICA Members”** means members of SAICA in terms of the following designations: Chartered Accountants (SA), Associate General Accountant (SA) and Accounting Technicians (SA);
- 2.1.30. **“The/this Policy”** means this Fraud Prevention Policy (including bribery, corruption and any other unlawful activity), as amended from time to time;
- 2.1.31. **“Unlawful activity”** as defined in **Annexure “A”** hereto;
- 2.1.32. **“Whistleblower”** means a person who has performed an act of Whistleblowing and is not an investigator or finder of facts nor does it determine the appropriate corrective or remedial action required; and
- 2.1.33. **“Whistleblowing”** means the act of an employee, service provider or any other stakeholder raising their concerns against specific acts and/or omission which may be considered to be unethical/unlawful activities being carried out within the organisation.

### **3. Scope & Application**

- 3.1. This Policy applies to SAICA and its business activities and operations. This Policy applies to all SAICA employees, and service providers and other stakeholders who have adopted this Policy or the principles thereof via a contractual agreement or otherwise, irrespective of whether an offence has actually been committed or where there is only a suspicion of an offence being committed.
- 3.2. This Policy shall also apply to SAICA’s Controlled Entities and its employees’ to the extent that such entities have a similar policy in place.

### **4. Fraud Prevention Policy Statements**

- 4.1. Because the detection, prevention, investigation and remediation of bribery, corruption, fraud and unlawful activity has become an important part of establishing and maintaining an ethical culture. The above Policy Statements are confirmed in the endorsement letter by the Board Chairman and CEO, attached herewith as **Annexure “B”**.
- 4.2. SAICA has adopted the following policy statements in this regard:
  - 4.2.1. **Policy Statement 1:** A zero-tolerance approach to bribery, corruption, fraud, unlawful activities, and all forms of irregularities of similar nature across SAICA which could impact or have a potential prejudice to SAICA and the members of public, has been adopted by SAICA.
  - 4.2.2. **Policy Statement 2:** Every employee shall adopt and apply the principles set out in this Policy. Every employee has a part to play in and is expected to apply an appropriate level of due diligence at the outset of any business relationship and take the necessary steps to prevent, detect and combat bribery, corruption, fraud, or any other unlawful activities of similar nature, in regards to SAICA activities and operations and taking proper care of all SAICA assets and/or resources he/she is responsible for.
  - 4.2.3. **Policy Statement 3:** SAICA shall not tolerate any improper conduct impacting or having the potential to impact SAICA and/or any form of occupational detriment against an employee. SAICA shall ensure adequate protection

to employees in circumstances where they are victimised or endure any form of occupational detriment, as a consequence of reporting bribery, corruption, fraud, or any other unlawful activities of similar nature activities.

- 4.2.4. **Policy Statement 4:** An environment and process (which provides for anonymity, confidentiality and transparency) shall be fostered and maintained, to provide for the combatting of bribery, corruption, fraud or unlawful activities, and all forms of irregularities of similar nature across SAICA, through encouraged reporting of expressed concerns or making disclosures or protected disclosures, determining whether there is a real or perceived without fear of punishment of unfair treatment or occupational detriment. An environment shall also be fostered wherein employees believe that bribery, corruption, fraud and unlawful activities will be detected and investigated; and in dealing with public officials, state institutions, other corporations and private citizens, it shall not seek to influence others, either directly or indirectly, by paying or receiving bribes or kickbacks or any other unlawful activity, including but not limited to payments to local officials by employees for the completion of any administrative actions, or by any other measure that is unethical or that will tarnish SAICA's reputation for honesty and integrity. Even the appearance of such conduct must be avoided.
- 4.2.5. **Policy Statement 5:** An adequate risk management process shall be established and maintained, underpinned by the principles of prevention, detection, investigation and remediation, including a reporting structure which provides for the reporting (including whistle blower process) of real or perceived bribery, corruption, fraud or unlawful activities, and all forms of irregularities of similar nature across SAICA to SAICA and/or any other Regulatory Authority.
- 4.2.6. **Policy Statement 6:** SAICA shall be properly equipped to determine whether there is a possible violation or actual violation timeously to take the necessary corrective action, and thus stop the wrongdoing and prevent harm or damage (including physical, financial and reputational harm) occurring to SAICA's operations, its employees, members and its stakeholders. SAICA shall process (receive, retain, treat, investigate and report) all concerns and disclosures effectively and efficiently, which shall include providing appropriate feedback on any action taken on any concerns or disclosures raised to the person who raised such.
- 4.2.7. **Policy Statement 7:** SAICA shall treat all confirmed offences, breaches of law, failure to comply with legal obligations, bribery, corruption, fraud and unlawful activities as serious misconduct in accordance with SAICA's Disciplinary Code (where applicable) and process, and also refer same to the South African Police Service and Organised Crime Unit and/or institute civil action, where applicable.
- 4.2.8. **Policy Statement 8:** SAICA shall take appropriate measures to recover any assets misappropriated and losses or expenditure attributable to offences, breaches of law, failure to comply with legal obligations, bribery, corruption, fraud, unlawful activities, which includes but are not limited to the recovery of, SAICA intellectual property, physical assets, money, third party expenses incurred and investigation costs.
- 4.2.9. **Policy Statement 9:** SAICA shall treat all confirmed offences, breaches of law, failure to comply with legal obligations, bribery, corruption, fraud and unlawful activities as serious misconduct in accordance with SAICA's

Disciplinary Code (where applicable) and process, and also refer same to the South African Police Service and Organised Crime Unit and/or institute civil action, where applicable.

- 4.2.10. **Policy Statement 10:** SAICA's fraud prevention and whistleblower framework are aligned to the principles of the PDA, PRECCA, POPIA, the Constitution, King IV, the GACP and all other related legislation, which principles are outlined in this Policy, which includes conducting business in a transparent, honest manner, with integrity and to the highest ethical standards, and this commitment is embodied in, amongst other things, SAICA's Constitution and By-laws, Employees Code of Ethics, Employee Code of Conduct, Conflict of Interest and Gift Policy and the Board Policy on Declaration of Interest.

## 5. Roles and Responsibilities

- 5.1. Management has the duty and responsibility to establish controls and procedures to prevent and detect offences, breaches of law, failure to comply with legal obligations, bribery, corruption, fraud and unlawful activity when it occurs, whilst the Board has an oversight responsibility.
- 5.2. Management should ensure that all SAICA employees, and all relevant service providers and stakeholders are familiar with the content of this Policy and the relevant regulatory requirements, as well as subsequent amendments thereto from time to time.
- 5.3. SAICA employees must ensure that they comply with the provisions of this Policy.
- 5.4. The Risk and Compliance Department, Governance shall enforce this Policy and ensure that all SAICA Board Members and employees understand their responsibilities in terms of this Policy.

## 6. Reporting

- 6.1. This Policy imposes a duty on all persons to whom this Policy or the principles thereof apply to report non-compliance to this Policy to the Policy Owner. Alternatively, must report such via SAICA's Anonymous Tip-off Hotline. Please refer to the Whistleblowing Process for guidance on how to report.
- 6.2. The Policy Owner shall report non-compliance of this Policy to the Compliance Function on a monthly basis and provide continuous status updates on non-compliance reports.

## 7. Remedial Action

- 7.1. It should be noted that should employees fail to adhere to this Policy, such conduct may result in disciplinary action being taken in accordance to SAICA's Disciplinary Policy and Procedure, and any other relevant procedures.
- 7.2. It should further be noted that should a service provider or any other stakeholders who have adopted this Policy or the principles thereof via a contractual agreement or otherwise, fail to adhere to this Policy or the principles thereof that SAICA shall institute remedial actions and/or procedures available to SAICA.

## 8. Approval & Effective Date

This Policy shall be approved by ExCo and shall come into effect 1 (one) month after approval by ExCo, subject to the completion of implementation and the necessary training awareness created by the Policy Owner.

## 9. Review of Policy

- 9.1. This policy will be reviewed every 3 (three) years or as required, in order to ensure that the terms are current, fair and representative of relevant best practices, corporate and industry conditions.
- 9.2. The Risk & Compliance division is responsible for maintaining and revising this Policy.

### Policy Sign-Off and Ownership Details

Policy Title	Fraud Prevention Policy (including bribery, corruption and any other unlawful activity)
Review Date	1 April 2023
Related Legislation Applicable	Companies Act, Constitution of RSA, Criminal Procedure Act, Employment Equity Act, Financial Intelligence Centre Act, Labour Relations Act, Public Finance Management Act, PDA, PRECCA, PEPUDA, POPIA and POC
Related Policies, Procedures, Guidelines, Standards, Frameworks	Fraud Prevention Procedure, Fraud Prevention Procedure, Employee Conflict of Interest & Gift Policy, Employee Code of Ethics Policy, Employee Code of Conduct, Contract Management Policy, Procurement Policy, Accounts Payable Policy, Risk Management Policy & Framework, Compliance Policy and Board Policy on Declaration of Interest, Disciplinary Code and Procedure, Whistleblowing Process
Policy Owner	Senior Executive: Risk and Compliance
Policy Owner (Tel)	011 621 6645
Policy Sponsor (if different from Policy Owner)	Senior Executive: Risk and Compliance
Application	SAICA and Entities/Other
Status	Approved
Final Approval by	ExCo
Approval Date	26 May 2020
Version	2.0

#### Sign-off:

The following party is a signatory to the content of this policy:

*Signed by the Chairman of ExCo*

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CEO-Chairman of ExCo

**Date: 26 May 2020**

### Revision History

Version	Date	Revision Description & Summary of Changes (for audit trail purposes)	Policy Owner & Policy Sponsor
		<b>Note:</b>	

		<b>The Change Risk Management process must be followed where significant changes are made to this policy.</b>	
[3.0]	[DD:MM:YY]	[Major Revision: Legislative amendment (Approval required)]	-
[1.1]	[DD:MM:YY]	[Minor Amendments: formatting (No approval required)]	-
2.0	[DD:MM:YY]	Major Revision: Legislative amendment (Approval required)	Senior Executive: Risk & Compliance
1.0	28:02:20	First draft: new policy	Unknown

**End of Policy**

**Annexure “A”  
Misconduct Definition**

<b>Misconduct</b>	<b>Misconduct Definition</b>
<b>Bribery (section 10 of PRECCA)</b>	means a form of corruption, the receiving or offering of an unauthorised gratification by or to a party to an employment relationship, which may constitute as a corrupt activity.
<b>Corruption (section 3 to 21 of PRECCA)</b>	Any form of a corrupt activity as described in Chapter 2 of PRECCA, which includes unauthorised gratification
<b>Disclosure (section 1 of the PDA)</b>	means any disclosure of information regarding any conduct of an <i>employer</i> , or of an <i>employee</i> or of a <i>worker</i> of that <i>employer</i> , made by any <i>employee</i> or <i>worker</i> who has reason to believe that the information concerned shows or tends to show one or more of the following: (a) That a criminal offence has been committed, is being committed or is likely to be committed; (b) that a person has failed, is failing or is likely to fail to comply with any legal obligation to which that person is subject; (c) that a miscarriage of justice has occurred, is occurring or is likely to occur; (d) that the health or safety of an individual has been, is being or is likely to be endangered; (e) that the environment has been, is being or is likely to be damaged; (f) unfair discrimination as contemplated in Chapter II of the Employment Equity Act, 1998 (Act No. 55 of 1998), or the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000); or (g) that any matter referred to in paragraphs (a) to (f) has been, is being or is likely to be deliberately concealed.
<b>Employee (section 1 of the PDA)</b>	means— (a) any person, excluding an independent contractor, who works or worked for another person or for the State, and who receives or received, or is entitled to receive, any remuneration; and (b) any other person who in any manner assists or assisted in carrying on or conducting or conducted the business of an <i>employer</i> .
<b>Employer (section 1 of the PDA)</b>	means any person— (a) who employs or provides work for any other person and who remunerates or expressly or tacitly undertakes to remunerate that other person; or (b) who permits any other person in any manner to assist in the carrying on or conducting of his, her or its business, including any person acting on behalf of or on the authority of such employer.
<b>Fraud (as defined <a href="https://www.tei.org.za/index.php/re-sources/articles/business-ethics/1712-understanding-fraud-">https://www.tei.org.za/index.php/re-sources/articles/business-ethics/1712-understanding-fraud-</a></b>	means the unlawful, intentional making of misrepresentation which causes actual prejudice to another or holds potential prejudice to another.

<p><a href="#"><u>and-white-collar-crime-the-origin-definition-and-elements-of-fraud</u></a></p>	
<p><b>Occupational Detriment (section 1 of the PDA)</b></p>	<p>in relation to an <i>employee</i> or a <i>worker</i>, means—</p> <ul style="list-style-type: none"> <li>(a) being subjected to any disciplinary action;</li> <li>(b) being dismissed, suspended, demoted, harassed or intimidated;</li> <li>(c) being transferred against his or her will;</li> <li>(d) being refused transfer or promotion;</li> <li>(e) being subjected to a term or condition of employment or retirement which is altered or kept altered to his or her disadvantage;</li> <li>(f) being refused a reference, or being provided with an adverse reference, from his or her <i>employer</i>;</li> <li>(g) being denied appointment to any employment, profession or office;</li> <li>(h) being subjected to any civil claim for the alleged breach of a duty of confidentiality or a confidentiality agreement arising out of the <i>disclosure</i> of— <ul style="list-style-type: none"> <li>(i) a criminal offence; or</li> <li>(ii) information which shows or tends to show that a substantial contravention of, or failure to comply with the law has occurred, is occurring or is likely to occur;</li> </ul> </li> <li>(j) being threatened with any of the actions referred to in paragraphs (a) to (h) above; or</li> <li>(k) being otherwise adversely affected in respect of his or her employment, profession or office, including employment opportunities, work security and the retention or acquisition of contracts to perform work or render services;</li> </ul>
<p><b>Protected Disclosure (section 1 of the PDA)</b></p>	<p>means a <i>disclosure</i> made to—</p> <ul style="list-style-type: none"> <li>(a) a legal adviser in accordance with section 5;</li> <li>(b) an <i>employer</i> in accordance with section 6;</li> <li>(c) a member of Cabinet or of the Executive Council of a province in accordance with section 7;</li> <li>(d) a person or body in accordance with section 8; or</li> <li>(e) any other person or body in accordance with section 9, but does not, subject to section 9A, include a <i>disclosure</i>— <ul style="list-style-type: none"> <li>(i) in respect of which the <i>employee</i> or <i>worker</i> concerned commits a criminal offence by making that <i>disclosure</i>; or</li> <li>(ii) made by a legal adviser to whom the information concerned was disclosed in the course of obtaining legal advice in accordance with section 5.</li> </ul> </li> </ul>
<p><b>Unlawful activity (section 1 of POCA)</b></p>	<p>means any conduct which constitutes a crime or which contravenes any law whether such conduct occurred before or after the commencement of this Act and whether such conduct occurred in the Republic or elsewhere;</p> <p>or</p> <p>“<i>pattern of criminal gang activity</i>” includes the commission of two or more criminal offences referred to in Schedule 1: Provided that at least one of those offences occurred after the date of commencement of Chapter 4 and the last of those</p>

	<p>offences occurred within three years after a prior offence and the offences were committed—</p> <p>(a) on separate occasions; or</p> <p>(b) on the same occasion, by two or more persons who are members of, or belong to, the same criminal gang;</p> <p>or</p> <p><i>“pattern of racketeering activity”</i> means the planned, ongoing, continuous or repeated participation or involvement in any offence referred to in Schedule 1 and includes at least two offences referred to in Schedule 1, of which one of the offences occurred after the commencement of this Act and the last offence occurred within 10 years (excluding any period of imprisonment) after the commission of such prior offence referred to in Schedule 1.</p>
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**ENDORSEMENT LETTER BY THE BOARD CHAIR AND CEO**

At the South African Institute of Chartered Accountants, we are committed to the prevention and detection of fraud in order to achieve our key corporate strategic objectives and to protect our assets and core values.

SAICA Board and Management are committed to a process of fraud risk management underpinned by the principles of fraud prevention, detection, investigation and remediation (PDIR). Our fraud risk approach is also aligned to the principles of the King IV Report on Corporate Governance 2017.

The features of this process are outlined in the SAICA Fraud Prevention Policy (including bribery, corruption and any other unlawful activity). It is understood that all Board members, directors, staff, SAICA members and service providers will be subject to the SAICA Fraud Prevention policy.

It is understood that fraud and corruption could adversely impact the reputation of the Institute, its designations and potentially impair the trust we have with our stakeholders. SAICA therefore, requires all staff to act at all times with honesty and integrity and safeguard assets for which they are responsible.

SAICA adopts a zero-tolerance approach to fraud and corruption across the Institute and its Entities and will take appropriate disciplinary measures against any staff and/or any external party found to be involved in the commission of fraud.

Channels to report fraud are highlighted in the SAICA Fraud Prevention process. Efforts will be made to ensure that SAICA recovers assets misappropriated and losses suffered due to fraud.

Every staff member has a part to play in this important endeavour and we look forward to working together to protect our assets and core values.

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F Nomvalo

CEO

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Board Chairman

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Date

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Date