

# Together we can fight against fraud and corruption



The 2020/21 financial year has been one of the most challenging years, both professionally and personally – let us take solace in the fact that we persevered through a tough year.

The role of the whistle-blower is integral to government oversight and accountability. The Provincial Forensic Services (PFS) commends WCG officials and members of the public who continue to take a stand against fraud, theft and corruption by blowing the whistle. By reporting such allegations, you have assisted the WCG to curb economic crime in the midst of a pandemic.

The latest Global Economic Crime and Fraud Survey, published by PricewaterhouseCoopers in 2020, reports that bribery and corruption are considered to be the most serious and disruptive forms of economic crime to affect organisations both in the public and private sector.

*The wrongs being done by unscrupulous thieves must be dealt with decisively. It is time that leadership led without fear, favour or prejudice. – Tito Mboweni.*

Transparency International<sup>1</sup> defines corruption as “the abuse of entrusted power for private gain”.

## FORMS OF CORRUPTION

### Favouritism:

The provision of special privilege or favour to friends, colleagues and acquaintances by an individual in a position of authority.

If favouritism is shown to a family member due to the family relationship and not due to their competencies, skills or knowledge, we call it **Nepotism**.

Example of Nepotism: An official who is a panel member in a recruitment and selection committee, influences the panel to appoint his sister to the position, over other suitable candidates, even though she does not meet the requirements for the position.



### Bribery:

Bribery is the giving or receiving of a “thing of value” to corruptly influence the actions of another. A bribe is usually a one-time pay-off in exchange for a specific favour. The mere offer of a bribe is considered an offence committed by the person who makes the offer (corruptor). Both the corruptor and corruptee (person accepting the offer), are guilty of the offence, if the corruptee accepts the bribe.

Example: Company A (corruptor) offers Ms Z, a Project Manager responsible for managing the Department’s contract (corruptee), renovations at her home (bribe), in return for an extension of their contract with the WCG (the abuse of authority).



### Kickbacks:

Kickbacks are a form of negotiated bribery in which commission is paid to the bribe-taker in exchange for a contract.

Example: A contract is awarded to Company A, who is permitted by Mr X, an official of WCG, to submit inflated invoices or invoices for goods or services not rendered. Mr X approves the inflated invoices and Company A pays the kickback which usually is derived from the inflated amount not legitimately due to the service provider.



<sup>1</sup>Transparency International is a global movement working in over 100 countries to end the injustice of corruption

**Remember:** The Code of Conduct for Public Servants requires all officials to “immediately report to an appropriate authority, fraud, corruption, nepotism, maladministration and any other act which constitutes a contravention of any law (including, but not limited to, a criminal offence) or which is prejudicial to the interest of the public, which comes to his or her attention during the course of his or her employment in the public service.”

## WHAT DO THE NUMBERS SAY?

### Provincial Forensic Services

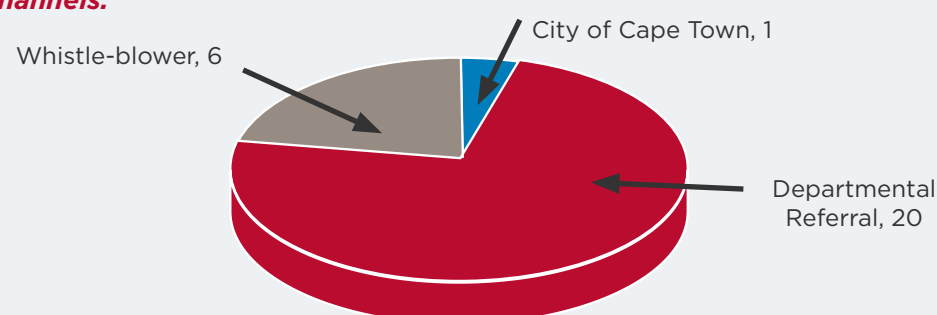
PFS provides reactive and proactive forensic services to all departments in the WCG. PFS investigates allegations of theft, fraud and corruption affecting the WCG, and performs its functions impartially and without fear, favour or prejudice. PFS also plays an integral part in preventing and deterring fraud and corruption in the WCG through conducting fraud risk assessments and fraud awareness sessions in Departments, developing policies and plans to assist Departments in their fight against fraud and corruption and creating awareness and encouraging whistleblowing by ensuring posters and flyers are displayed in WCG buildings.

### Investigations

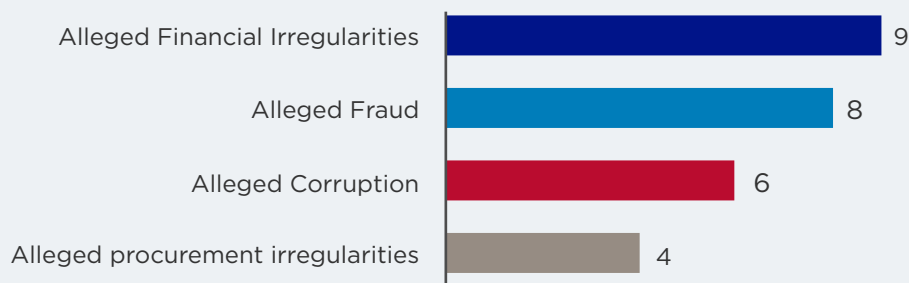
At the beginning of the 2020/21 financial year, PFS had **25** cases on hand. **27** new cases were registered during the financial year through the following reporting channels:

#### Allegations received by PFS that were registered as cases

Cases registered during 2020/21 were received through these reporting channels:

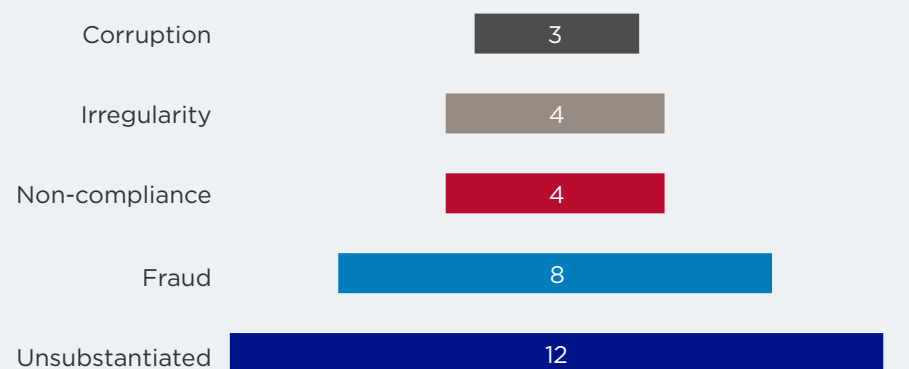


#### Number of new cases registered during 2020/21 per allegation type:



### Investigation outcomes

31 cases were finalised during 2020-21 with the following outcomes:



### Consequences

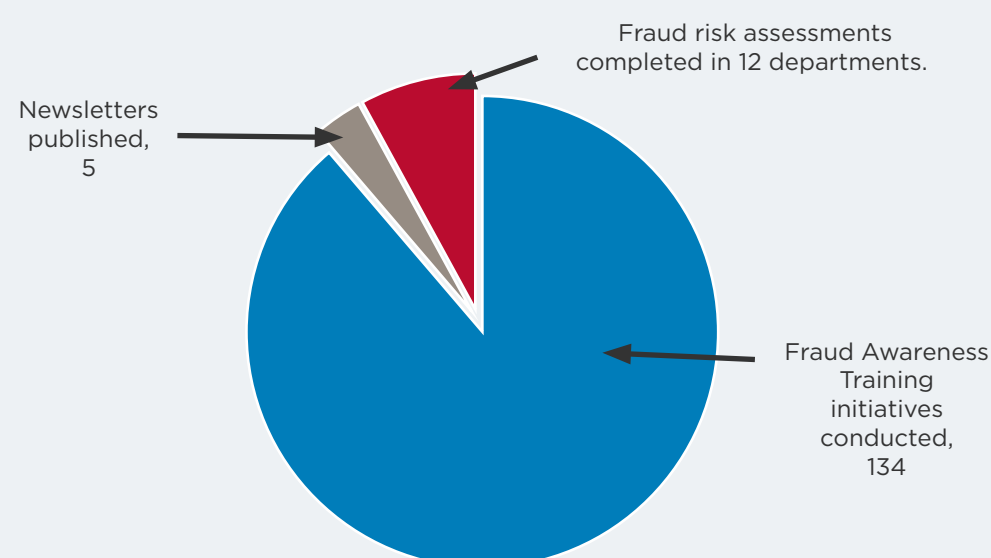
PFS reported 12 criminal cases to SAPS in 2020/21. An example of one of the cases previously reported and recently finalised is as follows: a former official was found guilty of fraud and sentenced to 2 years’ imprisonment, suspended for 5 years and correctional supervision. 15 recommendations were made for disciplinary action to be taken against implicated officials. Some of the outcomes of the disciplinary actions were as follows: 2 final written warnings and suspensions without pay for a period of time, 1 final written warning and a fine. PFS also made 51 recommendations to improve controls which may detect/prevent the reoccurrence of breaches to the control environment.



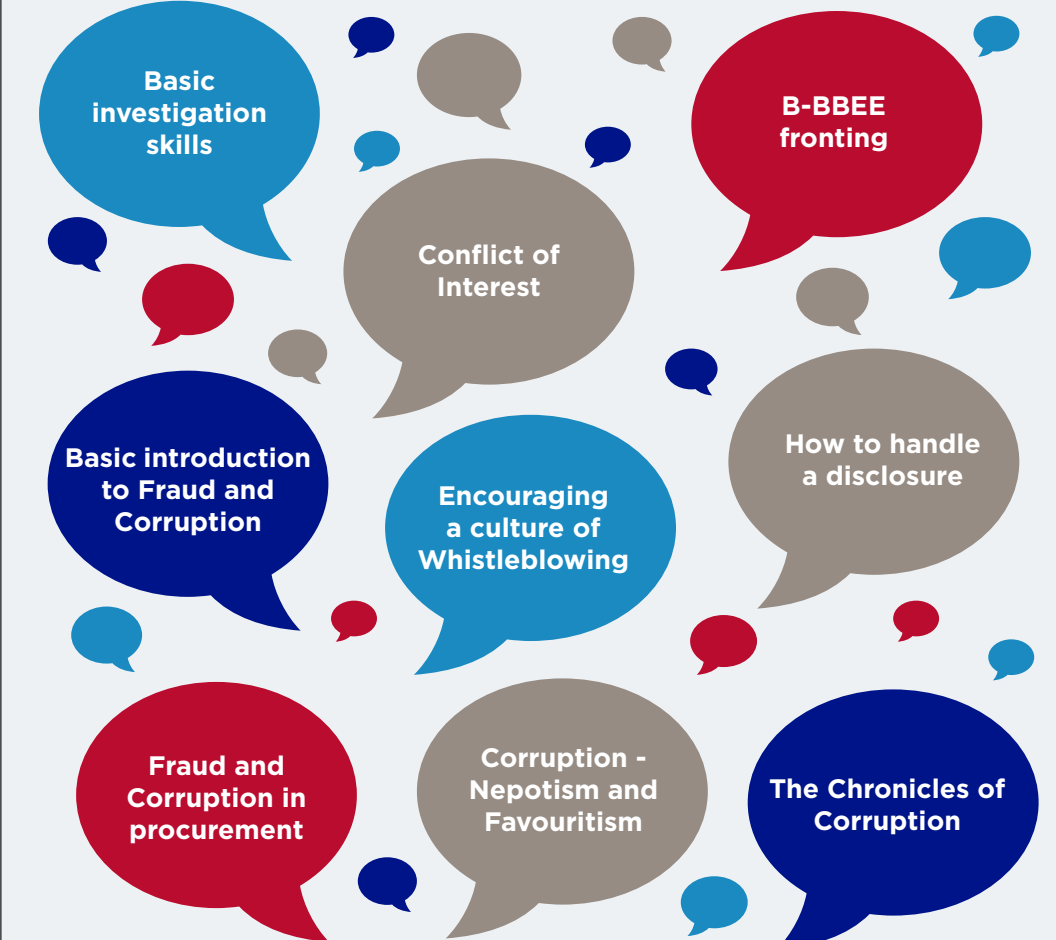
### Proactive

Training and awareness initiatives are designed to empower employees to become anti-fraud and corruption custodians. The Covid-19 pandemic has resulted in most of us working differently and working remotely. This has required PFS to employ innovative ways of creating awareness, this includes utilising different platforms such as Microsoft Teams for awareness sessions, circulating quizzes via Survey Monkey and presenting awareness sessions via e-learning.

The PFS conducted fraud risk assessments for **12** departments. PFS also facilitated fraud awareness sessions and reached **1452** officials through these sessions; and created further awareness by publishing **5** newsletters.



### The fraud awareness training sessions covered these topics



Here are a few ways you can report:

### Take Action, Blow the Whistle

The WCG encourages all employees and workers to blow the whistle on suspected corruption, fraud and theft. (See the [Whistle-blowing Policy](#) for further guidance on how to blow the whistle responsibly.)

**Post:** PO Box 659, Cape Town, 8000  
**Tel:** 021 483 0901  
**E-mail:** Tip.Offs@westerncape.gov.za  
**Toll-free to National Anti-corruption Hotline (NACH):** 0800 701 701

