



PLAASLIKE MUNISIPALITEIT
NKETOANA (F.S. 193)

(Reitz, Petrus Steyn, Lindley & Arlington)
LOCAL MUNICIPALITY

NKETOANA LOCAL MUNICIPALITY

Fraud Prevention Plan

Definition

The unlawful and intentional making of a misrepresentation which causes actual and or potential prejudice to another”.

Purpose of the Policy

The Accounting Officer has committed the Nketoana Local Municipality to a process of fraud risk management that is aligned to the principles of the **Municipal Finance Management Act (MFMA), Act no 56 of 2003.**

As instances of fraud remain a constant threat to public trust and confidence, it becomes essential to recognise fraud risk management as an integral part of strategic management and the Nketoana Local Municipality is therefore adopting a comprehensive approach to the management of fraud risks. Management’s agenda is to focus on efforts to:

- Understand the fraud risks that can undermine the Nketoana Local Municipality’s business objectives;
- Determine whether fraud prevention programmes and controls are actually effective in reducing instances of fraud;
- Gain insight into better ways of designing and evaluating controls to prevent, detect and respond appropriately to fraud;
- Reduce exposure to liability, sanctions and litigation that may arise from violations of law or stakeholder expectations;
- Derive practical value from the development of a sustainable process of managing fraud risk and improving performance; and

- Achieve the highest levels of business integrity through sound corporate governance, internal control and transparency.

The features of this process are outlined in the Institution's Fraud Risk Management Strategy. It is expected that all personnel will adhere to the fraud risk management strategy. It is the intention that individual personnel, as well as business units will work together in a consistent and integrated manner, with the overall objective of reducing fraud risk.

Effective fraud risk management is imperative to the Nketoana Local Municipality to fulfil its mandate, the service delivery expectations of the public and the performance expectations within the Institution.

The realisation of our strategic plan depends on us being able to take calculated business risks in a way that does not jeopardise the interests of stakeholders.

We subscribe to the fundamental principles that all resources will be applied economically to ensure:

- The highest standards of service delivery;
- A management system containing the appropriate elements aimed at minimising fraud risks and related costs in the interest of all stakeholders;
- Maintaining an environment, which promotes the right attitude and sensitivity towards internal and external stakeholder satisfaction.

Fraud undermines the abovementioned principles.

An entity-wide approach to fraud risk management will be adopted by the Institution, which means that every key fraud risk in each part of the Institution will be included in a structured and systematic process of fraud risk management. It is expected that the fraud risk management processes will become embedded in the Institution's systems and processes,

ensuring that our responses to fraud risk remain current and dynamic. All fraud risk management efforts will be focused on supporting the Nketoana Local Municipality's objectives. Equally, they must ensure compliance with relevant legislation, and fulfill the expectations of employees, communities and other stakeholders in terms of corporate governance.

Every employee has a part to play in this important endeavour and we look forward to working with you in achieving these aims.