



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



Document control

Managed by	Risk and Compliance
Policy Owner	Executive: Risk and Compliance
Policy Sponsor (if different from owner)	COO
Final approval by	AudCo
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Applies to	SAICA and its Controlled Entities, employees, and relevant stakeholders
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1. Introduction & Purpose

1.1. SAICA’s Board is committed to establish and maintain an ethical culture within SAICA by promoting anti-bribery, anti- corruption¹, and anti- fraud principles, including prevention, detection, investigation,

¹ The Social, Ethics and Transformation Sub-Board Committee is responsible for monitoring SAICA’s activities, with regards to social and economic development as well as transformation, including SAICA’s standing in terms of the goals and purposes of Principles 10 relating to anti-corruption as set out in the United National (UN) Global Compact Principles, and the Organisation for Economic Cooperation and Development (OECD) recommendations relating to corruption.



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. **“CISA”** means the Compliance Institute of South Africa;
- 2.1.4. **“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;
- 2.1.5. **“Constitution”** means the Constitution of the Republic of South Africa, 108 of 1996, as amended from time to time;
- 2.1.6. **“Controlled Entities/Related Entities”** means those Entities that are controlled by SAICA, i.e., Thuthuka Education Upliftment Fund (TEUF), The Hope Factory (THF), and SAICA Enterprise Development (SAICA ED) and any other legal entity that may from time to time be established and controlled by SAICA;
- 2.1.7. **“Corruption”** as defined in **Annexure “A”** hereto;
- 2.1.8. **“Discloser”** means any party who discloses Confidential Information to the other party;
- 2.1.9. **“Disclosure”** as defined in **Annexure “A”** hereto;
- 2.1.10. **“Employee”** means any person who is employed by or works for SAICA or a Controlled Entity, who receives or is entitled to receive any remuneration or who works under the direction or supervision of SAICA or a Controlled Entity;
- 2.1.11. **“Employment Equity Act”** means the Employment Equity Act, 55 of 1998, as amended from time to time;
- 2.1.12. **“ExCo”** means the SAICA Executive Committee;
- 2.1.13. **“Fraud”** as defined in **Annexure “A”** hereto;
- 2.1.14. **“GACP”** means the General Accepted Compliance Practice Framework issued by the CISA;
- 2.1.15. **“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;



- 2.1.16. **“Non-compliance with laws and regulations” or “NOCLAR”** means non-compliance with laws regulations (non-compliance) comprises of acts or omissions or commission, intentional or unintentional which are contrary to the prevailing laws or regulations committed by SAICA;
- 2.1.17. **“Management”** means the SAICA Group’s respective Management Committees and Executive Committees;
- 2.1.18. **“Occupational Detriment”** as defined in **Annexure “A”** hereto;
- 2.1.19. **“PDA”** means the Protected Disclosures Act, 26 of 2000, as amended from time to time;
- 2.1.20. **“PEPUDA”** means the Promotion of Equality and Prevention of Unfair Discrimination Act, 4 of 2000, as amended from time to time;
- 2.1.21. **“PRECCA”** means the Prevention and Combatting of Corrupt Activities Act, 12 of 2004, as amended from time to time;
- 2.1.22. **“Fraud Prevention”** means any proactive measures undertaken to reduce the risk of bribery, corruption, fraud and unlawful activity occurring and NOCLAR;
- 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 Board”** means the governing body of the SAICA Institute and the SAICA Group, also referred to as the Board;
- 2.1.30. **“SAICA Board sub-committee”** means a committee appointed by the board to discharge the duties delegated to it by the SAICA Board;
- 2.1.31. **“SAICA Entity Board”** means the Board of directors of the SAICA Controlled Entity/Related Entity;
- 2.1.32. **“SAICA Group”** means **SAICA and its Controlled Entities/Related Entities as a collective**
“SAICA Members” means members of SAICA in terms of the following designations: Chartered Accountants (SA), Associate General Accountant (SA) and Accounting Technicians (SA);
- 2.1.33. **“The/this Policy”** means this Fraud Prevention Policy (including bribery, corruption and any other unlawful activity), as amended from time to time;



- 2.1.34. **“Unlawful activity”** as defined in **Annexure “A”** hereto;
- 2.1.35. **“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
- 2.1.36. **“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, operations and SAICA employees, service providers and other stakeholders who have adopted this Policy or the principles thereof via a contractual agreement or otherwise.
- 3.2. This Policy shall also apply to SAICA’s Controlled Entities and their employees, unless such entities have a similar policy in place. All SAICA and SAICA Controlled Entities’ employees and other relevant stakeholders are required to comply with this Policy.

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 (including NOCLAR), all forms of irregularities of similar nature, across SAICA which could impact or have a potential prejudice to SAICA, its members and associates, as well as members of public, has been adopted by SAICA.
 - 4.2.2. **Policy Statement 2:** SAICA shall develop and adopt adequate internal controls, ethics, and compliance programmes and measures for the purpose of preventing, detecting, and combatting bribery, corruption, fraud, or any other unlawful activities (including NOCLAR) of similar nature, regarding SAICA activities and operations and taking proper care of all SAICA assets and/or resources.
 - 4.2.3. **Policy Statement 3:** SAICA shall not tolerate any improper conduct impacting or having the potential to impact SAICA and/or public interest and/or result in 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 (including NOCLAR) of similar nature.
 - 4.2.4. **Policy Statement 4:** An environment and process (which provides for accountability, anonymity, confidentiality) 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 concerns or making disclosures or protected disclosures, whether there is a real or perceived risk/threat without fear of punishment or unfair treatment or occupational detriment.



SAICA shall encourage reporting of known or suspected concerns or making disclosures or protected disclosures, whether real or perceived fear of punishment or unfair treatment or occupational detriment to an employee in order to combat bribery, corruption, fraud or unlawful activities, and all forms of irregularities of similar nature across SAICA.

- 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, which shall include providing appropriate feedback on any action taken on any concerns or disclosures raised to the person who raised such, where applicable.
- 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 misconduct in accordance with SAICA's Employee Disciplinary Code and Policy (where applicable) and process, and also refer same to relevant professional bodies, regulatory bodies, disciplinary tribunals, 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, where legally feasible, 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's fraud prevention and whistleblower framework shall be aligned to the principles of the PDA, POC, PRECCA, POPIA, the Constitution, King IV, the GACP and United Nations (UN) Global Compact Principle and Organisation for Economic Co-operation and Development (OECD) Recommendation relating to corruption, 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. SAICA Group Entity Boards



The SAICA Group Entity Boards are ultimately accountable for the governance of compliance within their respective entities. The SAICA Group Entity Boards' role and responsibilities shall be in accordance with the SAICA By-Laws as amended from time to time.²

5.2. **Audit and Risk Sub-Board Committee (AudCo)**

The AudCo's role and responsibilities shall be in accordance with the AudCo's Terms of Reference as amended from time to time.³ AudCo shall assess the efficiency and effectiveness of the company's internal controls, including fraud risk management systems, which help produce reliable corporate reporting.

5.3. **Social, Ethics and Transformation Sub-Board Committee (SETCO)**

The SETCO's role and responsibilities shall be in accordance with the SETCO's Terms of Reference as amended from time to time.⁴ The SETCo shall monitor SAICA's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice relating to ethical conduct (including but not limited to bribery, corruption, and fraud).

5.4. **Other Sub-Board Committees (Human Resources and Remuneration Committee (HR/REMCo), Nominations and Governance Committee (NOM/GOVCo), Digital Transformation Governance Committee (DTGC), Social, Ethics and Transformation Committee (SETCo), and Education and Assessment Committee (EAC))**

All other Sub-Board committees shall also take responsibility for the monitoring of ethical conduct (including but not limited to bribery, corruption, and fraud).

5.5. **Management** shall:

5.5.1. develop and adopt adequate internal controls and measures for the purpose of preventing, detecting, and combatting offences, breaches of law, failure to comply with legal obligations, bribery, corruption, fraud and unlawful activity when it occurs; and

5.5.2. 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.

5.6. **Employees** must ensure that they comply with the provisions of this Policy and all related procedures. 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 regard to SAICA activities and operations and taking proper care of all SAICA assets and/or resources he/she is responsible for.

5.7. **Risk and Compliance Division** shall enforce this Policy and ensure that all SAICA Board Members and employees understand their responsibilities in terms of this Policy.

6. Reporting

² See By-law 5.3.1.6, 5.3.1.10, 5.3.1.12, 5.3.1.6 of the By-laws. Point 8.9 of the AudCo Terms of Reference.

³ AudCo Terms of Reference point 1, 7.7, 8.7. and 8.9

⁴ AudCo Terms of Reference point 1, 7.7, 8.7. and 8.9



- 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 Procedure (available on the SAICA Policy Register Microsoft Team and SAICA website) for guidance on how to report.
- 6.2. The Policy Owner to report non-conformance of this Policy to the Executive Committee in a timely manner and provide continuous status updates on non-compliance reports.

7. Remedial Action & Sanctions

- 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 with 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 AudCo and shall come into effect 1 (one) month after approval by AudCo, subject to the completion of implementation and the necessary training awareness created by the Policy Owner.

9. Review of Policy

- 9.1. The Policy Owner will assess this Policy annually to determine whether a review is required, in order to ensure that the terms are current, fair and representative of relevant corporate and industry conditions. Such an assessment needs to be submitted and approved by the AudCo.
- 9.2. The Ethics and Compliance Department is responsible for maintaining and revising this, Policy.
- 9.3. The Board reserves the right to change this Policy at any time without prior notice and will communicate such changes to all affected.
- 9.4. This policy will remain in force from date of acceptance until amended and circulated as an updated policy.

Policy Sign-Off and Ownership Details

Policy Title	Fraud Prevention Policy (including bribery, corruption, and any other unlawful activity)
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, National Environmental Management Act, Pension Funds



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 Procedure, Employment Equity Policy, UN Global Compact Principles regarding corruption, OECD Recommendations regarding corruption
Policy Owner	Executive: Risk and Compliance
Policy Sponsor (if different from Policy Owner)	Chief Operating Officer
Application	SAICA and Entities/Other
Status	Approved
Final Approval by	AudCo
Approval Date	31 August 2023
Version	2.1
Next Review Date	30 August 2024

Sign-off:
The following party is a signatory to the content of this policy:
Signed by the Chairman of AudCo

CEO - Chairman of AudCo
Date: 31 August 2023

Revision History

Version	Date	Revision Description & Summary of Changes (for audit trail purposes) Note: The Change Risk Management process must be followed where significant changes are made to this policy.	Policy Owner & Policy Sponsor
[3.0]	[DD:MM:YY]	[Major Revision: Legislative amendment (Approval required)]	-
[1.1]	[DD:MM:YY]	[Minor Amendments: formatting (No approval required)]	-
2.1	31:08:23	[Minor Amendments: formatting (No approval required)]	Senior Executive: Risk & Compliance/Chief Operating Officer
2.0	26:05:20	Major Revision: Legislative amendment (Approval required)	Senior Executive: Risk & Compliance/Chief Operating Officer
1.0	TBD	First draft: new policy	Unknown

End of Policy

Annexure "A"
Misconduct Definition

Misconduct	Misconduct Definition
Bribery (section 10 of PRECCA)	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.
Corruption (section 3 to 21 of PRECCA)	Any form of a corrupt activity as described in Chapter 2 of PRECCA, which includes unauthorised gratification
Disclosure (section 1 of the PDA)	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.
Employee (section 1 of the PDA)	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> .
Employer (section 1 of the PDA)	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.
Fraud (as defined https://www.tei.org.za/index.php/re-sources/articles/business-	means the unlawful, intentional making of misrepresentation which causes actual prejudice to another or holds potential prejudice to another.



<p>ethics/1712-understanding-fraud-and-white-collar-crime-the-origin-definition-and-elements-of-fraud</p>	
<p>Occupational Detriment (section 1 of the PDA)</p>	<p>in relation to an <i>employee</i> or a <i>worker</i>, means—</p> <ul style="list-style-type: none">(a) being subjected to any disciplinary action;(b) being dismissed, suspended, demoted, harassed or intimidated;(c) being transferred against his or her will;(d) being refused transfer or promotion;(e) being subjected to a term or condition of employment or retirement which is altered or kept altered to his or her disadvantage;(f) being refused a reference, or being provided with an adverse reference, from his or her <i>employer</i>;(g) being denied appointment to any employment, profession or office;(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">(i) a criminal offence; or(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;(j) being threatened with any of the actions referred to in paragraphs (a) to (h) above; or(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;
<p>Protected Disclosure (section 1 of the PDA)</p>	<p>means a <i>disclosure</i> made to—</p> <ul style="list-style-type: none">(a) a legal adviser in accordance with section 5;(b) an <i>employer</i> in accordance with section 6;(c) a member of Cabinet or of the Executive Council of a province in accordance with section 7;(d) a person or body in accordance with section 8; or(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">(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(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.
<p>Unlawful activity (section 1 of POCA)</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</p>



occurred after the date of commencement of Chapter 4 and the last of those offences occurred within three years after a prior offence and the offences were committed—

(a) on separate occasions; or

(b) on the same occasion, by two or more persons who are members of, or belong to, the same criminal gang;

or

“pattern of racketeering activity” 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.



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, executive directors, employees, 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 Whistleblowing Procedure. Efforts will be made to ensure that SAICA recovers assets misappropriated and losses suffered due to fraud.

Every employee has a part to play in this important endeavour and we look forward to working together to protect our assets and the MIPART values.

F Nomvalo

CEO

Date

AudCo Chairperson

Date