



Fraud Prevention and Whistle Blowing Policy

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1. Introduction

Sasria SOC Limited (Sasria) values the integrity and efforts of all its employees, in dealing with suppliers, stakeholders and other employees. Sasria recognises the need to set down its stance that fraud or any other dishonest activities of similar nature will not be tolerated. These efforts are aimed at protecting the interests of Sasria as a company, and those of all its stakeholders.

Sasria further recognises need for a dispensation in terms of which employees may, without fear of reprisals, disclose information relating to suspected or alleged criminal or other irregular conduct affecting the company. Sasria in this regard will protect members of staff who make disclosures, in accordance with the provisions of the Protected Disclosures Act, No 26 of 2000, concerning either unlawful or irregular conduct.

This policy must be read in conjunction with the Ethics Management Policy and the Conflict of Interest Management Policy.

2. Policy Statement

Sasria supports and fosters a culture of no tolerance for the commission or concealment of fraudulent or illegal acts. Allegations of such acts will be investigated and pursued to their logical conclusion, including legal action, criminal prosecution, and disciplinary action where warranted. Being cognisant of its responsibility for setting the tone for effective leadership based on an ethical foundation, the Sasria Board accepts the need to manage organisational ethics and integrity to build an ethical corporate culture that is non - tolerant to fraud.

Sasria employees are prohibited from participating in anything that involves fraud and/ or illegal activities.

Sasria further recognises the need for procedures in terms of which employees may, without fear of reprisals, disclose information relating to suspected or alleged fraudulent, criminal or other irregular conduct affecting the company.

Sasria further recognises that whistle-blowing serves as an early warning system to avert possible risks to the organisation and as a result it encourages whistle - blowing for timely corrective action.

3. Regulatory Framework

The regulatory frameworks for prevention and combating of fraud as well as protecting whistle - blowers are provided by -

- Prevention and Combating of Corrupt Activities Act, 2004
- Companies Act, 2008
- Public Finance Management Act, 1999
- National Treasury Regulations
- King IV Report on Corporate Governance for South Africa 2016
- Whistle Blowing
- Protected Disclosures Act, 2000
- Labour Relations Act, 2000

4. Purpose of Policy

The purpose of this Policy is to provide understanding of the corporate values and principles set out by the Board of Sasria in relation to ensuring that there is an anti - fraud mechanism and protection of whistle-blowers in the company.

The Policy further promotes the management of fraud risks and establishment of mechanisms to prevent these from realising as well as a mechanism to protect whistleblowers who take a stand against fraud and corruption without fear of victimisation.

5. Policy Implementation

The following principles govern and support Sasria's anti - fraud and whistle - blower protection practices. This policy shall be implemented in line with a value based anti - fraud and ethical culture adopted by Sasria Board and driven by Management, as follows:

- (a) Adoption and implementation of corporate ethical values.
- (b) An established and resourced Social and Ethics Committee.
- (c) Adoption of, and implementing an anti-fraud policy, balancing it with protection of whistle-blowers statements and mechanisms.
- (d) Development of Procedures and Processes that reduce fraud risk to ensure that upon the occurrence of a fraudulent event, detection takes place, contingency plans protecting the interests of Sasria are in place, and that where possible the potential offender can be successfully prosecuted.
- (e) Development and implementing a Fraud Risk Management Process.
- (f) Application of the Policy to any actual or suspected act of fraud, theft, corruption and dishonesty involving any Sasria's employees as well as consultants, vendors, contractors, employees doing business with outside agencies and/or any other stakeholders having a business relationship with Sasria.
- (g) All Sasria stakeholders taking responsibility to fight against fraud and other illegal acts.
- (h) Sasria employees are specifically prohibited from participating in anything that involves fraud and/ or illegal activities.
- (i) Identification, assessment and management of fraud risks.
- (i) Working against corruption in all its forms, including extortion and bribery.
- (j) Implementation of internal controls by Management to ensure that such controls are operating effectively to deter and detect fraud, corruption and dishonesty.
- (k) All staff being alert to the possibility that unusual events or transactions could be the symptoms of an actual or attempted act of fraud, theft, corruption or dishonesty.
- (l) All directors meeting the fit and proper requirements of ethics and integrity.
- (m) Staff training to ensure awareness.
- (n) Reporting and disclosure of ethics activities to relevant stakeholders
- (o) Ensuring that whistle-blowers should do so without fear of victimisation or subsequent discrimination or disadvantage of any form.
- (p) Crime in its broadest definition will not be tolerated, irrespective of a person's position or number of years of services and will be uniformly and severely dealt

with. It is also expected from all employees to report suspected instances of fraud.

- (q) Provision of guidelines within the existing legal framework, for dealing with fraud and corruption within Sasria.
- (r) Guidance to employees and stakeholders on what may constitute fraud, theft, corruption and dishonesty and to detail the procedures where these acts are suspected or discovered.
- (s) Audit Committee shall review reports on any material defalcations, frauds and thefts from the company.
- (t) Increasing the probability of detecting incidences of fraud and physical security gaps during audit projects.
- (u) The supply chain function shall assist Exco and the Board in combating corruption and fraud in the supply chain management system.
- (v) Should a report to an audit committee, whether from the internal audit function or any other source, implicate the accounting officer in fraud, corruption or gross negligence, the chairperson of the audit committee must promptly report this to the relevant executive authority.
- (w) The company must reject a proposal for the award of a contract if the recommended bidder has committed a corrupt or fraudulent act in competing for the particular contract or even cancel a contract awarded to a supplier of goods or services - if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract; or if any official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- (x) Sasria respects an individual's right to retain their anonymity when reporting any act of fraud, theft, corruption or dishonesty to internal audit. Individuals can therefore make use of the anonymous reporting hotline.

The contact details

Free Call phone: 0800 212 676
(Exclusive to Sasria)

Free Call fax: 0800 00 77 88
(For the sending of relevant documentation to support a tip-off)
Unique e-mail Freepost
address sasria@tipoffs.com
Tip-offs Anonymous Freepost KZN 138 Umhlanga Rocks 4320
(to mail letters and relevant documentation)

The operation of the anonymous hotline is outsourced to an external service provider who sanitises the information to remove all traces that may identify the person making the report before forwarding the information to Sasria for investigation.

The processes followed by Sasria in respect of anonymous reporting will be subject to periodic external review.

6. Roles and Responsibilities

6.1 Board of Directors

The Board is responsible for:

- (a) Setting out the tone at the top regarding adoption of ethical values for the company.
- (b) Supporting the application of the Fraud Prevention and Whistle Blowing Policy and all other anti – fraud mechanisms in the company.
- (c) Delegation of suitable responsibilities pertaining to the management of fraud prevention and management to the relevant Board Committee or to Management.

6.2 Social and Ethics Committee

The Social and Ethics Committee is responsible for:

- (a) Annually reviewing and approving the Fraud Prevention and Whistle Blowing Policy to ensure that the Policy remains relevant and up to date at all times.
- (b) Delegation of suitable responsibilities pertaining to fraud prevention to Management.

6.3 Executive Committee

The Executive Committee is responsible for:

- (a) Ensuring full implementation of the policy approved by the Social and Ethics Committee and the Board within all divisions.
- (b) Monitoring the implementation of the Policy, procedures and processes for managing fraud risk in all of the Sasria's material products, activities, processes and systems.
- (c) Providing support to the Compliance Function to ensure that a culture of compliance is entrenched throughout Sasria.
- (d) Ensuring that there are adequate systems for maintaining accounting records, safeguarding assets of Sasria, prevention and detection of fraud and other irregularities, and maintaining an effective system of internal controls.
- (e) Reporting to the Board on an annual basis on the amount of fruitless and wasteful expenditure identified, as well as the number of fraudulent cases being investigated and the outcomes of these investigations.
- (f) Recommendation of approval of the Fraud Prevention and Whistle Blowing Policy to the relevant Board Committee.

6.4 Compliance Function

The Compliance Function is responsible for:

- (a) Defining any additional procedures and standards required.
- (b) Facilitation of ethics training interventions including but not limited to the annual governance week for Sasria staff.
- (c) Maintaining records and documentation of Policy exceptions agreed upon, dispensations granted and breaches of policy observed.
- (d) Monitoring and reporting to the Exco, Board committees and the Board on the application of the Policy.

- (e) Recording and documenting all cases of fraud.
- (f) Facilitating the independent and objective investigation of all suspected incidents of fraud, theft, corruption and cyber-crime or associated internal irregularities, in line with this policy. Should the findings be disputed, an independent 3rd party can be approached to perform an investigation.
- (g) Reporting to the Social and Ethics Committee at least twice per annum on any matters and events related to fraud cases that occurred or are being investigated, and the outcomes of such investigations.

6.5 Chief Risk Officer (CRO) The

CRO is responsible for:

- (a) Defining any additional procedures and standards required for management of fraud risks.
- (b) Maintaining records and documentation of Policy exceptions agreed upon, dispensations granted, and breaches of Policy observed.
- (c) Monitoring the application of the Policy.
- (d) Recording and documenting all cases of fraud.
- (e) Investigations of fraudulent activities.
- (f) Reporting to the Risk Committee on an annual basis on the number of fraudulent cases being investigated and the outcomes of these investigations.

7. Failure to Apply or Comply with the Policy

Sasria views its Fraud Prevention and Whistle Blowing Policy in a serious light and failure to comply with this policy may result in disciplinary action being taken against such employee in accordance with Sasria's Human Capital Policies as amended from time to time.

8. Revision of the policy

- The policy will be reviewed at three-year intervals to ensure its relevance and alignment with applicable legal and governance requirements.
- Where relevant however policies may be reviewed earlier than the above threeyear period where there are major changes and / or gaps identified in the policy or where a shorter policy review period is dictated by law or other form of regulation.