



Your 10-point plan on how to combat fraud and corruption in your organisation

Make an impact that matters

Effective management of fraud and corruption risks should focus on the effective detection, response and prevention of incidents. The unfortunate reality is that perpetrators of these crimes are constantly adapting their approach and as such the risk profiles of organisations require constant monitoring and assessment.

There are specific requirements that all organisations should take note

of in their formulation of a sound foundation for managing fraud and corruption risks and this foundation requires augmentation in respect of organisation specific environments.

As a minimum, organisations should have all of the measures below in place (this list is not exhaustive and serves as a foundation for managing fraud and corruption risks):

1 Embed an effective fraud prevention strategy

Ensure that there is an approved Fraud Prevention Strategy, Protected Disclosures Policy, Conflict of Interest Policy, Anti-Bribery and Corruption Policy and Fraud Response Plan (including cyber-incident response), which are clearly articulated, implemented and communicated throughout the organisation. These should be reviewed annually.

2 Implement a tiered approach

Implement a three-tier approach to reducing fraud and corruption, which should include essential elements of prevention, response and detection. Each of these three-tiers have numerous elements which comprise their core function.

3 Effective fraud risk assessments

Initiate on-going Fraud Risk Assessments (including assessment of cyber-related risks), which are a non-negotiable element of mitigating the risks of fraud; these should be conducted at an Enterprise and Business Unit level.

4 Optimise the use of technology in detecting fraud

Leverage technology in order to implement Continuous Control Monitoring measures through Forensic Data Analytics aimed at the early detection of fraud and corruption risk indicators.

5 Assessing employee awareness

Conduct an annual online Fraud Health Check survey amongst

employees, which should ideally be anonymous in nature. Results of these surveys should be benchmarked against prior years in order to identify areas of fluctuation that may require attention.

6 Eliminating conflicts of interests

Manage the risk of Conflicts of Interest through implementation of an auditable declaration process where all declarations are assessed and verified. Employees' business interests should be verified and exceptions should be investigated in a consistent manner.

7 Managing relationships with external stakeholders

Discourage/prohibit the receipt of gifts from suppliers as this alleviates the risk of potential irregularities and furthermore reduces the administration of any gift register. Should the organisation elect to allow suppliers to provide employees with gifts it is imperative that the organisation implement an auditable Gift Register where all gifts offered/received require approval or rejection by management. Suppliers should

also be required to declare all gifts offered/provided to employees.

8 KNOW your business partners

Supplier vetting should entail stringent verification and approval measures, including a Conflict of Interest Declaration. Suppliers should be required to accept and adhere to the organisation's Code of Conduct, Conflict of Interest Policy, Gift Policy and anti-bribery and corruption requirements.

9 Creating awareness

Fraud Awareness and Anti-Fraud Education should be consistently applied throughout the organisation and a continuous basis.

10 Inform employees how to raise concerns

Organisations should ensure all employees know the policy for making protected disclosures under the Protected Disclosure Act 2014. This may include the use of a 24/7 whistleblowing hotline or publishing a policy on exactly how to make a protected disclosure.

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