

Fraud Control Plan

uShaka Marine Worlds Code of Conduct and Ethics requires all staff to perform their duties with professionalism, objectivity, honesty, integrity and compassion, and in the best interests of the people who use the services of the Company. They are also asked to report any suspected corrupt conduct, including fraud.

Manual Approval

This is to certify that the Fraud Control Plan and the Fraud Risk Assessment has been reviewed by the head of department and the chief operating officer for content, accuracy and thoroughness. The contents contained herein conform completely with the existing operational standards of uShaka MARINE WORLD.

Prepared By

Prakash van den Berg

Chief Operating Officer:

Shawn Thompson

Date:

Statement of Principle

uShaka Marine World is entrusted by the community and Local government to protect our facilities, assets, revenues and expenditure.

We have a responsibility to guard against attempts by any person to gain – by deceit – money, assets, information or other inappropriate benefit or advantage. We believe that a Fraud Control Plan is a building block to an ethical and successful organisation.

Fraud prevention and control must be the responsibility of all staff and all levels of management, and not just selected people or units within the Company.

Our Fraud Control Plan will be achieved by implementing these concepts with a rigorous standard of investigation into allegations of misconduct, including fraud.

Client and Community Awareness and Involvement

It is important that uShaka Marine Worlds clients, service providers and the community generally not only are aware of our initiatives to address the fraud problem but also are able to play a part in the process.

uShaka Marine Worlds Fraud Control Plan has been written principally to guide our staff and management in the prevention, detection, reporting and handling of fraud.

Nevertheless, we believe that the Plan has a potentially broader readership than staff and management alone. And by making this document available publicly we aim to demonstrate to the general community our commitment to addressing fraud. Further, there are some aspects of our Plan that do seek the involvement of people other than staff and management.

Another aspect of the plan that involves the broader community is the reporting of actual or suspected fraud. While the Plan encourages staff and management to report fraud, and provides options, we also invite members of the public, including our clients and service providers, to do the same. If you are not employed by uShaka Marine World, but you suspect fraud that involves uShaka

Marine World in some way, please **report your suspicions** to either:

- Chief Operating Officer – Shawn Thompson 078 456 4598
- Financial Manager – Prakash van den Berg 083 270 6385
Speed dial * 50111

Speed dial to be used if you are employed by uShaka Marine World.

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The Fraud Control Plan

Introduction

The vast majority of uShaka Marine Worlds employees, clients and service providers act ethically.

However, fraud affects all large organisations.

This Fraud Control Plan has been developed to raise awareness of fraud at work. It aims to help staff and other people who deal with uShaka Marine World to prevent, detect and report suspected fraud.

uShaka Marine World does not tolerate or condone fraudulent conduct.

In keeping with our *Code of Conduct and Ethics* all staff need to be aware of their responsibility to foster and develop the highest standards of integrity and promote an ethical workplace culture.

Definition of Fraud

Fraud is defined as a deliberate and premeditated act which involves using deception to gain advantage from a position of trust and authority.

(Fraud is actually one type of corrupt conduct. Broadly, corrupt conduct is defined as the conduct of any person that could adversely affect the honest and impartial exercise of official functions by a public official).

Fraudulent acts may involve theft, the making of false statements, evasion, the manufacturing of information or acts of omission.

Examples of Fraud

- unauthorised private use of motor vehicles
- using client money for private benefit
- inappropriately manipulating staff benefits (staff tickets)
- falsifying travel claims
- falsifying timesheets
- conspiring unfairly with others to get a tender
- running a private business in working hours
- stealing equipment or supplies from work

- accepting bribes or favours for turning a blind eye to a service provider who does not provide an appropriate service
- falsifying stock records
- as an employee:
 - failing to send bills for services provided to clients who are relatives or friends.
 - misappropriating fees received from clients, and avoiding detection by not issuing receipts to those clients.
 - receiving false invoices from suppliers and processing for payment.

The Fraud Problem

Fraud can weaken any organisation and hurt individuals, workmates, friends, families and clients. It affects our morale, reputation and professionalism.

Fraud wastes resources, not only through the fraud itself, but also the time and effort spent dealing with its consequences.

Fraud can:

- erode confidence in the work environment
- deprive clients of their resources
- reduce the effectiveness of Company assets and equipment (e.g. a USM employee who inappropriately obtains exclusive use of a Company vehicle intended for general service of clients, and uses it for personal trips)
- harm clients (e.g. a USM employee who accepts bribes or favours for turning a blind eye to a service provider who does not provide an appropriate service)
- damage staff morale.

Fraud is also a crime in terms of section 300 of the **Criminal Procedure Act**.

uShaka Marine World has an obligation not only for good stewardship of our own expenditure and assets but also to ensure that funds allocated to our service providers are spent appropriately and in the best interests of our clients.

The Fraud Control Plan outlines the framework for uShaka Marine Worlds approach to the prevention, detection, reporting and handling of fraud in the workplace.

PREVENTION

Management and Staff Responsibilities

uShaka Marine World does not tolerate or condone fraudulent conduct.

The most effective weapon against fraud is a well-informed workforce, prepared to disclose corrupt behaviour.

The Code of Conduct and Ethics encourages staff to report all incidents of suspected corrupt conduct (including fraud), misconduct, serious mismanagement or substantial waste of public resources.

uShaka Marine World managers are expected to create and promote an ethical workplace culture. They can best do this by ensuring that they themselves always act ethically and follow correct procedures.

Managers are required to assess the risk of fraud occurring in their areas and implement appropriate controls. They should ensure that fraud measures are updated as work places change and that staff understands their individual responsibilities in preventing fraud.

Management and staff need to work together to establish an ethical and effective workplace which can identify and implement fraud prevention and control measures.

Fraud Risk Assessment

A fraud risk assessment measures the vulnerability of an organisation to fraud and is essential for fraud prevention and

control. The Guide should be regularly revisited by all unit managers (attached).

Specifically, the purpose of the Assessment is to:

- define the Company's fraud risk profile
- determine the effectiveness of existing control measures
- enable judgements to be made on any required fraud counter-measures.

Where fraud risk ratings are assessed as high for particular controls, strategies need to be put in place to address the risk.

The fraud risk assessment process does not replace existing manuals or procedures, but is additional and complementary.

DETECTION

Good Controls

Fraud can be detected by establishing effective accounting and system controls and by recognising variations from standard practice.

uShaka Marine Worlds employees are important in detecting fraud because of their detailed knowledge of work practices and accountabilities. Staff cooperation and initiative prevents and detects a significant amount of fraud.

Fraud Signals

Managers and staff should be alert to the common signs of fraud. Signals for potential fraud include:

- illogical excuses and reasons for unusual events or actions
- senior staff involved in routine process work such as purchasing, ordering and receiving of goods
- staff evidently living beyond their means, who have access to funds or control or influence over service providers
- excessive staff turnover
- staff who do not take holidays for extended periods

- potential conflicts of interest not declared
- excessive number of duties (eg. both processing and approving the same transaction) residing with one person
- undue secrecy, or excluding people from available information
- staff who treat controls and standard practice as challenges to be overcome or defied
- evidence of failure to conduct reference checks on staff prior to employment
- unauthorised changes to systems or work practices
- missing documentation relating to client or agency financial transactions
- “blind approval,” where the person signing does not sight supporting documentation
- duplicates only of invoices
- alterations of documents such as time sheets,

REPORTING

Where to Report

You should report any suspicions of fraudulent behaviour first to your line manager, or alternatively to:

- Chief Operating Officer – Shawn Thompson 078 456 4598
- Financial Manager – Prakash van den Berg 083 270 6385
Speed dial * 50111
- In addition you can use the anonymous Question and Answers box in the staff canteen to report any suspicions of fraudulent behaviour

You should report your suspicions to only those people who absolutely need to know. This protects people from allegations that may not be proven and prevents the possible destruction of evidence.

Protected Disclosures

If you report suspected corrupt conduct through the appropriate channels, as set out above, you will be protected from detrimental action by the company’s policies and procedures.

Information received as a protected disclosure is strictly confidential, and includes the:

- identity of the person making the disclosure
- nature of the disclosure
- identity of the person or persons against whom the disclosure has been made.

Consequently, employees wishing to report fraud are encouraged NOT to make anonymous complaints.

HANDLING

Investigating fraud

Investigations into alleged fraud will be conducted according to natural justice principles, which mean people subject to the allegations:

- are presumed to be innocent until proven guilty
- have a right to respond to allegations and to be represented during any formal disciplinary proceedings.

The Fraud Control Plan is supported by uShaka Marine Worlds Code of Conduct and Ethics. The principles outlined in the Code encourage an ethical climate where all staff protect public funds and property and report any corrupt behaviour.

uShaka Marine Worlds Human Resources is responsible for initiating investigations into allegations of suspected fraud that concern USM staff.

Where particular forensic or financial skills are required, the company's contracted internal audit firm can be used.

Fraud alleged to have occurred in connection with service providers is closely monitored by the appropriate executive.

uShaka Marine World's internal compliance department actively monitors instances of fraud.

Advice to Line Managers

Fraud or suspected fraud can cause stress and disruption in the workplace. Information on fraud investigations should be on a strict "need to know basis".

Who needs to know will vary from case to case. Often, people in a work area will not even know an investigation is occurring. As a line manager, you should not promote or tolerate idle gossip. You or others may be required to give evidence, and evidence based on gossip rather than fact can impede an investigation.

Briefing staff after an investigation can be positive and improve morale.

External Notifications

Human Resources also reports suspected fraud to the police when sufficient information has been obtained to confirm the likelihood of fraud.