



# LEPELLE-NKUMPI FRAUD AWARENESS WEEK

**0800 20 50 53**  
**ANTI-FRAUD HOTLINE**

## WHAT IS FRAUD?

Any illegal act characterised  
by dishonesty, concealment,  
or violation of trust intended  
in financial gain.



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*"Motho ke motho ka batho"*



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## SYMPTOMS OF FRAUD

-  Behaviour change in employees
-  Sudden change of lifestyle
-  Employee refusing to take vacation leave
-  Employees refusing to take promotions



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## WHY DO PEOPLE COMMIT FRAUD?



Opportunity - weakness in internal control / lack of segregation of duties



Pressure- financial pressure / economical pressure



Rationalisation - the feeling that everyone is doing it / feeling important that you are being overworked and underpaid.



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## WHAT HAPPENS TO PEOPLE WHO COMMIT FRAUD?



If found employees will be disciplined according to the collecting agreement



Criminal Cases will be opened with South African Police Services (SAPS)



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## EFFECT OF FRAUD TO THE MUNICIPALITY

-  Poor service delivery
-  Reputation damage
-  Lack of investors' confidence
-  Poor quality of service provided



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## WHERE AND HOW TO REPORT FRAUD IN THE MUNICIPALITY

-  Anonymous reporting to the Fraud Hotline Number 0800 20 50 53
-  Reporting to supervisor or manager
-  Report fraud to risk management office
-  Report fraud to the Municipal Manager



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## TYPES AND EXAMPLES OF FRAUD:

-  Asset misappropriation-stealing cash or other assets (equipment, stationery, and information)
-  Skimming - stealing cash before it is recorded.
-  Payment fraud - payment for fictitious or inflated expenses (e.g. S&T)
-  Expenses reimbursement fraud - claiming extra kilometres on S&T
-  Payroll fraud- claiming overtime hours not worked
-  Financial statement- overstatement of assets or revenue
-  Information misrepresentation - providing false information
-  Corruption - improper use of power and privileges
-  Bribery - soliciting anything for value to influence an outcome
-  Conflict of interest - undisclosed personal economic interest
-  Wrongful use of confidential information



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