



# ENTERPRISE RISK MANAGEMENT STRATEGY

## **VOLUME II ANTI-CORRUPTION STRATEGY**

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**Version Control**

<b>Version 2.2</b>	
<b>Revised by:</b>	Ms Faith N. Kobo : Chief Risk Officer
<b>Document Version:</b>	2.2
<b>Revision Remarks:</b>	Refer to page 4 – Amendments Schedule
<b>Approval Date:</b>	21 November 2013
<b>Approved by:</b>	HSRC Board
<b>Release Date:</b>	21 November 2013
<b>Version 2.1</b>	
<b>Revised by:</b>	Ms Faith N. Kobo : Chief Risk Officer
<b>Document Version:</b>	2.1
<b>Documents Replaced:</b>	Fraud Prevention Policy - 2009
	Whistle Blowing Policy - 2007
	Policy on Acceptance of Gifts from External Parties - 2009
<b>Revision Date:</b>	20 May 2011
<b>Approved by:</b>	HSRC Board
<b>Release Date:</b>	01 April 2011

## Glossary of Terms

Corruption manifests itself in various forms and the following terms illustrate some of these manifestations:

<b>Abuse of discretion/ power:</b>	Abuse of discretion/power vested in an individual for personal gain, e.g. an official responsible for procurement of goods and services may exercise the discretion to purchase goods or services from a company in which he or she holds a personal interest. Another example is the exploitation of research participants for personal gain. Abuse of discretion/power also refers to an unethical conduct of creating or exploiting conflicting interests e.g. a person may participate in discussions and push for a decision that will be favourable to him or her because of a personal interest in the matter under discussion.
<b>Bribery:</b>	The bestowing of a benefit in order to unduly influence an action or decision. It can be initiated by a person who seeks or solicits bribes or by a person who offers and then pays them. This form of corruption can be exhibited by different actions such as accepting inappropriate gifts from suppliers; accepting bribes or favours to process requests; accepting bribes or favours for turning a blind eye to a service provider who does not provide appropriate service; etc.
<b>Embezzlement/ Theft:</b>	Taking or conversion of money; property or valuable items by an individual who is not entitled to them but by virtue of his or her position or employment has access to them, examples include stealing equipment or supplies from work and/or abuse of telephone facilities by making private calls using project codes.
<b>Extortion:</b>	The use or threat of violence or the exposure of damaging information to induce cooperation.
<b>Favouritism &amp; nepotism:</b>	Abuse of discretion/power for the interests of a relative or a friend e.g. employing family members or close friends.
<b>Fraud:</b>	The unlawful and intentional making of a misrepresentation which causes actual and/or potential prejudice to another e.g. use of false or misleading information to induce the owner of the property to relinquish it voluntarily.
<b>Misappropriation and abuse:</b>	Wrongful, improper or excessive use of public funds and/or assets in a person's care, e.g. Misappropriation of funds received from customers and avoiding detection by not issuing receipts to those customers; unauthorised private use of HSRC assets, including vehicles; spending too much time making private calls during working hours; printing or photocopying personal documents using HSRC facilities; operating a private business during working hours; etc.
<b>Payroll Fraud:</b>	Payroll fraud includes schemes against the salaries and wages payment systems. Examples include the following: <ul style="list-style-type: none"> <li>(i) <b>Ghost employees:</b> A ghost employee is someone recorded on the payroll system, but does not work for the business. The ghost can be a real person that (knowingly or not) is placed into the system, or a fictitious person invented by the fraudster.</li> <li>(ii) <b>False wage claims:</b> False wage claim refers to falsely adding extra hours or other relevant factors to billable hours' information to increase remuneration.</li> </ul>

<b>Procurement Fraud:</b>	<p>Procurement fraud includes, but is not limited to, cost/labour overpricing, defective pricing, defective parts, price fixing and bid rigging, and collusion.</p> <ul style="list-style-type: none"> <li>(i) <b>Cost/labour overpricing</b> refers to schemes by contractors on cost-type contracts to fraudulently inflate the cost of labour or materials.</li> <li>(ii) <b>Defective pricing</b> occurs when a contractor does not submit or disclose accurate and complete cost or pricing data to the HSRC, prior to reaching a price agreement.</li> <li>(iii) <b>Price fixing and bid rigging:</b> Bid rigging is any activity to suppress and eliminate competition on contracts funded by the HSRC. Price fixing and bid-rigging is an agreement where, in response to a call or request for bids or tenders, one or more bidders agree not to submit a bid, or two or more bidders agree to submit bids that have been prearranged among themselves.</li> <li>(iv) <b>Collusion:</b> An illegal and secretive agreement, which occurs between two or more persons to limit open competition by deceiving, misleading, or defrauding others of their legal rights, or to obtain an unfair advantage. Collusion can occur between suppliers and employees; between suppliers e.g. Conspiring with others to obtain tender; disclosing proprietary information relating to a tender to outside parties; submitting or processing false invoices from contractors or other suppliers; etc.</li> </ul>
<b>Research Misconduct:</b>	<p>Research misconduct constitutes corruption and the following are some actions that constitute research misconduct:</p> <ul style="list-style-type: none"> <li>(i) <b>Plagiarism:</b> Plagiarism is a criminal act of stealing someone's property by copying the ideas and expressions of others and showing them as your own work. There are different types of plagiarism based on the intensity of plagiarism and some of them are: <ul style="list-style-type: none"> <li>✓ <b>Minimal Plagiarism:</b> This type of plagiarism is the most common in the educational sector and in this plagiarism a person does plagiarism by substituting the synonyms and editing the original text.</li> <li>✓ <b>Substantial Plagiarism:</b> Adding more details in the text and just changing the patterns of the text leads to substantial plagiarism.</li> <li>✓ <b>Complete plagiarism:</b> Without making any change in the data and presenting it as your own is complete plagiarism.</li> </ul> </li> <li>(ii) <b>Intentional Misrepresentation:</b> Intentional misrepresentation such as falsification, fabrication or unjustified alteration of research data;</li> <li>(iii) <b>Non-compliance:</b> Deviation from an approved research protocol; and/or collection of data from human subjects without prior ethical approval.</li> <li>(iv) <b>Improper proxy authorship</b></li> </ul>
<b>Travel and Subsistence Fraud:</b>	<p>Travel and subsistence fraud occurs when employees claim for travel or subsistence expenses that are not owed e.g. claims for journeys that were not made; false client entertainment claims; claims for amounts higher than that spent; forged signatures authorising payment; and unauthorised amendments to timesheets.</p>
<b>Significant Financial Interest:</b>	<p>Interest that could directly and significantly affect the design, conduct or reporting on a funded research.</p>
<b>Financial Conflict of interest</b>	<p>Financial interest consisting of the researcher's interest (and those of the researcher's spouse and dependent children) that reasonably appears to be related to the researcher's institutional responsibilities.</p>

## Anti-Corruption Strategy

This policy subsumes and supersedes the HSRC Anti Corruption Strategy approved by the HSRC Board on 20 May 2011.

### 1. Introduction

#### 1.1. Statement of principle

Corruption represents a significant potential risk to the HSRC's assets and reputation. The HSRC is committed to protecting its funds and other assets from any kind of corruption and as such will not tolerate corrupt or fraudulent activities emanating from either internal or external sources. Any detected corrupt activities will be investigated and, where so required, reported to the law enforcement authorities.

The HSRC further recognizes that its business requires high quality of scientific expertise and this requirement, by nature, is based on prior experience and therefore acknowledges that having an interest does not necessarily mean having a conflict of interest. Anti-corruption objectives of the HSRC as expressed in the Risk Management Policy Statement shall be achieved through the implementation of the Anti-Corruption Strategy.

This policy is part of and must be read in conjunction with the HSRC Enterprise Risk Management Strategy (ERM Strategy).

#### 1.2. Purpose

This policy is established to facilitate the development of controls which will assist in the prevention and detection of corruption. It also provides guidelines to respond should instances of corruption be identified. The objective of the Anti-Corruption Strategy is to give effect to the expressed commitment of the HSRC Board to prevent and respond to corruption. In accordance with the resolution of the HSRC Board, this policy represents a further step towards operationalising the Risk Management Policy Statement signed by the HSRC Board on 26 August 2010.

#### 1.3. Public Finance Management Act ("PFMA")

Treasury Regulation 27.2.1 of the PFMA requires the HSRC to develop and maintain a risk management strategy, which must include a fraud prevention plan, whose purpose is to direct internal audit effort and priority and to determine the skills required of managers and staff to improve controls and to manage identified risks. Treasury Regulation 29.1.1(e) requires the HSRC to develop a Corporate Plan which must cover a period of three years and must include a fraud prevention plan.

In responding to the above legislative requirements the HSRC, through this policy, has gone beyond compliance by recognising that fraud is an element of corruption and therefore developed an Anti-Corruption Strategy (Strategy) to address fraud and other dimensions of corruption.

#### 1.4. Definition of Corruption

The term corruption is used in this document in its widest possible meaning and is intended to include all aspects of economic crime and acts of dishonesty. In other words, corruption is defined as, "the giving or offering; receiving or agreeing to receive; obtaining or attempting to obtain any benefit which is not legally due to a person through means which are illegitimate, immoral, and/or inconsistent with one's duty or the rights of others".

## **2. The anti-corruption strategy**

### **2.1. Background**

The HSRC is wholly committed to protecting its revenue, expenditure, assets, intellectual property, research, and reputation from any attempt by any person to gain financial or other benefit in an unlawful, dishonest or unethical manner. Such activities will be investigated, where required, and actions instituted against those found responsible. Such actions may include the laying of criminal charges, civil and administrative actions and the institution of recoveries where applicable.

Prevention, detection, response and investigative strategies will be designed and implemented where necessary. It is the responsibility of all employees of the HSRC to report all incidents of fraud and corruption, or any other dishonest activities of a similar nature to their immediate supervisor or via the whistle-blowing and reporting mechanisms provided by the toll-free hotline. All reports received will be treated with the requisite confidentiality and will not be disclosed or discussed with parties other than those charged with investigating such reports.

All Managers are responsible for the detection, prevention and investigation of fraud and corruption or any dishonest activities of a similar nature, within their areas of responsibility.

This Strategy is established to facilitate the development of controls which will assist in the prevention and detection of fraud and corruption, as well as provide guidelines to respond should instances of fraud and corruption be identified. This Strategy is also established to give effect to various legislative requirements and best practice guidelines.

### **2.2. Scope of the Anti-Corruption Strategy**

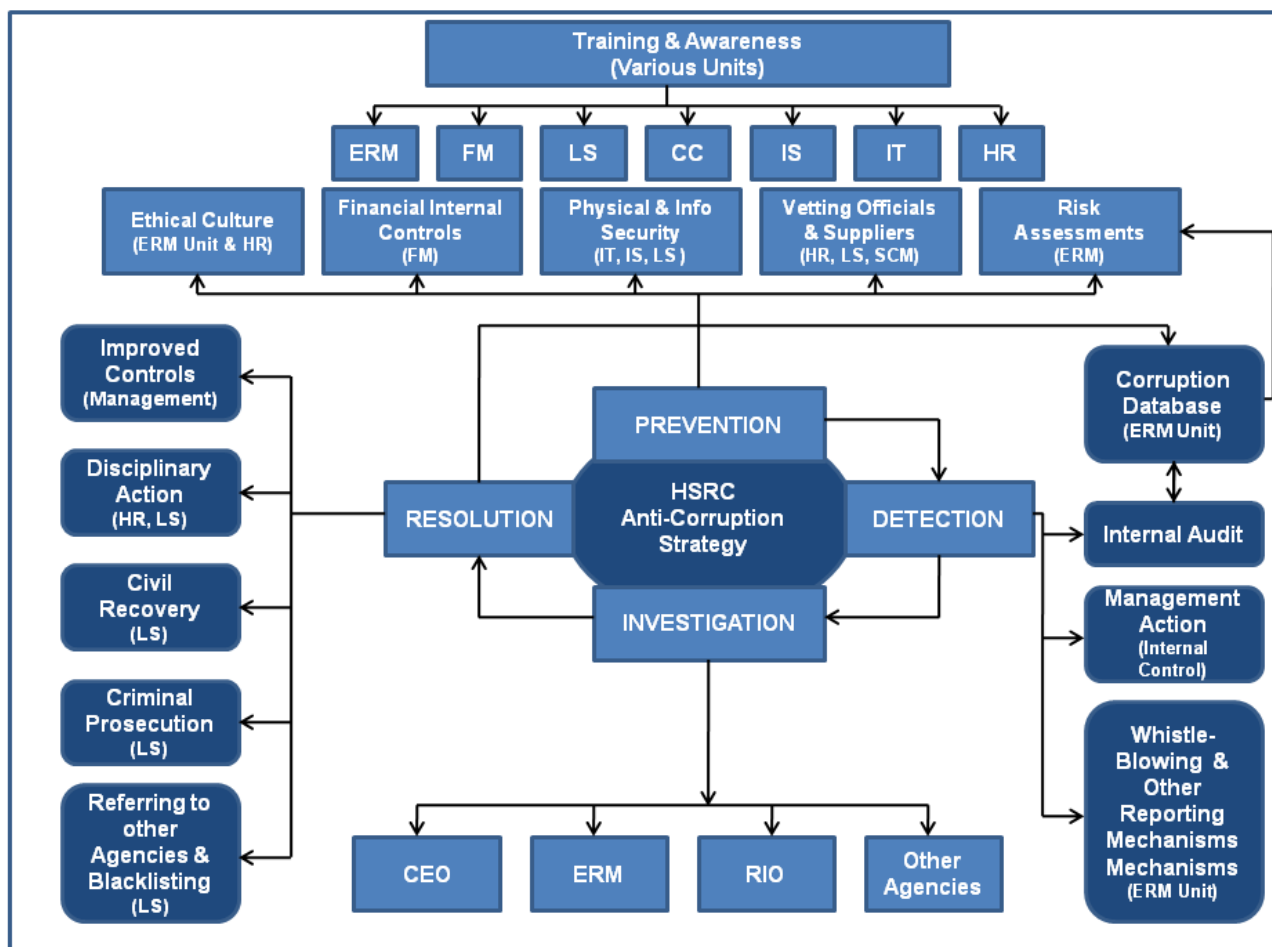
This Strategy applies to all employees, stakeholders, contractors, vendors/suppliers and any other party doing business with the HSRC.

### **2.3. Application of the Anti-Corruption Strategy**

Where this Strategy is breached by an official, the manager of the official may take disciplinary action in line with the approved HSRC's Disciplinary Code and Procedures.

### **2.4. Elements of the Anti-Corruption Strategy**

The Strategy is based on training and awareness, prevention, detection, investigation and resolution with actions being taken at all levels. Successful implementation of it will be facilitated by means of an implementation plan which will be a working document for management to ensure that all various activities are coordinated effectively. The following framework illustrates the elements of the Strategy:



#### 2.4.1. Prevention Strategies

A number of combined initiatives result in an overall preventative environment in respect of corruption. Prevention strategies will include:

- Education programmes to raise and maintain awareness of staff and other stakeholders.
- Building and maintaining an ethical culture;
- Adoption of appropriate financial internal controls;
- Implementation of physical and information security measures;
- Vetting officials and suppliers prior to engagement; and
- Risk assessments.

#### (a) Training and Awareness

The main purpose of training and awareness workshops is to assist in the prevention, detection and reporting of fraud and corruption by raising the level of awareness as to how corruption is manifested in the workplace. In this regard, all employees will receive training on the following:

- The Anti-Corruption Strategy;
- How to respond to fraud and corruption;
- The Code of Conduct and its implications;



- The importance of personal and professional ethics;
- Financial Conflict of Interest

In addition, ethics training will be provided (or access to such training will be facilitated) for:

- Research Ethics Committee members
- HSRC research staff, and
- All staff who manage data obtained from human subjects.
- The Chief Risk Officer is responsible for employee awareness and will arrange and schedule awareness sessions throughout the year.

## **(b) Ethical Culture**

Through the application of the HSRC Code of Ethics; Code of Conduct and Code of Research Ethics an ethical culture shall be maintained throughout the HSRC. All HSRC employees, Board members and Sub-committees are bound by the HSRC's Code of Ethics, Code of Conduct and the Code of Research Ethics. The following shall serve as motivators of an ethical culture:

### **a) Code of Conduct**

All HSRC officials are expected to abide by the following principles:

#### **i) Respect**

HSRC shall staff acknowledges one another's right to human dignity, and pledge to address and treat one another respectfully and with appropriate sensitivity. They shall acknowledge the inevitability of inter-collegial differences in the normal conduct of their business, and undertake to resolve such differences respectfully and collegially, without abuse, malice or degradation, and to seek mediation where and when appropriate.

#### **ii) Transparency**

The HSRC staffs recognize and acknowledge each other's areas of skills, competencies and fields of expertise. They also acknowledge the potential contribution that each makes to the success of the organization. They further admit the potential interconnectedness between and within fields of interest in the domain of social science research, which can lead to overlap and conflict of interest among researchers. They pledge to be transparent towards one another in the sharing of information, to avoid harmful competition, and to seek to resolve any conflict that may arise in a manner consistent with fairness, mutual respect and collegiality.

#### **iii) Professionalism**

HSRC staff conducts themselves towards one another in a manner expected of a highly trained professional. They do not discriminate unfairly; they honour confidentiality; they adhere to agreements; they respect colleagues' rights to privacy, and they use HSRC resources for the purpose they are provided for.

#### **iv) Accountability**

HSRC staff accepts moral responsibility for their own conduct in inter-collegial relationships, and are committed to make amends, and to accept the consequences as may be appropriate in the resolution of disputes.

#### **v) External relations**

HSRC researchers conduct their interactions in the public domain, with stakeholders and the media on principles of evidence-based objectivity, accuracy, and non-partisanship, always bearing in mind

that they are representatives of the organization.

**vi) Project management**

HSRC staff as members of project teams exhibit mutual accountability in the interest of optimal project delivery.

**b) Institutional Values**

All HSRC officials are expected to abide by the institutional values outlined in the Code of Ethics.

**c) Ethical Values**

All HSRC officials are expected to abide by the ethical standards outlined in the Code of Ethics.

**d) Ethical Standards**

All HSRC officials are expected to abide by the ethical standards outlined in the Code of Ethics.

**e) Managing Conflict of Interests**

An ethical culture shall also be promoted through management of conflict of interest risks. Management of conflict of interest shall be undertaken by ensuring that all officials declare their business interests on an annual basis and declare any permitted gifts or hospitality received in the Register maintained by the Chief Risk Officer.

A conflict of interest may occur in any situation in which an employee, Board Committee member or Board member has a personal interest, which may interfere with his or her objectivity in performing duties on behalf of the HSRC. It is the responsibility of individual officials to disclose potential conflicts of interest.

Potential conflict could arise whenever an official of the HSRC has an interest in an organization with which the HSRC has transacted or might do business (or with individuals associated with such an organization) or has an interest in an unrelated business that does not necessarily do business or intend to do business with the HSRC, and where that interest is of such a nature that it might influence the independent judgement of the official or detract the official from devoting his/her full time efforts during business hours towards the business of the HSRC.

It should be understood that the conflicting interest referred to throughout this policy may be direct or indirect (the interest might be that of the official, that of another person such as a relative or friend of the official, or that of an organization in which the official or such other person has an interest).

It is not possible to enumerate all situations which could constitute a conflict. The facts of each situation will determine whether the interest in question is such as to bring it within the area of potential conflict. Such facts would include the amount of business involved, the extent to which the official could influence HSRC's decisions with respect to transactions, and whether the interest is of such a nature that it might affect the objectivity or the business judgement of the official.

In determining whether a conflict is involved, there is no substitute for sound judgement based upon the particular facts involved in each case.

**(i) Areas in which a conflict may arise**

- Common types of transactions where a conflict of interest may arise include, for example:
  - ✓ the selection and use of consultants or other professional advisors,
  - ✓ the selection or supervision of contractors, suppliers, or vendors,

- ✓ the sale of products,
- ✓ the purchase of materials, supplies and equipment,
- ✓ the investment and borrowing of funds; and
- ✓ an interest in a business unrelated to the business of the HSRC.
- Compensation arrangements and employment contracts directly affecting the official involve obvious conflicts.
- When an opportunity, commonly referred to as a "corporate opportunity" to acquire property or to seize some financial or business advantage comes to the attention of an official or as a result of his/her relationship to the HSRC in a way that would permit its personal realization, and is relevant to HSRC's present or prospective purposes or goals, the official must first present the opportunity to the HSRC.
- Only after an informed evaluation and determination by a disinterested majority of the HSRC Board and a written consent by the Chief Executive Officer, that HSRC should not pursue such corporate opportunity, should the official be allowed to pursue the matter for his/her own account or for the benefit of others. For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest and as such an official of the HSRC affected by these should declare their interests with the Chief Risk Officer:

**(ii) Outside interests**

Outside interests refer to:

- A contract or transaction between HSRC and an official or /family Member of the official.
- A contract or transaction between HSRC and an entity in which an official or family Member of the official has a material financial interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.
- An official having employment outside of the service of the HSRC that could result in a conflict of interest or interference with the performance of his or her duties as an employee of the HSRC.
- Significant financial Interest that could directly and significantly affect the design, conduct or reporting of funded research projects.

**(iii) Outside activities**

Outside activities refer to:

- An official competing with HSRC in rendering services or in any other contract or transaction with a third party.
- An official having a material financial interest in or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of, or consultant to an entity or individual that competes with the HSRC in the provision of services or in any other contract or transaction with a third party.

**(iv) Gifts, gratuities and entertainment**

The HSRC Code of Ethics requires all officials to act with integrity and good judgment and to recognize that accepting personal gifts from clients or suppliers may raise legitimate concerns about favouritism and/or conflict of interest. For this reason:

- An official or a family member of that official may not solicit or accept any personal favour, gift, gratuity, or offer of entertainment directly or indirectly from an HSRC client or any supplier who is doing business with the HSRC (or seeking to do business with the HSRC).
- Gifts of cash or cash equivalents from an HSRC client or any supplier who is doing business with the HSRC (or seeking to do business with the HSRC) to an official of any amount are not permitted. If an official is offered any cash by an HSRC client or any supplier who is doing business with the HSRC (or seeking to do business with the HSRC), he/she should immediately report it to his/her direct supervisor or the Chief Risk Officer.
- Personal gifts of more than one thousand rand (R1000) are not permitted.
- HSRC employees are permitted to accept gifts in appreciation for work completed, however, such gifts or hospitality shall not exceed one thousand rand (R1000). All permitted gifts in excess of five hundred rand (R500) up to one thousand rand (R1000) shall be declared in the Register maintained by the Chief Risk Officer.
- The giving or receipt of common courtesies, promotional items, occasional meals or reasonable entertainment appropriate to the business relationship and associated with business discussions are regarded as consistent with sound business practice.
- Acceptable gifts and entertainment generally fall into the following categories:
  - ✓ Occasional meals of reasonable expense with a business partner;
  - ✓ Ordinary sports, theatre and other cultural events of a nominal value;
  - ✓ Other gifts of nominal value or reasonable entertainment.
- An offer, gift, entertainment or anything of value may not be accepted or given if it is:
  - ✓ Illegal or would result in a violation of law;
  - ✓ Cash or a cash equivalent (such as gift certificates, loans, stock, or stock options);
  - ✓ A '*quid pro quo*' or part of an agreement requiring anything in return for the gift;
  - ✓ Sexually oriented, or otherwise violates HSRC's commitment to mutual respect;
  - ✓ In violation of HSRC's ethical standards.

## **(v) Disclosure of interests policy & procedure**

### **i) Board & Committee Meetings**

- Members of the HSRC Board, Board Committees and the Chief Executive Officer:
  - ✓ shall disclose any direct or indirect financial interest that they may have in respect of any matter being considered by the Board;
  - ✓ subject to any decision by the Board, must recuse themselves from decision-making and voting where a conflict of interest compromises their position;
  - ✓ must not utilize information that they have obtained as a result of their service on the Board or Board Committees that is not available to the public to further their private interests or the interests of any other organisation with which they may be affiliated;
- Prior to HSRC Board or Board Committee or management action on a contract or transaction (whether directly or indirectly) involving a conflict of interest, a Director or committee member having a conflict of interest must, before the meeting at which the question of confirming or entering into the contract or transaction is first taken into consideration, disclose all facts material to the Conflict of Interest.
- The Chairperson shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting. Each member present at the meeting must state in

writing that he/she has read the declaration provided by the member having the conflict of interest.

- If for any reason it is not possible for the member to make any such declaration at or before a particular meeting, he/she may make it at the first meeting held thereafter at which it is possible for him/her to do so and shall in that event state the reason in writing why it was not possible to make the disclosure at the previous meeting.
- A member who plans not to attend a meeting at which he/she has reason to believe that the Board or Committee will act on a matter in which the person has a conflict of interest, shall disclose to the chair of the meeting all facts material to the conflict of interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- A person who has a conflict of interest shall not participate in or be permitted to hear the discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- A person who has a conflict of interest with respect to a contract or transaction that will be voted on at a meeting:
  - ✓ shall not be counted in determining the presence of a quorum for purposes of the vote;
  - ✓ may not vote on the contract or transaction;
  - ✓ and shall not be present in the meeting room when the matter is discussed and a vote is taken;
  - ✓ such person's ineligibility to vote shall be reflected in the minutes of the meeting.

#### **ii) Other disclosures other than Board or Committee meetings**

- Officials serving in interview panels who have a conflict of interest with respect to recruitment interviews shall disclose to the Director: Human Resources who shall compile a report and submit to the Chief Risk Officer on a quarterly basis.
- Officials serving in Bid Adjudication Committees who have a conflict of interest with respect to procurement processes shall disclose to the Chairperson of the Bid.
- Adjudication Committee who shall compile a report and submit to the Chief Risk Officer on a quarterly basis.
- Officials who have a conflict of interest with respect to a contract or transaction that is not the subject of Board or committee action shall disclose to the Chief Risk Officer any Conflict of Interest that such official has with respect to a contract or transaction. Such disclosure shall be made as soon as the conflict of interest becomes known to the official. The official shall refrain from any action that may affect HSRC's participation in such contract or transaction.
- In the event of it not being entirely clear that a conflict of interest exists, the official with the potential conflict shall disclose the circumstances to the Chief Risk Officer, who shall determine whether there exists a conflict of interest that is subject to this policy.

#### **iii) Annual Disclosure**

- Managers and employees of the HSRC are not permitted to hold financial interests that conflict with the conscientious performance of their duties; in this regard, all managers and employees must:

- ✓ not utilize information that they have obtained as a result of their work that is not available to the public, to further their private interests or the interests of any other organisation with which they may be affiliated;
  - ✓ disclose any interest that they have, or that a family member, or other person with whom they are closely connected has, in any entity that wishes to engage in any activity or transaction with the HSRC;
  - ✓ not receive any benefit from any person as an inducement for obtaining work or business from the HSRC and must declare any gift received in connection with HSRC work or business;
  - ✓ not participate in making any decision on a matter in respect of which they may have a conflict of interest or a potential conflict of interest;
  - ✓ not undertake any work for personal income, unless such work has been expressly authorized by the Chief Executive Officer and unless undertaking such work does not constitute a conflict of interest;
  - ✓ bring any situation in which a conflict of interest may have influenced decision-making to the attention of the appropriate level of management;
  - ✓ employees to disclose their financial interest on appointment to the HSRC, on an annual basis and within 30 days of acquiring new financial interest (e.g. through purchase/ marriage, or inheritance).
- Each official shall at least annually, or as determined by the HSRC Board, and as and when changes occur, complete a declaration form (as issued and amended by the Chief Risk Officer from time to time) identifying any relationships, positions or circumstances in which the official is involved that he/she believes could contribute to or result in a conflict of interest.
  - Such relationships, positions or circumstances might include service as a director of or consultant to an outside company, ownership of a business that might provide goods or services to the HSRC or an interest in an unrelated business that does not necessarily transact with the HSRC.
  - Any such information regarding the business interests of an official or a family member shall be treated as confidential and maintained by the Chief Risk Officer and shall generally be made available only to the Board Chair, the Chief Executive Officer, and any committee appointed to address conflicts of interest, except to the extent that additional disclosure is necessary in connection with the implementation of this policy.

#### **iv) Dealing with cases of conflict of interests and financial conflict of interest**

- i) Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:
  - The conflicting interest is fully disclosed;
  - The person with the conflict of interest is excluded from the discussion and approval of such transaction;
  - A competitive bid or comparable valuation exists; and
  - The HSRC board or a duly constituted committee has determined that the transaction is in the best interest of the organization.
- ii) An employee must, on acceptance of a gift, donation, sponsorship or hospitality, disclose the particulars of the gifts, donations, sponsorship or hospitality received from a supplier, contractor or service provider of the HSRC in the Gifts, Donations, Sponsorships and Hospitality Register where the value exceeds R500.00.



- iii) The Chief Risk Officer shall develop and maintain a Register to facilitate declaration of gifts, donations, sponsorships or hospitality.
- iv) Each business unit of the HSRC shall maintain a Register and submit such a register to the Chief Risk Officer on a quarterly basis. In the event that there is no recorded information at the end of the quarter, the head of the business unit shall write and sign a memorandum to that effect and submit it to the Chief Risk Officer;
- v) The reasonability and/or the acceptability of those gifts, donations, sponsorships or hospitality noted in the Register shall be reviewed on a quarterly basis by the Chief Risk Officer as part of the risk assessment process.
- vi) Where it has been established that an official has participated or benefited from a transaction that had non-disclosed conflict of interest, that official shall be guilty of misconduct and subject to disciplinary measures in terms of the HSRC disciplinary code.
- vii) In cases where non-compliance to the applicable sections of the HSRC Anti-Corruption Strategy is established, the CRO and CIO will within 120 days complete a retrospective review of the researcher's activities to determine whether any funded research or portion thereof conducted during the period of non-compliance was not biased in design, conduct or reporting of such research.
- viii) In instances where significant financial interest is disclosed on any project by a new or existing employee, the CRO and CIO will within 60 days review the disclosure of significant financial interest, determine whether it is related to a research or other project and if so implement an interim management plan.
- ix) Where bias is found on funded research projects, the CRO and CIO will notify the fund-warding institution and submit a mitigation report to the awarding institution.
- x) Significant financial conflict of interest shall be declared annually by researchers for the duration of research project funded from public funds, irrespective of the government funding the research.

### **(c) Financial Internal Controls**

Financial internal controls are often the first line of defence against fraud and corruption. The HSRC will ensure maintenance of a strong financial internal control system as well as promotion and monitoring of a robust internal control culture. The Chief Financial Officer will continue to review internal controls and, every two years, ensure that all key internal controls are documented in a standardised format.

Internal control policies and procedures are to be made accessible to all employees (i.e. via the Intranet). As part of risk assessments, the Chief Risk Officer shall develop and implement a procedure for assessment of internal controls to identify areas of compromise.

### **(d) Physical & Information Security**

#### **a) Safeguarding physical assets**

Safeguarding HSRC's physical assets shall include securing at least the following:

- (i) Outside premises and buildings
- (ii) Points of entry
- (iii) Vaults, safes, storerooms and stock
- (iv) Vehicles
- (v) Furniture and artwork
- (vi) Fixtures and other office equipment (like air conditioners and computers)

The security risks associated with each of these shall be assessed regularly and specific strategies developed to deal with them.

**b) Safeguarding information**

Inadequate information security could result in the following information risks:

- (i) Breaches of confidentiality;
- (ii) Abuse of privileged information;
- (iii) Tampering with information;
- (iv) Misrepresentation of data;
- (v) The improper removal of documents (including information in electronic format).

As a result of the above risks, information that shall be safeguarded from unauthorised, improper, fraudulent or corrupt use includes:

- (i) Official documents and reports;
- (ii) Correspondence;
- (iii) Data bases; and
- (iv) Management information systems.

Measures shall be put in place to protect and safeguard information including:

- (i) Firewalls to protect electronic data;
- (ii) Using passwords for restricted access to privileged information;
- (iii) Implementing information back-up systems;
- (iv) A proper document safeguarding process (for example, controlling access to classified information);
- (v) Developing a comprehensive business continuation plan to deal with natural and unnatural disasters (like floods, fires or bomb attacks).

**(e) Vetting of officials & Suppliers****a) Pre-employment screening**

Pre-employment screening will be carried out for all appointments, and evidence of such screening will be maintained by the Directorate: Human Resources. Consideration should be given to the following pre-employment screening:

- Verification of identity (birth certificate, driver's licence).
- Police criminal history.
- Reference reports from supplied referees.
- A consideration of any gaps in employment history and the reasons for those gaps.
- Verification of formal qualifications claimed.

The HSRC's policy on pre-employment screening will cover all new and promoted employees including those with administrative responsibilities or computer access. The screening will be performed by a person/people nominated by the Directorate: Human Resources in conjunction with the CEO to ensure that screening is consistent and appropriately resourced throughout all units.

Screening will be conducted in accordance with the classification of the employee or the levels of screening outlined below. Where an employee is promoted into a management position and has not been



screened during the course years, the employee will be re-screened. The levels of screening include:

**(i) Level 1:**

All employees (including those with administrative functions or computer access) shall be subjected to the following verifications:

- Verification of claimed educational qualifications;
- An independent reference check directly with three referees nominated by the applicant, including the current and/or immediately previous employer; and
- Criminal history check (in exceptional circumstances and after authorisation has been obtained from the prospective employee).

**(ii) Level 2:**

All managers and above, IT and Finance staff shall be subjected to the following verifications:

- All Level 1 checks;
- Employment history checks;
- Directorship and membership searches; and
- Insolvency/credit search.

**b) Vetting of Suppliers**

- (i) Pre-engagement screening will be carried out for all suppliers and contractors, and evidence of such screening will be maintained by the Directorate: Finance.
- (ii) Suppliers shall be notified of the HSRC Ethics Policy and the Anti-Corruption Strategy through the supplier registration forms and a thorough due diligence of the suppliers shall be performed prior to engagement. The supplier application process shall include disclosure of ownership; financial condition and references. All suppliers and service providers shall be compelled to comply with the HSRC Anti-Corruption Strategy.
- (iii) Supplier audits shall be an integral part of the anti-corruption strategy; therefore, supplier registration forms shall include a "Right to Audit" provision to ensure the integrity of the procurement system. The 'Right to Audit' provision shall be included in all contracts with suppliers and in all purchase orders issued by the HSRC.

**(f) Risk Assessments**

Management, assisted by the Chief Risk Officer, shall conduct corruption risk assessments at appropriate intervals. The identified risks shall form part of the Internal Audit Plan to ensure that the internal audit process is risk-based. Corruption risk assessments shall be conducted using the approved risk management methodology as outlined in Volume I of the ERM Strategy and shall include the following process:

**a) Establish the context**

This involves establishment of focus areas for risk assessments, determining role-players, and setting risk tolerance levels through the risk management policy framework.

**b) Risk Identification**

Identifying risk exposures to generate a corruption risk register from which subsequent analysis shall occur. How each risk manifests itself should be documented as well as why it occurs in order to enable development of controls to address the identified risks;

**c) Risk Assessment**

This step involves risk analysis and risk evaluation. The likelihood of risks as well as the foreseeable impact shall be recorded in light of existing internal controls. The effectiveness of all mitigating internal controls will then be assessed. During this phase, risk analysis results shall be compared against criteria outlined in the risk tolerance framework and risk exposures that require immediate action shall be identified.

**d) Risk Treatment**

All the high risks will require development of risk treatment plans indicating alterations to existing internal control procedures; introducing new internal control procedures; or introducing procedures aimed at detecting and preventing corruption.

**e) Monitoring & Review**

The Risk Management Committee shall provide oversight on the management of corruption risks and therefore progress made on implementation of risk treatment plans shall be reported to the Risk Management Committee on a quarterly basis.

**2.4.2. Detection Strategies**

Detection of corruption shall include:

- Whistle blowing mechanisms;
- Management action in the form of a system of internal control aimed at detecting incidents of corruption through early warning signals;
- Internal Audit Function

**(a) Whistle Blowing Mechanisms**

Whistle-blowing mechanisms shall be established in compliance with the Protected Disclosure's Act (Act 26 of 2000) to protect employees from occupational detriment should they decide to "blow the whistle":

**a) Purpose of whistle-blowing mechanisms**

The purpose of the whistle-blowing mechanisms is:

- (i) To encourage the reporting of matters that may cause financial or non-financial loss to the HSRC, or damage to the HSRC's reputation;
- (ii) To enable employees to raise their concerns about malpractice at an early stage and to provide them with a specific procedure for doing so (given the HSRC's conviction that it is preferable that a matter be raised at the time of a genuine concern rather than only when incontrovertible proof is uncovered);
- (iii) To provide a means by which employees are able to raise concerns with the appropriate line management, or the Chief Risk Officer, where they have reasonable grounds for believing that there is/has been fraud, corruption or general misconduct (including unethical behaviour) within the HSRC;
- (iv) To enable the HSRC to effectively deal with reports from whistle-blowers by providing clear guidelines for the disclosure of such information and protection against reprisals as a result of such disclosure;
- (v) To provide for the appropriate infrastructure, including an alternative mechanism for reporting.

(vi) To give effect to the objects of the Protected Disclosures Act by:

- i) Protecting employees from being subjected to occupational detriment on account of having made a protected disclosure;
- ii) Providing for remedies in connection with any occupational detriment suffered on account of having made a protected disclosure; and
- iii) Providing for procedures in terms of which an employee can, in a responsible manner, disclose information regarding improprieties by his or her colleagues, other stakeholders and the HSRC in general.

#### **b) Scope of whistle-blowing**

Whistle-blowing mechanisms shall be designed to deal with concerns raised in relation to fraud, corruption, financial misconduct, misconduct malpractice, Health and safety risks, Environmental damage and unfair discrimination within the HSRC. These mechanisms shall not apply to personal grievances, which will be dealt with under existing procedures on grievance, discipline and misconduct.

In terms of the Protected Disclosures Act, the following concerns may be raised where:

- (i) A criminal offence (*inter alia* fraud, corruption or any misconduct – including financial misconduct) has been committed, is being committed or appears likely to be committed;
- (ii) A person has failed, is failing or is likely to fail to comply with any legal obligation to which that person is subject;
- (iii) A miscarriage of justice has occurred, is occurring or is likely to occur;
- (iv) The health or safety of an individual has been, is being or is likely to be endangered;
- (v) The environment has been, is being or is likely to be damaged;
- (vi) Unfair discrimination as contemplated in the Promotion of Equality and Prevention of Unfair Discrimination Act (Act 4 of 2000); or
- (vii) Any matter referred to in paragraphs (a) to (f) had been, is being or is likely to be deliberately concealed.

#### **c) Policy on whistle-blowing**

- (i) Any employee who has a reasonable belief that there is fraud/corruption or misconduct may raise a concern according the procedure detailed in (iv) below.
- (ii) Concerns must be raised without malice, in good faith and not for personal gain and the individual must reasonably believe that the information disclosed, and any allegations contained in it, are substantially true.
- (iii) The issues raised may relate to a manager, another employee or employee group.
- (iv) The HSRC will act in support of the following “avenues of protection” afforded to whistle blowers by the Protected Disclosures Act. The HSRC will support employees’ rights to make use of any of these avenues which are listed below:

##### **i) Avenue 1: Disclosures made for the purposes of obtaining legal advice**

A disclosure made by a whistle-blower to someone for the purposes of obtaining legal advice about the disclosure is a protected disclosure. This would include a disclosure made to the employee’s attorney or shop steward.

**ii) Avenue 2: Disclosures made in good faith**

A disclosure to the employer will be protected if the whistle blower acts in good faith, and follows the process set out for such disclosures by the employer. The person making the disclosure should have reason to believe that there is a problem of some sort – including the law being broken, the health or safety of people being endangered, or discrimination taking place. (This – in the best interests of all concerned – is the course of action preferred by the Protected Disclosures Act.)

(v) Confidentiality will be maintained in respect of disclosures made. All investigation arising from disclosures made:

i) Will be handled confidentially; and

ii) Will not be discussed with persons other than those who legitimately have the right to such information.

**Note:** *Those wishing to make reports must guard against making allegations which are false and made with malicious intent. Persons making such reports will not enjoy the protection offered by the Protected Disclosures Act and may be penalised. Furthermore, there are resource and cost implications in respect of initiating investigations, which need to be considered in the event of a false or malicious accusation.*

**d) Procedure for Confidential Internal Reporting**

Employees are encouraged to report issues of fraud, corruption or unethical behaviour to their managers. However, should an employee wish to raise his or her concerns anonymously, such anonymity will be respected.

**(i) Step 1: Raising an issue**

- i) Where an employee has an issue to report, the matter should be raised with his or her Manager or Department Head, unless he or she is the subject of the complaint. In such a case, the employee should proceed one level higher and approach the person to whom the Manager/Department Head reports.
- ii) The employee should provide as much information about the concern as he or she wishes to raise, should provide names, dates and places, where possible, and should detail the reason why he or she is particularly concerned about the issue being reported.
- iii) Should the Manager/Department Head find the complaint to be substantiated, he or she will decide on whether the matter should be referred to a higher authority, investigated internally or referred to the appropriate external body for investigation.

**Alternatively:**

- iv) The employee concerned may contact the HSRC's Ethics Hotline on **0800 212 123** or Fraud Hotline on **0800 212 124** to make his or her report.
- v) (The Ethics/Fraud Hotlines are operated by an independent party and not by the HSRC.) An operator will answer the call and record the details of the concern being reported.
- vi) Anonymity may be preserved when making such a report and the employee is not required to disclose his or her identity. The Ethics Hotline will thereafter submit a report to the designated officials within the HSRC responsible for receiving and actioning such reports. Alternatively, an anonymous email may be sent to (**hsrc@tip-offs.com**), or a letter may be mailed to the address indicated on the Whistle-Blowing posters displayed in the workplace.

vii) All reports raised via the Ethics Hotline or the Fraud Hotline will be forwarded to at least the following persons (unless those persons are the subject of the report) in order that they may be acted upon:

- The Chief Executive Officer;
- Chief Risk Officer;
- Deputy CEO: Management Support;
- Deputy CEO: Research
- Chair of the Audit Committee;
- Chair of the Risk Management Committee; and
- Chair of the Ethics Committee

**(ii) Step 2: Raising an issue under special circumstances**

Where an employee wishing to make a report has exhausted these internal mechanisms – or where he or she has substantial reason to believe that there would be a cover-up, that evidence would be destroyed or that the matter might not be handled properly – he or she is at liberty to raise the matter with a legal practitioner to obtain advice (“avenue one”) or to raise the matter with the HSRC Board.

**(iii) Step 3: The HSRC response**

- i) The action taken by the HSRC will depend on the nature of the concern reported. The possible actions open to the HSRC are to:
  - Investigate internally; and/or
  - Refer the matter to the South African Police Service or other relevant law enforcement agency, if applicable.
- ii) The CEO shall appoint an appropriate manager to conduct an initial enquiry to decide whether an investigation is appropriate and, if so, what form the investigation should take. (Concerns raised may not necessarily require an investigation to resolve them.) This process shall be facilitated by the CRO in consultation with the CEO and the Risk Management Committee.
- iii) The amount of contact between the body investigating the issues and the persons raising the concern (if not anonymous) will depend on the nature of the concern raised and the investigations which may require to be performed.

**(i) Management accounting reporting review:**

Using relatively straightforward techniques in analysing the HSRC’s management accounting reports, trends can be examined and investigated which may be indicative of fraudulent conduct. Some examples of the types of management accounting reports that can be utilised on a compare and contrast basis are:

- (a) Budget reports for each division;
- (b) Reports comparing expenditure against industry benchmarks; and
- (c) Reports highlighting unusual trends in bad or doubtful debts.

Management, assisted by the Chief Risk Officer, will implement a strategy to ensure appropriate management accounting report reviews are conducted.

**(ii) Internal Audit Function**

A robust internal audit programme, which focuses on prevalent high fraud and corruption risks, serves as an effective corruption detection measure. As part of the detection strategy, the internal audit programme will cover the following:

**a) Surprise audits:**

Unplanned audits conducted on specific business processes throughout the year:

**b) Post-transaction reviews:**

A review of transactions after they have been processed can be effective in identifying fraudulent or corrupt activity. Such a review may uncover altered or missing documentation, falsified or altered authorisation or inadequate documentary support. In addition to the possibility of detecting fraudulent transactions, such a strategy can also have a significant fraud prevention effect as the threat of detection may be enough to deter an employee who would otherwise be motivated to engage in fraud.

In light of this, the HSRC will have a programme of post-transaction reviews conducted by internal audit, in consultation with the relevant line manager. This will identify a targeted sample of transactions for review during the three-month period following the transaction with a particular focus on authorisation, adherence to guidelines on expenditure and donation receipting, and missing documentation. This process will be conducted with direct reference to the findings of past internal control reviews and fraud risk assessments.

**c) Forensic data mining:**

Data mining is a powerful means of detecting fraud and other improper behaviours. It is a process of uncovering patterns and relationships in data sets that on face value appear unrelated, highlighting activity of fraud and irregular behaviour, or to explain what lies behind previously identified discrepancies. If as a result of a Corruption Risk Assessment, data mining is identified as an appropriate internal control enhancement to mitigate the shortcoming then data mining should be undertaken as required.

The Chief Risk Officer is responsible for annual review of possible need for a data mining program. A data mining program is aimed at strategic use of computer systems in the identification of fraud indicators.

**2.4.3. Investigation**

The HSRC has adopted a policy of investigating all reports of fraud and corruption, or other improper conduct and as such:

- (a) Any reports of incidents of fraud and/or corruption will be confirmed or dismissed by an independent investigation. Anonymous reports may warrant a preliminary investigation before any decision to implement an independent investigation is taken.
- (b) Investigations will be undertaken by appropriately qualified and experienced persons who are independent of the section/unit where investigations are required. This may be a senior manager within the HSRC itself, an external consultant or a law enforcement agency.
- (c) All investigations performed and evidence obtained will be in accordance with acceptable practices and legal requirements. Independence and objectivity of investigations are paramount.
- (d) Any investigation initiated must be concluded by the issue of a report by the person/s appointed to conduct such investigations. Such reports will only be disseminated to those persons required to have access thereto in order to implement whatever action is deemed appropriate as a result of the investigation.
- (e) Investigations may involve one or more of the following activities:
  - a) Interviewing of relevant witnesses, internal and external, including obtaining statements where



appropriate;

- b) Reviewing and collating documentary evidence;
  - c) Forensic examination of computer systems;
  - d) Enquiries from banks and other financial institutions (subject to the granting of appropriate approval/Court orders);
  - e) Enquiries with other third parties;
  - f) Data search and seizure;
  - g) Interviewing persons suspected of involvement in fraud and corruption; and
  - h) Report preparation.
- (f) Any investigation into improper conduct within the HSRC will be subject to an appropriate level of supervision by a senior manager, having regard to the seriousness of the matter under investigation.
- (g) Handling an allegation of corruption: Where the initial enquiry into the allegation suggests that an investigation should be carried out; the CEO shall appoint the investigator taking into consideration the recommendations of the initial enquiry report.
- (h) Documentation of the results of the investigation: The affected official(s) shall be suspended during the investigation to prevent the risk of tampering with evidence. The appointed investigator shall submit a written report to the Chief Executive Officer and the Chief Risk Officer detailing the circumstances and provide recommendations on the appropriate remedial action following the investigation.

#### **2.4.4. Resolution Strategies**

The PFMA places an obligation on the HSRC to report any incidents of corruption and to pursue criminal prosecution and recovery of public funds. When the investigation is complete all reported cases shall be responded to, based on their nature. Resolution strategies shall include the following:

##### **(a) Improved Controls**

Exit interviews shall be performed in the event of dismissal of an official for misconduct or corruption to ensure that factors contributing to misconduct and corrupt activities can be managed as a process to mitigate Corruption Risk.

##### **(b) Disciplinary Action**

Where it is considered appropriate that the matter not be reported to the police, the HSRC reserves its right to pursue a range of other remedies including appropriate disciplinary action. Any disciplinary action pursued shall be done in accordance with the HSRC Disciplinary Procedures.

##### **(c) Civil Recovery**

The HSRC has adopted a policy wherein it will actively pursue the recovery of any money or property lost through fraud or corruption, provided there is a strong prospect of a net benefit to the HSRC from such action.

##### **(d) Criminal Prosecution**

Reporting incidents of corruption to the Police for investigation will be subject to the provisions of the PFMA. The responsibility for complainant statements lodged with the Police will be assigned on a case by case basis by the CEO in consultation with the Investigator.

Any decision not to refer an allegation of fraud to the Police for investigation (where there is sufficient evidence to justify making such a report) will be referred to the Audit & Risk Committee by the CRO or Chairperson of the Risk Management Committee with reasons for the decision.

**(e) Referring to other agencies and Blacklisting**

The CEO, or an appropriately designated official, shall be responsible for reporting to the police any corruption related matters involving:

- An employee of the HSRC;
- A client of the HSRC; or a supplier of the HSRC.

**2.4.5. Maintaining a Corruption Database**

A corruption database shall be developed and maintained by the ERM Unit.

- (a) Cases of corruption will be entered in the corruption database, which will be regularly updated throughout the process from reporting, investigation and resolution of cases.
- (b) Once a case has been resolved the outcomes and recommendations shall be entered into the database. These cases can then be marked as 'Resolved', but they shall be kept on the system for record keeping and trend analysis.
- (c) The corruption database shall be a crucial tool in the corruption risk assessment process and therefore the information contained has to be accurate at all times.

**3. Role-players and their responsibilities**

The following section outlines corruption risk management responsibilities for different role-players within the HSRC. Specific roles shall be outlined in the Anti-Corruption Strategy Implementation Plan. Everybody has an important role to play; management of the HSRC is responsible for internal control including corruption prevention. All HSRC officials have a responsibility to keep the HSRC free of corruption.

**3.1. The Chief Executive Officer**

The CEO bears the ultimate responsibility for fraud and corruption risk management within the HSRC and approves the terms of reference for the Ethics Committee and the Risk Management Committee.

**3.2. Chief Risk Officer**

The Chief Risk Officer has the responsibility to coordinate the risk assessments; oversee the investigation of suspected corruption, and facilitate reporting of such instances. It is the responsibility of the Chief Risk Officer to ensure that all employees attend training on financial conflict of interest :

- Prior to engaging in research projects funded from public funds;
- Following revisions and amendments to the HSRC anti-corruption strategy;
- If the employee is new to the HSRC; and
- If non-compliance to the anti-corruption strategy has been established by the HSRC

**3.3. Research Integrity Officer**

The Research Integrity Officer working with the Chief Risk Officer, in consultation with the Chair of the HSRC Research Ethics Committee, provides support for promoting responsible conduct in research across the organisation. It is within the ambit of the RIO to:

- (a) Oversee and ensure research integrity within the HSRC as an organisation;
- (b) Assume responsibility for reacting to any allegation of research misconduct within the ranks of the HSRC;
- (c) Ensure that information on research misconduct, and related training opportunities is made available to staff;



- (d) Serve as contact point to receive research misconduct-related complaints and to refer these for further investigation;
- (e) Establish a record keeping capability and maintain complete and accurate records of all activities in this area.

### **3.4. Bid Adjudication Committee**

The Bid Adjudication Committee (BAC) is mandated to regulate procurement on behalf of the HSRC in an honest, fair, impartial, transparent, cost-effective and accountable manner in accordance with applicable legislation and prescripts. The role of the BAC includes finalisation of all procurement matters put before it, irrespective of the amount involved in accordance with the HSRC's approved procurement procedures and oversee:

- (a) Purchasing of goods and services;
- (b) Disposal of movable and immovable assets by means of price quotations and the competitive bidding system;
- (c) Hiring and letting of anything; and
- (d) Granting and acquiring of any right for and/or behalf of the HSRC.

### **3.5. Research Ethics Committee**

The HSRC shall maintain a Research Ethics Committee, whose terms of reference outlining roles and responsibilities concerning anti-corruption, shall be set by the Chief Executive Officer. The Research Ethics Committee shall be represented by its Chair on the Risk Management Committee. Detailed responsibilities of this committee are outlined in Volume I of the ERM Strategy.

### **3.6. Risk Management Committee**

The HSRC shall maintain a Risk Management Committee whose roles and responsibilities concerning anti-corruption shall be outlined in written terms of reference approved by the Chief Executive Officer.

The Risk Management Committee has the following anti-corruption roles:

- (a) Review the anti-corruption strategy and make recommendations in order to enhance management effort and priority, and assist the CEO in determining the skills required to improve controls and to manage corruption risks;
- (b) Evaluate the effectiveness of monitoring systems pertaining to corruption risks and the results of management investigation and follow-up on alleged fraud and related matters;
- (c) Review and comment, where appropriate, on cases of alleged fraud and related matters when referred to it by the CEO or a delegated official;
- (d) This committee is a sub-committee of the Audit & Risk Committee and shall be chaired by an independent person;
- (e) The Committee shall meet quarterly to discuss the following corruption-related issues amongst others:
  - (i) All allegations received via the hotline or through other channels;
  - (ii) Progress made in respect of implementing the Anti-Corruption Strategy Implementation Plan;
  - (iii) Reports received by the HSRC regarding fraud and corruption incidents with the view to making any recommendations to the Chief Executive Officer;
  - (iv) Reports on all investigations initiated and concluded; and
  - (v) Proceedings of such meetings shall be minuted and such minutes circulated to the Audit & Risk Committee.

#### 4. Reporting

Progress on the implementation of the Anti-Corruption Strategy shall be reported to various stakeholders in terms of the PFMA.

The Chief Executive Officer shall report to the US Public Health Service (PHS) awarding component on corrective action taken in instances of non-compliance to Financial Conflict of interest as requested by the United States 53256 Federal Register Vol 76, no 165, Title 42 code of the Federal Regulations Part 50.

In compliance with the Promotion of Access to Information Act (PAIA) (Act 2 of 2000) of the Republic of South Africa, the Chief Information Officer (CIO) shall ensure that all records related to declarations of interests and reported incidents of corruption are maintained for at least 5 years.

#### 5. On-going Review and Maintenance

The components of the Implementation Plan shall be reviewed regularly by the CRO to monitor progress and the HSRC Board shall review the Strategy on an annual basis to ensure that it remains appropriate to the HSRC, and that the latest and best risk management practices are adopted.

#### 6. Approval

This Anti-Corruption Strategy was reviewed and approved by the HSRC Board and the Chief Executive Officer on **21 November 2013**.



**Prof Olive Shisana Sc.D.**  
Chief Executive Officer