

SA Medical Research Council - fraud policy

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policy

In terms of the Medical Research Council's code of ethics and code of conduct policies, fraud and irregular conduct are unacceptable. The Medical Research Council's policy in respect of these is to eliminate them and to ensure the perpetrators of such acts are dealt with to the fullest extent that company policies and the law allows.

purpose

The purpose of the fraud policy is to:

- Create a climate for the prevention and detection of irregularities, control breakdown and criminal activity.
- Outline the key roles and responsibilities in respect of control implementation, identification, investigation and reporting of these irregularities.

The detailed policies and procedures to be followed in instances of irregularities, control breakdown and criminal activity are included in the fraud response plan.

scope

The scope of this policy covers all situations where the Medical Research Council could potentially or actually suffer a loss, be that financial, to reputation or any other sort of loss.

definitions

The general irregularities covered under this policy are as follows (these are not full legal definitions, but are provided to give a broad understanding of the concepts):

theft – The unlawful and intentional removal of property with the intention to permanently deprive the owner of the benefit thereof. E.g. theft of cash or assets.

fraud – An intentional and unlawful misrepresentation upon which a third party relies that may cause actual or potential prejudice. E.g. Authorising false/inflated expenditure or misallocated expenses between projects.

corruption – The giving or receiving of a benefit (gratification) which is not lawfully due either for doing something that you should not be doing or not doing something you should be doing. E.g. receiving gifts or money from a supplier to give them work.

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other irregularity – Any other act that may cause actual or potential prejudice to the group and / or is unlawful. E.g. sexual harassment, racial discrimination, drug taking etc.

In all other fraud documentation these terms have been grouped together and referred to generally as fraud and irregularities.

responsibilities

all employees, contract staff, freelance staff, suppliers and customers are responsible and accountable for:

- Not instigating or participating either actively or passively in fraud or irregular acts.
- Preventing fraud and irregular conduct.
- Ensuring that they understand and operate controls to mitigate fraud or irregular conduct.
- Reporting actual or potential fraud or irregular conduct as soon as they become aware of it, to either their line manager, another manager within the MRC, the Fraud Prevention Committee or utilising the fraud hotline (amend this as required) or any other mechanism that management may implement from time to time.
- Assisting in the investigation of any fraud or irregular conduct.
- Providing affidavits on information within their personal knowledge should they be so required.
- Testifying in disciplinary or court proceedings should this be required.

management are responsible for:

- With the assistance of the fraud prevention committee and internal audit, ensuring that effective controls are implemented and operated and that the continuity and effectiveness of controls are upheld in order to prevent, deter and detect fraud or irregularities
- That a culture of honesty and integrity is recognised and upheld
- Reporting all actual or potential fraud or irregularities and breakdown's in control to internal audit as they become aware.
- Working with internal audit and the fraud prevention committee to ensure that appropriate disciplinary, civil and criminal action is taken.
- Minimising the damage to the MRC in terms of publicity, assets and staff.

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the fraud prevention committee are responsible for:

- Ensuring that a fraud strategy is in place, being implemented and continually updated and communicated.
- Together with relevant line managers and insurance experts ensuring that the group is adequately insured against the irregularities.
- Ensuring mechanisms are in place for staff to report fraud and irregularities; and collating information on reported irregularities.
- Together with management:
 - deciding on the appropriate action to be taken with regard to each fraud or irregularity,
 - ensuring correctly qualified individuals are used to investigate and implement corrective measures and
 - documenting the reasons for this and the results of such actions.
- Ensuring that timely, appropriate disciplinary, civil and criminal action is taken and complies with all current group and legal requirements.
- Providing feedback to line management and to the Board on a regular and timeous basis.

the board

- Ensuring that the high-level culture of the organisation is in line with the Code of Ethics.
- Reviewing relevant fraud reports and taking action as required on them.

disciplinary action

The onus is on the individual to comply with this policy. Where there is uncertainty the individual should rather act than risk the failure to comply. Failure to comply with this policy is subject to disciplinary action and possible criminal or civil action.

confidentiality and protection

Any individual operating in terms of this policy is entitled to confidentiality and protection, subject to the operation of the disciplinary, civil or criminal process and laws applicable to it.