NAMC

Promoting market access for South African agriculture

National Agricultural Marketing Council

Fraud Prevention Policy

NATIONAL AGRICULTURAL MARKETING COUNCIL

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FRAUD PREVENTION POLICY

Policy No:	FP 002
Effective date:	Immediately upon approval by Council
Policy application:	To all NAMC staff members
Managed by:	Chief Executive Officer

CONTROL MEASURES OF THE POLICY

Recommended by: Chief Executive Officer	Date: 28-04-2026	Chief Executive Officer's Signature:
Recommended by: Risk Management Committee	Date: 30/04/26	Signature:
Recommended by: Audit and Risk Committee	Date: 04/May/2026	Signature:
Approved by: Council	Date: 05-05-2026	Signature:
Next review date	Date: March 2029	Policy will be reviewed every three years

REVISION RECORD

Date	Revision Description
27 November 2017	Reviewed
3 December 2018	Reviewed
8 December 2020	Reviewed
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ACROYNMS AND ABBREVIATIONS	
DOA	Department of Agriculture
NAMC	National Agricultural Marketing Council
A&RC	Audit and Risk Committee
HR&RC	Human Resource and Remuneration Committee
RMC	Risk Management Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
RCM	Risk and Compliance Manager, who is responsible for overseeing the day-to-day management of risks in the organisation
PFMA	Public Finance Management Act 1 of 1999
PDA	Protected Disclosures Act 26 of 2000
PRECCA	Prevention and Combating of Corrupt Activities Act 12 of 2004
CPA	Criminal Procedure Act 51 of 1977
ERM	Enterprise Risk Management

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DEFINITIONS	
The Council	Council members
MAP Act	Marketing of Agricultural Products Act 47 of 1996
Executive Authority	The Minister of Agriculture, Land Reform and Rural Development
Fraud	Any intentional act or omission designed to deceive or mislead, resulting in financial or reputational loss to the NAMC or the unlawful gain of advantage by an individual or entity. This includes, but is not limited to, theft, bribery, corruption, falsification of records, misappropriation of assets, and other dishonest or fraudulent conduct.
Fraud Prevention Policy	Facilitates the development of controls which will aid in the detection and prevention of fraud against the NAMC
Committees	Council Sub-Committees
Protected Disclosure Act 26 of 2000	Makes provisions for the procedures in terms of which employees may disclose information regarding unlawful or irregular conduct by their employers or other employees in the employ of their employers without fear of victimization
Risk and Ethics Champion	An individual appointed within a Divison to promote, embed, and monitor risk management and ethical conduct at an operational level which is critical for strengthening governance culture and improving early risk detection.
Enterprise Risk Management	ERM is a structured, organisation-wide approach to identifying, assessing, managing, and monitoring risks that could affect the achievement of objectives

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1. PURPOSE

1.1 To entrench the values and principles contained in Section 195 of the Constitution of the Republic of South Africa, the Fraud Prevention Policy serves as a fundamental element of good governance.

1.2 Section 195 (1) of the Constitution states that public administration must be governed by the democratic values and principles enshrined in the Constitution, including the fact that a high standard of professional ethics must be promoted and maintained. The Fraud Prevention Policy affirms the NAMC's stance of a zero-tolerance approach towards fraud and corruption in its business activities and the expectation that all employees, stakeholders, service providers and Council must conduct themselves in an honest, ethical, lawful and transparent manner.

1.3 The NAMC Fraud Prevention Policy must be read together with the following:

- 1.3.1 Declaration of Interest Policy
- 1.3.2 Whistleblowing Policy
- 1.3.3 Integrity and Ethics Management Policy
- 1.3.4 Risk Management Framework

2. BACKGROUND

2.1 The provisions of Section 51(1) (a) (I) of the Public Finance Management Act stipulates that the Accounting Authority is responsible for ensuring that the public entity has and maintains effective, efficient and transparent system of financial, risk management and internal control.

2.2 Furthermore, section 27.21 of the Treasury Regulations requires that risk assessment is conducted on a regular basis and a risk management strategy, which includes a Fraud Prevention Plan, be used to direct internal audit effort. The strategy must be clearly communicated to all employees to ensure that risk management is incorporated into the language and culture of the entity.

2.3 In the main, the Fraud Prevention Policy is established to assist in re-emphasizing the existing policies that are aimed at prevention, detection and response to fraud; and the impact that it may have on the business operations of the entity.

3. SCOPE OF POLICY

3.1 This Policy shall apply to the following persons within and outside the NAMC:

- 3.1.1 employees of the NAMC at all levels;
- 3.1.2 temporary employees at all levels;

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3.1.3 prospective employees at all levels;

3.1.4 independent contractors;

3.1.5 Service providers and business partners prospective service providers and business partners.

3.1.6 other stakeholders

4. POLICY STATEMENT

4.1 Fraud represents a significant potential risk to the NAMC's assets, service delivery efficiency and reputation.

4.2 The NAMC will not tolerate fraudulent or corrupt activities, either internal or external to the NAMC, and will vigorously pursue and prosecute any parties, by all legal means available, which engage in such practices or attempt to do so.

5. THE CONCEPT OF FRAUD PREVENTION

5.1 Fraud prevention is a process that is adopted by the NAMC, in putting mechanisms in place, to manage the entity’s vulnerability to fraud. Such mechanisms are designed to prevent, deter and detect fraud.

5.2 As part of the Enterprise Risk Management (ERM), it is the responsibility of the Council to establish structures to address the threat of fraud.

5.3 INVESTIGATION PROCEDURES

5.3.1 All allegations of fraud will be assessed and investigated promptly.

5.3.2 Investigations will be conducted independently and objectively in line with the NAMC Disciplinary Code and Procedure.

Appropriate disciplinary, civil, or criminal action will be taken where fraud is confirmed.

6. ROLE PLAYERS

6.1 The NAMC has taken a stance that the management of fraud and corruption threats, like any other risks, is the responsibility of everyone in the organisation.

6.2 The Council has delegated the ownership and communication of fraud risk management to Business Unit Managers / Line Managers / Employees in specific areas of the NAMC (refer to the Fraud Prevention Strategy).

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6.3 RISK MANAGEMENT OVERSIGHT

Accounting Authority

6.3.1 The Accounting Authority has an interest in fraud risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the entity against significant fraud risks.

6.3.2 Approve and oversee the implementation of the Fraud Prevention Policy

6.3.3 Ensure adequate resources are allocated for fraud prevention.

6.3.4 Exercise oversight through the Audit and Risk Committee

Audit and Risk Committee

6.3.5 The Audit and Risk Committee is an independent Committee responsible for oversight of the NAMC's governance, control and risk management. The responsibilities of the Audit and Risk Committee with regard to fraud risk management are formally defined in its Charter.

6.3.6 The Audit and Risk Committee provide an independent and objective view of the entity's fraud risk management effectiveness.

6.3.7 Monitor fraud risks and mitigation measures.

6.3.8 Review reported fraud cases and investigation outcomes.

6.3.9 Ensure management implements corrective actions.

Risk Management Committee

6.3.10 The Risk Management Committee is appointed by the Council to assist them to discharge their responsibilities for fraud risk management.

6.3.11 The Committee's role is to review the fraud risk management progress of the entity, the effectiveness of fraud risk management activities, the key fraud risks facing the entity and the responses to address these key fraud risks.

6.4 RISK MANAGEMENT IMPLEMENTERS

Chief Executive Officer

6.4.1 The Chief Executive Officer is accountable for the entity's overall governance of fraud risks. By setting the tone at the top, the Chief Executive Officer promotes accountability, integrity and other factors that will create a positive control environment.

Management

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6.4.2 Management is responsible for executing their responsibilities outlined in the Fraud Risk Management Strategy and for integrating risk management into the operational routines.

Other Officials

6.4.3 Other officials are responsible for integrating fraud risk management into their day-to-day activities. They must ensure that their delegated risk management responsibilities are executed and continuously report on progress.

6.5 RISK MANAGEMENT SUPPORT

Chief Risk Officer

6.5.1 The Chief Risk Officer is the custodian of the Fraud Prevention Strategy, and coordinator of fraud risk management activities throughout the NAMC. The primary responsibility of the Chief Risk Officer is to bring his/her specialist expertise to assist the entity to embed risk management and leverage its benefits to enhance performance.

Risk and Ethics Champion

6.5.2 The Risk and Ethics Champion's responsibility involves intervening in instances where the fraud risk management efforts are being hampered, for example, by the lack of cooperation by Management and other officials and the lack of skills and expertise.

6.6 RISK MANAGEMENT ASSURANCE PROVIDERS

Internal Audit

6.6.1 The role of internal auditing in fraud risk management is to provide an independent, objective assurance on the effectiveness of the entity's system of fraud risk management. Internal auditing must evaluate the effectiveness of the entire system of fraud risk management and provide recommendations for improvement where necessary.

External Audit

6.6.2 The external auditor (Auditor-General) provides an independent opinion on the effectiveness of fraud risk management.

7. REPORTING PROCEDURES AND RESOLUTION OF REPORTED INCIDENTS

7.1 The Protected Disclosure Act 26 of 2000 makes provisions for the procedures in terms of which employees may disclose information regarding unlawful or irregular conduct by their employers or other employees in the employ of their employers without fear of victimization: A person shall therefore not:

7.1.1 Prejudice or threaten to prejudice the safety of the employee or the employee's career,

7.1.2 Intimidate or harass, or threaten to intimidate or harass, or act in any manner that is prejudicial against employees.

7.2 Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid accusations or alerting suspected individuals that an investigation is underway.

7.3 Reports of actual or suspected unethical conduct from an internal source can be submitted anytime to an independently managed anonymous fraud hotline and the service provider managing the fraud hotline shall inform the Risk and Compliance Manager when cases are reported as well as provide a summary of the monthly and quarterly reports to the NAMC, indicating the number of cases reported via the fraud hotline. The Audit and Risk Committee Chairperson and the Rik Management Committee chairperson shall have access to the detailed reports from the service provider and shall then decide on the process going forward.

7.4 Other external avenues for reporting actual or suspected unethical conduct include reports to the Presidential hotline, the Auditor-General, Public Service Commission and the Office of the Public Protector.

7.5 The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the individual or his/her attorneys should be directed to the Legal Manager.

8. PREVENTION AND COMBATING OF CORRUPT ACTIVITIES ACT

8.1 In the main, the Prevention and Combating of Corrupt Activities Act is aimed at providing the entity with support, on the measures in place to prevent and combat fraud and corrupt activities.

8.2 Section 7 sub-section chapter 14 of the Prevention and Combating of Corrupt Activities Act 12 of 2004 states that any person who holds a position of authority and who knows, has known or suspected that any other person has committed offences of corruption under this Act or theft, fraud or forgery of documents for an amount above R 100 000 must report such knowledge or suspicion to the South African Police Service.

9. CONFIDENTIALITY

9.1 All information relating to fraud that is received and investigated will be treated confidentially.

9.2 The progression of the investigation conducted will be handled in a confidential manner and will not be disclosed to any person other than those who have a legitimate right to such information.

10. PROTECTION OF WHISTLEBLOWERS

10.1 The Fraud Prevention Policy read together with the Whistle Blowing Policy is intended to encourage employees and external stakeholders to raise concerns relating to specific matters (including fraud) without fear of victimization.

11. APPLICATION OF PREVENTION CONTROLS AND DETECTION MECHANISMS

11.1 In respect of all reported incidents of fraud, Managers are required to review immediately the effectiveness of the controls which have been breached in order to prevent similar irregularities from taking place in the future.

12. CREATING AWARENESS

12.1 Employees and relevant stakeholders will be made aware of the Fraud Prevention Policy through:

12.1.1 Induction and onboarding processes

12.1.2 Training and awareness programmes

12.1.3 Regular communication and accessibility of the Policy

13. POLICY REVIEW

13.1 The Fraud Prevention Policy shall be reviewed every three years or when justifying circumstances occur, such as a pronouncement by legislation and/or regulations to ensure continued relevance and compliance with legislation and best practice.

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