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**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 1895**

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**1895. Ms L H Arries (EFF) to ask the Minister of Social Development:**

What (a)(i) number of officials of the SA Social Security Agency (SASSA) have been (aa) suspended and/or (bb) fired for defrauding the institution over the past five financial years and (ii) amount has SASSA lost through fraud by officials in the specified period and (b) measures does she have in place to prevent fraud at SASSA? NW2407E

**REPLY:**

1. **Number of officials suspended and dismissed because of different kinds of disciplinary sanctions**

In response to the above mentioned question, a table as well as the graph were used in order to summarise the number of SASSA employees that have been suspended and dismissed for defrauding the Agency over the last 5 financial years

**Table1: Different types of disciplinary sanctions per Region for a period of 5 years**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Province** | **Number of employees on precautionary suspension** | **Number of employees suspended without pay as per disciplinary enquiry sanction/outcome** | **Number of employees dismissed for fraud** | **Grand totals per Regions** |
| Eastern Cape | 17 | 0 | 16 | 33 |
| Free State | 2 | 3 | 4 | 9 |
| Gauteng | 5 | 1 | 4 | 10 |
| KwaZulu Natal | 111 | 7 | 25 | 143 |
| Limpopo | 3 | 5 | 16 | 24 |
| Mpumalanga | 7 | 8 | 2 | 17 |
| North West | 6 | 0 | 7 | 13 |
| Northern Cape | 0 | 2 | 1 | 3 |
| Western Cape | 5 | 0 | 1 | 6 |
| **Total** | **156** | **26** | **76** | **258** |

For further ease of reference, the following graph was used to also depict the different types of disciplinary sanctions per Region for a period of 5 years.

**Graph 1:Different types of disciplinary sanctions per Region for a period of 5 years**

Analysis of the above mentioned Table and the Graph

* A total number of 156, 26 and 76 cases were recoded in the last five financial years for precautionary suspension, suspension without pay and dismissals for fraud respectively;
* A grand total of 258 cases were recorded in the last five years in all Regions
* KwaZulu Natal recorded the highest numbers in precautionary and dismissal categories. Overall KZN accounts for 55% which is the highest as compared to other Regions
* On the other hand Northern Cape and Western Cape recorded the lowest cases which accounts for 1.6% and 2.3% respectively
* When it comes to suspension without pay, Mpumalanga recorded the highest number namely 8 followed by KZN with 7 cases
* Both Limpopo and Eastern Cape recorded a total number of 16 cases in the category of employees dismissed for fraud. It is pleasing to note the firm stance taken by both Regions to ensure behavioral changes when it comes to fraud
* It should be noted that there were no relataed cases recorded at Head Office

**(a) ii. Amount of money lost through fraud**

The total amount of money lost through fraud over the past 5 financial years is approximately R282, 476,193.

**(b) Measures in place to prevent fraud at SASSA**

SASSA has a Fraud Prevention Strategy that is premised on four key pillars, namely Prevention, Detection, Investigation and Resolution.

The following **Fraud prevention** measures and mechanisms are being implemented by SASSA:

### *(b)1 Policies and Procedures*

The Agency has developed and is implementing various policies and procedures in accordance with the Public Finance Management Act (PFMA) and supporting Treasury Regulations, to which all employees and other stakeholders are required to comply. This creates an environment which is conducive for good corporate governance and the prevention of fraud.

### *(b)2 Internal controls and compliance*

Management regularly identifies significant fraud risks and implements process level controls, systems and procedures to identify and prevent fraud and corruption. Types of controls typically include:

* Authorisation controls (approval of expenditure or grants)
* Supervisory controls (supervising day-to-day operations)
* Process controls
* System controls
* Financial controls.

A major control that was implemented since August 2019 is bank account verification to ensure that grant money is paid into the bank account of the rightful grant beneficiary.

SASSA is piloting a biometrics solution for staff who access the grants system in order to ensure that transactions are performed by authorised persons.

### *(b)3 Fraud Risk Identification and Assessment*

Fraud risk identification and assessment is conducted at least annually in order to identify the inherent exposures to fraud within the current operating systems and procedures.

*(b)4 Fraud awareness*

The Agency conducts fraud and corruption awareness sessions and training for SASSA employees and the public in order to assist in the prevention, detection and reporting of fraud and corruption.

Line managers also share information on fraud prevention measures with employees under their supervision.

### *(b)5 Code of Conduct and Ethics*

SASSA has a Code of Conduct that has been shared with all the employees. The Code is aimed at creating an ethical organization culture, which is essential for fraud prevention.

### *(b)6 Disciplinary Code and Procedures*

The Agency’s Disciplinary Code establishes standards for the conduct of all employees and the relevant disciplinary procedures to be adopted for breaches of the code. Consistent and effective dealing with identified instances of misconduct through fraud and corruption serves to enforce Fraud Prevention, by acting as a deterrent to other employees.

### *(b)7 Employee Screening*

SASSA screens employees during the recruitment process.

### *(b)8 Communication*

SASSA uses various tools to communicate with internal and external stakeholders about some of the anti-fraud awareness messages. The appropriate communication of anti-fraud measures and their results is essential to build trust in the social security system.

### *(b)9 Partnerships with stakeholders*

SASSA is working closely with stakeholders in the banking sector such as the South African Banking Risk Information Centre, SA Reserve Bank, SA Post Office, National Treasury, Banking Association of South Africa, Payment Association of South Africa and various commercial banks in order to prevent fraud targeting social grants money.

SASSA has been sharing data with other government entities in order to validate information supplied by grant applicants to prevent and minimise inclusion errors and fraud.

The Agency also works closely with law enforcement agencies in detecting and combating fraud.

### *(b)10 Detection*

Combined assurance (management, internal and external assurance providers) measures are also being employed to detect fraud and corruption within the Agency. The Internal Audit function plays a vital role in the detection of fraud and corruption. The external audit function is an important control in the detection of fraud. Various controls are also implemented in order to correct the controls weaknesses identified by the Auditor General of South Africa.

SASSA also acts on fraud and corruption cases that are reported through the following mechanisms:

1. *Public Service Commission (PSC) Fraud Hotline*
2. *SASSA General Customer Care Contact Centre*
3. *Whistle Blowing.*

Pro-active fraud detection reviews, utilising data analytics are conducted regularly within business units with a high risk of fraud and error based on historic instances or other risk factors. This acts as an important mechanism in the detection of incidences of fraud and corruption.A critical component of detecting fraud is mutual sharing of data between SASSA, SAPO and other entities.