Funding Rules (Contractual Obligations), Compliance, Fraud & Ethics

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Agenda

❖ Contractual obligations
❖ Legislative compliance
❖ Fraud
❖ Ethics
❖ Questions
Contractual obligations

- NRF Master Funding Administers Agreement (MFAA),
- Grant deposit & utilisation of grant deposit,
- Funding domains’ objectives vary, hence various funding rules,
- Signed Conditions of Grants (CoG),
- Claim & expense in line with funding framework,
- Progress reports (monitoring),
- External Audit reports
Legislative compliance universe (high-level)

- National Research Foundation Act (NRF Act),
- Higher Educations Act (HE Act),
- Public Finance Management Act (PFMA),
- National Treasury Regulations (NT Regulations),
- Protection of Personal Information Act (PoPIA),
- Promotion of Administrative Justice Act (PAJA),
- Promotion of Access to Information Act (PAIA),
- Protected Disclosures Act (PDA)
What does “Fraud” mean to you???
Fraud
Tree & Classification
Fraud Triangle Theory
Fraud Risk Indicators

- **TRANSACTIONAL INDICATORS**
  Eg. accounting increase in debtors/expenses, decrease in revenue or expected cash-flows etc.

- **BEHAVIOURAL INDICATORS**
  Eg. obstructiveness, aggressiveness (argumentative/always on the defense), non-approachable, never take leave, etc.

- **OVERALL CONTROL ENVIRONMENT**
  Eg. general lack of internal controls (directive/preventive/detective/corrective controls) etc.
What does a Fraudster look like?

All data is from the 2016 ACFE Report to the Nations
How to report Fraud....?

NAC-Hotline Number: 0800 701 701

- The NACH number is 24/7.
- Callers may use any of 11 SA official languages
- May choose to remain anonymous.
Ethics – simple definition

“moral principles that govern a person's behaviour or the conducting of an activity.”
Ethics – making an ethical decision…?

An “Ethics Quick Test”

1. Is it legal?
2. Do my organisation’s Code of Ethics/Conduct and other policies allow it?
3. Do my professional standards allow it?
4. What would my ethical role model do?
5. How would it look on the front page of tomorrow’s newspaper/headlines?
6. How does it make me feel?
7. Would I be comfortable sharing my decision with my closest family?
8. Does it pass the Golden Rule test?
Questions?
Thank you