



Evaluating the effectiveness of a social grant regulating framework in South Africa



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Dates:

Received: 07 Feb. 2022

Accepted: 18 Nov. 2022

Published: 27 Feb. 2023

How to cite this article:

Mashaba N. & Saurombe M.D., 2023, 'Evaluating the effectiveness of a social grant regulating framework in South Africa', *Acta Commercii* 23(1), a1011. <https://doi.org/10.4102/ac.v23i1.1011>

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Orientation: Fraud and corruption have become a major concern for the South African government. However, the government has made attempts (often futile) to fight the scourge of corruption. The South African Social Security Agency (SASSA) developed a framework aimed at minimising corruption; nevertheless, loopholes in its anticorruption efforts continue to be an encumbrance.

Research purpose: This research sought to evaluate the effectiveness of the Fraud Management and Compliance Department (FMCD) in terms of its role in the prevention, detection, investigation, reporting and resolution of fraud, theft, corruption and maladministration within the SASSA.

Motivation for the study: The study was based on public knowledge of the plethora of activities both by civilians and by the SASSA officials that are negatively affecting the SASSA's achievement of its goals and objectives.

Research design, approach and method: The study adopted a qualitative research approach, including 10 participants with whom one-on-one interviews were conducted. Thematic analysis was used.

Main findings: The study mainly uncovered that the Special Investigation Unit, National Prosecuting Authority, South African Police Service and Public Service Commission each play a critical role in investigating corruption, fraud and maladministration within the SASSA, thus contributing to how future fraud situations are handled.

Practical/managerial implications: The article recommends the training and development of relevant authorities to enhance the effectiveness of the FMCD within the SASSA.

Contribution/value-add: This article contributes to the literature on proposed solutions in effectively diminishing corruption in a South African government entity.

Keywords: fraud management; risk management; training; development; South African Social Security Agency.

Introduction

The South African Social Security Agency (SASSA) serves as a delivery arm of the Social Development Department (SDD), with the fundamental mandate of ensuring the provision of comprehensive social security services against vulnerability and poverty within the constitutional and legislative framework (SASSA 2019).

All South African citizens have a right to benefit from the social security, as well as, if they are not able to sustain their families and own self, with suitable social assistance. (The South African Constitution, Section 27 (1) (c) 1996:13)

The SASSA head office is based in Pretoria, and it is the overseer of nine regional offices: (1) Eastern Cape, (2) Free State, (3) Gauteng, (4) KwaZulu-Natal, (5) Limpopo, (6) Mpumalanga, (7) North West, (8) Northern Cape and (9) Western Cape Regions (SASSA 2016). These regions are responsible for district offices, local offices, service points and pay points, as per the province.

Fraud and corruption have become a major concern for the South African government. The SASSA is facing the challenge of fraud committed by syndicates who are employees and nonemployees of the agency. However, behind the scenes, the government has been hard at work in fighting the scourge of corruption (Klaaren 2020; Social Development 2006). Continual operations to clamp down on corrupt employees who have amassed large sums of money led to the successful conviction of five officials in 2014 (Mpumalanga News 2014).

Among the tools that the SASSA deployed to fight fraud and corruption was the development of a framework to respond to the policy directive on how the scourge of this malady should be approached. The Fraud Management and Compliance Department (FMCD) is the responsible authority for the prevention, detection, investigation, reporting and resolution of fraud, theft, corruption and maladministration within the agency, including the development of standards and guidelines (SASSA 2016). The agency was developed in line with the *Social Security Act* (SASSA 2019), with the mandate to ensure the provision of comprehensive social security services against vulnerability and poverty within the constitutional and legislative framework. However, the SASSA has developed a risk management framework to tackle matters of corruption and fraud because the agency does not have a policy on fraud. With no policy in place, some officials find themselves committing inadvertent fraud, misuse, theft and mismanagement (Mubangizi 2020).

In light of the given discussion, this study sought to evaluate the effectiveness of the FMCD in the SASSA in relation to various aspects such as the prevention, detection, investigation, reporting and resolution of fraud, theft, corruption and maladministration within the agency and the successful conviction of officials involved in fraudulent activities, including the development of standards and guidelines for the prevention of such maleficence. The research was motivated by reports about the huge amounts of money that the agency has lost through the fraud of social grant payments. The relationships that the FMCD has with law enforcement agencies such as the Special Investigation Unit (SIU), National Prosecuting Authority (NPA), Public Service Commission (PSC), South African Police Services (SAPS) and the labour department were also evaluated in this research. This was performed through garnering the perceptions of managerial employees working within the SASSA who were directly involved with the four aforementioned fraud-combating support units, according to the requirements of the FMCD.

Research purpose and objectives

The aim of the research was to evaluate how effective the SASSA risk management framework is in meeting the requirements of the FMCD.

The study further sought to:

- evaluate the perceived role of the SIU in circumventing fraudulent activities within the SASSA
- evaluate the perceived role of the NPA in circumventing fraudulent activities within the SASSA
- evaluate the perceived role of the PSC in circumventing fraudulent activities within the SASSA
- evaluate the perceived role of the SAPS in circumventing fraudulent activities within the SASSA.

Literature review

There are several theories relating to the phenomenon of governmental fraud and corruption. Of these theories, the theoretical framework that was adopted in this article is the institutional theory, which the authors believed to be most relevant. The theoretical framework, as well as a brief review of the literature relating to the research topic, is discussed in this section.

Institutional theory

Institutional theory employs state institutional characteristics such as a predetermined rule of law, well-defined anticorruption mechanisms and autonomous anticorruption entities with enforcement powers to define corruption in the public sector. The theory analyses the processes and mechanisms that determine social behaviour guidelines through various rules and regulations (Scott 2004). Institutional theory brings the social context into perspective and offers a taxonomy for understanding the crux of corruption in organisations, institutions and society, despite the establishment of an anticorruption framework (Luo 2005). The theory posits that political and institutional corruption is evoked by the character, design and transparency of the associated entities. It further recognises that the relationship between corruption, institutions, political systems, culture and gender is highly complex (Debski et al. 2018; Stensöta, Svensson & Wängnerud 2015). Thompson's (1995) and Lessig's (2018) 'institutionalist' view of political corruption is closely linked to this view, as it emphasises that despite the possibility of maladministration on an individual level, it can also be institutional in instances where entities are structured in a manner that diverts them from their intended purpose.

Consequences of corruption in the South African Social Security Agency

The public's perception of the effectiveness of governments is rooted in the satisfaction of the public with the government's general performance, especially when it comes to tackling corruption (Klaaren 2020). The SASSA was established with the aim of promoting postcolonialist rebuilding efforts, and considering the history of multifaceted inequality in South Africa, corruption within the entity only exacerbates inequalities between the rich and the poor, impedes progress on economic and political growth and results in the general degradation of living standards (Habibov, Fan & Auchynnika 2019).

In early March 2020, eight SASSA officials were arrested on charges of fraud to the sum of R2 million. According to the findings of the investigations culminating in the arrests, the offences were committed between 2010 and 2011 (Kubheka 2020). Not long after these arrests, South Africa went into a total lockdown at the end of March 2020 in efforts to slow the spread of the coronavirus during the global coronavirus disease 2019 (COVID-19) pandemic. The prolonging of the COVID-19 hard national lockdown status (alert levels 3–5)

resulted in many individuals losing their jobs and sources of income for various reasons (Posel, Oyenubi & Kollamparamb 2021). Among these reasons was incapacitation caused by infection by the coronavirus, thus increasing the need for SASSA assistance for South Africans. The negative effects of the COVID-19 pandemic on the national budget adversely affected the SASSA in terms of the availability of funding, and during the height of the pandemic, when citizens needed social assistance the most, the negative effects of past fraud and corruption added further strain (Bhorat, Oosthuizen & Stanwix 2020). The cumulative sum of all the money that was defrauded before the pandemic would arguably have been sufficient to alleviate the devastating effects of poverty and inequality which were exacerbated by the pandemic.

South African Social Security Agency Fraud Management and Compliance Department anticorruption collaborators

The authors subsequently delineate some of the entities that collaborate with the FMCD in managing fraud and corruption within the SASSA.

The role of the Special Investigating Unit in fraud management

The SIU was established in light of the *Special Investigating Unit (SIU) Act 74 of 1996*. They obtained their investigation mandate by way of a proclamation issued by the President of the Republic of South Africa. The SIU is a state-chosen provider of forensic investigations and litigation services, which works together with other law enforcement agencies in the fight to eradicate corruption, malpractice and maladministration from society (Social Development 2006). The SIU also conducts anticorruption and fraud awareness training sessions throughout all three government spheres to educate the masses on the impact that corruption has on society.

The SIU's role is an after-effect pertaining to fraudulent activities (South African Government 2021). The SIU only conduct their work after a crime has already been committed and makes recommendations to reduce the likelihood of such conduct recurring in the future (SIU 2018/2019). For fraud committed against the SASSA, the SIU has been tasked by Proclamation R18 of 2005 to conduct investigations on behalf of the SASSA in respect to the conduct of government officials and agents responsible for the administration and payment of social grants or benefits that has resulted or may in the future result in the loss of, lack of control over or delays in payment of monies allocated for the payment of social grants and any conduct directed at, promoting or facilitating thereof, and the payment or receipt of social grants and benefits in respect of fictitious and deceased persons, as well as persons who do not qualify for the receipt of such grants or benefits (SASSA 2019).

The role of the National Prosecuting Authority in fraud management

The NPA has been created by the *Constitution of the Republic of South Africa (Act No. 108 of 1996)*, which is governed by

the *National Prosecuting Authority Act (Act No. 32 of 1998)*. The Constitution, read with this Act, provides the NPA with the power to institute criminal proceedings on behalf of the state, to carry out any necessary functions relating to the institution of criminal proceedings and to discontinue criminal proceedings and empower it to carry out any other functions that are necessary and incidental to instituting criminal proceedings (Posel et al. 2021). The NPA is accountable to Parliament.

In relation to the NPA and fraud management, the SASSA will investigate and establish reasonable grounds that fraudulent activities on social grants have been committed (Reddy & Sokomani 2008). After that, there is the compilation of an investigation report with evidence, which will trigger a criminal case against the perpetrator by the SAPS. Once the criminal case is opened, the SAPS will allocate an investigating officer to investigate the case. The investigating officer will consult the NPA for guidance and instructions on how to investigate the case and the collation of evidence. Once the investigating officer has implemented all instructions of the prosecutor and the case is ready for trial, the prosecutor will then place the case on the court roll for trial and prosecution and present evidence in the court of law on behalf of the state until the matter has been finalised by the court (Reddy & Sokomani 2008).

The role of the Public Service Commission in fraud management

The PSC is mandated by sections 195 and 196 of the South African Constitution, 1996. Among other responsibilities and powers, the PSC is tasked to investigate, monitor and evaluate the organisation and administration of government institutions. An overseeing institution such as the PSC is empowered by the Constitution to exercise their powers to deal with fraud and corruption in the public service without fear, favour or prejudice (PSC 2014).

The PSC also has an obligation to promote measures that would ensure effective and efficient performance within the public service and to promote the values and principles of public administration, as set out in the Constitution, throughout the public service (Pereira et al. 2012). For fraud committed against the SASSA, members of the public can use the PSC's fraud hotline to report any allegations of fraud committed against the SASSA by civilians. The PSC will forward all reported cases to the SASSA for investigation, to provide progress updates on the cases and feedback to the PSC. The SASSA will institute its investigations on the allegations forwarded by the PSC and open criminal cases against perpetrators of crime with the SAPS.

The role of the South African Police Services in fraud management

The SAPS are mandated by section 205 of the Constitution of the Republic of South Africa of 1996 and by the *SAPS Act 68 of 1995*. The SAPS have been entrusted with the powers of ensuring the safety and security of all South African citizens

and property in the South African national territory. Furthermore, the SAPS legislation regulates the police service in terms of its core function, which is to prevent, investigate and combat crime (Minnaar 2004).

The SASSA, as a Chapter 9 institution, has an obligation as provided by Section 23 (1) of the *Social Assistance Act, 13 of 2004* that mandates the SASSA to investigate all social grant-related fraud committed against it. Chapter 3 of the *SASSA Act, 2004* requires the SASSA to implement a fraud mechanism and compliance measures to ensure the maintenance of social security system integrity. Once the SASSA has conducted an internal investigation, detected and established reasonable grounds that social grant fraud has been committed, the agency will compile an investigation report together with collated evidence, which will then form the basis of a criminal case against the perpetrators of crime through the SAPS. Therefore, the SAPS as a law enforcement agency has the constitutional power to conduct investigations as mentioned here, whereas the SASSA does not have powers to arrest, search and seize; thus, it relies on the SAPS to conduct criminal prosecutions (South African Government 2020).

The given literature review provides a synthesis of some of the existing literature perceived most relevant to this article by the authors. Herein, the institutional theory, because of its nature and what it entails, was identified as being pertinent to underpinning the research. Moreover, various theoretical elements relating to the research objectives were delineated under the relevant subheadings such as the consequences of corruption, the role of the SIU in fraud management, the role of the NPA in fraud management, the role of the PSC in fraud management and the role of SAPS in fraud management. Furthermore, this literature review provides a basis and context for the discussion of the findings of this research, as outlined in the applicable subsequent sections of this article.

Research methods and design

Study design

This research followed a qualitative research approach. A qualitative research design aims to comprehend and analyse the perspectives, experiences and interactions of participants (Braun & Clarke 2021a). Non-numerical data are inferred using this method, assisting in obtaining increased insight and perspective across various disciplines (Bogner, Littig & Menz 2018). This approach was selected as the targeted participants were managers at the agency's head office, who, although constituting a relatively small portion of the population, were in the best position to provide more informed perspectives regarding the research topic because of their closest engagement with the relevant entities. Furthermore, the analysis of insights and perspectives was deemed more important than quantity or numbers in this research. The selection of the sample in this research was purposive, based on the participants' close involvement with the SIU, NPA, PSC and SAPS when dealing with fraud matters at the SASSA. The chosen

approach was interpretative and deductive, providing insights into how participants view their reality and perceive experiences related to the research topic, while substantiating existing knowledge on the subject.

Research setting

The interviews were conducted at the SASSA premises, in the participants' offices, for them to be most comfortable while answering in their own familiar environment. Interviews were scheduled with each participant according to convenience and availability.

Study population and sampling strategy

Ten interviews were carried out in total for this research, in conformity with the qualitative sample size recommendations by Braun and Clarke (2021b). This research also considered the study by Guest, Bunce and Johnson (2006), which found that 94% of most prominent or frequent codes emerge in the first 6 interviews and 97% by 12 interviews, thus implying sufficiency of the sample size to ensure valid findings and arguably alluding to data saturation. Data saturation is a term to describe the process of research when one is no longer able to gather new information and one has reached a point where one's results start to repeat and the study itself can be replicated (Fusch & Ness 2015). In this research, similar theme trends became noticeable from the seventh interview, and no new themes emerged at the eighth interview. Nevertheless, the authors continued with the collection of data until the initial target of 10 interviews to make sure the data were indeed saturated.

The research employed purposive sampling. Flick (2016) defines this process as the selection of a sample based on the knowledge of the participants of the research problem. The authors selected a sample from FMCD officials comprising executive management, who were believed to be in the best position to provide the pertinent information on the research phenomenon. The sample was selected at the SASSA head office only, because the selected participants had the best understanding of the research topic compared with all the other provincial offices that report to them. In addition, it was easier for the authors to reach the selected participants because of proximity.

Data collection

One-on-one interviews were carried out in English with the participants to collect data. Before embarking on the interviews, appointments for face-to-face interviews were made with 10 participants. The aim of the study was to evaluate the effectiveness of the FCMD in terms of preventing, detecting, investigating, reporting and resolving fraud, theft, corruption and maladministration within the SASSA, and in line with the research objectives, the authors interviewed the participants on their perspective of the external service provider partners in combating fraud (SIU, NPA, PSC and SAPS).

The 10 participants were in various managerial positions in the SASSA (employed under the fraud management and compliance, human resources, finance and internal auditing divisions) at head office level and were each exposed to the aforementioned fraud-combating partners or units in their job responsibilities, in compliance with the FMCD. While all 10 participants were privy to the interactions of the SASSA with all four fraud-combating partners, three of the participants mainly dealt with the SIU, three other participants mainly dealt with the NPA, two participants mainly dealt with the PSC and the other two participants mainly dealt with the SAPS. This allowed a good representation of perspectives from each fraud-combating unit in partnership with the SASSA.

One of the offices is responsible for managing and distributing world-class information and communications technology (ICT) for the entire SASSA organisation as well as working closely with the Social Pension (SOCPEN) system, which is used by the SASSA to administer grant applications. Another office was targeted because it is responsible for providing information statistics on the amounts of money that the SASSA has lost through fraud, as well as money that was paid back to the agency that was lost through fraud. The payments, management and administration of grants are the responsibility of a particular office; hence, interviews were conducted with participants from that office because most fraud committed within the SASSA is through the payment of grants. Furthermore, Internal Audit assesses the adequacy and effectiveness of the agency's internal controls. If Internal Audit identifies any suspicions of fraud or confirms fraud, they report it to the FMCD for further investigation. Lastly, another office was interviewed because the FMCD reports directly to this office, which means all compiled reports relating to any fraud committed within the agency are submitted to this office for attention.

The interviews were conducted face to face with anonymous participants. Participants were informed about the purpose of the research and were also provided with clear questions relating to the topic being evaluated to achieve the desired outcomes of the research. The advantage of collecting data from participants through face-to-face interviews was that it allowed the researchers to ask follow-up questions, and participants were also able to request clarification whenever they did not understand something. On the other hand, the disadvantage was that some participants perceived the interviews to be time consuming and somewhat a hindrance to their personal obligations. Furthermore, some participants requested to postpone the initially scheduled dates because of unforeseen commitments that arose after they had confirmed their availability. Each interview sessions lasted for 30 min on average.

Data were recorded using a recording device, and the information obtained was captured through a research interview transcript. According to Flick (2016), the process of

recording data is essential as it ensures that the researcher(s) plays the recording repeatedly to ensure that every detail has been captured and that the research problem is effectively understood.

Data analysis

All the data collected were interpreted and analysed using a codebook, with the aim of generating theme- and subtheme-appropriate verbatim quotes. This was performed to eliminate misinterpretation and to make it easier for those who read the report in the future to understand it. Data analysis was conducted by employing thematic analysis to the codes that were generated from the interview transcripts (Braun & Clarke 2021a). Verbatim quotes were then extracted to substantiate the various themes and subthemes. These quotes were then refined to eliminate errors of speech such as hesitation, stuttering, repetition and others, to improve clarity and readability when reporting in the findings section (Corden & Sainsbury 2006).

Ethical considerations

Ethical clearance was sought from the Southern Business School Research Ethics Committee (reference number SBS-20192-0023-MM).

Findings

The research utilised thematic content analysis to categorise participants' responses into varying themes that relate directly to the research objectives. In terms of demographics, the research showed that three of the participants were aged below 35 years, three were aged between 36 and 45 years and four were above 46 years of age. The study also showed that male participants dominated the gender composition, as six of them were male, which suggests the dominance of men in public sector employment in South Africa. The research further showed that three of the participants had experience of less than 5 years, three had experience of between 6 and 10 years and four had experience of 11 years and above, which suggests that most of the participants were in a good position to provide strong insights.

Research aim

The aim of the research was to evaluate how effective the SASSA risk management framework is in meeting the requirements of the FMCD.

Subtheme: The risk management framework in relation to the Fraud Management and Compliance Department within the South African Social Security Agency

The participants within the study expressed their understanding of the role of the risk management framework in meeting the requirements of the FMCD within the SASSA:

'The risk framework is essential because it provides guidance, and this serves as a measure in meeting the requirements of the FMCD. This is because the framework guides departments on how to mitigate and manage fraud.' (Participant 1, 31-year-old man, 3 years' experience)

'I could say the framework is essential because it comes with awareness measures that are essential in mitigating fraud within the SASSA. This comes through the identification of risks that may come within the operations of the organisation.' (Participant 3, 33-year-old woman, 3 years' experience)

Subtheme: Involving Fraud Management and Compliance Department officials in the administration of South African Social Security Agency grants

Participants in the study agreed that there is a need for a more effective screening process regarding grant administration, as this would save time and costs:

'I think it would help a great deal if Fraud Management [FMCD] personnel were to be consulted throughout the grant administration process, I mean from the very onset [be] cause sometimes claims or allegations are made which imply fraud but after investigation, things prove to be above board, yet time and money would have been wasted, which could have been channelled towards actual fraud cases.' (Participant 2, 37-year-old woman, 9 years' experience)

'I feel the importance of the FMCD in the grant administration process is currently taken for granted ... in many cases, the fraud combating arm [FMCD] is used as a contingency, or should I say an afterthought when things have gone wrong, and this is not [should not be] so.' (Participant 5, 39-year-old man, 8 years' experience)

Objective: To evaluate the role of the Special Investigation Unit in circumventing fraudulent activities within the South African Social Security Agency

This objective was derived from the mandate of the SIU, promulgated on the need for forensic investigations and litigation services which work together with other law enforcement agencies in the fight to eradicate corruption, malpractice and maladministration from society.

Subtheme: The role of the Special Investigation Unit in circumventing fraudulent activities within the South African Social Security Agency

The participants expressed their understanding on the role of the SIU in circumventing fraudulent activities within the SASSA. In this regard, the research discovered two important roles that the SIU plays, which include investigations of corruption, fraud and maladministration as well as recommendations on effective courses of conduct:

'What I have seen is that the SIU within the SASSA plays an important role in investigating cases of corruption, fraud and maladministration. The entity [SIU] is mandated by the act of legislation to conduct investigations on cases of corruption.' (Participant 6, 50-year-old man, 16 years' experience)

'[...A]gain, the SIU is important in that it gathers relevant information on corruption from the presidential proclamation.' (Participant 5, 39-year-old man, 8 years' experience)

'You will see that the SIU as a body plays a critical role in combating fraud and corruption with the way it gives recommendations on how to combat fraud and corruption.' (Participant 9, 49-year-old man, 21 years' experience)

Subtheme: Employment of internal information technology forensic investigators

The research also discovered the role and importance of employing internal information technology (IT) forensic investigators to combat fraud and corruption within the SASSA. According to one participant:

'I believe the employment of internal IT forensic investigators is important as it leads to internal control processes that limit risk and uncertainty. Furthermore, this is ideal in ensuring that all systems are up and running.' (Participant 2, 37-year-old woman, 9 years' experience)

In addition, another participant argued that:

'Internal IT forensic investigators are essential in helping review the system application. These investigators check on the weaknesses in the system and they initiate application control systems.' (Participant 7, 34-year-old woman, 4 years' experience)

Objective: To evaluate the role of the National Prosecuting Authority in circumventing fraudulent activities within the South African Social Security Agency

This objective was born out of the conventional understanding that the NPA from the South African Constitution and the *NPA Act* has the power to institute criminal proceedings on behalf of the state, to carry out any necessary functions relating to the institution of criminal proceedings and to discontinue criminal proceedings; furthermore, the legislation empowers it to carry out any other functions that are necessary and incidental to instituting criminal proceedings. The research therefore sought to evaluate the NPA's role in circumventing fraudulent activities within the SASSA.

Subtheme: The role of the National Prosecuting Authority in circumventing fraudulent activities within the South African Social Security Agency

According to a participant:

'I am aware that the NPA is essential in circumventing fraudulent activities within SASSA with the way it acts as a consultant on mitigating measures. For instance, after the FMCD has investigated reported fraud cases, they consult the NPA to seek guidance on complicated cases.' (Participant 10, 45-year-old man, 18 years' experience)

In addition to consultancy, another participant argued that it provides guidance:

'Well, the NPA also provide guidance where there is insufficient information that could stop them from prosecuting. The NPA does not stop there; it is an effective and efficient management body tasked with the implementation of controls guiding behaviour.' (Participant 4, 47-year-old man, 10 years' experience)

Objective: To evaluate the role of the Public Service Commission in circumventing fraudulent activities within the South African Social Security Agency

The PSC is mandated by Sections 195 and 196 of the South African Constitution to investigate, monitor and evaluate the

organisation and administration of government institutions. This makes this body ideal in understanding the research problem.

Subtheme: The role of the Public Service Commission in circumventing fraudulent activities within the South African Social Security Agency

The study discovered that the PSC has three effective roles it plays, including the management of the National Anti-Corruption Hotline (NACH) and the management of corruption and fraud cases. However, the organisation is facing several challenges impacting its effectiveness:

'I could say that the PSC has been mandated by the cabinet to manage the NACH, which serves as a hotline on cases of fraud and corruption. The PSC derive this mandate from the cabinet, which has established rules and procedures that the PSC has to follow in conducting its services.' (Participant 3, 33-year-old woman, 3 years' experience)

'... Furthermore, the PSC is critical in the management of fraud and corruption cases. In this role for example, the PSC records all cases, makes follow-ups on cases, provides comprehensive statistics on these cases and what have you, which can be used as a yardstick to measure the effectiveness of combating fraud and corruption.' (Participant 8, 52-year-old woman, 19 years' experience)

As an organisation, however, the PSC is facing many challenges that are impacting its effectiveness:

'I have seen there is a lack of training and development for officials working within the PSC department and this is affecting its ability to combat fraud and corruption. This lack of training is [*negatively*] affecting the activities of the FMCD as they are being given insufficient information.' (Participant 2, 37-year-old woman, 9 years' experience)

Subtheme: Human resources' role in combating fraud within the South African Social Security Agency

The research also discovered that human resources play a role in combating fraud in the organisation. One participant alluded to the following:

'In my experience I would say there is lack of human resources as the organisation is currently facing challenges due to vacancies that are not filled. For example, there are vacancies on the post of general manager, one senior manager, three manager posts and six verification officers at head office.' (Participant 7, 34-year-old woman, 4 years' experience)

In addition, another participant stated:

'There is lack of training and development for the employees and this is impacting the need for the organisation to combat fraud. This is because there is lack of training and development initiatives by the management.' (Participant 10, 45-year-old man, 18 years' experience)

A different participant:

'My view is there is lack of financial resources within the human resources department in the organisation and this is limiting the ability to fight fraud and corruption. Also [*there is*] lack of funding in other regions as well and some regions are

incapacitated [*in their ability*] to conduct their day-to-day affairs.' (Participant 4, 47-year-old man, 10 years' experience)

Objective: To evaluate the role of the South African Police Services in circumventing fraudulent activities within the South African Social Security Agency

The South African Constitution and the *SAPS Act* give the police the power of ensuring the safety and security of all South African citizens and property in the South African national territory. The research therefore sought to understand the role of the SAPS in circumventing fraudulent activities within the SASSA.

Subtheme: The role of the South African Police Services in circumventing fraudulent activities within the South African Social Security Agency

The study discovered that the SAPS have an important role in combating fraudulent activities within the SASSA. The SAPS investigate crimes as well as make arrests:

'My understanding is that they play an investigative role. The SAPS conduct an in-depth investigation of cases reported to them by the SASSA.' (Participant 1, 31-year-old man, 3 years' experience)

'In their role of making arrests and prosecution, the SAPS make arrests and enable prosecution on cases involving members of the public and [*those involving*] SASSA officials.' (Participant 5, 39-year-old man, 8 years' experience)

Discussion

Effectiveness of the South African Social Security Agency risk management framework

The aim of the research was to evaluate how effective the SASSA risk management framework is in meeting the requirements of the FMCD. The study found that the major role played by the risk framework within the SASSA is in guiding the mitigation of fraud and corruption, as similarly found by Lamptey (2018). Within the SASSA, the organisation operates in departments, and it is the role of the risk framework to ensure that departments are given the guidelines on how to mitigate and manage fraud. It is within this perspective that the risk management framework meets the requirements of the FMCD within the SASSA through providing guidance.

The study further uncovered that the risk management framework encourages training and development and awareness measures to ensure that departments have a comprehensive risk framework strategy at their disposal. According to Leedy and Ormrod (2015), every organisation must come up with a risk management framework to ensure that there is awareness and understanding on how to mitigate risks and uncertainties that may arise. It is within this context that the risk management framework meets the requirements of the FMCD within the SASSA.

Involving Fraud Management and Compliance Department officials in the South African Social Security Agency grant administration process

In trying to achieve the general objective of the research, the authors also sought to evaluate the agency's organogram and the idea of involving FMCD officials in the grant administration process. According to Reinhard, Murray, and David (2016), of the various types of fraud committed within the agency, the most common fraud is committed through grant capturing (application processes); thus, this research sought to understand the agency's organogram from the perspective of the participants within the study and the idea of involving FMCD officials in the grant administration process. The research uncovered that there is a need for an effective screening process in grant administration. An effective screening process saves time and costs. There are cases, for example, when people call the SASSA to report people who are receiving grants and accusing them of fraud (Mabuza 2019). However, through follow-ups, the organisation then discovers that these individuals qualify for grants. Involving FMCD officials in the grant administration process from the onset would thus help save on the time and cost implications associated with these alleged fraud cases.

Specific objective one: To evaluate the role of the Special Investigation Unit in circumventing fraudulent activities within the South African Social Security Agency

The first role of the SIU is that it investigates corruption, fraud and maladministration within the SASSA (SIU 2019). According to the constitutive act, the SIU is mandated by the act of legislation to conduct investigations on cases of corruption. Furthermore, this unit is pertinent as it gathers crucial information on corruption from the presidential proclamation. All these initiatives come from the idea that the SIU's role is an afterthought regarding fraudulent activities: a narrative that emerged in this study's findings.

The SIU only conduct their work when a crime has already been committed and makes recommendations to reduce the risk of such conduct reoccurring in the future (SASSA 2019). Therefore, combating fraud, maladministration and corruption is the role of the SIU in circumventing fraudulent activities within the SASSA. This was in line with the study's findings.

In a bid to ensure that there is management of fraud, ascertaining risks and uncertainties and addressing other related challenges that are impacting the management of fraud within the SASSA, the research sought to evaluate the role of the SIU in investigating fraud within the agency. The research showed that the employment of internal IT forensic investigators ensures effectiveness in the internal control processes. This is because internal control processes limit risk and uncertainty, and these processes are essential in ensuring that all systems are up and running (Vasile & Croitoru 2012).

The research also showed that it is essential for the SASSA to employ internal IT forensic investigators to ensure that there is a review of the system application. Malatesta and Carboni (2015) are of the view that contemporary public administration needs to adapt to changing technologies to ensure efficiency and effectiveness in their operations. The employment of internal IT forensic investigators ensures that there is constant checking for weaknesses in the system, application controls and segregation of duties and risks. This ensures that the organisation achieves its goals and objectives in combating fraud and corruption.

Specific objective two: To evaluate the role of the National Prosecuting Authority in circumventing fraudulent activities within the South African Social Security Agency

The second specific research objective sought to evaluate the role of the NPA in circumventing fraudulent activities within the SASSA. Theoretically, the NPA has the power to institute criminal proceedings on behalf of the state, to carry out any necessary functions relating to the institution of criminal proceedings, to discontinue criminal proceedings and to carry out any other functions that are necessary and incidental to instituting criminal proceedings (*Act No. 32 of 1998*). The research uncovered that the NPA plays a consultancy role, which makes it relevant in combating fraud within the SASSA. This is because after the FMCD has investigated reported fraudulent cases, they consult the NPA to seek guidance on complicated cases.

Ideally, in relation to fraud management, the SASSA investigates and establishes reasonable grounds that fraudulent activities on social grants have been committed; it will compile an investigation report with evidence to institute a criminal case against the perpetrator(s) through the SAPS (Reddy & Sokomani 2008). Once the criminal case is opened, the SAPS will allocate an investigating officer to investigate the case. The investigating officer will consult the NPA for guidance and instructions on how to investigate the case and collation of evidence.

Specific objective three: To evaluate the role of the Public Service Commission in circumventing fraudulent activities within the South African Social Security Agency

Specific research objective three sought to evaluate the role of the PSC in circumventing fraudulent activities within the SASSA. This objective was derived from the understanding that the PSC plays a crucial role in monitoring, investigating and evaluating the organisation and administration of government institutions (PSC 2014). The study uncovered that the PSC plays a crucial role in the management of the NACH, which is the hotline for cases of fraud in relation to public services. The PSC has been mandated by the cabinet to manage the NACH; therefore, it is under executive control in its operations. For fraud committed against the SASSA, members of the public can use the fraud hotline of the PSC to report any allegations of fraud that may have been committed

against the SASSA by civilians. The PSC will then forward all reported cases to the SASSA for investigation, to provide progress on the cases and feedback to the PSC (Pereira et al. 2012). This is in line with this study's findings.

The research also evaluated the role of human resources in combating fraud within the SASSA. There is a lack of human resources, which is negatively impacting fraud and corruption management within the SASSA. This lack of human resources was firstly seen in the ineffective recruitment policy, where several important posts were vacant at the time when the study was conducted, especially regarding personnel who should serve as liaisons to the PSC. Secondly, there were vacancies in the post of general manager, senior managers, general managerial posts and verification officers at the head office. This is consequently impacting fraud management within the SASSA, as the organisation is incapacitated in its ability to handle fraud and corruption issues.

Human resources management is also facing challenges in terms of a lack of training and development, which is impacting its management of fraud within the SASSA (Kgaphole 2013). Malatesta and Carboni (2015) are of the view that within every organisation, human resource management plays a critical role in the management of fraud, as it includes processes, structures and even personnel to ensure that fraud and corruption are combated. However, the human resources department within the SASSA arguably lacks the required skillset to manage fraud and corruption. Furthermore, there are cases where the budget for training and development is being diverted to other sectors, thereby negatively impacting the roles and responsibilities of the human resources department in mitigating fraud (Kgaphole 2013). Therefore, a lack of training and development is also adversely impacting the roles and responsibilities of this body in managing fraud, despite evidence from several studies of the pivotal role that the training and development of human resources plays in overall organisational effectiveness (Saurombe & Barkhuizen 2020, 2022; Shingenge & Saurombe 2022).

A lack of financial resources is arguably also impacting the role of human resources in managing fraud within the SASSA. That is, limited funding prevents the employment of sufficient personnel who would help set checks and balances that should prevent fraud in the system. The research discovered that there is a lack of funding in various regions such as the Free State, North West and Northern Cape. Consequently, these regional offices are incapacitated in their ability to perform their day-to-day operations, thereby impacting their ability to manage and mitigate corruption and fraud.

Specific objective four: To evaluate the role of the South African Police Services in circumventing fraudulent activities within the South African Social Security Agency

As a law enforcement agency in South Africa, the SAPS play a crucial role in circumventing fraudulent activities within the SASSA by investigating fraud cases. In this perspective,

the SAPS conduct an in-depth investigation of cases reported to them by the SASSA. Ideally, once the SASSA has conducted an internal investigation, detected and established reasonable grounds that social grant fraud has been committed, the agency will compile an investigation report together with collated evidence, which will then form the basis of a criminal case against the perpetrator(s) of the crime through the SAPS (Reddy & Sokomani 2008). This corroborated the emergent findings in this research.

The research also showed that making arrests is the role of the SAPS in relation to circumventing fraud within the SASSA. The SAPS as a law enforcement agency has the constitutional power to conduct investigations (Minnaar 2004), whereas the SASSA does not have powers to arrest, search and seize; therefore, it relies on the SAPS to further conduct criminal prosecutions. In this perspective, the SAPS make arrests and enable prosecution both in cases involving members of the public and those involving SASSA officials. The importance of the SAPS in fraud management is that they not only combat fraud cases committed by the public but also have the capacity to bring to task officials within the SASSA who would have mismanaged funds, fraud cases, corruption and other related maladministration activities (South African Government 2020).

Conclusion

This study was based on the evaluation of the effectiveness of the FMCD within the SASSA, based on the public knowledge of a plethora of activities both by South African civilians and by SASSA officials who are adversely affecting the organisation's achievement of its goals and objectives. The study specifically sought to evaluate the role of the FMCD in partnership with four key fraud combating units, namely the SIU, NPA, PSC and SAPS, in the prevention, detection, investigation, resolution and reporting of fraud, theft, corruption and maladministration within the SASSA. The research findings mainly uncovered that the SIU, NPA, PSC and SAPS each play a critical role in investigating corruption, fraud and maladministration within the SASSA, thus contributing to how future fraud situations are handled. This article recommends that provision be made for the training and development of relevant authorities to improve the effectiveness of the FMCD within the SASSA.

Acknowledgements

Competing interests

The authors declare that they have no financial or personal relationships that may have inappropriately influenced them in writing this article.

Authors' contributions

This article is partially based on the first author, N.M.'s thesis for the Master of Management degree at STADIO, South Africa, with supervisor and co-author M.D.S,

received in April 2020 and available on request from the author.

Funding information

This research received no specific grant from any funding agency in the public, commercial or not-for-profit sectors.

Data availability

The data that support the findings of this study are not openly available due to reasons of sensitivity and are available from the corresponding author, M.D.S., upon reasonable request.

Disclaimer

The views and opinions expressed in this article are those of the authors and do not necessarily reflect the official policy or position of any affiliated agency of the authors.

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