

COMMERCIAL CRIME PROPOSAL FORM

Please answer **EACH** question in its entirety and truthfully

Should insufficient space be provided please continue on your company letterhead

It is advisable to insure independently operating branches or subsidiary companies which are removed from the direct control of head office under a separate policy

Section 1

1. Name of Proposer including ALL branches, subsidiaries and associated companies for which cover is requested

National Home Builders Registration Council (NHBC)

2. Physical Address

27 Leeuwkop Road, Sunninghill, Johannesburg

Post code 2157

3. VAT number

n/a

4. Company website

www.nhbc.org.za

5. Annual Turnover/Gross Revenue

Past Year R 2,426,832,924.00

Current Year R

6. Describe ALL business activities

The NHBC was established in 1999 as a council in terms of the Housing Consumers Protection Measures Act of 1998,

Refer to annual report 2024/2025 page 10

7. Are any of your branches based outside the borders of South Africa?

Yes

☐

No

☒

If YES, provide details

Section 2 – EMPLOYEES

- 2.1 Number of employees in each of the following categories

(If an employee falls into more than one category they should be included once only - Contracted employees supplied by third parties, such as security guards or temporary staff, may be covered under the Policy, but must declared below)

| | | | |
|---|----|-------------------------------|-----|
| Executive management | 5 | Security personnel (internal) | 2 |
| Management | 22 | Security personnel (external) | 0 |
| Accounts/Financial (with access to money/securities) | 40 | General administration | 312 |
| Stock and Warehousing | 0 | Blue collar workers | 0 |
| Purchasing and sales | 0 | Technical (engineers etc.) | 209 |
| Others (specify) | | | |

- 2.2 Is the number of employees likely to change materially in the next 12 months?

Yes

☐

No

☒

If YES, provide details

BH

2.3 Are criminal and credit checks performed on ALL new employees?

Yes ☒ No ☐

If **NO**, provide details

2.4 Have any of your employees been dismissed for any fraudulent activities/
dishonesty during the last 12 months involving an amount of more than R100 000?

Yes ☐ No ☒

If **YES**, please provide details for each dismissal

2.5 Do you have an enforced leave policy?

Yes ☒ No ☐

SECTION 3 – ACCOUNTS (CASH, EFT'S AND CHEQUES)

3.1 Do you deposit cash and cheques daily?

Yes ☐ No ☒

If **YES**, provide details

not applicable

3.2 Do you handle cash in your daily business activities?

Yes ☒ No ☐

If **YES**, provide details

Petty Cash - limit for Head Office R 20 000 Provinces limit R 10 000 per month

3.3 Describe the security control in respect of:

Printing and delivering of cheques n/a

Storage of used/unused cheques n/a

Authorisation/Issue of cheque books n/a

3.4 Do all cheques require two signatures?

Yes ☐ No ☒

If **NO**, provide details

n/a

3.5 Does your debtors list extend more than 120 days?

Yes ☒ No ☐

If **YES**, provide details

Provincial Department Annual Report Note 6

3.6 Is there dual authorisation to load a new creditor?

Yes ☐ No ☒

If **NO**, provide details

B.H.

3.7 Are bank statements reconciled on a bi-monthly basis?

Yes ☒ No ☐

If **NO**, please provide details

Recons done daily basis

3.8 Are creditors, debtors and cash books reconciled on a monthly basis?

Yes ☒ No ☐

If **NO**, provide details

3.9 Please advise:

Total annual value of funds transferred electronically

R 881,833,484.00

Maximum value per individual electronic transaction

R 5,000,000.00

3.10 How are payee's details on EFT transfers verified against that of the accountholder? Please provide details:

Proof of banking details, linked to CSD report for suppliers and Invoices paid

3.11 Is there segregation of duties between loading, releasing and authorising a payment?

Yes ☒ No ☐

If **YES**, provide details

SCM administrators load the suppliers details, SCM issue PO's, SBD4 compliance is verified, Finance Administrator process the payment. Finance Accountant and Finance Manager authorises the payments.

3.12 How often are your banking passwords and profile authorities reviewed/changed? Please provide details:

Monthly

SECTION 4 – REMUNERATION

4.1 Do you have an HR department?

Yes ☒ No ☐

4.2 Do you have a dedicated payroll system?

Yes ☒ No ☐

4.3 How do you manage the risk of fraud as a result of ghost employees? Please provide details:

Human Capital personnel segregation of duties between Payroll and HR. Monthly variance reports. Recons for checking bank files for banking details.

4.4 Is there segregation of duties between the additions, deletions, amendments and payments on the payroll?

Yes ☒ No ☐

Please provide details

HR hires and terminates employees. Payroll maintains. Only IT (system administrators) can delete employees

SECTION 5 – STOCK AND WAREHOUSING

5.1 Describe your stock (separately for raw materials and finished goods, if applicable):

Home Builders Manual

5.2 What is the average value of your total stock?

NHBRC Annual Report 2024/2025 page 103 Builders manuals at cost R 3 438 856

D.H.

5.3 Do you have separate receiving and despatching bays?

Yes ☐ No ☒

Please provide details

5.4 Are the receiving and despatching duties segregated between employees?

Yes ☐ No ☐

Please provide details

n/a

5.5 Are cycle-counts conducted on fast moving items?

Yes ☒ No ☐

Please provide details

Atleast twice a year - Home builders manuals

5.6 Who conducts cycle-counts, and how often are they conducted?

Atleast twice a year, Business services and Financial Administrator stock counts as the custodian of the Home Builders Manuals

Internal Audit and Auditor General as when they do their audits

5.7 How many delivery vehicles are utilized?

n/a

5.8 Are independent checkers used in the warehouse environment?

Yes ☐ No ☐

Please provide details

n/a

5.9 Are stock adjustments done annually?

Yes ☐ No ☒

Please provide details

n/a

5.10 What is the value of stock adjustments done annually?

n/a

5.11 By whom and how often are your stock-takes done?

Business services and Financial Administrator

SECTION 6 – PURCHASES

6.1 How are buyers' bank account details confirmed prior to payment?

Proof of banking details, linked to CSD report for suppliers and Invoices paid

6.2 How do you check that your buyers do not exceed their limits of authority?

Delegation of Authority

SECTION 7 – SECURITY

7.1 Do you have an external security department?

Yes ☒ No ☐

If YES, provide the name of the security company

Imvusa Security and Cleaning Services

If NO, advise who is responsible for security

7.2 Is there a written contract in place between yourselves and the security company?

Yes ☒ No ☐

Please provide details

Service Level Agreement (SLA)

7.3 How many security guards are there on the property at any one time?

Day shift - Head Office 9 guards, Eric Molobi 4 guards and Pretoria Office 1 guard

Night shift - Head Office 6 guards, Eric Molobi 4 guards and Pretoria nil

7.4 Are all premises monitored by a CCTV system?

Yes ☐ No ☒

Please provide details

Only the Head Office - Sunninghill Office

7.5 Are off-site back-ups done and what is the memory capacity of the system?

Yes ☐ No ☒

Please provide details

Sunninghill has 2 terabyte back up

7.6 Who has authority to view the footage?

Security Administrator

SECTION 8 – AUDITS

8.1 Do you have your own internal audit department?

Yes ☒ No ☐

Please provide details

We have an inhouse internal audit department with a staff compliment of 8 personnel.

8.2 Other than the required annual audit, what audit mechanisms are in place in ALL your operations?

We conduct risk based audits (assurance and advisory) in line with the internal audit annual plan. We also perform adhoc reviews.

8.3 Are appropriate actions taken following the recommendations made by these audits?

Yes ☒ No ☐

Please provide details

Actions are taken upon recommendations made by audits, however there is a room for improvement.

8.4 Are 'surprise audits' made?

Yes ☐ No ☒

Please provide details

We haven't performed surprise audits in the previous and current audit plan.

8.5 Are **ALL** your operations audited on a regular basis?

Yes ☒ No ☐

Please provide details

Operations are audit regulary based on the area of priority taking into account the level of risk.

SECTION 9 – INFORMATION TECHNOLOGY

9.1 Does your computer system:

Produce pre-signed cheques

Yes ☐ No ☒

Produce unsigned cheques

Yes ☐ No ☒

9.2 Are **ALL** operations within the business linked to one IT system?

Yes ☐ No ☐

Please describe system and give details

Integrated systems i.e SAP, Digital Services, GIS, ATIS

9.3 At which intervals are passwords required to be changed?

Monthly (30 days)

SECTION 10 – INSURANCE HISTORY

10.1 Do you currently hold a commercial crime insurance policy?

Yes ☒ No ☐

If **YES**, give particulars and state whether this policy is to remain in force

Yes ,ITOO

10.2 Has any insurer ever cancelled or refused to accept or continue any Commercial Crime Insurance or imposed any special conditions?

Yes ☐ No ☒

If **YES**, provide details

10.3 Have you suffered a direct financial loss of more than R100 000 in the last 5 years as a result of:

Fraud/dishonesty by an employee?

Yes ☒ No ☐

Any form of third party computer fraud or computer crime?

Yes ☐ No ☒

If **YES**, please provide information for each of the losses below:

| Number | Type of loss | When committed | When discovered | Amount |
|--------|--------------|----------------|-----------------|--------|
| a. | | | | |
| b. | | | | |
| c. | | | | |
| d. | | | | |

Give a brief description of how each of the losses were committed

- a. _____
- b. _____
- c. _____
- d. _____

What actions were taken against the perpetrator in each instance?

- a. _____
- b. _____
- c. _____
- d. _____

What measures have been implemented to prevent a reoccurrence of losses of the same nature?

- a. _____
- b. _____
- c. _____
- d. _____

LIMIT OF INDEMNITY

| | Option 1 | Option 2 | Option 3 | Option 4 |
|------------|------------|------------|------------|------------|
| Quote | 20 000 000 | 30 000 000 | 40 000 000 | 50 000 000 |
| Deductible | 50 000 | 50 000 | 50 000 | 50 000 |

Privacy

In order to provide you with insurance, we have to process your personal information. We will share your personal information with other insurers, industry bodies, credit agencies and service providers. This includes information about your insurance, claims and premium payments. We do this to provide insurance services, prevent fraud, assess claims and conduct surveys. We will treat your personal information with caution and have put reasonable security measures in place to protect it. By signing this application for insurance, you agree to the processing and sharing of your personal information.

DECLARATION

I/We, the undersigned, declare that the statements set forth in this proposal form together with any other information supplied are true and correct and that I/we have not misstated or suppressed any material facts.

I/We agree that this proposal form together with any other information supplied by me/us shall form the basis upon which the contract of insurance is concluded and shall be incorporated therein.

I/We further undertake that in the event that the information provided changes between the date of this application and inception of cover, I/We will notify iTOO of such changes as soon as reasonably possible.

Bongani Monareng

Name (duly authorised)

Acting Chief Risk Officer

Designation

Signature



Date

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2 | 0 | 2 | 6 | 0 | 2 | 0 | 6 |
|---|---|---|---|---|---|---|---|