



NATIONAL ENVIRONMENT TRUST FUND

ANTI-CORRUPTION POLICY

15TH DECEMBER 2016

TABLE OF CONTENTS

ACRONYMS, ABBREVIATIONS AND DEFINITION OF TERMS.....	2
1 FOREWORD	5
2 POLICY BRIEF AND PURPOSE	6
3 SCOPE	9
3.1 LEGISLATIVE AND ADMINISTRATIVE REQUIREMENTS/CONTEXT	9
3.1.1 Legislative Instruments.....	9
3.1.2 Administrative Framework	10
3.2 RESPONSIBILITIES	10
3.2.1 The Corruption Prevention Committee	11
3.2.2 Individual Responsibility of the CEO	12
3.2.3 Management Responsibilities.....	12
3.2.4 Heads of Departments (HoDs) Responsibilities	12
3.2.5 Members of Staff Responsibilities.....	13
3.2.6 The Audit Committee Responsibilities	13
3.2.7 Integrity Assurance Committee (IAC) Responsibilities	14
3.2.8 Integrity Assurance Officers Responsibilities.....	15
4 POLICY ELEMENTS	16
4.1 STATEMENT OF NETFUND REGARDING CORRUPTION	16
4.2 KEY PRINCIPLES.....	16
4.3 INDICATORS OF FRAUD OR CORRUPTION	17
4.4 PREVENTIVE MEASURES.....	17
4.4.1 Internal Control Environment.....	17
4.4.2 Internal Control Systems.....	18
4.4.3 Corruption Risk Areas	18
4.4.4 Organisation Culture	19
4.4.5 Risks	19
4.5 TRAINING AND DISCLOSURE PROGRAMME.....	23
4.6 PROCEDURES	23
4.7 RIGHTS OF STAFF AND MEMBERS INVOLVED IN AN INVESTIGATION	23
4.8 EXTERNAL NOTIFICATION SYSTEMS.....	24
4.8.1 Ethics and Anti-Corruption Commission (EACC)	24
4.8.2 The Public Complaints Standing committee / Kenya Ombudsman's Office.....	24
4.9 INVESTIGATION PROCEDURE.....	25
4.10 ACTION FOLLOWING BREACHES OF THIS POLICY	25
5 MONITORING AND REVIEW	26
6 AUTHORISATION.....	27

ACRONYMS, ABBREVIATIONS AND DEFINITION OF TERMS

ACECA:	Anti-Corruption and Economic Crimes Act
AIE:	Authority to Incur Expenditure
CEO:	Chief Executive Officer
CFO:	Chief Finance Officer
CPC:	Corruption Prevention Committee
CPP:	Corruption Prevention Plan
CRA:	Corruption Risk Assessment
DPM:	Directorate of Personnel Management
EACC	Ethics and Anti-Corruption Commission
EFT:	Electronic Funds Transfer
HOD:	Head of Department
IAC:	Integrity Assurance Committee
IAO:	Integrity Assurance Officer
IAOs:	Integrity Assurance Officers
KACA:	Kenya Anti-Corruption Authority
KACC:	Kenya Anti-Corruption Commission
M&E:	Monitoring and Evaluation
PEC:	Poverty Eradication Commission
PSIP:	Public Service Integrity Programme
PSRP:	Public Service Reform Programme
TNA:	Training Needs Assessment

Definition of Terms

Abuse of function – exercising discretion to use official position to benefit oneself or to purchase goods or services, which hold a personal interest.

Active corruption - “active bribery” refers to the act of offering or paying a bribe

Bribery - the act of conferring a benefit in order to improperly influence an action or decision. It can be initiated by an official who asks for a bribe, or by a person who offers to pay one.

Collusive practice - an arrangement among two or more parties designed to achieve an improper purpose, including but not limited to; influencing improperly the actions of another party or engaging in price-fixing.

Conflict of Interest – the creation or exploitation of some conflict between the professional/official responsibilities of an individual and his or her private interests

Corruption - for the purpose of this policy corruption is perceived to include: improper use of power/privileges/office for benefit to any person(s); bribery, theft, embezzlement and fraud; evasion of payment of Government revenues, taxes, rates, fees and other dues; practicing of nepotism, tribalism, clannism; practicing discrimination on the basis of religion, gender or disability; inversion and distortion of social values including soliciting for and giving sexual and other favours; and negligence of professional ethics.

Corrupt Practice - the offering, giving, receiving or soliciting directly or indirectly, or attempt thereof, of anything of value to influence improperly the actions of another party

Embezzlement – theft of property by someone to whom it is entrusted.

Extortion – the coercion to induce cooperation such, as strikes or violence or the exposure of sensitive information.

Favouritism and Nepotism - favouritism, nepotism and clientelism all involve abuses of discretion which does not involve a direct personal benefit to an official but to promote the interests of those linked to the officials.

Fraudulent practice - any act or omission, including any misrepresentation, that knowingly misleads, or attempts to mislead, a party to obtain any financial or other benefit or to avoid any obligation.

Grand Corruption - an expression used to describe corruption that pervades the highest levels of government, engendering major abuses of power and erosion of the rule of law, economic stability and confidence in good governance.

Theft – stealing by an individual exploiting his/her position of employment.

Passive corruption - refers to the requesting or receiving of a bribe.

Petty corruption/administrative corruption - involve the exchange of very small amounts of money, and granting of small favours that can carry considerable public losses.

1 FOREWORD

Corruption continues to be insidious around the globe and Kenya in particular. It deepens poverty by distorting political, economic and social life. Corruption means that decisions are taken not for the benefit of the public but to serve private interests. Democratic institutions are weakened, as public trust in and support for politicians as well as public servants is lost.

Corruption also harms trade, deters investment, threatens environment, leads to human rights abuses and makes it impossible for thousands of Kenyans to earn an honest living.

Fraudulent and corrupt practices directly affect the viability of our social contract by altering the nature of the relationship between government and citizens, a relationship where the public officials are not providing what is expected, and where citizens no longer trust their authorities.

NETFUND recognizes the adverse effect that such practices could have on its activities and operations, and is therefore committed to preventing them and taking decisive action where they are found to occur.

In this regard, NETFUND has developed the Anti-Corruption Policy to enhance accountability, make service delivery contribute to poverty reduction and raise ethical standards among staff by enhancing the quality of performance and professional leadership in planning services.

Catherine Ndegwa

Chief Executive Officer and Secretary to the NETFUND Board of Trustees.

2 POLICY BRIEF AND PURPOSE

Corruption as a problem in Kenya dates back to the colonial times. In 1956, the Colonial authorities passed the Prevention of Corruption Act, (Cap 65-laws of Kenya) in an effort to provide a legal framework for combating public corruption. It provided for the punishment of bribery involving holders of public office.

In 1991, the Act was amended by the government of Kenya to provide stiffer penalties for those convicted of corruption. The government of Kenya further established the Anticorruption Squad in the Police Force in 1993 to spearhead the fight against corruption. In 1997, the Prevention of Corruption Act was amended to establish the Kenya Anti-Corruption Authority (KACA), which was later declared unconstitutional in 2000.

In 2001, the Anti-Corruption Police Unit was formed administratively to continue with the work of KACA. The unit existed until the enactment of the Anti-Corruption and Economic Crimes Act (ACECA) in May 2003, which established the Kenya Anti-Corruption Commission (KACC). The ACECA replaced the Prevention of Corruption Act, 1956.

The ACECA mandated the Kenya Anti-Corruption Commission to among other things; issue guidelines on the preparation of Anti-Corruption policies in Ministries and State Agencies.

The Fund has therefore incorporated the guidelines provided by the Ethics and Anti-Corruption Commission (EACC) after the enactment of Ethics and Anti-corruption Act, 2011 following the promulgation of the constitution in the year 2010 which advocates using the eleven – point framework listed below:

- I. Responsibility structures and mandate
- II. Employee awareness
- III. Customer and public awareness
- IV. Information dissemination
- V. Conduct and disciplinary systems
- VI. Reporting systems
- VII. Scope/applicability
- VIII. Definitions of corruption
- IX. Corruption risk areas and practices in the NEFUND
- X. Internal Audit reviews
- XI. Effective date

Fraudulent, corrupt and/or collusive practices are contrary to the culture of NETFUND. NETFUND recognizes the adverse effect that such practices could have on its activities and operations, and is committed to preventing them and taking robust action where they are found to occur. In particular, NETFUND is committed to preventing:

- I. Fraud and corruption perpetrated by NETFUND staff members;
- II. Fraud perpetrated against NETFUND by cooperating partners, suppliers or other third parties; and
- III. Any collusive practices among any such parties.

NETFUND is committed to transparency and accountability in the management of its resources in order to ensure the effective delivery of its strategic objectives. To this end, this Policy seeks to prevent fraudulent, corrupt and/or collusive practices through:

- I. Appropriate internal checks and balances;
- II. Staff training and awareness;
- III. Due diligence practices in the recruitment and promotion of NETFUND staff members, non-staff employees and the hiring of contractors;
- IV. Effective internal and external auditing controls;
- V. Reporting of investigation and prosecution of perpetrators of corruption;
- VI. Equitable allocation of resources
- VII. Selection of non-staff employees and hiring of contractors and consultants;
- VIII. Objective recognition and reward of excellence; and
- IX. Taking disciplinary action which shall include prosecution of perpetrators in a court of law

This Anti-Corruption Policy of NETFUND sets out the policy and procedures relating to fraud, corruption and/or collusion. The objectives and procedures outlined in this document are based on and reflect the principles set out in the following:

- I. Sections 73, 75(1) & (2), 76 and 77 (1) & (2) Chapter six of the Constitution of Kenya on Leadership and Integrity,
- II. Public Service Commission Act Cap 185 (revised),
- III. Public Service Code of Regulations,
- IV. Financial Regulations and Rules, (v) Code of Conduct and Ethics for the staff of NETFUND,
- V. Resource Manual for Corruption Prevention in the Public Service,

- VI. Public Officer Ethics Act, 2003,
- VII. Public Procurement and Disposal Act, 2005,
- VIII. Anti-corruption and Economic Crimes Act, 2003, and
- IX. Ethics and Anti-Corruption Act, 2011.

3 SCOPE

This Policy applies to all activities and operations of NETFUND including:

- I. Any project funded by NETFUND; and
- II. Any project implemented by NETFUND and/or cooperating partner
- III. All NETFUND staff members (project management staff), including but not limited to:
 - a. Consultants;
 - b. Temporary Staff
 - c. Interns and Volunteers

Contractual arrangements between NETFUND and cooperating partners, suppliers or other parties shall prohibit fraudulent, corrupt and/or collusive practices and refer to this Policy.

3.1 Legislative and Administrative Requirements/Context

NETFUND recognizes that fraud and corruption are costly, in terms of both reputational risk and financial losses, including the use of resources in dealing with and resolving any suspected or identified cases. Therefore, a key objective of the Policy is the prevention of fraud and corruption and key element of prevention is to have a range of interrelated strategies and procedures that together create an anti-fraud / corruption culture.

The legal instruments and institutional frameworks that will guide the implementation of the policy include:

3.1.1 Legislative Instruments

- Anti-Corruption and Economic Crimes Act, 2003
- Government Financial Management Act, 2004
- Kenya Public Service Commission Act Cap 185 (revised)
- Legislative Instruments
- Official Secrets Act, Cap 187 Laws of Kenya

- Public Officer Ethics Act, 2003
- Public Procurement and Disposal Act, 2005
- The Constitution of Kenya
- Witness Protection Act, 2007

3.1.2 Administrative Framework

The CEO/Accounting Officer will:

- I. Formulate targets in fulfilment of the performance contract guidelines under the Public Service Reform Programme (PSRP).
- II. Enforce adherence to the provisions of:
 - a. Chapter 6 of the Constitution of Kenya on Leadership and Integrity
 - b. The Code of Regulations, 2006
 - c. GOK Financial Regulations, 1989
 - d. Code of Conduct & Ethics
- III. Under the Public Service Integrity Programme (PSIP):
 - a. Establish a Corruption Prevention Committee (CPC)
 - b. Establish Integrity Assurance Committee (IAC)
 - c. Appoint Integrity Assurance Officers (IOS)
 - d. Develop and Implement Corruption Prevention Plans
 - e. Undertake awareness creation/dissemination
 - f. Set up Corruption reporting desk, hotline and email

3.2 RESPONSIBILITIES

All employees have an important role to play in the prevention and control over fraud and corruption.

These roles/responsibilities are outlined as follows:

3.2.1 The Corruption Prevention Committee

3.2.1.1 The composition of CPC shall be as indicated here below:

Chair:

- Chief Executive Officer

Members:

- Director, Finance
- Director, Technical Services
- Director, Resource Mobilisation
- Procurement and Administration Manager
- Human Resources Manager
- Finance Manager
- Internal Auditor

3.2.1.2 Mandates and operations of the CPC Committee

The mandate of Corruption Prevention Committee is to keep a constant check on organizational operations and procedures and ensure that there are no opportunities for corruption in the organisation.

3.2.1.3 Functions

- I. Prioritize activities in the implementation of corruption prevention programme;
- II. Ensure that all corruption prevention initiatives are integrated in NEFUND;
- III. Receive and review reports on corruption prevention initiatives and take and or recommend appropriate action;
- IV. Co-ordinate corruption prevention strategies in NETFUND;
- V. Consider and approve training on the Public Service Integrity programme for staff;
- VI. Ensure that all decisions and guidelines on corruption prevention are communicated effectively to staff and all interested parties.
- VII. Prepare and submit to PSIP secretariat regular progress reports on implementation of the programme;
- VIII. Receive complaints and information on alleged corrupt activities within the organization and thereafter evaluate, analyse and recommend appropriate action and
- IX. Monitor the impact of corruption prevention initiatives and other recommended actions.

3.2.2 Individual Responsibility of the CEO

The CEO is responsible for:

- I. Providing leadership in actively displaying and promoting ethical behaviour within NETFUND.
- II. Ensuring that this policy is actively disseminated throughout the organization and to all stakeholders.
- III. Ensuring that associated frameworks such as the Code of Conduct are actively promoted and disseminated to all employees throughout the organization.
- IV. Ensuring promotion to the community of NETFUND's commitment to fraud and corruption prevention referring or notifying, any relevant external agencies of any allegations of fraudulent or corrupt behaviour that have been identified by NETFUND.

3.2.3 Management Responsibilities

NETFUND's top management comprises the CEO, directors and managers.

The day-to-day responsibility for the prevention and detection of fraud and corruption rests with top management whose collective responsibilities are as indicated below:

- I. Identifying the risks to which systems, operations and procedures are exposed;
- II. Developing and maintaining effective controls to prevent and detect fraud and corruption; and
- III. Ensuring that controls are being complied with. If significant risks are identified by managers, then these should be included in divisional risk registers with a view to ensuring they are regularly monitored.

3.2.4 Heads of Departments (HoDs) Responsibilities

Head of Departments are responsible for:

- I. Providing leadership in actively displaying and promoting ethical behaviour within the department;
- II. Ensuring the implementation and continued operation of and adequate system of internal controls;
- III. Assessing/identifying/implementing new controls where systems/structure has changed;

- IV. Ensuring that employees within their area of responsibility receive appropriate fraud and corruption awareness training and understand the NETFUND code of Conduct;
- V. Providing input/assistance to the identification and minimization of fraud and corruption risk;
- VI. Promotion of positive attitude towards compliance with NEFUND's policy and Legislative requirements; and
- VII. Education of staff in all aspects of the policy and associated policies.

3.2.5 Members of Staff Responsibilities

All staff members are responsible for:

- I. Ensuring that they comply with any controls, policies and procedures set out in the policy.
- II. Maintaining awareness of this policy
- III. Complying with the principles espoused in the policy and in other associated documents such as the Code of Conduct
- IV. Ensuring that they do not take part in any activity that could constitute Fraud and/or Corruption
- V. Being vigilant to the risks of fraud and corruption
- VI. Bringing to the attention of management any inadequacies in the Internal Control Environment (see below for description of internal control environment)
- VII. Promptly reporting any practice contrary, or reasonably suspected of being contrary, to this Policy, or any attempts thereof, to the Office of the Director/Chief Executive Ethics and Anti-Corruption Commission, by telephone or fax or to the CEO
- VIII. Ensuring that when contacted by the media with respect to an audit investigation shall refer the media to the Director/Manager Communications who will brief the CEO accordingly. The alleged fraud or investigation shall not be discussed with the media by any person other than by the CEO.

3.2.6 The Audit Committee Responsibilities

The Audit Committee will undertake Fraud and Corruption prevention and control activities through overseeing and reviewing the outcomes of the Internal Audit Reports

conducted at least once every quarter, in order to conduct Corruption Risk Assessment (CRA).

The outcome of the Corruption Risk Assessment will inform the Corruption Prevention Committee as well as the Departmental Corruption Prevention Committees in their discussions on corruption prevention and detection.

The Chair of the Audit Committee will, on quarterly basis, table before the Corruption Prevention Committee the Audit Report for discussion and recommendation to the CEO for appropriate action.

Similarly, the head procurement will every quarter present to the CPC meeting detailed report on the deliberations and recommendations of the Evaluation Committee, Disposal Committee, Tender Opening Committee, Inspection and Acceptance Committee and technical. He/she will also table a report on the overall management of stores indicating points of weakness. Upon detection of fraud and corrupt practices, appropriate deterrence measures must be put in place.

3.2.7 Integrity Assurance Committee (IAC) Responsibilities

The Integrity Assurance Committee will comprise all Integrity Assurance Officers (IOS) duly appointed by the CEO.

The committee is responsible for:

- I. Ensuring that internal controls are operating in a sound and effective manner;
- II. Educating staff in all aspects of this policy and associated policies;
- III. Actively promoting the awareness of Fraud and corruption throughout NETFUD;
- IV. Actively promoting the ethical principles/objectives of NETFUND;
- V. Sensitizing staff on their roles in Fraud and Corruption prevention and detection;
- VI. Promoting a positive attitude towards compliance with NETFUND'S policies and legislative requirements;
- VII. Providing input to the Fraud and Corruption prevention risk Assessment;
- VIII. Monitoring and evaluating of the implementation of Corruption Prevention Programmes;
- IX. Compiling progress reports and presenting the reports to the CEO, CPC, and copies to the Ethics and Anti - Corruption Commission (EACC).

3.2.8 Integrity Assurance Officers Responsibilities

Integrity Assurance Officers (IAOs) will assist Management through:

- I. Conducting a Corruption Risk Assessment (CRA) and developing and implementing a Corruption Prevention Plan (CAPP).
- II. Developing and implementing organizational codes of conduct and ethics, service charters and other governance instruments.
- III. The IAO together with a member of the CPC will open, record and present to CPC reported cases of corruption for analysis.
- IV. Serving as a secretary to the CPC/IAC.

4 POLICY ELEMENTS

NETFUND is committed to transparency and accountability in the management of its resources in order to ensure the effective fulfilment of its strategic objectives.

4.1 Statement of NETFUND Regarding Corruption

NETFUND has zero tolerance for fraud, corruption and collusive practices.

It accordingly does not, and shall not tolerate any fraudulent, corrupt and/or collusive practices in the course of its activities or operations. Reports of any such practices, or any attempts thereof, should be promptly reported to the Office of the Chief Executive officer by telephone or fax or to the email address: ceo@netfund.go.ke.

4.2 Key Principles

NETFUND does not, and shall not tolerate any fraudulent, corrupt and/or collusive practices in the course of its operations.

The key principles of this Policy are:

- I. **Culture:** Seek to create an anti-fraud, anticorruption and zero tolerance culture.
- II. **Deterrence:** Work closely with the Lead Authority, Police and other relevant external agencies to combat fraud or corruption and support national and local initiatives against fraud and corruption.
- III. **Prevention:** Seek to ensure new policies, systems and work practices are designed to aid the prevention of fraud and corruption and to revise existing ones to remove any identified weaknesses.
- IV. **Detection:** Provide secure mechanisms and supporting policies for employees to voice their genuine concerns and protect those who volunteer information.
- V. **Investigation:** Adopt formal, clear procedures to investigate fraud or corruption when it is suspected.
- VI. **Sanctions:** Deal with perpetrators of fraud or corruption and have no hesitation in referring cases to the Police and other enforcement agencies as appropriate.
- VII. **Redress:** Will take all reasonable measures in relation to seeking redress in respect of money and assets defrauded

4.3 Indicators of Fraud or Corruption

- I. Non-separation of duties
- II. Remote locations lacking supervision
- III. Untidy or immaculate record keeping
- IV. High incidence of error
- V. Individuals who have a very close/cosy relationship with suppliers / contractors
- VI. An individual who is generally dismissive of rules
- VII. Unexplained wealth and sudden change of lifestyle
- VIII. Reluctance to take leave
- IX. Supplier/Contractor who insist on dealing with one particular member of staff
- X. Staff being first to arrive in the morning, last to leave at night

4.4 Preventive Measures

4.4.1 Internal Control Environment

The most important aspect of the responsibilities of all levels of management is the establishment and maintenance of a sound internal control environment.

NETFUND will initiate internal processes designed to provide reasonable assurance regarding the attainment of these primary objectives:

- I. Reliability and integrity of information,
- II. Compliance with policies, plans, procedures, laws and regulations,
- III. Safeguarding of assets,
- IV. The economical and efficient use of resources,
- V. The accomplishment of established goals and objectives for operations or programs and prevent/reduce the opportunity for fraud and corruption to occur.

4.4.1.1 Common examples of internal environment controls include:

- I. Segregation of duties;
- II. Identification and declaration of conflict of interest;
- III. Adherence to and promotion of NETFUND's policy;
- IV. Effective leadership-setting tone at the top;

- V. Security (physical and information systems);
- VI. Supervision (internal reviews);
- VII. Approvals within delegated authority;
- VIII. Regular reconciliations;
- IX. Sound budget control including regular review;
- X. Regular review of management reports;
- XI. Clear reporting lines;
- XII. Rotation of staff responsibilities; and
- XIII. Use alternatives to cash (purchasing cards etc.).

4.4.2 Internal Control Systems

Consistent with existing systems in place under applicable Government of Kenya Civil Service Regulations, Financial Regulations and Procedures, Rules, Manuals and Policies, all officers of NETFUND shall prevent and detect fraudulent, corrupt and/or collusive practices by:

- I. Identifying areas of operations that are more vulnerable to the risks of fraudulent, corrupt and/or collusive practices;
- II. Implementing and monitoring robust risk management and internal control systems that are easily accessible by internal and external auditors;
- III. Monitoring risks on an ongoing basis and regularly assessing the effectiveness of the internal controls;
- IV. Complying with requirements of ISO 9001:2008 QMS(Standards & Procedures)
- V. Maintaining of file records on transactions in accordance with NETFUND procedures; and
- VI. Conducting staff and employee training on internal control systems to prevent, detect and report fraudulent, corrupt and/or collusive practices.

4.4.3 Corruption Risk Areas

NETFUND's guidelines on dealing with fraud and corruption indicate some of the commonly perceived high risk areas.

4.4.4 Organisation Culture

Organisation culture plays a significant role in influencing members in an organisation in terms of commitment, loyalty and satisfaction. Organisational culture:

- I. Influences employee behaviour through already existing patterns
- II. Influences behaviour through the standards set
- III. Influences organisation strategies, integration of technologies, intergroup conflicts, communication and socialization
- IV. Influence the degree of analysis and understanding of organisation dynamics
- V. Determines how the organisation solves their problems

4.4.5 Risks

- I. Non segregation of duties
- II. Conflict of interests
- III. Lack of professionalism, and negligence
- IV. Ineffective leadership
- V. Insecure work environment (physical and information system)
- VI. Lax supervision
- VII. Financial impropriety
- VIII. Use of public office for personal gain
- IX. Lack of commitment to work
- X. Giving and receiving bribes and favours
- XI. Lateness and absenteeism
- XII. Nepotism and tribalism
- XIII. Appointments based on other considerations other than merit
- XIV. Disregard or downplaying of formal structures and rules and regulations
- XV. Emergence of powerful informal "know who" and "godfather" networks and,
- XVI. Myths of losing one's job if one doesn't succumb to request and pressures to violate rules and regulations

4.4.5.1 Administration Department Supply Chain Management Risks

- I. Unverified information given by suppliers
- II. Committee members are compromised to short list unqualified suppliers

- III. Unclear criteria for selection of Evaluation Committee Members
- IV. Collusion with bidders in issuance of quotations
- V. Alteration of bid documents
- VI. Failure to undertake market surveys
- VII. Failure to adhere to procurement plan
- VIII. Receipt of sub-standard goods and services
- IX. Vested interests in preparation of payments
- X. Procurement of goods and services that are not demand driven and lack user inputs leading to loss of finances (urgent purchases)
- XI. Overvalued goods and services

4.4.5.2 Information, Communication and Technology (ICT) Systems Risks

- I. Procurement/receipt of sub-standard equipment
- II. Collusion with supplier(s) for tailor made specifications
- III. Repair of ICT equipment at inflated costs
- IV. Unnecessary repair of ICT equipment
- V. Use of cash in purchasing ICT spares
- VI. Repeated and /or unexplained loss of assets particularly portable and attractive assets such as laptops, digital cameras

4.4.5.3 Transport Unit Risks

- I. Unplanned requisition of vehicles
- II. Biased allocation of duties to drivers
- III. Unscheduled servicing and repairs of vehicles
- IV. Falsification of mileage
- V. Fuel siphoning
- VI. Seeking imprest for fuel while the vehicle is on fuel card facility

4.4.5.4 Human Resource Management Risks

- I. Unrestricted access to records
- II. Misplacement of files
- III. Misfiling/storage of files
- IV. Deliberate delays in adjustment of salaries after promotion/ upgrading
- V. Falsification of records
- VI. Vested interests – transfers and deployment for personal/punitive purposes

- VII. Lack of induction for newly employed officers
- VIII. Recruitment
- IX. Promotion
- X. Discipline
- XI. Lack of succession management plans

4.4.5.5 Human Resource Development Risks

- I. Trainee(s) selection bias - denying opportunities to deserving employees
- II. Unplanned trainings
- III. Discretion in announcement of courses originating from DPMO
- IV. Ad hoc identification of persons to attend training, not based on TNAs and in the absence of training plans
- V. Failure to disclosure actual cost of training

4.4.5.6 Records Management Risks

Records are tools of administration to ensure business continuity and effective service delivery. NETFUND has thus identified risks and mitigating measures for the management of records. The General objective is to understand the need for sound records management to enhance the fight against corruption.

- I. Failure to document action
- II. Capturing wrong information
- III. Misfiling
- IV. Failure to file
- V. Poor title of files
- VI. Falsification or distortion of information content
- VII. Theft of Records
- VIII. Purging of Records
- IX. Peddling of information to persons for financial/personal gain
- X. Disposal of records without authority

4.4.5.7 Finance Risks

- I. Deliberate delay in processing of payments
- II. Discretion in expenditure commitment
- III. Discretion of charging of expenditure to vote heads of other departments

- IV. Preferential treatment in voucher examination
- V. Deliberate delays in invoicing
- VI. Preference in voucher preparation
- VII. Improper use of authority to sanction an officer to apply and issuance of imprest for unofficial purpose
- VIII. Cashing money on behalf of others
- IX. Discretion in terms of officer Evading regulations on surrender of imprests
- X. Collusion with Finance staff not to reflect outstanding imprest
- XI. Inadequate involvement of the Head of Department in the preparation of Fund's budget
- XII. Inadequate budget provisions
- XIII. Non adherence to budget allocations
- XIV. Inadequate staff

4.4.5.8 Internal Audit Risks

- I. Delays in release of audit reports
- II. Inadequate capacity in Internal Audit
- III. Compromised audit reporting

4.4.5.9 Planning and Management of Projects Risks

- I. Inconsistency of project objectives with the organization's goals
- II. Discretion, lack of guidelines or non-adherence to prefeasibility study
- III. Communication deficit
- IV. Interference by interested groups and individuals
- V. Failure to adequately liaise with all stakeholders, users, project support personnel
- VI. Lack of transparency resulting in undisclosed co-financing and wastage
- VII. Lack of accountability
- VIII. Unrealistic deadlines
- IX. Resource competition
- X. Falsified needs

4.5 Training and Disclosure Programme

NETFUND shall, in conjunction with Kenya Anti-Corruption Commission develop and conduct training and disclosure programme aimed at:

- I. Increasing awareness of the risks of fraudulent, corrupt and/or collusive practices; and
- II. Developing skills for understanding, detecting, preventing and reporting such practices

Participation in such programme shall be mandatory for all staff members.

In addition, NETFUND shall implement ongoing employee training tailored to specific positions within NETFUND, with the aim of enabling such employees to detect, prevent and promptly report any practices that are contrary to this Policy.

4.6 Procedures

Each NETFUND staff member and non-staff employee is required to promptly report any reasonably suspected case of any fraudulent, corrupt and/or collusive practices, or any related attempts of such practices, to his/her Director or to the Office of the CEO/ if confidentiality is desired. All Directors shall report any such cases promptly to the CEO. Reports to the CEO shall be made by telephone, verbally or to NETFUND ceo@netfund.go.ke

In the event of uncertainty as to whether any act or omission constitutes a fraudulent, corrupt and/or collusive practice, the CEO should be contacted for guidance.

4.7 Rights of staff and members involved in an investigation

Any person reporting in good faith pursuant to this Policy shall be protected from retaliation, in accordance with the Witness Protection Act No. 16 of 2006

In addition, the CEO shall maintain confidentiality for any staff member who reports in good faith pursuant to this Policy.

The CEO will also work within the Human Resource policy and comply with employment law and the Public Service Commission Act and related Acts.

4.8 External notification systems

There are certain requirements for the NETFUND staff to report matters involving fraudulent and corrupt activity to relevant authorities. The relevant authorities and their roles are briefly outlined below:

4.8.1 Ethics and Anti-Corruption Commission (EACC)

The objectives of the Ethics and Anti-Corruption Commission are to promote the integrity and accountability of public administration through the following:

- I. Investigate, expose and prevent corruption involving or affecting public authorities or public officials, and
- II. Educate public authorities, public officials and members of the public about corruption and its detrimental effects on public administration and on the community.

The contact details of the EACC are:

Secretary

Ethics and Anti-Corruption Commission,

Integrity Centre

P.O. Box 61130-00200,

Nairobi.

Tel. 0202717318/310722/ or 0202100312/3

E-mail: report@integrity.go.ke

Further information on the reporting process may be found at: <http://www.eacc.go.ke>

4.8.2 The Public Complaints Standing committee / Kenya Ombudsman's Office

The role of the Ombudsman is to promote fairness and integrity in public administration in Kenya including the entire public service. The Ombudsman's office is an independent organization that investigates conduct that may be:

- I. Illegal,
- II. Unreasonable, unjust or oppressive,
- III. Improperly discriminatory,
- IV. Based on a mistake of law or fact.

The Ombudsman may be contacted at:

The Public Complaints Standing Committee,

P.O. Box 20414 – 00200,

Nairobi.

Tel. 0202303000

Mobile: 0710936000 or 0735350888

E-mail info@ombudsman.go.ke

Further information on the reporting process may be found at:
<http://www.ombudsman.go.ke>

4.9 Investigation Procedure

The CEO shall formally request the Internal Auditor to review, analyse all related records and prepare a preliminary report of allegations reported pursuant to this Policy to ascertain whether they are sufficiently founded to warrant a full investigation into the report.

If they are, EACC shall open an official investigation, ensuring confidentiality for the parties concerned affording protection to any witnesses where required.

Any investigation pursuant to this Policy shall be conducted impartially, fairly and thoroughly, in accordance with the provisions of the Public Service Commission Act Cap.185 Laws of Kenya and Anti-Corruption and Economic Crimes Act, 2003.

All staff will be required to cooperate fully with the investigating authority.

In accordance with due process requirements, the EACC shall report its findings including recommendations to the Attorney General for the prosecution of staff for corruption or economic crime.

4.10 Action Following Breaches of this Policy

The CEO may recommend that appropriate administrative, legal and/or disciplinary action be taken against any person or entity that is found to have violated this Policy.

Any such recommendation shall be included in a report issued to the Secretary, Public Service Commission of Kenya or the competent authorities, in accordance with the Public

Service Code of Regulations, the Public Service Commission Act and the Anti- Corruption and Economic Crimes Act, 2003.

In addition, any reported cases pursuant to this Policy involving criminal activity may be referred to law enforcement authorities.

Any such referral shall be made following consultation with the Attorney General and, if necessary, after appropriate disciplinary measures have been taken to ensure that information is not tampered with.

NETFUND may seek recovery of its funds and/or property using all means at its disposal, including through legal action.

5 MONITORING AND REVIEW

This policy will be reviewed at least annually or after any major event, by a team of Integrity Assurance Officers to ensure that all procedures are in place. Any proposed changes will be referred to the Corruption Prevention Committee for consideration.

6 AUTHORISATION

The Chief Executive officer duly recommends the Anti-Corruption Policy for approval by the NETFUND Board of Trustees. The CEO confirms that the policy has been developed consultatively taking into account the views of all the relevant stakeholders.

Signature:



Ms. Catherine Ndegwa

Chief Executive Officer and Secretary to the Board of Trustees

The NETFUND Board of Trustees hereby approves the Anti-Corruption policy to be operative.

Signature:



Title and Full name:



Duly appointed Board Representative

14/12/2017



www.netfund.go.ke

National Environment Trust Fund
Location: National Water Conservation
& Pipeline Corporation Building,
First Floor, Dunga Rd. Industrial Area
Box 19324 - 00202, Nairobi, Kenya.
Tel: +254202369563, +254202320484,
+254202213581

