

NATIONAL ENVIRONMENT TRUST FUND



CORRUPTION PREVENTION POLICY

OCTOBER 2021

TABLE OF CONTENTS

DOCUMENT CONTROL.....	1
REVISION HISTORY.....	1
DOCUMENT APPROVAL.....	1
CONTRIBUTORS.....	1
FOREWORD.....	ii
DEFINITION OF TERMS.....	iii
CHAPTER ONE.....	1
1.1 Background and Rationale.....	1
1.2 Purpose of the Policy.....	1
1.3 Policy statement.....	2
1.4 The scope.....	2
CHAPTER TWO.....	3
2.1 Legal and Administrative Requirements.....	3
2.2 Legislative Instruments.....	3
2.3 Policies.....	3
CHAPTER THREE.....	5
3.1 Structures to Fight Corruption and Unethical Conduct.....	5
3.2 Composition of the Corruption Prevention Committee.....	5
3.3 The role of Corruption Prevention Committee.....	5
3.4 Integrity Assurance Officers (IAOs).....	6
3.5 Internal Audit Reviews.....	6
3.6 Protection of Whistle Blowers.....	6
3.7 Disciplinary Measures.....	6
CHAPTER FOUR.....	7
4.1 Handling of Corruption Cases.....	7
CHAPTER FIVE.....	8
5.1 Mainstreaming of Corruption Prevention Initiatives.....	8
5.2 Implementation of the policy.....	8
CHAPTER SIX.....	9
6.1 Review.....	9

Document Control

Organization	National Environment Trust Fund
Title	Corruption Prevention Policy
Version	2.0
Author	Manager, Internal Audit
Subject	Corruption Prevention
Protective Marking	None
Review Date	October 2021

Revision History

Version Reviewed	Date Reviewed	Reviewed By	Description of Revision
Final Draft V0.1			The policy was reviewed by the CPC Members Review team included a representative from EACC Review took into consideration emerging issues in Corruption Prevention

Document Approval

Version II	Approved By	Date
	Chief Executive Officer	
	Governance, Risk and Compliance Committee	
	Board of Trustees	

Contributors

Corruption Prevention Committee
Ethics and Anti-Corruption Commission Representative

Foreword

NETFUND is committed to the highest levels of integrity. This Policy echoes our commitment and belief that our business should be conducted in line with our code of conduct and Ethics, our core values, the laws and any other regulations that guide our operations. This Policy also clearly outlines NETFUND's commitment toward total elimination of the vice through robust preventive measures and application of punitive actions in line with the laws of the country.

There is a widespread perception that corruption permeates the public sector in Kenya, as reflected by corruption perception survey conducted in 2018 by the Ethics and Anti-Corruption Commission (EACC). Corruption manifests itself through various forms, including petty and grand corruption, embezzlement of public funds, and a system of political patronage well entrenched within the fabrics of society. There is need for corruption Prevention measures to enhance prevention, investigation, and disruption of corruption networks.

The Policy gives specific guidelines on how NETFUND will address corruption through various measures of detection, prevention, investigation, and resolution. The Policy focuses more on corruption prevention measures as 'Prevention is better than Prosecution'.

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

In this regard, NETFUND has developed this policy to enhance accountability, enhance service delivery, and raise ethical standards among staff.

Samson Toniok
Chief Executive Officer

Definition Of Terms

Abuse of office: Use of one's office to improperly confer a benefit to oneself or anyone else.

Bribery: is an offence of giving a bribe if the person offers, promises, or gives a financial or other advantage to another person, who knows or believes the acceptance of the financial or other advantage would itself constitute the improper performance of relevant function or activity (Bribery Act, 2016 Part II)

Committee: The corruption prevention committee

Conflict of interest is an incompatibility between an individual's private interest and that of the Fund. It arises from situations where an employee of the Fund has an interest that could potentially influence or be deemed to influence the impartial and objective performance of duties. Private interest includes advantage to an employee, employee's family, close relatives' friends and persons or organizations with whom an employee has a business or political relations.

Corruption: Is the secret inducement conflict of interest, improper benefits to trustees for appointments, bid rigging, abuse of office, and dealing with suspect property, bribery, fraud, embezzlement or misappropriation of public funds, breach of trust or an offence involving dishonesty (Anti-Corruption and Economic Crimes Act 2003).

Constitution: the Constitution of Kenya, 2010;

Fraud: The use of deception by an individual with the intention of obtaining an advantage for himself or herself or for a third party or parties, avoiding an obligation, or causing loss to another party.

Stakeholder: Stakeholder include but not limited to Board of trustees, chief executive officer, staff members, beneficiaries, suppliers, consultants, temporary staff, interns, and volunteers.

Whistle Blower: A whistle-blower is a person, who could be an employee of a company, or a government agency, disclosing information to the public or some higher authority about any wrongdoing, which could be in the form of fraud, corruption, etc.

Acronyms

ACECA	Anti-Corruption and Economic Crimes Act
CEO	Chief Executive Officer
CPC	Corruption Prevention Committee
CPP	Corruption Prevention Plan
CRA	Corruption Risk Assessment
CRAMP	Corruption Risk Assessment & Mitigation Plan
EACC	Ethics and Anti-Corruption Commission
IAC	Integrity Assurance Committee
IAO	Integrity Assurance Officer
ICT	Information Communication Technology
NETFUND	National Environment Trust Fund
UNCAC	United Nations Convention Against Corruption

CHAPTER ONE

1.1 Background and Rationale

Kenya is a member state of the United Nations Convention Against Corruption (UNCAC) the international convention on prevention of corruption. The convention requires each member state to develop policy framework for combating corruption. Each State Party must develop, implement, maintain effective, co-ordinated anti-corruption policies that promote the participation of society and reflect the principles of the rule of law, proper management of public affairs and public property, integrity, transparency and accountability.”

The African Union Convention on Preventing and Combating Corruption requires States Parties, under Article 5 of the Convention, to put in place various legislative and other measures to ensure sustainable fight against corruption. This, therefore, calls for a policy framework for the realisation of those State obligations.

Constitution of Kenya was promulgated thereby ushering in a strong governance superstructure and a raft of ethics, integrity, and anti-corruption measures. Key among them was the entrenchment of a framework of national values and principles of governance under Article 10 of the Constitution.

The Constitution paved way for the enactment of the Ethics and Anti-Corruption Commission Act (No. 22 of 2011) which established the Ethics and Anti-Corruption Commission pursuant to the provisions of Article 79 of the Constitution, and the enactment of the Leadership and Integrity Act, 2012 (No. 19 of 2012) to implement Chapter Six of the Constitution on Leadership and Integrity.

Thus, the Constitution strengthened organs of government, and enhanced the principle of separation of powers to ensure transparency, accountability, rule of law and good governance.

NETFUND recognizes corruption is costly, 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 corruption and key element of prevention is to have a range of interrelated strategies and procedures that together create an anti- corruption culture.

1.2 Purpose of the Policy

The purpose of the Policy is to build and maintain a zero tolerance to corruption environment in NETFUND by providing a comprehensive, coordinated, and integrated framework for the fight against corruption and promotion of ethics.

The specific objectives of the policy are to:

1. Enhance co-ordination and synergy of all the employees, Board of Trustees, beneficiaries, suppliers, and all stakeholders in the fight against corruption.
2. Strengthen the legal and institutional framework for anti-corruption, ethics, and integrity.
3. Enhance public participation and engagement in the war against corruption.
4. Mainstream ethics and integrity in the Fund
5. Intensify efforts towards the fight against corruption in the Fund
6. Establish an effective monitoring and evaluation framework for anti-corruption initiatives.

1.3 Policy statement

NETFUND has zero tolerance for corruption and collusive practices. It accordingly does not, shall not, tolerate any corrupt and/or collusive practices during its activities or operations. Reports of any such practices, or any attempts thereof, should be promptly reported to the Corruption Prevention Committee by telephone or to the email address: integrity@netfund.go.ke.

1.4 The scope

The Policy applies to all NETFUND stakeholders including but not limited to:

1. Board of Trustees
2. Chief Executive Officer
3. Staff members
4. Beneficiaries
5. Suppliers
6. Consultants
7. Temporary Staff
8. Interns and Volunteers

CHAPTER TWO

2.1 Legal and Administrative Requirements

The following policies, laws and institutions shall be applicable to guide and inform the creation and implementation of this policy:

2.2 Legislative Instruments

- i. United Nations Convention Against Corruption (UNCAC).
- ii. The Constitution of Kenya (2010).
- iii. Anti-Corruption and Economics Crimes Act (ACECA) of 2003;
- iv. Leadership and Integrity Act, 2012.
- v. Environment Management and Coordination Act, CAP 387 of the laws of Kenya.
- vi. Public Officers and Ethics Act, 2003.
- vii. Public Procurement and Asset Disposal Act, 2015 and attendant regulations;
- viii. Ethics and Anticorruption Commission Act, 2011.
- ix. Commission on Administrative Justice Act, 2011.
- x. The Proceeds of Crime and Anti-Money Laundering (Amendment) Act, 2012;
- xi. Public Audit Act, 2015.
- xii. Public Finance and Management Act (PFMA) of 2012 and attendant regulations; and
- xiii. The Bribery Act, 2016.
- xiv. Employment Act 2007
- xv. Witness Protection Act 2006

2.3 Policies

- i. Whistle Blower Policy
- ii. Financial Policy and Procedures Manual.
- iii. Human Resource Policy and Procedures Manual.
- iv. Service Charter.
- v. Corporate Risk Management Framework.
- vi. NETFUND's Code of Conduct and Ethics.

Administrative Framework

- (i) NETFUND will establish.
- (ii) Corruption Prevention Committee (CPC)
- (iii) Integrity Assurance Committee (IAC)
- (iv) Develop and Implement Corruption Prevention Plans
- (v) Undertake awareness creation

Set up Corruption reporting desk, hotline, and e-mail

Corruption Risk Areas at NETFUND

The under-listed functions are potential risk areas:

- (i) CEO's Office
- (ii) Resource Mobilization
- (iii) Projects
- (iv) Research
- (v) Internal Audit
- (vi) Strategy and Planning
- (vii) Human Resource and Administration

- (viii) Finance
- (ix) Supply Chain Management
- (x) Information Communication and Technology (ICT)
- (xi) Corporate Communication

The corruption risks identified in these functions have been comprehensively analysed and the mitigation strategies recommended in the NETFUND's Corruption Risk Assessment and Mitigation Plan (CRAMP).

CHAPTER THREE

3.1 Structures to Fight Corruption and Unethical Conduct

To prevent, detect, investigate, and sanction corrupt members, NETFUND has put in place the following structures:

3.1.1 Internal Structures

- i. Corruption reporting channels: they include reporting boxes, email, hotlines, IAOs;
- ii. NETFUND's Code of Conduct and Ethics: to guide the conduct and behaviour of all members of staff in their work activities.
- iii. Internal Audit Department: to independently appraise all the activities of the Fund and help in detecting any forms of corruption;
- iv. Corruption Prevention Committee (CPC): to co-ordinate and offer policy direction towards fighting corruption in the Fund and report to EACC;
- v. Integrity Assurance Officers (IAO): to liaise with the CPC in carrying out the corruption risk assessment, initiating actions in response to corruption risk assessments, assisting in preparation and implementation of corruption risk mitigation plans, coordinating, and facilitating the implementation of corruption prevention programs and anti-corruption education and awareness programmes.
- vi. Human Resource Advisory committee: to review, consider and make recommendations to management on corruption-related cases.
- vii. Whistle blowers policy: - the policy provides a mechanism for reporting corruption and protecting whistle-blowers.

3.2 Composition of the Corruption Prevention Committee

There shall be a Corruption Prevention Committee composed of: -

- i. The Chief Executive Officer who shall be the Chairperson of the Committee
- ii. The Heads of Directorates who will be the members of the Committee; and
- iii. Secretary of the CPC – Chairperson of Integrity Assurance Officer's Committee

3.3 The role of Corruption Prevention Committee

The CPC is a forum meant to spearhead anti-corruption strategies and initiatives in the Fund and mainstream anti-corruption measures with a view to eradicating the vice. The CPC responsibility is to keep a constant check on the operations and procedures and ensure that there are no opportunities for corruption. The functions of the Committee include.

- (i) Meet quarterly and deliberate on corruption and other integrity issues
- (ii) Set priorities in the prevention of corruption within the Fund.
- (iii) Plan and coordinate corruption prevention strategies.
- (iv) Receive and review reports on corruption prevention initiatives and take appropriate action.
- (v) Train staff on corruption issues
- (vi) Spearhead corruption campaigns within their areas of jurisdiction.
- (vii) Receive complaints and information on alleged corruption practices and evaluate, analyse and recommend appropriate action.

- (viii) Monitor the impact of Corruption Prevention initiatives.

3.4 Integrity Assurance Officers (IAOs)

These are officers appointed by the Chief Executive Officer, trained, and assigned duties to offer technical expertise on implementation of corruption strategies and initiatives.

3.4.1 Duties of the IAOs

IAOs will assist CEO and the Management through.

- i. Conducting a CRA and developing and implementing a CPP
- ii. Developing and implementing organizational codes of conduct and ethics, service charters and other governance instruments
- iii. Implementation of anti-corruption education and awareness programmes
- iv. The IAO together with a member of the CPC will open, record and present to CPC reported cases of corruption for analysis.
- v. Compile progress reports and present the reports to the CEO, CPC, and copies to the Ethics & Anti-Corruption Commission

3.5 Internal Audit Reviews

Internal audit through the Audit Committee plays a crucial role in the prevention and detection of corruption. It provides an institutionalized mechanism for supervision, control, and review of operational systems within the Fund. It also plays an important role in assessing the nature and extent of any fraud and corruption risk.

The audit department shall ensure that management has reviewed its corruption risk exposures and identified the area's most vulnerable to the risk of corruption.

3.6 Protection of Whistle Blowers

The Fund shall protect persons making corruption disclosures as outlined in the whistle blower's policy.

3.7 Disciplinary Measures

The Board of Trustees, management and staff are obliged to familiarize themselves with the provisions of this policy and respect its principles.

Any breach of the provisions of this policy shall be referred to the CPC for deliberation and determination of disciplinary measures to be recommended to the NETFUND Human Resource Advisory and Committee.

CHAPTER FOUR

4.1 Handling of Corruption Cases

How to report corruption internally and externally

- (i) Corruption matters supported by evidence or reasonable suspicion shall be reported to the Corruption Prevention Committee and upon deliberation, and reported to the Ethics and Anti-Corruption Commission and other law enforcement agencies for further action. All reported corruption matters will be handled promptly with fairness and in accordance with the law. Corruption cases shall be handled using the following procedure: -
- (ii) Reports received from whistle-blowers through the reporting channels shall be recorded in the prescribed format (Annex I)
- (iii) Matters reported shall first be addressed by the Corruption Prevention Committee.
- (iv) In instances where the whistle-blower has disclosed their identity, the committee may invite them to provide any further information/evidence in support of the allegation; on the contrary, if the whistle blower is anonymous, the committee will interrogate the evidence provided to ascertain the allegations.
- (v) In the absence of sufficient evidence to warrant any further action, the Committee shall dismiss the allegation and advise the concerned parties accordingly.
- (vi) Where the evidence supplied reasonably suggests that an act of corruption has occurred, the Committee may set up a sub-committee of at least three of its members to investigate the allegations and make recommendations to the Committee.
- (vii) The sub-committee shall receive the allegations; invite the whistle blower to adduce all material evidence in relation to the case. If necessary, the alleged suspect may be summoned to appear personally before the sub-committee for interrogation.
- (viii) After according all concerned parties reasonable opportunity to be heard and considering each party's claims as well as the findings of the investigations, the sub-committee shall forward a report with recommendations to the CPC;
- (ix) Upon receipt of the report and if established that the alleged suspect was involved in any corrupt practice, the Committee shall make a statement of allegations and invite the suspected party to respond in writing;
- (x) In the absence of sufficient evidence to warrant any further action, the Committee shall dismiss the allegation and advise the concerned parties accordingly.
- (xi) Upon receipt and evaluation of the response, the Committee shall either dismiss the case for lack of adequate and relevant evidence or proceed to institute disciplinary proceedings against the suspect in case of staff or refer the matter to EACC or the relevant investigative body. In the case of other NETFUND stakeholders report shall be made to EACC or relevant investigative body.

CHAPTER FIVE

5.1 Mainstreaming of Corruption Prevention Initiatives

NETFUND is committed to mainstreaming corruption prevention strategies through.

a) Training

The Fund recognizes that the continued success of this policy and its general credibility largely depends on the effectiveness of programmed training and the responsiveness of employees throughout the Fund. The Fund commits itself to the sensitize and train staff on matters of ethics and governance.

b) Enforcement of the Code of Ethics and Conduct

The Fund shall ensure that all the employees sign the code of Ethics and conduct upon engagement as well as carry out frequent sensitization of staff on the requirements of the Code of Ethics and conduct.

c) programming

the Fund shall ensure that corruption prevention strategies are mainstreamed during programming

5.2 Implementation of the policy

- I. The Board of Trustees shall-
 - a) **be responsible for review and approval of this policy,**
 - b) **deliberate on corruption-related cases referred to them,**
- II. The Chief Executive Officer shall have overall responsibility for the implementation of this Policy;
- III. Corruption Prevention Committee shall:
 - a) **Be the implementing committee of this policy; and**
 - b) **Review the corruption prevention strategies and action plans periodically and report to the Board;**
- IV. Heads of directorate and departments shall: -
 - a) **Ensure that appropriate mechanisms are in place within their areas of jurisdiction to identify and assess corruption risk areas or processes,**
 - b) **Promote awareness amongst staff on the policy and the ethical principles subscribed to by the Fund ,**
 - c) **Ensure prompt and positive responses to allegations of corrupt acts,**
 - d) **Give feedback to the Corruption Prevention Committee on the effectiveness of the mitigation plans implemented.**
- V. The audit department shall evaluate and report on the effectiveness of this policy to the management.
- VI. Strategy and Planning department shall undertake periodic monitoring and evaluation of the policy implementation;
- VII. It will be the responsibility of each employee to read understand and comply with the policy.

■ Authorization of the policy

The Chief Executive officer duly recommends the Corruption Prevention Policy for approval by the NETFUND Board of Trustees and hereby confirms that the policy has been developed consultatively considering the views of all the relevant stakeholders.

Signature: 

Date: 22/10/2021

Samson Toniok

Chief Executive Officer and Secretary to the Board of Trustees

The NETFUND Board of Trustees hereby approves the Corruption Prevention Policy to be operative.

Signature: 

Date:

Title and Full name:

Board Chairman

