



Christian Alliance for Development

ANTI-CORRUPTION POLICY



LIST OF ACRONYMS

CAFORD	Christian Alliance for Development
EACC	Ethics and Anti-Corruption Commission
IC	Integrity Committee
CPC	Corruption Prevention Committee
ICT	Information Communication and Technology

ANTI-CORRUPTION POLICY

1.0 FORWARD

One of the basic principles of civil society Christian Alliance for Development is the proper use of partner resources. It is therefore important that all those who work to be aware of the risk and means of enforcing the rules against fraud, corruption and other illegal acts involving dishonesty or loss or damage to property.

This document sets out the Christian Alliance for Development's policy and response plan for detected or suspected fraud. The Christian Alliance for Development requires all staff and Stakeholders at all times to act honestly and with integrity and to safeguard the Christian Alliance for Development resource for which Christian Alliance for Development is responsible.

Fraud is an ever-present threat to these Christian Alliance for Development resources and hence must be a concern to members of staff and persons employed in a similar capacity. Fraud may occur internally or externally and may be perpetrated by staff, consultants, suppliers, contractors, stakeholders either individually or in collusion with others.

The purpose of this document is to set out staff responsibilities regarding both the prevention of fraud, what to do if staff suspects fraud and the action that will be taken by management. It gives a framework for a response, advice and information on certain key aspects and implications of an investigation.

The Christian Alliance for Development expects staff at all levels to be at the forefront in pursuit of probity and accountability by ensuring adherence to legal requirements, regulations, rules, procedures, policies and practices. The Christian Alliance for Development also expects that individuals and Christian Alliance for Development (e.g. suppliers and contractors) with whom it comes into contact, will act with integrity and without intent or actions to commit fraud or corruption against the Christian Alliance for Development.

Acknowledgments

Christian Alliance for Development would like to appreciate the valuable contribution and roles played by the following in the development of this policy:

- (i) The chairperson of the Christian Alliance for Development
- (ii) The Coordinator
- (iii) Members of Staff
- (iv) Integrity Committee who prepared the document.

2.0 Policy statement

The Christian Alliance for Development has a duty to protect the Christian Alliance for Development funds and assets under its control against fraud and corruption both from within the Christian Alliance for Development and from external sources. This Anti-Fraud and Corruption Policy is part of the Christian Alliance for Development's

commitment to protect Christian Alliance for Development funds and assets.

The policy aims at:

- (i) Encouraging prevention of fraud and corruption
- (ii) Promoting detection of fraud and corruption.
- (iii) Identifying a clear path for investigation and remedial action for fraud and corruption cases/activities.

2.1 Policy Scope & objectives

To avoid fraudulent and corrupt behaviour by determining the preventative and detective strategies, to establish controls relating to fraudulent and corrupt activities and to outline investigative and reporting processes in connection with such activities.

To stimulate an environment that actively discourages fraudulent and corrupt behaviour but in the event that such occurs, to provide a transparent framework for dealing with it

The Christian Alliance for Development does not tolerate or condone fraudulent and corrupt behaviour. Such behaviour is contrary to the Vision Statement “ to be an AIDS free society” and is damaging to reputations at both personal and collective level and to the reputation of the Christian Alliance for Development .

In particular, the policy will determine:

- (i) Roles and responsibilities
- (ii) The Christian Alliance for Development ’s strategies to deal with fraudulent and corrupt behaviour
- (iii) The initial enquiry and preliminary investigation processes.
- (iv) Complainant protection
- (v) Confidentiality processes
- (vi) Evidence gathering and security
- (vii) Reporting the results of investigations

This policy does not replace:

- (i) The Christian Alliance for Development ’s Code of Conduct including the grievances handling procedures
- (ii) The Christian Alliance for Development ’s Conflict of Interest Policy.
- (iii) Management responsibilities
- (iv) Specific Christian Alliance for Development ’s procedures

Responsibility

Responsibility for ensuring compliance with the policy rests with the Head of Finance. The Head of Finance is responsible for:

- (i) Keeping the policy updated
- (ii) Defining the extent to which powers and duties vested in him/her may be exercised and performed by officers under him/her
- (iii) Giving direction to ensure the proper exercise of the powers and

performance of the duties.

2.2 Legislative & Administrative requirement

The Christian Alliance for Development recognizes that fraud and corruption are costly, both in terms of 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;

a) Legislative

- i. The Constitution of South Sudan, 2011
- ii. Witness Protection Act, 2007
- iii. Christian Alliance for Development Procurement and Disposal Act, 2005
- iv. Government Financial Management Act, 2004
- v. Christian Alliance for Development Officer Ethics Act, 2003
- vi. Anti-Corruption and Economic Crimes Act, 2003
- vii. Official Secrets Act, Cap 187 Laws of South Sudan

b) Administrative

- Chapter 6 of the Constitution of Kenya on Leadership and Integrity
 - The Code of Regulations,
 - 1989 Code of Conduct & Ethics Under Service Integrity Programme (SIP),
- i. Establish a Corruption Prevention Committee / Integrity Committee
 - ii. Appoint Integrity Assurance Officers (IAOs)
 - iii. Develop and Implement Corruption Prevention Plans
 - iv. Undertake awareness creation/dissemination
 - v. Set up Corruption reporting desk, hotline and e-mail

3.0 DEFINITION OF FRAUD AND CORRUPTION

Fraud is a term used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment and collusion.

For practical purposes, fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party. Obviously, fraud can be perpetrated by persons outside as well as inside a Christian Alliance for Development. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.

Computer fraud occurs where Information Technology (IT) equipment has been used to manipulate programs or data dishonestly (for example, by altering, substituting or destroying records or creating spurious records or where the use of an IT system was a material factor in the perpetration of fraud, theft or fraudulent use of computer time and resources, including unauthorized personal browsing on the Internet.

Corruption is defined as the “offering, giving, soliciting or acceptance of an inducement or reward which may influence a person to act against the interests of the Christian Alliance for Development”. The “Anti-corruption and Economic Crimes Act 2003” describes “corruption” as an offence under any of the provisions of sections 39 to 44, 46 to 47 of the same Act, bribery, fraud, embezzlement or misappropriation of Christian Alliance for Development funds, abuse of office, breach of trust or an offence involving dishonesty in connection with any tax, rate or impost levied under any Act or under any written law relating to elections of persons to Christian Alliance for Development office.

Other irregularities- examples include: fraudulently misappropriating the Christian Alliance for Development’s time/pay whilst viewing Internet sites or any other material that might breach the Christian Alliance for Development’s Human Resource Policies. It also includes inappropriate use of the Christian Alliance for Development telephones and mobile phones. Theft- includes any misappropriation, stealing, malicious damage and actual or attempted break-in.

4.0 CORRUPTION RISKS AND PREVENTION MEASURES:

4.1 CULTURE:

The Christian Alliance for Development is determined that the culture of the Christian Alliance for Development will continue to be one of honesty and opposition to fraud and corruption. All individuals, Christian Alliance for Development and stakeholders associated with the Christian Alliance for Development are required to act with integrity. Christian Alliance for Development al culture plays a significant role in influencing members in an Christian Alliance for Development in terms of commitment, loyalty and satisfaction as follows;

- Influences employee behaviour through already existing patterns
- influences behaviour through the standards set
- Influences Christian Alliance for Development strategies, integration of technologies, inter Christian Alliance for Development conflicts, communication and socialization.
- Determines how the Christian Alliance for Development solves their problems

Risks

Non segregation of duties

Conflict of interests

Lack of professionalism, and negligence

Ineffective leadership

Insecure work environment (physical and information system)

Lax supervision

Financial impropriety

Use of Christian Alliance for Development office for personal gain

Lack of commitment to work

Giving and receiving bribes and favors

Lateness and absenteeism

Nepotism and tribalism

Appointments based on other considerations than merit

Disregard or downplaying of formal structures and rules and regulations

Emergence of informal “know who” and “godfather” networks.

The Christian Alliance for Development ’s staff are an important element in its stance on fraud and corruption. They are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority, rank or status in the knowledge that such concerns will be treated in confidence and investigated thoroughly and impartially. Concerns must be raised when staff or employees reasonably believe that one or more of the following has occurred, is in the process of occurring, or is likely to occur:

- i. a criminal offence
- ii. a failure to comply with a statutory or legal obligation
- iii. improper unauthorized use of Christian Alliance for
- iv. Development or other funds
- v. a miscarriage of justice
- vi. mal-administration, misconduct or malpractice.
- vii. Endangering of an individual (s) health or safety
- viii. Damage to the environment
- ix. Deliberate concealment or complicity in any of the above

The Christian Alliance for Development will ensure that any allegations received in any way, including anonymous letters or phone calls will be taken seriously and investigated in an appropriate manner). This should be considered in line with section 9 and 10 of this policy documents so as to prevent incidences of abuse.

The Christian Alliance for Development will deal firmly with those who defraud the Christian Alliance for Development or who corrupt or where there has been financial malpractice. There is of course, a need to ensure that any investigation process is not misused and therefore, any abuse (such as employees raising malicious allegations) may be dealt with as a disciplinary matter.

4.2 FINANCE AND ADMINISTRATION:

The Finance & Administration Department of the Christian Alliance for Development is one of the corruption risky areas, owing to the nature of work in it that deals with finances all the time. In this Department, the Anti corruption Policy aims at preventing corruption through increased accountability, transparency, and minimizing discretion in financial matters.

Corruption risky areas

Corruption-risky areas within the Finance Division include:

- Payment for goods and services
- Management of granting process in terms of disbursement and accountability.
- Management of impress and payroll
- Computerized financial management information systems
- Expenditures and payment
- Handling of finances
- Clearance of Project.
- Handling of the safe

Possible corruption practices

Any of the following practices would be considered a corruption activity:

- (i) Altering of cheque amount and name
- (ii) Holding/delaying cheques with a view to gaining financially from the customer.
- (iii) Retaining ghost workers in the payroll (fictitious payment for non-existing workers)
- (iv) Colluding with thugs to intercept cash in transit
- (v) Forging of signatures in cheques or authorizing documents
- (vi) Fraudulent activities such as bribing of cash/pay agents
- (vii) Extorting cash at pay points i.e. cash office or when paying reimbursements to stakeholders in a Christian Alliance for Development organized event.
- (viii) Misrepresenting financial statements
- (ix) Theft of cash and other resources
- (x) Irregular investment of cash
- (xi) Fictitious payment for goods and services
- (xii) Funding of factious CBOs, CSOs and other sub-implementing partners.

Strategies for corruption prevention

- All accountable documents and cash should be kept in a fireproof safe.
- Bank reconciliation should be up to date.
- Only an authorized person of integrity should keep keys to the safe.
All the cash should be transported with armed police escort.
- Limit the amount of cash being transported at any one particular time.
- There should be an insurance cover for all cash in transit, as well as against fire and burglary damages.
- Establish financial policy and procedures manual to govern payroll, grants management, impress management, cash handling and banking, book keeping and accounting, investment, expenditure and payment.
- Operate within the budget and financial plan.
- Report corruption to oversight authorities; for instance, EACC
- Strictly adhere to relevant laws and regulations; e.g. the Companies Act Cap 486; the State Corporations Act Cap 446; and Government circulars issued from time-to- time.

Procurement Unit

Procurement Unit is one of the corruption-risk areas owing to its responsibility to award tenders for goods and services worth huge amounts of money.

Possible corruption practices

- (i) Unfair distribution of request for quotations.
- (ii) Client using influence to ensure that quotations be given to suppliers who are not prequalified or to friends who are on the pre-qualified list.
- (iii) Unclear specifications tailored to favour a particular supplier.

- (iv) Inflation of prices of items in collaboration with the suppliers.
- (v) Discouraging certain suppliers by not processing their documents in time. Personal use of goods in the pretext that they are being used by Christian Alliance for Development.
- (vi) Receiving substandard items and services on behalf of Christian Alliance for Development
- (vii) Delaying processing of suppliers' documents for payment.
- (viii) Indicating that items that have not been received have been received.
- (ix) Indicating that items that have not been issued have been issued.
- (x) Unverified information given by suppliers.
- (xi) Committee members are compromised to short list unqualified suppliers
- (xii) Unclear criteria for selection of Evaluation Committee members
- (xiii) Incompetence of the Evaluation Committee members on technical issues.
- (xiv) Alteration of bid documents
- (xv) Failure to undertake market surveys
- (xvi) Failure to adhere to procurement Plan

Strategies for corruption preventions

- (i) Ensure there is a proper Open Tendering system in place.
 - (ii) Ensure goods are clearly specified and that the Inspection Committee inspects the goods before receiving them in the store.
 - (iii) The suppliers should be paid within thirty (30) days from the time of delivery to avoid delay in processing of payments.
 - (iv) Ensure users receive Issue notes for the goods issued to them.
 - (v) Issuance and receipt of goods should not be done by one person.
 - (vi) Ensure involvement of various committees to evaluate and award tenders.
 - (vii) Official cost estimates should be entrusted to one person before the opening of the tender to avoid leakage of information.
 - (viii) Bidders' representatives should attend opening of tenders to witness the opening.
 - (ix) Use of pre-qualified suppliers who should be allowed to quote for goods and services.
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- (i) Users should leave the Procurement Unit to do its work without interference.
 - (ii) All specifications for particular items should be uniform.
 - (iii) Brand names should not be used in specifications, as they indicate favouritism of certain manufacturers.
 - (iv) Market research on prices should always be done regularly.
 - (v) Use of the price list provided by the Christian Alliance for Development Procurement Oversight Authority.
 - (vi) Suggestion boxes should be availed to receive feedback from suppliers.
 - (vii) Practice the open-door policy where suppliers can express their views.
 - (viii) Hold regular meetings with suppliers.
 - (ix) Ensure all quotations are sealed and submitted as hard copies.

Human Resources Division

In the Human Resource Division, the Christian Alliance for Development intends to create awareness and responsiveness in addressing areas prone to corruption and suggest ways and means of sealing corruption loopholes in order to prevent corruption.

Human resource recruitment

- (i) Possible corruption practices
 - (ii) Engaging in tribalism/nepotism when recruiting staff.
 - (iii) Recruiting unqualified staff.
 - (iv) Demanding favours from recruits.
 - (v) Leaking interview questions to candidate.
 - (vi) Involving interested parties in preparing job descriptions and in short-listing.
 - (vii) Limiting circulation of job advertisements.
 - (viii) Deploying employees in areas in which they are not competent to handle.
 - (ix) Deploying or transferring employees for personal interests or punitive purposes.
 - (x) Constituting interview panelists with vested interests.
 - (xi) Preventive measures
 - (xii) Adherence to terms and conditions of service.
 - (xiii) Adherence to scheme of work, indicating job descriptions and requisite qualifications.
 - (xiv) Interested parties should not take part in the recruitment and selection process.
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- (i) Advertisements should conform strictly to the job description and specification.
 - (ii) Advertisements should be widely circulated to give room for wide exposure, competition and impartiality.
 - (iii) Short-listing and appointment panelists should be people of integrity and who hold relevant and higher qualifications/ranking in the job at hand.
 - (iv) A high integrity committee should deploy staff based on merit.

Human resource planning

(a) Possible corruption practices

The possible loopholes under human resource planning include ad hoc employment due to lack of employment guidelines, retention of redundant employees due to lack of succession plans, work-skills gap, leading to poor productivity, and lack of elaborate Christian Alliance for Development al structures.

(b) Preventive measures

The loopholes could be sealed by having a defined staff establishment plan consisting of:

- Clear guidelines on the quantity and quality of personnel needed.
- Types of skills required by the Christian Alliance for Development from time-to-time.
- Short-term, intermediate and long-term plans to safeguard against ad hoc hiring,

particularly of unqualified persons.

Staff development and training

(a) Possible corrupt practices

The process of staff training and development in the Christian Alliance for Development is at times arbitrary and prone to abuse through arbitrary identification of persons to attend training, training staff not based on needs assessments, lack of a training plan, denying opportunities to deserving staff.

(b) Preventive strategies

- Undertake training needs assessment and develop a training schedule to guide the training exercise.
- Develop a comprehensive plan for orientating newly recruited employees.
- Establish a training committee to award opportunities to deserving employees.
- Applying standard criteria in all staff training and development processes.

Performance management

(a) Possible corrupt practices

Performance monitoring in the Christian Alliance for Development may be done arbitrarily due to failure to set/agree on standards and targets, thereby creating opportunities for corruption. These omissions expose employees to subjective appraisals, rewards and promotion of non-performing staff members, overlap of duties and lack of accountability by employees, incidences of fictitious workers, and dormant personnel.

(b) Prevention strategies

- Signing of performance contracts whose targets are known by the appraisee and the appraiser before evaluation is carried out.
- Specific targets should be set at each level of the service to avoid overlaps and underemployment.
- Setting clear promotion criteria to be met by all employees before promotion.
- Performance directly to determine promotion.
- The Management should be cognizant of duties and responsibilities in each area and compensate performance impartially.

Development of terms and scheme of service for all staff, indicating:

- Job description and accountable officers.
- Salary structure for various job Christian Alliance for Development.
- All benefits, discretions and waiver of each employee.

- Conducting frequent payroll audit to eliminate fictitious workers.

Information, Communication and Technology (ICT) Systems.

Possible corruption practices

- Procurement/receipt of sub-standard equipment
- Collusion with supplier(s) for tailor made specifications
- Repair of ICT equipment at inflated costs
- Unnecessary repair of ICT equipment.
- Use of cash in purchasing ICT spares
- Repeated and /or unexplained loss of assets particularly portable and attractive assets such as laptops, digital cameras.
- Purchase of ICT infrastructure that is not in immediate use.

Prevention strategies

- Development and implementation of an ICT plan for the Christian Alliance for Development.
- Engagement of service providers in provision of ICT repairs as and when the need arises.
- Coming up with a policy that puts the officers holding ICT equipment to be responsible in case of loss of the same.

Records Management

Records are tools of administration and communication to ensure business continuity and effective service delivery. The National AIDS Control Christian Alliance for Development 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.

Possible corruption practices

- Failure to document action
- Capturing wrong information
- Misfiling
- Failure to file
- Poor title of files
- Falsification or distortion of information content
- Access to restricted records.
- Purging of Records.
- Peddling of information to persons for financial/personal gain.
- Disposal of records without authority.

Prevention strategies

- Implementation of the record management procedures
- Limiting access to documents
- Review of the file after an officer has acted on it to confirm that all documents are still intact.
- Have all staff employees sign the oath secrecy

Planning and Management of Projects and Programmes

Possible corruption practices

- Inconsistency of project objectives with the Christian Alliance for Development 's goals
- Discretion, lack of guidelines or non-adherence to prefeasibility study
- Communication deficit
- Interference by interested Christian Alliance for Development and individuals
- Failure to adequately liaise with all stakeholders, users, project support personnel
- Lack of transparency resulting in undisclosed co-financing and wastage
- Lack of accountability
- Unrealistic deadlines
- Resource competition
- Falsified needs
- Uncoordinated projects and programmes.

Prevention strategies

- Effective monitoring and evaluation.
- Mobilization of resources to reduce over reliance of donor funding
- Ensure accountability of all the funds disbursed to Christian Alliance for Development.
- Setting of an appropriate target for implementation for the project
- Choice of appropriate priority areas for implementation

5.0 STRUCTURES TO FIGHT CORRUPTION AND RESPONSIBILITY

5.1 Employees

Employees are expected to work towards giving the highest possible standards of service to the Christian Alliance for Development. Employees must act in accordance with the Christian Alliance for Development standards including code of conduct. Employees also have a duty to protect the assets of the Christian Alliance for Development including information as well as property.

Employees are expected to act in accordance with the standards laid down by the respective Professional Associations where applicable.

All employees should be aware of the following key documents which apply to them in addition to this policy: -

- Employees Code of Conduct

- The Christian Alliance for Development 's Financial Rules and Regulations
- Anti-Corruption and Economic Crimes Act, 2003.
- Christian Alliance for Development Officers Ethics Act, 2003.
- Christian Alliance for Development Procurement and Disposal Act, 2005 and Christian Alliance for Development Procurement and Disposal Regulations, 2006.
- Hotline operational guideline
- Internal Policies and Procedures.

The employees may be required to disclose information about their personal circumstances in accordance with these documents.

Employees play an important role in detecting theft, fraud and corruption. They should always be aware of the possibility that it may exist in the work place and be able to share their concerns with the management. They may have suspicions about colleagues they work with or those in different sections whose work they deal with. If for any reason, they feel unable to speak to their supervisors, they must refer the matter to one of those named below-

- i. The coordinator
- ii. The Chairperson of the Christian Alliance for Development.
- iii. Heads of Departments
- iv. Field Officers
- v. Integrity Committees (IC).

If employees still feel unable to raise their concerns through any of the above internal routes, then they may wish to raise them through either the Confidential Reporting Hotline (telephone, box, email) or to any other spelt out by the management. In respect to queries with regard to suspected irregularities *by* staff members, the Internal Audit Division is the “nominated contact office”. All calls are to be treated seriously and can be made anonymously.

5.2 MANAGEMENT

Coordinator, Chairperson, Heads of Departments and Field Officers are responsible for the communication and implementation of this policy in their work place. They are also responsible for ensuring that the staff under them are aware of the Christian Alliance for Development 's Rules and Regulations and that the requirements of each are being met in their everyday business activities.

It is the management's responsibility to maintain internal control systems. These include the responsibility for the prevention of fraud and other illegal acts. By undertaking an agreed plan of work, the Internal Finance Division will evaluate the adequacy and effectiveness of these controls as a means of assisting management to discharge its responsibilities. supervisors and staff should ensure that:

- They understand how the Christian Alliance for Development's policies, procedures, rules and regulations impact on their services.

- They comply with the Christian Alliance for Development’s policies and procedures and are aware of any service specific procedures in relation to fraud and corruption.
- Audit advice and recommendations are fully considered and acted upon promptly when system weaknesses which expose the Christian Alliance for Development to the risk of loss are identified.

Management should strive to create an environment in which the staff under them feel able to approach them with any concern they may have about suspected irregularities. Management is responsible for initially following up an allegation of fraud or corruption and will:

- i. Deal promptly with the matter.
- ii. Report the matter to the Finance Division.
- iii. Notify the Christian Alliance for Development’s insurers where appropriate.
Implement the Christian Alliance for Development’s disciplinary procedures where appropriate.
- iv.

Management at all levels are responsible for ensuring that their staff are aware of the Christian Alliance for Development ’s Rules and Regulations and that the requirements of each are being met. In addition, supervisors

appropriate procedures are in place to safeguard the resources for which they are responsible and to prevent financial irregularities.

Special arrangements will apply where employees are responsible for cash handling or in charge of systems that generate payments, for example payroll system. In these circumstances, managers must ensure that adequate training is provided for staff and that checks are carried out from time to time to ensure that appropriate controls and procedures are being followed.

References and qualifications of all proposed new employees should be thoroughly followed up and checked prior to a position being offered. In particular, where the posts are considered high risk (e.g. cash office or Information and Communication Technology (ICT) sections), an in-depth vetting or references for proposed new employees will be carried out. This could include:

- i. Oral or written references
- ii. Verifying that previous employers are genuine.
- iii. Ensuring that the required skill profile is met.
- iv. Verifying educational and professional qualifications.
- v. Verifying previous employment and duties performed.
- vi. Psychometric examination.

Management is expected to deal swiftly and firmly with those who defraud the Christian Alliance for Development or who are corrupt. The investigation process must not be

misused and any abuse such as raising malicious allegations will be dealt with as a disciplinary matter.

Management should examine available insurance policies on fraud and obtain insurance cover where risks are high.

5.3 CHRISTIAN ALLIANCE FOR DEVELOPMENT

The Christian Alliance for Development shall provide active oversight over the implementation of this policy and help re-enforce management's commitment to create a culture with "zero tolerance" for fraud and corruption. The Christian Alliance for Development shall ensure that senior management implements appropriate fraud and corruption deterrence and prevention measures to better protect the Christian Alliance for Development's assets.

This will be done through the Finance Committee.

5.4 GENERAL CHRISTIAN ALLIANCE FOR DEVELOPMENT

Members of the Christian Alliance for Development are encouraged to report concerns through any of the routes outlined here below, Hot Line Post Box, Hotline, Corruption Prevention Boxes.

5.5 FINANCE DIVISION

The Finance Division plays a major preventative role in trying to ensure that systems and procedures are in place to prevent and deter fraud. The Division will design appropriate internal control tests for suspected financial irregularities and fraud searching exercises to establish whether irregularities have occurred. They liaise with Head of Divisions and Departments to recommend changes in procedure to prevent further losses to the Christian Alliance for Development.

The Finance Division shall ensure that management has reviewed its risk exposures and identified the areas of most vulnerable to the risk of fraud and corruption.

The responsibility for the detection of financial irregularities rests with management. The Internal Audit Division will advise and assist management in fulfilling their responsibility for preventing irregularities by recommending appropriate internal control measures. There may be circumstances of course, where auditors detect fraud as a result of the work that they are undertaking or as a result of specific fraud exercises. For such cases, the Heads of Division shall co-operate with Internal Audit Division in conducting fraud investigations.

The Finance Division will review and update the Anti-Fraud and Corruption Policy and put forward any proposed changes to the coordinator.

5.6 EXTERNAL AUDIT

Independent External Audit is statutory and is an essential safeguard of the stewardship of Christian Alliance for Development money. The role is delivered through carrying out

specific reviews that are designed to test the adequacy of the Christian Alliance for Development's financial systems and arrangements for preventing and detecting fraud and corruption. It is not the External Auditor's function to prevent any irregularity, but the integrity of Christian Alliance for Development funds is at all times a matter of general concern.

External Auditors are always alert to the possibility of fraud and irregularity and will act without delay around for suspicion come to their notice. External Auditor has a responsibility to review the Christian Alliance for Development 's arrangements in respect to preventing and detecting fraud and irregularities and arrangements designed to limit the opportunity for corrupt practices.

5.7 CO-OPERATION WITH EXTERNAL AGENCIES

Finance division will keep under review procedures and arrangements to develop and encourage exchange of information on fraud and corruption activity with external agencies. The Christian Alliance for Development acknowledges that in order to prevent fraudsters using multiple identities and addresses, it cannot afford to work in isolation and must liaise with other Christian Alliance for Development. To this end, the Christian Alliance for Development shall foster a number of external contacts which include:

- The Kenya Police Service, Ethics and Anti-Corruption Commission.
- Kenya National Audit Office.
- The Commission on Administrative Justice.
- The National Anti-Corruption campaign steering committee.
- The Office of the Attorney General
- The Director of Christian Alliance for Development Prosecutions.
- The Witness Protection Agency
- Other relevant Government Departments.

5.8 DISCIPLINARY MEASURES

This section outlines the action to be taken where fraud, corruption or other illegal acts involving dishonesty, inappropriate Internet use or damage to property are discovered or suspected. For completeness, it also deals with action to be taken where theft is discovered or suspected.

If any of the concerns mentioned in this document come to the attention of an employee, immediate reporting is essential because it:

- i. Ensures consistent treatment and timely response/action.
- ii. Enables an investigation by an independent team
- iii. Ensures that agreed investigation procedures are followed.

The choice of contact is for the employee depending on who they feel comfortable with:

- a) The coordinator
- b) The Chairperson of the Christian Alliance for Development.
- c) Heads of Departments
- d) Field Officers

e) Integrity Committees (IC).

Any matters of a suspicious nature revealed during the course of Audit work must be immediately reported to the Head Finance. Auditors should attempt to secure any document or information that might provide evidence but should not raise the matter with any employee. An appropriate course of action will then be recommended by the Coordinator to the Christian Alliance for Development Members.

All cases of suspected corruption will be dealt with in accordance with the Christian Alliance for Development 's Disciplinary Rules and Procedures and law. Any Christian Alliance for Development employee accused of corruption will have to step down to pave way for investigation. In all cases regarding the Anti-Corruption Policy, Christian Alliance for Development Management is the implementing authority. The Management will go about implementation of the Policy in accordance with established laws and other relevant anti-corruption legal instruments.

5.9 PROTECTION OF WHISTLE BLOWERS

Any person (whistleblower), who discloses corruption activities, will be protected against reprisals. No information leading to the identification of the reporter will be released without the whistleblower's consent.

6.0 POLICY AWARENESS AND TRAINING

6.1 INTEGRITY COMMITTEES (ICs) AND INTEGRITY ASSURANCE OFFICERS (IAOs).

Composition:

The Composition of the IC/CPC shall be as indicated here below; Chairperson-Christian Alliance for Development Coordinator Members:

- a. The coordinator
- b. The Chairperson of the Christian Alliance for Development.
- c. Heads of Departments
- d. Field Officers
- e. Integrity Committees (IC)

The roles of IC/CPCs shall be:

- To ensure that all corruption prevention initiatives are integrated in their division's work plans and prioritize activities in the implementation of corruption

preventive programme.

- To receive and review reports on corruption prevention initiatives and take or recommend appropriate actions.
 - To consider and approve training on the Christian Alliance for Development Service Integrity Programme (GSIP) for the Christian Alliance for Development staff.
 - To ensure that all decisions and guidelines on corruption prevention are communicated effectively to staff and all interested parties.
 - To co-ordinate and implement Christian Alliance for Development's Code of Conduct and Ethics and ensures they are in conformity with the Anti-Corruption and Economic Crimes Act, 2003.
 - To carry out corruption risk assessments
 - To initiate actions in response to corruption risk assessments.
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- prepare corruption prevention plans and implement them.
 - co-ordinate and facilitate implementation of Corruption Prevention Programs.
 - Implement anti-corruption education and awareness programmes.

6.2 Training and Capacity building

The Christian Alliance for Development recognizes that the continuing success of its Anti-Fraud and Corruption Policy and its general credibility will depend largely on the effectiveness of programmed training and the responsiveness of employees throughout the Christian Alliance for Development.

To facilitate this, the Christian Alliance for Development shall support the concept of training for all members of staff and particularly for employees involved in internal control systems to ensure that their responsibilities and duties in this respect are regularly highlighted and re-inforced. The training plans of the Christian Alliance for Development's CPC shall also reflect the requirement for regular and effective training. The Integrity Assurance Officers (IAOs) shall lead other staff members in raising awareness about dangers of corruption and ensuring there is integrity in the Christian Alliance for Development.

Staff shall be kept fully informed about the Christian Alliance for Development's Anti-Fraud Policy and Corruption and what part they are expected to play in it. This shall be achieved through:

Giving every employee a copy of the Christian Alliance for Development code of conduct/anti-fraud and corruption policy as part of their contract of employment.

- Informing new staff during induction training.
- Establishing a training programme and ensuring all staff attend it.
- Making the anti-fraud and corruption policy and code of conduct available to all staff via networked computer system.
- Reporting to staff outcomes of investigations and disciplinary action against employees who perpetrate theft or fraud

6.3 Policy Implementation

The Christian Alliance for Development has a clear commitment to minimizing the possibility of corruption and theft or other misuse of Christian Alliance for Development money and assets. It pledges to prevent fraud and corruption and to take all the necessary action to identify fraud and corruption if suspected and pursue the recovery of losses and punishment of those responsible.

The Christian Alliance for Development's employees are expected to have the highest standards of conduct and to be vigilant in combating fraud and corruption in all its guises. The Christian Alliance for Development has implemented a clear network of systems and procedures to assist in the fight against fraud and corruption. These arrangements will keep pace with any future development in both preventive and detection techniques regarding fraudulent or corrupt activity that may affect its operations or related responsibilities.

6.4 Policy Review

The policy shall be reviewed by the IC for fitness of purpose at least after two years. Any need for change shall be reported to the coordinator for approval.

This policy document has been prepared by **M/S William Msembi**, Consultant and an Advocate of the High Court of Kenya.

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