



ANTI-CORRUPTION POLICY

SEPTEMBER, 2024

Ports DT Sacco Ltd

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POLICY STATEMENT

Corruption is a serious scourge that has eaten into the fabric of the Kenyan Society and may occur in any public institution and private. The Sacco Anti Corruption Policy is aimed at improving institutional productivity, efficiency and good governance.

The roles of management, staff and other stakeholders in preventing corruption or unethical behaviour/practices are clearly spelt out and based on the Code of Conduct and Ethics in the Constitution. All areas of operation within the Sacco that may be prone to corruption have been spelt out and guidelines and handling procedures given in order to assist stakeholders in preventing unethical behaviour.

The Sacco, therefore, expects all its stakeholders to strive to eliminate all avenues of corruption in order to make the Sacco a corruption free institution.

Any crime or corrupt practices identified will be dealt with firmly using this policy together with the other anti corruption policies or procedures of the government including, the Anti-Corruption and Economic Crime Act (ACECA 2003), the Public Officers Ethics Act (POEA, 2003) and the Code of Conduct and Ethics for the Sacco.

LEGISLATIVE AND ADMINISTRATIVE REQUIREMENTS

The following documents are the main legal instruments and institutional policies used as references when developing this policy and for its implementation.

Legal Instruments

- i. Anti-Corruption and Economic Crimes Act, revised 2012
- ii. Public Procurement and Disposal Act, 2005 and Public Procurement and Disposal Regulations, 2006.
- iii. Public Financial Management Act, 2004
- iv. The SASRA ACT, 2008
- v. The Employment Act, 2007

SCOPE/APPLICABILITY

This Policy applies to Members of the Sacco, Management and the staff of Ports DT Sacco.

DEFINITION OF CORRUPTION

This policy operates within the framework of corruption as defined in the Kenya Anti-Corruption Plan and the Anti-Corruption and Economic Crimes Act of 2003 as follows:

- i. Abuse of position or office, for personal gain or for the advantage of another person;
- ii. Bribery, theft, embezzlement and fraud;
- iii. Evasion of payment of Government revenues, taxes, rates, fees and other dues;
- iv. Practicing discrimination on the basis of religion, gender or disability;
- v. Practicing of nepotism, clannism;
- vi. Inversion and distortion of social values including soliciting for and giving sexual and other favours;
- vii. Negligence of professional ethics; and
- viii. Breach of trust;
- ix. In addition to this, failure to report corruption.

ROLES AND RESPONSIBILITIES

Roles of Management

The Sacco Management is responsible for:

- i. Corruption prevention and detection
- ii. Setting ethical standards
- iii. Setting up corruption prevention committees
- iv. Providing guidance and support to staff

Role of Sacco Staff

- i. Prompt reporting of incidences or suspected cases of corruption
- ii. Identifying areas which are prone to corruption

The Supervisors/Line Managers are responsible for:

- i. Receiving, forwarding and acting on reported cases

- ii. Clearly explaining to the person making the disclosure what will happen to the information received.
- iii. Taking reasonable steps to ensure that the person who has made the disclosure is not victimized.
- iv. Assuming the responsibility for designing, implementing system improvements and to ensure non-recurrence if the disclosure relates to their area of control.

FUNCTIONAL AREAS AND CORRUPTION PRONE PRACTICES

The following is a list of some of the main functional areas where corruption may occur:

Management

- i. Security
- ii. Procurement planning and management
- iii. Internal Audit
- iv. Marketing

Administrative

- i. Recruitment and Training
- ii. Staff Development
- iii. Medical services
- iv. Leave
- v. Records management
- vi. Systems (Navision)
- vii. Sacco property
- viii. Housing Rent
- ix. Retirement Benefits Schemes
- x. Legal matters.

STRUCTURES TO FIGHT CORRUPTION

The Sacco shall put in place the following structures to prevent corruption:

- i. Board Corruption Prevention Committee
- ii. Management Corruption Prevention Committee
- iii. Integrity Office responsible for (Identify an office that will deal with the function):
 - a) Regular vetting of staff
 - b) Regular monitoring of Sacco functional areas

- c) Monitoring systems/controls as per the procedures
- d) Supervisory checks and controls within the Sacco
- e) Staff integrity and mentorship
- f) Institutionalization of efficiency, transparency and accountability of transactions.
- g) Regular updates and monitoring of Sacco assets
- h) Monitoring of declaration of conflict of interest

COMPOSITION OF THE CORRUPTION PREVENTION COMMITTEE

The following shall form the composition of the Corruption Prevention Committee:

Board Vice Chairman	- Member
Supervisory Committee Representative	- Member
Audit Committee Representative	- Member
Human Resource Manager	- Member
Chief Executive Officer	- Member

MANDATE AND OPERATIONS OF THE CORRUPTION PREVENTION COMMITTEE

The role and functions of the corruption prevention Committee within the Sacco will be as follows:

- i. Setting priorities in the prevention of corruption within the Sacco.
- ii. Planning and coordinating corruption prevention strategies.
- iii. Integrating all corruption prevention initiatives in the Sacco.
- iv. Receiving and reviewing reports on corruption prevention initiatives and recommending appropriate action.
- v. Receiving and taking action on corruption reports made by staff and other stakeholders.
- vi. Documenting concrete measures taken and any referrals to other agencies such as EACC.
- vii. Monitoring and evaluating the impact of corruption prevention initiatives

INTERNAL AUDIT REVIEWS

Internal Audit reviews play a crucial role in the prevention and detection of corruption.

It also provides mechanisms for supervision, control and review of all operational systems within the Sacco. In addition, it plays a major role in assessing the nature and extent of any fraud and corruption risks.

The Sacco will carry out, on a quarterly basis, internal reviews in all its operational areas with emphasis on the corruption areas.

HOW TO REPORT CORRUPTION INTERNALLY AND EXTERNALLY

The Sacco shall ensure that there are provisions made to allow for disclosure of all corrupt practices within the Sacco by providing avenues for reporting such vices. Some of the avenues may include and are not limited to:

- a) Placing corruption reporting boxes at strategic points within the Sacco.
- b) Creation of hotline numbers that people can use.
- c) Reporting directly to the C.E.O
- d) Creating an interactive page on the Sacco website where claimants can log on and send claims.
- e) Members and staff are encouraged to report to their immediate superior all conducts they consider unethical, or criminal to facilitate appropriate action by the relevant agents.

Such reports shall:

- i. Be made in writing; where a report is made verbally, the receiving officer will put it in writing after which the giver of the report shall confirm the contents of the written report and sign it.
- ii. Be treated with total confidentiality by the reporter and the receiver of the report.
- iii. Be verified for authenticity.
- iv. Be forwarded to the Board Chairman.

The reporter is entitled to feedback on action taken on the matter reported within 4 weeks of reporting, and if no action is taken the informant may report the same to EACC.

HANDLING OF CORRUPTION CASES

Any cases suspected of corruption and reported to the Corruption Prevention Committee shall be referred for further investigation.

Upon the completion of the investigation, the committee will consider the report and determine whether or not to carry out further investigations through verbal and/or written submissions. The committee will then make decisions to:

- i. Refer the matter to the Staff Disciplinary Committee or
- ii. Refer the matter to the Ethics and Anti-Corruption Commission or
- iii. Refer the matter to the police or all the above.

PROTECTION OF WHISTLE BLOWERS

In accordance with the Witness Protection Act, 2006 the Sacco undertakes to protect the identity of persons making corruption disclosures and to ensure that information that might identify the person making the disclosures is protected. If there is need to disclose the information, this shall first be discussed with the person.

DISCIPLINARY MEASURES

Any breach of the provisions of this policy by any member of staff shall be dealt with in accordance with the provisions of the Sacco disciplinary procedures, the Anti Corruption, Economic Crimes Act 2003.

Appendix 1: Corruption Risk Assessment Areas

Functional Areas	Descriptions	Corruption Risks
Development	Infrastructural Development and Refurbishment	-Pilferage of building materials. -Over employment of casuals. -Delayed completion of projects. -Poor workmanship.
Research and Development	Market Research Funds	-Irregular disbursement of research funds. -Lack of monitoring. -Delayed in disbursement of funds.

Recruitment	Job Advertised	-Job specifications tailored to favor certain individuals. -Elimination of suitable candidates to favor weaker ones.
	Short listing of persons	-Short listing persons that do not meet the requirements. -Biased composition of the shortlisting committee.
	Interviews	-Biased composition of the appointments committee. -Lack of score cards for interviews. -Deliberate delays of interview invitation notices and in other instances with holding of the invitation. -Lobbying for specific candidates among panels.
	Hiring of staff	-Hiring of staff without regards to establishment. -Hiring of casuals where there is no need for them.
Deployment	Transfers and Placements	-Favourism of certain staff during placement.
Staff Development	Promotions	Uncoordinated promotion of staff. Favouring a staff for promotion because of vested interests.
	Trainings	-Biased nominations of staff training.
Medical	Medical Claims	-Approvals for false claims.
Leave	Leave of absence/sabbatical leave	-Favorism of staff on approval of leave. -Deliberately delaying to approve leave without lawful reason.
	Leave approval and computation	-Deliberately miscalculation of balance of leave days.
Records	Records	-Mishandling and mismanagement of records.

		-Tempering with records in personal files.
Transport and fuel	Fuel	-Misuse of fuel cards. -Overstating the cost of fuel. -Moving out without the approval of work ticket. -Moving to unauthorised destination.
Housing/Office	House/ Office Allocations	-Unfair/Discriminative allocation of Sacco offices.
Legal Services	Payment of Legal Fees	-Collusion with external lawyers or parties to defraud the Sacco for example legal fees to be paid.
Finance	Payroll	-Wrong rates of payments. -Payments made to retired or terminated staff. -Irregular stoppage of deductions. -Delayed remittance. -Fictitious payments. -Double payments. -Unauthorised cheque/cash payments. -Missing documents to support payments.
	Expenditure	-Inflated invoices and quotations. -Invoices for unsupplied goods and services. LPOS.
	Budgetary Control	-Vote Misallocation. -Non-commitment of payments. -Wrong postings (Deliberately).
	Bank	-Erroneous payments. -Double payments. -Fraud through Fosa Accounts. -Opening multiple accounts for fraud purposes. -Illegal transfer of funds to members accounts.
	Financial Accounts	-Creative Accounts.

		-Unreconciled Accounts.
Procurement	Ordering and Stocking	-Stocking expires stocks.
	Specifications	-Lack of regular inventory/stock taking. -Vague and biased specifications
	Methods of procurement	-Limited competition. -Inflated competition -Lobbying of suppliers.
	Disposal	-Identification and valuation of assets. -Delayed disposal.
Loans	Loan Processing	-Asking for bribes to process loans. -Deliberately delaying processing loans. -Shylocking to enhance loan processing. -Personalizing loans approvals. Loan issuance to members who do not qualify. -Flouting the credit policy. -Providing wrong loan delinquency reports.
Internal Audit	Internal Audit	-Selection auditing of specified areas and selective reporting. Biased in reporting.
Security	Investigation process	-Poor follow up of reported cases, especially stolen materials/equipment. -Doctoring of investigation reports to suit the culprit. -Delayed investigations.

POLICY DECLARATION

This document may be cited as the **Anti - Corruption Policy** for **PORTS DT SACCO Ltd** and has been discussed and adopted for implementation this

28th day of SEPTEMBER 2024.

SIGNED FOR AND ON BEHALF OF PORTS DT SACCO SOCIETY LTD

CHAIRMAN:



CHIEF EXECUTIVE OFFICER:



DATE:

6/10/2024



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