

Anti-Fraud and Anti-Corruption Policy

Rabai Empowerment for Community (RefCom)

<i>Version No.</i>	<i>Date</i>	<i>By.</i>	<i>Details Of changes</i>	<i>Reviewed and approved by; Name/position</i>
<i>1</i>	<i>14.12.2021</i>	<i>Executive Director</i>	<i>N/A</i>	<i>RefCom Board</i>

1. Introduction

Corruption has profound adverse effects on social, economic, and political development, disproportionately harms the poor and vulnerable. Corruption poses a direct threat to Rabai Empowerment for Community (RefCom) by directly undermining its work.

Rabai Empowerment for Community (RefCom) acknowledges its responsibility to remain accountable to the public, its beneficiaries, donors, and those with whom it deals with and commits to abide by relevant legislation in Kenya such as the Kenya Bribery Act 2016, the Anti-corruption and Economic Crimes Act 2003, the Penal Code and internationally that combat the risk of fraud and corruption.

Rabai Empowerment for Community (RefCom) endorses UN Global Compact principle number 10 that states that 'Businesses should work against corruption in all its forms, including extortion and bribery.'

2. Policy statement

Rabai Empowerment for Community (RefCom) does not tolerate fraud and corrupt practices and aims to undertake actions that will mitigate the risk of occurrence, through the institution and enforcement of adequate systems, policies and procedures. Rabai Empowerment for Community (RefCom) takes all reported suspicions of fraud and corruption seriously and commits to responding to them adequately, promptly and effectively. Rabai Empowerment for Community (RefCom) may consider a breach of the provisions of this policy to be a disciplinary matter.

Rabai Empowerment for Community (RefCom) is committed to acting professionally, ethically, fairly and with integrity in all dealings with public or private persons.

3. Purpose

The purpose of this policy is to communicate Rabai Empowerment for Community (RefCom)'s stance and framework to mitigate the risk of fraud and corruption. This policy

lays out Rabai Empowerment for Community (RefCom)'s expectation on its employees and those associated with it with regards to the risk of fraud and corruption.

4. Scope

This policy applies to all employees of Rabai Empowerment for Community (RefCom) and those associated with it e.g. implementing partners, vendors, contractors and any other third party. The term 'Rabai Empowerment for Community (RefCom) staff' will be used throughout this policy to refer to those within scope.

Rabai Empowerment for Community (RefCom) considers fraud and corruption within the remit of this policy to comprise acts consistent with fraud, bribery, nepotism, money laundering, terrorism financing, theft, and some cases of undeclared conflict of interest.

5. Definitions

Corruption is the abuse of power for private gain. Corrupt activities are broad and encompass acts such as fraud, theft, bribery, nepotism or favoritism.

Fraud is an intentional act or omission intended to deceive another party that may cause the party to obtain an advantage improperly, avoid an obligation or cause loss to another party. Examples of fraudulent acts include deliberately giving false information in a resume or report, forgery, fabrication of documents or acting under false pretenses.

Theft is where one dishonestly takes or uses property belonging to another, without consent and with the intention of permanently depriving the other of it. An example could be deliberate refusal to return Rabai Empowerment for Community (RefCom)'s assets after leaving.

Bribery is the offering, promising, giving, accepting, or soliciting of an advantage as an inducement to do something which is illegal or a breach of trust. The purpose of the bribe is to 'induce a person to perform a relevant function or activity improperly or to 'reward a person for the improper performance of such a function or activity. Bribery includes facilitation payments, favors and kickbacks.

Extortion is obtaining a benefit through coercion (for example threats of future physical injury, property damage or exposure to criminal charges or public humiliation) or an implicit or explicit threat to give the payer a worse than fair treatment.

Suspicion is a reasonably held belief or feeling that something is likely or has happened

6. Bribery

Rabai Empowerment for Community (RefCom) and its associated parties are prohibited from offering, promising, giving, accepting or soliciting a bribe. Rabai Empowerment for Community (RefCom)'s associated parties include anyone working or doing business on behalf of Rabai Empowerment for Community (RefCom) in any capacity.

Forms of bribery

Bribes may come in many forms such as favors, facilitation payments, kickbacks, donations, gifts or hospitality.

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine administrative task.

Kickbacks are typically payments made in return for a business favor or advantage. Rabai Empowerment for Community (RefCom) staff are prohibited from making facilitation payments and kickbacks.

7.Preventing fraud and corruption

Rabai Empowerment for Community (RefCom) is committed to preventing and identifying fraud and corruption in their programmes, through raising awareness of fraud risks, implementing controls aimed at preventing and detecting fraud and corruption, and enforcing this policy. Rabai Empowerment for Community (RefCom) therefore, implements the following pillars of prevention.

Top-level commitment – The Board of management of Rabai Empowerment for Community (RefCom) commit to oversee this zero-tolerance policy and the implementation of adequate controls to safeguard Rabai Empowerment for Community (RefCom)’s assets, stocks and funds from abuse.

Risk assessment – Rabai Empowerment for Community (RefCom) will adopt a risk-based approach to tackling fraud and corruption in the programmes. The risk of fraud and corruption in programmes will be identified communicated to relevant stakeholders together with an assessment of the extent to which the risks can be mitigated. The risk of fraud and corruption will be considered during the design of programmes. It will be monitored and reported as part of Rabai Empowerment for Community (RefCom)’s risk management framework.

Effective anti-fraud and corruption policies and procedures. Rabai Empowerment for Community (RefCom) will put in place procedures that are effective and proportionate to the risks identified, circumstances and culture. These procedures will include those designed to prevent and those designed to detect the risk of fraud.

Due diligence and procedures for third parties – Rabai Empowerment for Community (RefCom) shall employ a fair and proportionate due diligence process for third parties before entering contracts. The level of due diligence will be based on risk and will be done in line with Rabai Empowerment for Community (RefCom)’s due diligence policy.

Communication and training – Rabai Empowerment for Community (RefCom) will employ a robust continuous system of building awareness and understanding of its anti-fraud and anti-corruption procedures and systems. New staff will be inducted into the policy. Third parties informed of the expectations laid out in this policy, which will also form part of the contractual conditions. The communication and awareness programme shall cover employees, and other relevant stakeholders. Training for associated third parties will be conducted by Rabai Empowerment for Community (RefCom) on a case-by-case basis in line with the risks identified and capacity assessment outputs.

Monitoring and evaluation – Rabai Empowerment for Community (RefCom) shall monitor the effectiveness of the procedures set to combat fraud and corruption. The Board of directors shall review the outcomes and guide improvements.

8. Reporting fraud and corruption

It is mandatory for all Rabai Empowerment for Community (RefCom) staff to report suspicions of fraud or corruption immediately. Suspicions must be reasonably held but do not require any proof before making a report.

Rabai Empowerment for Community (RefCom) staff who have a suspicion may first report it to their line manager. Third parties associated with Rabai Empowerment for Community (RefCom) may first report suspicions to the manager who holds their contracts. Should the staff feel, the line manager might be involved or will not take the suspicion seriously, they should report it directly to the Chief Operating Officer (or delegate).

Once operations manager receives a fraud suspicion, they will be required to report it to the Chief Operating Officer (or delegate) not later than 48 hours. They may, however, report it to the Chief Executive Officer (CEO) should the Chief Operating Officer be involved. If the CEO is involved, then the report must be made to the Chair of the board of the directors.

9. Responding to suspicions of fraud and corruption

Once a suspicion has been received the Operations manager (or delegate), will send an acknowledgement within 48 hours to the person who made a report.

The suspicion will be assessed to determine credibility. A reasonably held and credible suspicion will proceed to be investigated. Once credibility has been determined, external reports will be made in line with regulations and contractual obligations.

After the completion of an investigation, the Operations Manager will communicate outcomes to the reporter only when it will not represent an additional risk to Rabai Empowerment for Community (RefCom). Investigation reports may recommend actions to be taken, which may include disciplinary hearings and rectification of control environment.

It is the responsibility of the project lead or unit manager to ensure that controls where breached are adequately remediated to avoid further exposure and vulnerabilities

10. Investigations

When a suspicion has reached the threshold for investigating, Rabai Empowerment for Community (RefCom) will employ a competent in-house or external investigator to investigate the suspicion. Rabai Empowerment for Community (RefCom) conducts its investigations whilst embracing the principles of confidentiality, proportionality, timeliness, evidence-led, objectivity, fairness and transparency. Depending on the nature of the suspicion, Rabai Empowerment for Community (RefCom) might choose to conduct a forensic audit or an investigative review.

Rabai Empowerment for Community (RefCom) staff may be called upon to give evidence during an investigation. Staff will typically not be accompanied during an investigation interview. It is mandatory for all Rabai Empowerment for Community (RefCom) staff to support an investigation process when required to do so.

All records supporting an investigation will be maintained in line with Rabai Empowerment for Community (RefCom) data protection policy.

11. Malicious reporting

No person will suffer any detriment as a result of raising genuine concerns about bribery, fraud and/or corruption even if they turn out to be mistaken.

However, disciplinary action may be taken where there is evidence that allegations were not made in good faith but have been deliberately made maliciously or frivolously to the detriment of another or for personal gain.

12. External reporting

Rabai Empowerment for Community (RefCom) is subject to laws and regulations; external reporting will be made in line with applicable laws and regulations as well as contractual requirements of agreements signed with donors.

Where evidence has been obtained that a bribery offence has been committed or is likely to have been committed, Rabai Empowerment for Community (RefCom) will make a report to the Ethics and Anti-Corruption Commission in line with the requirements of the Kenya bribery act – Rabai Empowerment for Community (RefCom) to insert link.

13. Maintaining appropriate records

Rabai Empowerment for Community (RefCom) will maintain a register of all reported fraud and corruption suspicions. The register shall include outcomes of the response to the suspicions. The Trustees and board of directors will receive anonymized reports of suspicions quarterly.

A gift and hospitality register shall be maintained and reviewed annually.

All managers in Rabai Empowerment for Community (RefCom) must ensure that the following records are adequately maintained:

- i. Financial records and documentation supporting expenditure
- ii. Audit trail of decision making such as the decision to procure, to recruit or to take on board a grantee
- iii. Records of gifts and hospitality given out

Roles of all the staff

All staff must:

- iv. Read, understand, and comply with the contents of this policy.
- v. Report suspicions of fraud and corruption promptly.
- vi. Exercise their duty to prevent and detect fraud and corruption.

All project leads and managers

Rabai Empowerment for Community (RefCom) managers must;

- a) Ensure staff and third parties they work with are aware of the contents of this policy.
- b) Vigilantly monitor and regularly review and where necessary, updated controls and procedures to safeguard Rabai Empowerment for Community (RefCom)'s assets, funds, and stocks.

- c) Frequently check that these procedures are being fully observed and implemented.

Chief Executive Officer

The Chief Executive Officer of Rabai Empowerment for Community (RefCom) is ultimately responsible for ensuring the effective implementation of this policy and associated procedures and ensuring that everyone associated with Rabai Empowerment for Community (RefCom) is equipped and supported to meet their responsibilities.

Rabai Empowerment for Community (RefCom) Board Of Directors

The Rabai Empowerment for Community (RefCom) board of directors has the responsibility to provide governance oversight over the implementation of this policy.

b. Independent assurance

The effectiveness of Rabai Empowerment for Community (RefCom)'s fraud and corruption policy and procedures is subject to the regular internal audit reviews where necessary Rabai Empowerment for Community (RefCom) may call an external review to assure the integrity and effectiveness of whistleblowing processes and procedures.

c. Data retention and protection



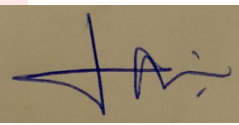
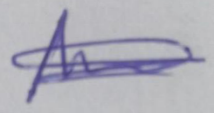
Rabai Empowerment for Community (RefCom) respects confidentiality and has a responsibility to protect sensitive personal data. Information will only be shared on a 'need to know' basis that means, access to data must be necessary for the conduct of one's official duties. Only individuals who have legitimate reasons to access information can receive it. See Data Protection Policy.

d. Review of this policy

The Chief Operating Officer is responsible for ensuring that this policy is reviewed on a timely basis. This policy will be reviewed after every two years.

This policy is effective as of 12th Feb, 2025 and will remain in force until further notice.

Approved by:

S/NO	Names, Postal Addresses, position held and Occupations of Directors	ID number of Director	Mobile Number of Director	Signatures of Directors
1.	James Katana Gibson	21005098	0723 734 303	
2.	Edward Chongwa Gamimbah	14499314	0721 786 550	
3.	Lennox Ringa Mwabaya	28186907	0718 056 796	
4.	Alicia Wanjoru Pauline	35195779	0796 981 760	
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