



MACHAKOS UNIVERSITY

ANTI-FRAUD POLICY

OCTOBER, 2020



APPROVAL

Policy Title: Machakos University Anti-Fraud Policy

Policy Contact: Vice Chancellor

Approval Authority: The University Council

Category: Vice Chancellor's Office

Reference No. MksU/P/010

Effective Date: Date of signing

Approved by the University Council:

**PROF. LUCY W. IRUNGU, Ph.D.
VICE-CHANCELLOR & SECRETARY TO THE COUNCIL**

Sign:



Date: 27.10.2020



FOREWORD

Machakos University is committed to high standards of professional conduct and honest and ethical business practices. Staff members, students and other stakeholders must conduct themselves professionally, fairly and with integrity in all business dealings and relationships, in accordance with the University's Code of Conduct and relevant policies and legislations.

The University embraces zero tolerance towards corrupt conduct which can take on many forms including conflicts of interest, taking or offering bribes, dishonestly using influence, blackmail, fraud, theft, embezzlement, tax evasion, forgery, nepotism and favoritism. As such, all staff members have a fiduciary duty to be vigilant and take an active role in the prevention and detection of fraud, bribery and corrupt conduct, whether by themselves, students or persons external to the University.

It is envisaged that through this Policy, Machakos University and her stakeholders will always embrace character virtues in all the her endeavours and operations.


PROF. LUCY IRUNGU, Ph.D.
VICE CHANCELLOR & PROFESSOR OF ENTOMOLOGY



DEFINITION OF TERMS AND CONCEPTS

Fraud means the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit.

Bribery means the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage;

Corrupt conduct means, dishonest activity in which employee staff member or contractor of the University acts contrary to the interests of the University and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

Staff member means anyone engaged by or associated with the University and includes all permanent, casual, adjunct, honorary or contracted staff (whether full-time or part-time), volunteers or those holding University offices or who are a member of a University committee;

Student means a person prescribed as a student of the University



TABLE OF CONTENTS

Approval	ii
Foreword	iii
Definition of Terms and Concepts	iv
1.0 Introduction.....	1
1.1. Vision.....	2
1.2. Mission	2
2.0. Purpose of the Policy	2
3.0. Scope	2
4.0. Policy Statement	2
4.1. Core Values	2
5.0. Principles of Machakos University Anti-Fraud Policy	3
6.0. Legal Foundations	3
7.0. Dissemination of the Policy.....	4
8.0. Application of the Policy	4
9.0. Risk Assessment.....	4
10.0. Detection and Reporting of Fraudulent Activities	5
11.0. Responsibilities.....	5
12.0. Anti-Fraud.....	6
12.1. Fraud Management Process.....	6
12.2. Disciplinary Action	6
13.0. Training and Communication	6
14.0. Policy Review	7
15.0. Effective Date	7
Appendix A: Process Map For Anti-Fraud Policy Development	8
Appendix B: Process Map For Anti-Fraud Policy Implementation	9



1.0 INTRODUCTION

It is the intention of Machakos University to conduct all its operations and engagements in an honest, ethical and transparent manner. For this reason, this Policy outlines procedures to prevent, detect, monitor and report any case or suspected cases of fraud, bribery and corruption within the University operations.

Under this Policy, the act of fraud may be committed by either by:

- a) **False representation** for personal gain and thus cause loss to another party or expose to risk of loss;
- b) **Failing to disclose information** – dishonestly fails to disclose to another person information which they are under a legal duty to disclose, and intends, by failing to disclose the information, to make a gain for themselves or another, or to cause loss to another or expose another to a risk of loss;
- c) **Fraud by abuse of position** – occupies a position which one expected to safeguard, or not to act against, the financial interests of another person, dishonestly abuses that person, and intends, by means of the abuse of that position to make again for themselves or another, or to cause loss to another or to expose another to a risk of loss. A person may be regarded as having abused his position even though their conduct is as a result of an omission rather than an act.

FUNDAMENTAL STATEMENTS

1.1. VISION

The vision of the University is “A Preferred University of Excellence in Scholarship and Service Delivery.”

1.2. MISSION

Provide scholarly education through Training, Research and Innovation for industrial and socio-economic transformation of our communities.

2.0. PURPOSE OF THE POLICY

This Policy has been developed in compliance with the applicable laws of Kenya and international conventions against fraud, bribery and corruption. It sets out the responsibilities for all stakeholders in conducting themselves and upholding the University’s commitment to prevention of fraud, bribery and corruption among other related vices.

3.0. SCOPE

This Policy is applicable to all Machakos University staff, students and such other stakeholders as deemed necessary in the interest of the University, both locally and abroad. It further applies to all activities and operations of the University irrespective of their jurisdiction.

4.0. POLICY STATEMENT

The University is committed to upholding the highest ethical, honest and professional standards while conducting operations by implementing and enforcing systems that ensure fraud, bribery and corruption are prevented; of which it has zero-tolerance. The University will always uphold all applicable laws and regulations relating to fraud, bribery and corruption in all her engagements.

4.1. CORE VALUES

The University is guided by the following Core Values and Competencies which form the corporate culture of the University:

- (i) Integrity
- (ii) Accountability
- (iii) Professionalism
- (iv) Inclusivity
- (v) Creativity
- (vi) Teamwork
- (vii) Equity



5.0. PRINCIPLES OF MACHAKOS UNIVERSITY ANTI-FRAUD POLICY

The University expects all stakeholders to respect this Policy and to abide by the principles set out below:

- a) Foster a culture of integrity, honesty, accountability and transparency;
- b) Maintain a zero-tolerance approach to fraud, bribery and corruption;
- c) Implement due diligence and control procedures to prevent, detect and report cases of suspected cases of fraud, bribery and corruption;
- d) Enhance awareness and understanding of values, principles, policies and procedures relating to fraud, bribery and corruption through periodic training and communication, and report any violations of the same.

6.0. LEGAL FOUNDATIONS

The application of this policy will be guided by several enacted laws including but not limited to:

- a) Anti-Corruption and economic crimes Act 2003 with its amendments;
- b) The Constitution –Chapter 6
- c) Ethics and Anticorruption Commission Act 2011
- d) Code of Conduct and Ethics for Public Service Regulations-2016
- e) Public Finance Management Act 2012
- f) Public Procurement and Asset Disposal Act 2015
- g) Public Procurement Regulations 2020
- h) Witness Protection Act 2006
- i) Proceeds of Crime and Anti-Money Laundering act 2009(revised 2016)
- j) Leadership and Integrity act,2012
- k) Public Audit Act,2012
- l) Bribery Act 2016
- m) Central Bank Act,2015

Within the University, this policy is anchored on the provisions of the following policies:

- a) Staff code of conduct and ethics
- b) Anti-corruption policy
- c) Whistle blowing policy
- d) University Policy on Gifts



7.0. DISSEMINATION OF THE POLICY

The Vice Chancellor will ensure that all staff and stakeholders of the University are sensitized on the provisions and requirements of this policy. Equally this policy will be made available through the University website, to guide on anti-fraud requirements.

8.0. APPLICATION OF THE POLICY

The University expects staff and stakeholders to comply with the provisions of this policy. Failure to comply with the provisions of the policy and other associated laws, rules and regulations, shall attract relevant disciplinary action to the concerned individuals.

This policy guides that:

- a) University activities are conducted fairly, honestly and openly in accordance with relevant legislation, and to the highest standards of integrity.
- b) All stakeholders safeguard public and private assets and resources within the purview of the University control as required by law
- c) Staff and associates will desist from seeking any benefits from the activities of the University other than those expressly defined within the conduct of the legally recognized duties or provided in mutual understanding or contractual provisions.
- d) Gifts and other benefits accrued from association with university stakeholders, will apply the provisions of Gift Policy guidelines that apply to both the University and stakeholders.

9.0. RISK ASSESSMENT

Bribery and fraud risk will be regularly assessed by schools, Departments directorates and Anti-Corruption Committee.

Significant transactions, those that are of high value, or high risk, or high profile shall always be subject risk assessment, and appropriate preventative and detective controls shall be identified and implemented, together with regular reviews to determine their efficacy.

Where risk assessments indicate a significant risk that any form of fraud might occur, appropriate due diligence shall be employed prior to and during the transaction in question. The risk assessment will also provide guidance on fraud detection.



The Policy shall be communicated to all stakeholders at the onset of operations and as appropriate thereafter.

14.0. POLICY REVIEW

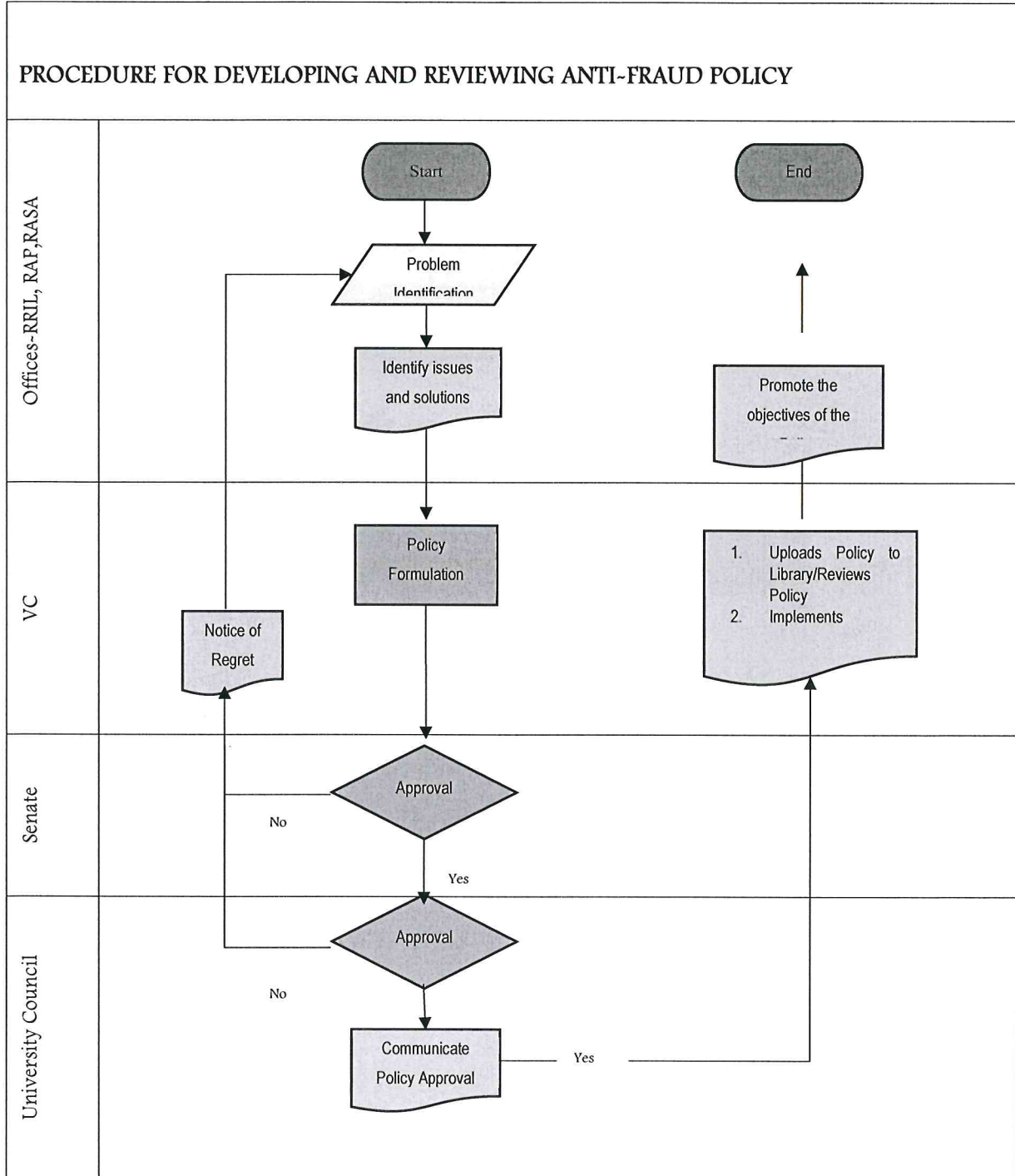
This policy shall be reviewed after three years from the effective date.

15.0. EFFECTIVE DATE

This Policy shall take effect from the date of approval.



APPENDIX A: PROCESS MAP FOR ANTI-FRAUD POLICY DEVELOPMENT



APPENDIX B: PROCESS MAP FOR ANTI-FRAUD POLICY IMPLEMENTATION

