



**KENYA NATIONAL SHIPPING LINE LTD**

**CORRUPTION AND BRIBERY PREVENTION  
POLICY AND PROCEDURES**

2023

## **1. POLICY STATEMENT**

The Kenya National Shipping Line Ltd hereinafter “The Company” acknowledges that bribery and corruption affects service delivery, diminishes the growth of the company and destroys the image and public confidence. The Company recognizes the adverse effects of bribery and corruption to the realization of its objectives and has therefore made deliberate efforts to prevent corruption and bribery in its operations.

It is in this regard that this policy is developed to demonstrate the Company’s commitment in the prevention of bribery and corruption and enhancing sound governance. This policy provides a comprehensive, integrated and coherent framework for institutionalizing ethics, integrity and good governance.

Through this policy, the Company spells out the various mechanisms, tools and strategies which should be developed and implemented for the detection and prevention of bribery, corruption and other misconduct. Further, the policy seeks adherence to the values of integrity by the Management, Staff and Stakeholders in all their undertakings with the company.

## **2. POLICY OBJECTIVES**

The overall objective of this policy is to establish a framework for prevention and combating bribery and corruption in compliance with the law and best practices in good governance.

The specific objectives of the policy include the following:

- (i) To promote good values and principles of good governance and integrity;
- (ii) To maintain integrity and promote positive organizational culture;
- (iii) To achieve efficiency in operations through improved controls, procedures and integration of systems;
- (iv) To boost confidence in reporting mechanisms on bribery and corruption through enhanced structures;
- (v) To strengthen the monitoring and evaluation framework on the prevention of bribery and corruption;
- (vi) To attain zero tolerance to bribery and corruption; and
- (vii) To provide a framework for enforcement of this policy.

## **3. DEFINITIONS AND ABBREVIATIONS**

- (i) Constitution: The Constitution of Kenya, 2010;

- (ii) 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.
- (iii) Abuse of office: Use of one's office to improperly confer a benefit to oneself or associates.
- (iv) Conflict of interest: is situations where personal interest is incompatible with the Company interest.
- (v) Personal interest: include the interest of spouse, child, relatives, agents or associates.
- (vi) Committee: the corruption prevention committee
- (vii) "CPC" means Corruption Prevention Committee.
- (viii) "IAO" means Integrity Assurance Officer.
- (ix) "DCI" means Directorate of Criminal Investigations
- (x) "CAJ" means Commission of Administrative Justice

#### 4. SCOPE

The policy establishes procedures for detection and prevention of bribery and corruption within the Company. The mechanisms include among others: undertaking bribery and corruption risk assessment and management; protection of whistleblowers, informants and witnesses; effective communication, training, awareness creation, dissemination of information, reporting and enforcement.

This policy applies to the Board, Management, Staff and Stakeholders of the Company.

#### 5. LEGISLATIVE AND ADMINISTRATIVE FRAMEWORK

This policy shall be consistent with The Constitution of Kenya 2010. The following, among others, are the underpinning legislations:

- (i) Leadership and Integrity Act 2012;
- (ii) The Bribery Act, 2015,
- (iii) The Public Officer Ethics Act, 2003,
- (iv) The Anti-Corruption and Economic Crimes Act, 2003,
- (v) Public Procurement and Asset Disposal Act, 2015,
- (vi) Witness Protection Act, 2006,
- (vii) Public Finance Management Act, 2012,
- (viii) Kenya Employment Act, 2007,
- (ix) Companies Act Cap 486,
- (x) Government circulars,
- (xi) Company Code of conduct and ethics,
- (xii) Company Human Resource policy and procedures manual,
- (xiii) Other policies issued from time to time.

## **6. DEFINITIONS OF BRIBERY AND CORRUPTION**

### **6.1 Bribery**

Bribery as provided under the Bribery Act 2016 means:

- (i) Give, offer or promise a bribe.
- (ii) Receive, request or agree to receive a bribe.
- (iii) Bribing of foreign public officials.

### **6.2 Corruption**

Corruption as provided for under the Anti- Corruption and Economic Crimes Act, 2003 means:

corruption” means—

- (i) an offence under any of the provisions of sections 39 to 44, 46 and 47;
- (ii) bribery;
- (iii) fraud;
- (iv) embezzlement or misappropriation of public funds;
- (v) abuse of office;
- (vi) breach of trust; or
- (vii) an offence involving dishonesty;
  - (a) in connection with any tax, rate or impost levied under any Act; or
  - (b) under any written law relating to election of persons to public office.

### **6.3. Other unethical conduct:**

As provided for under the Public Officer Ethics Act, 2003 and the Leadership and Integrity Act, 2012.

## **7. LEADERSHIP COMMITMENT**

The Board and Management is committed to strengthening the institutional capacity of the Company to detect and prevent bribery and corruption within its operations and processes. Consequently:

- (i) The Board approves and adopts this Policy which will undergo periodic reviews to respond to the ever-changing circumstances
- (ii) The Managing Director shall establish the Corruption Prevention Committee (CPC) to spearhead and coordinate the implementation of strategies and initiatives within the Policy.
- (iii) The Company shall allocate the necessary resources to support regular sensitization, training and other programmes relating to bribery and corruption prevention.

## **8. ENFORCEMENT STRUCTURES**

The Company shall put in place the following structures:

### **8.1.0 Corruption Prevention Committee (CPC)**

The company shall establish a Corruption Prevention Committee which shall be the principle organ to oversee implementation and enforcement of this policy.

The Corruption Prevention Committee will comprise of the following members who shall sit on a quarterly basis: -

- (i) Managing Director - Chairperson
- (ii) Heads of Departments
- (iii) Integrity Assurance Officer - Secretary

The quorum for the CPC shall be 2/3 of the membership.

The CPC may appoint an Ad-hoc Committee from its members to undertake specific function (s) as and when required. The Ad-hoc Committee shall prepare and submit a report to the CPC for consideration.

### **8.1.1 Role of The Corruption Prevention Committee**

The CPC shall be responsible for implementation of the strategies and initiatives provided under the Policy. Some of its core responsibilities shall include;

- (i) Identify corruption risks;
- (ii) Set priorities in the prevention of bribery and corruption within the Company;
- (iii) Receive and recommend action on bribery and corruption reports;
- (iv) Develop and implement bribery and corruption prevention strategies and programs;
- (v) Integrate all the bribery and corruption initiatives in the operations of the Company;
- (vi) Monitor progress and evaluate the impact of corruption prevention initiatives;
- (vii) Submit quarterly reports on corruption eradication to the Ethics and Anti-Corruption Commission; and
- (viii) Carry out Anti-Corruption Sensitization and training programs on matters of ethics, integrity and corruption prevention;
- (ix) Spearhead the review of the Company's Anti-corruption related policies;
- (x) Be the integrity champions and change agents by Promoting a culture of integrity and accountability within the Company;
- (xi) Establish effective corruption reporting mechanisms within the Company.

## **8.2 Integrity Assurance Officers (IAOs)**

The Managing Director shall appoint Integrity Assurance Officers who will be trained and assigned duties to offer technical expertise to the CPC on implementation of bribery and corruption prevention activities.

The Integrity Assurance Officer (s) shall be drawn from middle level management and above or its equivalent in the public service.

The officer (s) shall have the responsibility of assisting the Corruption Prevention Committee to:

- (i) Carry out bribery and corruption risk assessments and mitigation plans;
- (ii) Initiate actions in response to bribery and corruption risk assessments;
- (iii) Establish timetables for implementing bribery and corruption prevention plans and follow up on the same;
- (iv) Assist management in implementation of the Company code of conduct and ethics;
- (v) Coordinate and facilitate implementation of bribery and corruption prevention programs;
- (vi) Implement, Monitor and evaluate integrity programs;
- (vii) Compile progress reports and present the reports to the CPC;
- (viii) Implement anti-corruption education, training and awareness programs within the Company.

## **8.3 Other tools and strategies**

The following tools and strategies shall also apply in the enforcement of this policy:

- (i) The Company code of conduct and ethics  
To guide the conduct and behavior of members of staff in their work activities.
- (ii) Internal Audit Department  
To independently appraise all the activities of the Company and detect any forms of bribery and corruption.
- (iii) The Company Human Resource Management and Advisory Committee.  
To review, consider and make recommendations to management on bribery and corruption related cases.
- (iv) Whistleblowers Protection Policy.  
To provide mechanisms for protecting whistleblowers, informants and witnesses.
- (v) Corruption reporting mechanisms;  
To provide platforms for reporting bribery and corruption. They include reporting boxes, emails, hotlines, social media and website.

## **9. INTERNAL AUDIT REVIEWS**

The Internal audit function plays a crucial role in the prevention and detection of bribery and corruption. Through audit reviews and recommendations, the Company shall institutionalize internal control mechanisms for the detection and prevention of bribery and corruption.

The Internal audit function shall ensure the Company has reviewed its bribery and corruption risk exposures and recommend appropriate mitigation measures.

## **10. BRIBERY AND CORRUPTION RISK AREAS**

The Company shall conduct periodic bribery and corruption risk assessment in all its functional areas and develop mitigation plans.

Some of the bribery and corruption risks already identified in the respective functional areas in the Company are as follows:

### **10.1 Human Resource and Administration**

#### **i) Risks in Human Resources**

##### **a) Bribery Risks:**

Giving or receiving:

- Bribe for recruitment, deployment and promotions.
- Bribe for nomination to training, travel and scholarship opportunities.
- Bribe to influence disciplinary processes and outcome.
- Bribe in order leak confidential information.

##### **b) Corruption Risks.**

- Abuse of office in recruitment, deployment and promotions.
- Deceiving the principal on HR procedures
- Abuse of office in nominations for training travel and scholarship opportunities.
- Abuse of office in disciplinary processes and outcome.
- Embezzlement of public funds through ghost workers and fictitious travel and trainings among others.

#### **ii) Risks in administration**

##### **a) Bribery Risks:**

Giving or Receiving

- Bribes to use Company's facilities and resources.
- Bribes to assign staff special duties.
- Bribes to tamper or conceal official documents.
- Bribes to leak information.
- Bribes to be given access to Senior management.

b) Corruption Risks.

- Abuse of office through misuse of motor vehicles and other Company assets.
- Fraud through fuel siphoning and fake maintenance costs
- Theft of tyres, tubes and spares.
- Abuse of office through biased assignment of vehicles and official trips that attract allowances to drivers.
- Conflict of interest in the management of support services such as security, cleaning, leases, among others.

## **10.2 Finance and Investment**

a) Bribery Risks

- Giving or receiving
- Bribe not to or delay collection of revenue
- Bribe in order to facilitate suppliers' payments.
- Bribe for processing imprests.

b) Corruption Risks.

- Embezzlement of public funds through nonbanking of collected revenue.
- Conspiracy with clients leading to loss of funds through non collection of revenue, under quotation and bad debts.
- Willful failure to follow payment processes leading to loss of revenue.
- Abuse of office in order to facilitate suppliers' payments.

## **10.3 Supply Chain Management**

a) Bribery Risks

Giving or receiving of

- Bribe in order to prequalify preferred tenderers.
- Bribe to the evaluation committee to get award of tender
- Bribe in order to leak information in relation to tender
- Bribe in order to recommend for disposal of assets.

b) Corruption Risks

- Bid rigging
- Abuse of office in award of tenders and disposal of assets
- Deceiving the principal through giving misleading information on procurement process.
- Conflict of interest in relation to tendering.
- Conspiracy to tailor specifications to suit preferred tenderers.
- Conspiracy to condemn serviceable assets for disposal to preferred tenderers

## **10.4 Shipping Services**

a) Bribery Risks

- Giving or receiving of
- Bribe to undercharge the shipping services.
- Bribe to compromise the cargo release process



- Bribes to expedite delivery of services
- b) Corruption Risks
- Conspiracy with clients to undercharge shipping services
  - Abuse of office through undue delay of delivery of services
  - Conspiracy with stakeholder to compromise the cargo release process

### **10.5 Logistics Department**

- a) Bribery Risks
- Giving or receiving a bribe to give waiver of container demurrage and container deposit unprocedurally.
- b) Corruption Risks
- Abuse of office through unprocedural waiver of container demurrage and container deposit.

### **10.6 Information Communication and Technology (ICT)**

a) Bribery Risks

Giving or receiving of

- Bribe in order to manipulate data
- Bribe to give unauthorized access to ICT systems.
- Bribe to renew ICT system license.
- Bribe to leak information.

b) Corruption Risks

- Deceiving the principal on disposal of equipment.
- Abuse of office to manipulate data.
- Collusion to give unauthorized access to ICT systems
- Attempt or conspire to acquire or renew ICT systems which do not meet end-users needs.
- Abuse of office through leakage of information.
- Abuse of office through Modification, manipulation or interference of ICT systems
- Abuse of office through deliberate and planned system failure
- Conflict of interest through purchase and installation of pirated software leading to lose of data.
- Undue delay in implementation of new system resulting in delayed service delivery.
- Abuse of technical capacity by conspiring with suppliers through tailor-made specification leading to purchase of substandard ICT system.

## **11. REPORTING BRIBERY AND CORRUPTION**

The staff and stakeholders shall report incidents of bribery, corruption and other misconduct internally to the Company or externally to other relevant institutions as guided below:

### **11.1 Internal Reporting**

- (i) Any suspicion or encounter of bribery and corruption practices shall be reported to the CPC;
- (ii) Employees, Stakeholders and members of the public can make reports of bribery and corruption practices within the Company through; corruption reporting boxes, hotlines....., emails admin@knsi.co.ke, Company website....., and IAOs:  
(Identify the modes of reporting).
- (iii) Where the report concerns the Managing Director or the heads of departments, the report shall be made to the Board of Directors and if deemed necessary, to other relevant agencies;
- (iv) Where the report concerns a member of the Board, the report may be made to the relevant investigative agencies including Ethics and Anti-Corruption Commission, Directorate of Criminal Investigation and Commission of Administrative Justice among others.

## 11.2 External reporting

Staff and other stakeholders who may be uncomfortable to report using provided internal mechanisms may report to relevant investigative agencies. Some of these agencies include among others:

- (i) Ethics and Anti-Corruption Commission  
Nairobi Office Integrity Center, Milimani/valley Rd Junction, Tel no. +254-718812/2717318/2719553/2719555 Ethics and anti-corruption Commission, cell phone no. +254-727285663/254-733520641. Hotlines 254-020-2717468, Email eacc@integrity.go.ke, EACC toll-free number 1551
- (ii) Directorate of Criminal Investigations,  
Mazingira Complex, Kiambu Road, opp. Kenya Forest Service Headquarters, Arura P.O. BOX 30036 – 00100, Toll-free Number 0800 722 203 Nairobi Kenya.
- (iii) Commission on Administrative Justice (Ombudsman)  
Head Office  
2nd floor, west End Towers opposite Aga Khan High School, Off Waiyaki wy Westlands.  
P.O. Box 20414- 00200 Nairobi  
Tel: +254-20-2270000

## 12. HANDLING OF CORRUPTION CASES

The Company shall establish mechanism for receiving, recording and processing bribery and corruption reports and provide feedback.

While processing the reports, The Company shall be guided by the principles and procedures of fair administrative action.

Procedure for handling bribery and corruption reports is as follows:

- (i) All reports made to the Company shall be received, recorded and acknowledged within 14Days;
- (ii) The CPC shall conduct preliminary analysis of the report and assign the case appropriately;
- (iii) Where the preliminary findings of the CPC show evidence of corruption, the CPC shall set up an ad hoc committee comprising of five of its members to investigate the allegations;
- (iv) The Committee may invite the informant to provide further information and evidence in support of the allegations with necessary safeguards in place for protection if needed.
- (v) The Committee may invite the person of interest to give evidence concerning the adverse report.
- (vi) The Committee shall submit its recommendations to the CPC.
- (vii) The CPC shall review and take appropriate action and communicate to the interested parties.
- (viii) Where the report is in respect of a member of CPC, the Board shall handle the matter appropriately in accordance with its existing structure.
- (ix) If upon the preliminary findings the CPC establishes that the report is beyond its mandate, it will refer the case to the appropriate agencies;

### **13. PROTECTION OF WHISTLEBLOWERS**

The whistleblowers, informers and witnesses will be protected as provided for in the Company's whistleblowers protection policy.

### **14. DISCIPLINARY MEASURES**

The Board, Management and Staff are obliged to familiarize themselves with the provisions of this policy and adhere to its principles.

Any breach of the provisions of this policy shall be determined in accordance with existing internal disciplinary mechanisms as provided for in the HR Manual or in the relevant laws.

## **15. COMMUNICATION AND TRAINING**

### **15.1 Communication**

The Company is committed to provide open, accurate, timely and truthful information to all its stakeholders. All communication shall be carried out in accordance with Company` policies and procedures. This policy shall be published to all stakeholders in the existing Company's platform including the website and social media.

### **15.2 Training.**

The Company 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 Company.

The Company commits itself to the sensitization and training of staff on matters of ethics and governance.

## **16. COLLABORATION AND CO-OPERATION**

The Company shall collaborate and partner with other institutions to promote good governance through awareness creation and experience sharing on best practices. In this regard it shall integrate bribery and corruption prevention activities in its other public engagement programs such as Corporate Social Responsibility, Marketing and exhibitions and other awareness campaigns.

## **17. IMPLEMENTATION**

The Company shall be responsible for the implementation of this policy and ensure that adequate resources are made available for implementation of the policy provisions.

The specific responsibilities are as follows:

(i) The Board shall:

- a) be responsible for approval and oversee implementation of this policy;
- b) address bribery and corruption-related cases referred to them.

(ii) The Managing Director shall:

- a) have overall responsibility for the implementation of this policy and its activities;
- b) mobilize and allocate resources for the bribery and corruption prevention activities;  
and
- c) appoint the CPC and IAOs to spearhead the implementation of this policy.



**18. MONITORING, EVALUATION AND REVIEW**

The Managing Director will monitor the effectiveness and review the implementation of this policy regularly considering its suitability, adequacy and effectiveness.

Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective

**19. EFFECTIVE DATE**

This policy comes into effect on;

Signed on this..........day of ..........2023





**MANAGING DIRECTOR  
KENYA NATIONAL SHIPING LINE LTD**

**CHAIRMAN  
BOARD OF DIRECTORS**