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KENYA VETERINARY ASSOCIATION (KVA)

FINANCIAL CRIME PREVENTION POLICY AND PROCEDURES

DOCUMENT CONTROL

Field	Details
Document title	KVA Financial Crime Prevention Policy and Procedures
Document owner	KVA Secretariat
Approving authority	National Executive Council (NEC)
Version	1.0
Status	Final, Approved and Adopted
Effective date	September 17, 2026
Applies to	NEC members, BEC members and other office bearers acting for KVA; staff; consultants; interns; volunteers; contractors; suppliers; implementing partners; sub-grantees; agents and other persons acting for or on behalf of KVA.
Review cycle	Every three years from the latest effective date, or earlier following legal, donor or operational change, a significant incident, risk assessment or NEC direction.

VERSION CONTROL

Version	Date	Summary of changes	Approved by
1.0	17/09/2026	Initial policy for approval	NEC

RELATED KVA POLICIES AND PROCEDURES

- Finance and procurement Policy
- Conflict of Interest / Code of Conduct requirements
- KVA Allowance and Rates Schedule
- Whistleblowing and complaints arrangements
- Data Protection Policy and Procedures
- Records Management and Retention Policy
- Safeguarding Policy and Procedures
- Human resource Policy
- Partner, consultant and supplier contracting procedures

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1. POLICY STATEMENT AND ZERO-TOLERANCE COMMITMENT

KVA has zero tolerance for bribery, corruption, fraud, theft, embezzlement, money laundering, terrorist financing, kickbacks, facilitation payments, falsification of records, collusion, diversion of programme resources and other financial crime. KVA shall conduct its activities with integrity, transparency and accountability and shall take reasonable measures to prevent, detect, report and respond to financial crime.

No programme target, funding opportunity, commercial advantage, relationship or instruction from a senior person justifies financial crime. KVA will not penalize a person for refusing to pay or receive a bribe or for raising a genuine concern in good faith.

2. SCOPE AND OBJECTIVES

Scope

This Policy applies across KVA governance, membership activities, grants and projects, procurement, payments, payroll, travel, events, partnerships, fundraising, sponsorships, donations, veterinary and community programmes, research and other operations.

It applies to all persons acting for or on behalf of KVA. Relevant requirements shall also be communicated to suppliers, contractors, partners, sub-grantees, consultants and other third parties through due diligence, agreements or codes of conduct.

Objectives

The objectives of this policy include:

- Prevent, detect and respond to bribery, corruption, fraud, theft, money laundering, terrorist financing and related financial misconduct;
- Establish proportionate controls for higher-risk activities including procurement, payments, fundraising, grants, partnerships and field operations;
- Promote accurate records, due diligence, segregation of duties and timely reporting of concerns; and
- Ensure suspected financial crime is assessed, investigated, escalated and remediated through fair and documented processes.

3. LEGAL AND REGULATORY FRAMEWORK

KVA shall comply with applicable Kenyan law, including the Bribery Act, 2016 (Cap. 79B) and regulations and guidelines issued under it; the Anti-Corruption and Economic Crimes Act, 2003; the Proceeds of Crime and Anti-Money Laundering Act, 2009 (POCAMLA) and applicable regulations; the Prevention of Terrorism Act, 2012; the Penal Code; the Witness Protection Act, 2006; applicable tax, procurement and data-protection laws; and other relevant legal, donor and contractual obligations.

The Bribery Act requires public and private entities to establish procedures appropriate to their size, scale and nature of operations to prevent bribery and corruption. KVA shall therefore maintain written prevention procedures, assess its bribery and corruption risks, designate implementation responsibility and review controls periodically.

4. KEY DEFINITIONS

Term	Meaning
Bribery	Offering, promising, giving, requesting, agreeing to receive or accepting an improper advantage intended to influence conduct or secure an improper benefit.
Corruption	Abuse of entrusted power, position, process or resources for improper private or organizational benefit, including bribery, kickbacks, conflicts improperly exploited and related misconduct.
Fraud	Intentional deception, concealment, misrepresentation or abuse of position intended to obtain an unauthorized benefit or cause another person or KVA a loss.
Money laundering	Dealing with, concealing, transferring, converting or otherwise handling property or proceeds connected to crime in a manner prohibited by law.
Terrorist financing	Providing, collecting, moving or making funds or assets available for terrorism or terrorist purposes, directly or indirectly.
Facilitation payment	An unofficial payment or benefit intended to secure or speed up a routine action. KVA prohibits such payments.
Kickback	An improper payment or benefit returned to a person in exchange for awarding or influencing business, procurement, payment or another advantage.
Third party	A supplier, consultant, contractor, agent, implementing partner, sub-grantee, sponsor, donor intermediary or other external person/entity with whom KVA deals.

5. GOVERNANCE AND RESPONSIBILITIES

5.1 National Executive Council (NEC)

The NEC shall approve this Policy, set the tone from the top, oversee significant financial-crime risks and receive appropriate reports on material allegations, investigations and corrective actions.

5.2 Chief Executive Officer (CEO)

The Chief Executive Officer (CEO), or a designated person appointed in the absence of the CEO, is responsible for implementation, adequate controls and resources, escalation of serious concerns and appropriate reporting to authorities, donors or other parties where required. The CEO shall report significant financial-crime risks, allegations, investigations and corrective actions to the NEC for oversight, subject to confidentiality and conflict-of-interest requirements.

5.3 Finance, Programme and Procurement Functions

Where an allegation also concerns safeguarding, harassment, exploitation or discrimination, the Safeguarding Manual and GEDI Policy shall apply concurrently to protection and survivor-centred response. Personal data and investigation records shall be handled under the Data Protection

Policy and Records Management and Retention Policy. Conflicts of interest shall also be managed under KVA's applicable conflict-of-interest requirements.

This Policy governs prevention, detection, assessment, investigation and remediation of bribery, corruption, fraud, money laundering, terrorist-financing risk and related financial misconduct. Reporting and protection of persons who raise concerns are governed by KVA's Whistleblowing and Non-Retaliation policies.

POLICY INTERACTION AND REFERRAL

Responsible officers shall maintain segregation of duties, approval controls, supporting documentation, reconciliations, budget monitoring, due diligence and exception reporting within their areas.

5.4 All Personnel and Representatives

All personnel shall act honestly, avoid improper payments or benefits, declare conflicts, protect KVA assets, maintain accurate records, comply with controls and promptly report suspected financial crime.

6. FINANCIAL-CRIME RISK ASSESSMENT

KVA shall periodically assess bribery, fraud and related financial-crime risks using the Financial-Crime Risk Assessment and Mitigation Plan in Annex 1 and the relevant KVA risk register. Reassessment shall occur when entering a new country or county context, launching a significantly different programme, introducing a new payment channel, engaging a higher-risk third party, undertaking major procurement, receiving a significant allegation, or experiencing an incident, audit finding or control failure. Each identified risk shall be rated for likelihood and impact, assigned controls, an owner and due date, and tracked to closure. High or critical residual risks shall be escalated to the CEO and NEC for oversight.

Risk assessment shall consider likelihood and impact, existing controls and additional mitigation. Particular attention shall be given to procurement; cash and mobile-money payments; per diems and participant payments; field operations; sponsorships and donations; grants and sub-grants; recruitment; licensing or government interactions; conflicts of interest; asset management; beneficiary selection; and third-party intermediaries.

7. BRIBERY AND CORRUPTION

No person acting for KVA shall directly or indirectly offer, give, solicit, request or accept a bribe, kickback or other improper advantage. This prohibition applies whether the proposed recipient is a public official, private-sector person, community representative, supplier, beneficiary or any other person.

- Payments or benefits intended to influence procurement, approvals, permits, inspections, recruitment, beneficiary selection, payments or programme decisions are prohibited.
- Facilitation payments are prohibited. If a payment is demanded under an immediate and credible threat to personal safety, safety takes priority; the incident must be reported promptly and accurately recorded.
- KVA funds or resources shall not be used for political contributions or improper influence.

- No person may use an agent, partner, consultant, family member or other intermediary to do something that would be prohibited if done directly by KVA.

8. GIFTS, HOSPITALITY, TRAVEL AND OTHER ADVANTAGES

Reasonable and proportionate hospitality or modest tokens may be acceptable where lawful, transparent, infrequent and not intended to influence a decision. Cash and cash-equivalent gifts shall not be offered or accepted. Gifts or hospitality with an estimated value above KES 20,000 shall not be accepted by a person acting for KVA and shall be declared to the CEO or designated person and recorded in the Gifts and Hospitality Register. Gifts below this threshold must still be declined and/or declared where they could create, or appear to create, improper influence or a conflict of interest.

Gifts or hospitality shall not be accepted or offered during an active tender, recruitment, grant-selection, inspection or other sensitive decision where they could create or appear to create improper influence. Exceptional hospitality that is otherwise permissible under this Policy shall require prior written approval and entry in the Gifts and Hospitality Register.

KVA-funded travel or accommodation for external persons shall have a legitimate programme purpose, appropriate approval and supporting documentation, and shall not be used as a disguised personal benefit.

9. CONFLICTS OF INTEREST

Actual, potential and perceived conflicts of interest shall be disclosed promptly. A person with a conflict shall not influence or participate in the relevant decision unless an authorized conflict-management arrangement permits limited involvement.

Conflicts may include family or close personal relationships with suppliers, applicants or beneficiaries; financial interests; outside employment; gifts; competing professional roles; or participation in decisions from which the person or an associate may benefit. Declarations and management actions shall be documented.

10. FRAUD, THEFT AND MISUSE OF KVA RESOURCES

Prohibited conduct includes false invoices or receipts; fictitious participants or beneficiaries; inflated attendance or mileage; duplicate claims; payroll fraud; unauthorized personal use of KVA funds or assets; manipulation of procurement; diversion of supplies; false timesheets; forged signatures; falsified reports or data used to obtain funds; and deliberate concealment of financial irregularities.

All financial transactions shall be supported by genuine documentation and accurately recorded. No undisclosed account, off-book fund, fabricated supporting document or misleading accounting entry is permitted.

11. PROCUREMENT AND THIRD-PARTY INTEGRITY

Procurement shall be competitive, transparent and appropriately documented in accordance with KVA procedures and donor requirements. Bid splitting, collusion, undisclosed supplier relationships, manipulation of specifications or evaluations, and receipt of personal benefits from suppliers are prohibited.

KVA shall apply risk-based due diligence before engaging significant or higher-risk third parties. Checks may include legal identity, ownership and management, bank-account verification, references, conflicts of interest, sanctions/adverse information where appropriate, capacity, prior performance and reasonableness of fees.

Contracts should contain proportionate integrity, audit, record-retention, cooperation, termination and reporting clauses. Payments shall normally be made to an account held in the contracted party's name unless a documented and approved exception is justified.

12. MONEY LAUNDERING, TERRORIST FINANCING AND SANCTIONS RISK

KVA shall not knowingly receive, hold, transfer or use funds or assets derived from crime or intended to finance terrorism or other unlawful activity. KVA shall apply proportionate checks to donors, sponsors, partners, sub-grantees, suppliers and unusual transactions according to risk.

Red flags include unexplained third-party payments; requests to pay unrelated accounts or jurisdictions; unexplained cash transactions; overpayments followed by refund requests; unusual routing of funds; refusal to provide basic identity or ownership information; transactions inconsistent with the stated activity; or attempts to avoid normal controls.

Suspicious activity shall not be investigated informally by unqualified staff or disclosed to the person concerned where doing so could prejudice a lawful investigation. The matter shall be escalated confidentially for assessment and any reporting required by law.

13. DONATIONS, SPONSORSHIPS, GRANTS AND FUNDRAISING

KVA shall take reasonable steps to understand the source, purpose and conditions of significant donations, sponsorships and grants. Funding shall not be accepted where KVA knows or reasonably suspects that it represents criminal proceeds, is intended to improperly influence KVA, or would require unlawful or unethical conduct.

Grants and sub-grants shall be subject to proportionate due diligence, written agreements, approved budgets, monitoring, supporting documentation and audit/access rights. Charitable or community support shall not be used as a conduit for bribery or diversion of funds.

14. CASH, MOBILE MONEY, PER DIEMS AND FIELD PAYMENTS

Because KVA may operate field programmes and participant activities, cash and mobile-money transactions require clear controls. Electronic or traceable payment methods should be used where practical. Cash advances shall be limited, approved, recorded, safeguarded and retired promptly.

- Participant and farmer payments shall be supported by approved lists or another reliable verification method.
- No person shall create fictitious participants, split payments to bypass limits or retain part of a beneficiary payment.
- Mobile-money numbers and payee identities should be verified proportionately before material payments.
- Unclaimed or failed payments shall be reconciled and returned or reprocessed through an approved procedure.

- Per diems and reimbursements shall follow approved rates and shall not be claimed twice from KVA or another source for the same cost.

15. BOOKS, RECORDS AND FINANCIAL CONTROLS

KVA shall maintain complete and accurate books and records that fairly reflect transactions and use of resources. Appropriate controls shall include segregation of initiation, approval, payment and reconciliation duties where practicable; documented delegated authority; bank and mobile-money reconciliations; budget-versus-actual review; controlled changes to supplier banking details; asset registers; and periodic review of unusual or high-risk transactions.

Records relating to financial-crime prevention, allegations, investigations and corrective actions shall be retained securely in accordance with the KVA Records Management and Retention Policy and applicable law.

16. REPORTING FINANCIAL-CRIME CONCERNS

Suspected or attempted financial crime shall be reported promptly through KVA's approved Whistleblowing and Non-Retaliation reporting arrangements. The Financial Crime Prevention Policy determines how the financial-crime allegation is triaged, preserved, investigated and remediated; it does not establish a competing whistleblowing system. Where the allegation concerns the normal recipient of a report, the reporter shall use an alternative channel provided under the Whistleblowing Policy.

Confidentiality, anonymous reporting where available, protection of good-faith reporters and prohibition of retaliation shall be governed by KVA's Whistleblowing and Non-Retaliation policies. Information shall be shared only on a need-to-know basis, subject to legal and investigative requirements.

KVA shall communicate to staff the external reporting options available under Kenyan law where appropriate, including reporting bribery or corruption concerns to competent authorities.

17. RESPONSE, INVESTIGATION AND ESCALATION

On receiving an allegation, KVA shall prioritize preservation of funds, records and evidence; assess immediate risks; manage conflicts of interest; and determine who is sufficiently independent and competent to handle the matter. Serious or sensitive allegations may require external legal, forensic, audit or investigative support.

Investigations shall be fair, confidential, documented and proportionate. Persons implicated shall not control the investigation. Findings shall distinguish substantiated, unsubstantiated and inconclusive matters and identify control weaknesses and corrective actions.

Where required or appropriate, KVA shall report matters to law-enforcement or regulatory authorities, affected donors, insurers, banks or contractual partners, while respecting legal advice, confidentiality and the rights of affected persons.

18. RECOVERY, DISCIPLINE AND REMEDIATION

Where financial crime or serious misconduct is established, KVA may take disciplinary or contractual action, terminate relationships, seek recovery of funds or assets, correct records, strengthen controls and make appropriate external reports. Action shall comply with applicable law, contracts and fair process.

Control failures identified through incidents, audits or investigations shall be assigned to responsible persons with deadlines and tracked to closure.

19. TRAINING, COMMUNICATION AND MONITORING

Relevant personnel shall receive induction and periodic awareness on bribery, fraud, conflicts of interest, gifts and hospitality, procurement integrity, financial controls, red flags and reporting channels. Higher-risk functions such as finance, procurement, programme management and partner management shall receive role-appropriate training.

KVA shall periodically review financial-crime risks and controls using tools such as risk assessments, transaction reviews, internal or external audits, partner monitoring, declarations of interest, register reviews and analysis of reported concerns.

20. POLICY REVIEW

This Policy shall normally be reviewed every three years or earlier following material legal or regulatory change, significant changes in KVA operations, donor requirements, a serious incident, audit findings, changes in financial-crime risk or NEC direction.

21. APPROVAL AND AUTHORISATION

This Financial Crime Prevention Policy and Procedures becomes effective upon approval by the National Executive Council of the Kenya Veterinary Association.

Approval item	Details
Approval date	Wednesday, 16th September 2026
Effective date	Thursday, 17th September 2026
Next scheduled review	Monday, 17th September 2029
Policy version	1.0

President
Name: _**DR. KELVIN OSORE**______

Signature: __ __________

Date: _**THURSDAY, 17TH SEPTEMBER 2026.** ______

— END —

ANNEX 1: FINANCIAL-CRIME RISK ASSESSMENT AND MITIGATION PLAN

Risk area / activity	Potential scheme / exposure	Likelihood	Impact	Existing controls	Further action / owner / due date
Procurement					
Payments / banking / mobile money					
Field payments / per diems					
Grants / sub-grants / partners					
Donations / sponsorships					
Government / regulatory interactions					
Recruitment / HR					
Assets / inventory					
Other					

Overall risk: ☐ Low ☐ Moderate ☐ High ☐ Critical

Reviewed by: __________________ Date: __________________

ANNEX 2: GIFTS AND HOSPITALITY REGISTER

Date	Offered / received by	Provider / recipient	Description & estimated value	Business context	Decision / approval	Recorded by

ANNEX 3: CONFLICT OF INTEREST DECLARATION

Field	Details
Name / role	______________________________
Matter / procurement / decision	______________________________
Nature of actual, potential or perceived conflict	
Person/entity connected to the conflict	
Financial or other interest involved	
Proposed management	☐ Recusal ☐ Restricted role ☐ Independent review ☐ Divestment/cessation ☐ Other
Decision by authorised person	
Declarant signature / date	______________________________
Approver / date	______________________________

ANNEX 4: FINANCIAL-CRIME / FRAUD REPORT FORM

Incident information	**Details**
Reference no.	______________________________
Date reported	______________________________
Reporter	☐ Named: ___________________ ☐ Anonymous
Type	☐ Bribery/corruption ☐ Fraud/theft ☐ Procurement ☐ Money laundering ☐ Terrorist financing ☐ Conflict of interest ☐ Other
Person(s)/entity involved	
What happened / suspected conduct	
Amount / asset potentially affected	
Relevant programme / transaction / location	
Evidence or records available	
Immediate risk / action taken	
Person receiving report	______________________________
Escalation / investigation decision	
Outcome / corrective action	

ANNEX 5: THIRD-PARTY INTEGRITY DUE-DILIGENCE CHECKLIST

Due-diligence item	Yes	No/N/A	Comments / action
Legal identity and registration verified.	☐	☐	
Ownership / key management understood where proportionate.	☐	☐	
Bank account name/details verified.	☐	☐	
Conflict-of-interest declaration completed.	☐	☐	
References / prior performance checked where appropriate.	☐	☐	
Fees and payment structure are reasonable and transparent.	☐	☐	
No unexplained request for third-party or unrelated-account payment.	☐	☐	
Relevant sanctions / adverse integrity information considered according to risk.	☐	☐	
Anti-bribery, fraud and financial-crime obligations included in agreement.	☐	☐	
Audit / records access and termination rights included where appropriate.	☐	☐	
Subcontracting / sub-granting controls defined.	☐	☐	
Overall risk accepted by authorised person.	☐	☐	

Third party: ______________________ Risk rating: ☐ Low ☐ Moderate ☐ High Approved by: ____________________ Date: ___________

ANNEX 6: FINANCIAL-CRIME RED FLAGS

- A supplier, consultant or partner refuses basic identity, ownership or banking checks.
- Payment is requested to a personal, unrelated or third-party account without a credible reason.
- A person insists on cash, unusual urgency, secrecy or bypassing normal approvals.
- Invoices are vague, duplicated, sequentially suspicious, altered or inconsistent with goods/services received.
- Participant lists, signatures, phone numbers, mileage, timesheets or receipts appear duplicated or fabricated.
- A procurement participant has an undisclosed relationship with a KVA decision-maker.
- A vendor offers gifts, commissions, personal travel or benefits around a procurement or payment decision.
- A partner cannot explain expenditure, repeatedly delays supporting documents or resists audit/access rights.
- An overpayment is followed by a request to refund to a different account.
- Transactions are split to avoid approval thresholds or competitive procurement.
- Funding, donations or sponsorships have unclear source, unusual conditions or requests for unrelated onward payments.
- A staff member or representative discourages reporting, destroys records or retaliates against a person who raises concerns.

A red flag does not by itself prove wrongdoing. It requires proportionate review and escalation rather than assumption of guilt.

ANNEX 7: INVESTIGATION AND CORRECTIVE-ACTION REGISTER

Ref.	Allegation / issue	Risk / amount	Investigator / reviewer	Status	Finding	Corrective action / owner	Due / closed