ETHICS AND ANTI-CORRUPTION COMMISSION

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# REPORT OF ACTIVITIES AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2022/2023




**ETHICS AND ANTI-CORRUPTION COMMISSION**

# REPORT OF ACTIVITIES
# AND FINANCIAL STATEMENTS FOR THE
# FINANCIAL YEAR 2022/2023

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# LIST OF ABBREVIATIONS AND ACRONYMS

| | |
|---|---|
| ACECA | Anti-Corruption and Economic Crimes Act |
| ADC | Agricultural Development Corporation |
| ASK | Agricultural Society of Kenya |
| CAJ | Commission on Administrative Justice |
| CASB | County Assembly Service Board |
| CDF | Constituency Development Fund |
| CE | County Executive |
| CEC | County Executive Committee |
| CECM | County Executive Committee Member |
| CEO | Chief Executive Officer |
| CPC | Criminal Procedure Code Cap 75 |
| CPCs | Corruption Prevention Committees |
| CPSB | County Public Service Board |
| CRAs | Corruption Risk Assessments |
| CS | Cabinet Secretary |
| CT | Computed Tomography |
| DIALs | Declaration of Income, Assets and Liabilities |
| DPP | Director of Public Prosecutions |
| EAAACA | Eastern Africa Association of Anti-Corruption Authorities |
| EACC | Ethics and Anti-Corruption Commission |
| EACCA | Ethics and Anti-Corruption Commission Act |
| ECDE | Early Childhood Development Education |
| FY | Financial Year |
| GDC | Geothermal Development Company |
| GoK | Government of Kenya |
| HC | High Court |

| | |
|---|---|
| HR | Human Resource |
| IACD | International Anti-Corruption Day |
| IAOs | Integrity Assurance Officers |
| IEBC | Independent Electoral and Boundaries Commission |
| IFMIS | Integrated Financial Management Information System |
| IHRM | Institute of Human Resource Management |
| JKUAT | Jomo Kenyatta University of Agriculture and Technology |
| KALRO | Kenya Agriculture and Livestock Research Organization |
| KEMRI | Kenya Medical Research Institute |
| KENHA | Kenya National Highways Authority |
| KEPHIS | Kenya Plant Health Inspectorate Services |
| KeRRA | Kenya Rural Roads Authority |
| KES/Kshs | Kenya Shillings |
| KETRACO | Kenya Electricity Transmission Company |
| KEWI | Kenya Water Institute |
| KHRC | Kenya Human Rights Commission |
| KICD | Kenya Institute of Curriculum Development |
| KIRDI | Kenya Industrial Research Development Institute |
| KISM | Kenya Institute of Supplies Management |
| KLIF | Kenya Leadership Integrity Forum |
| KMTC | Kenya Medical Training College |
| KPA | Kenya Ports Authority |
| KPLC | Kenya Power and Lighting Company |
| KRA | Kenya Revenue Authority |
| KTNAB | Kenya Trade Network Agency Board |
| KURA | Kenya Urban Roads Authority |
| KWS | Kenya Wildlife Service |
| LAPFUND | Local Authority Provident Fund |
| LIA | Leadership and Integrity Act |

| | |
|---|---|
| LoK | Laws of Kenya |
| LR | Land Reference |
| MCA | Member of County Assembly |
| MDAs | Ministries, Departments and Agencies |
| MoU | Memorandum of Understanding |
| MP | Member of Parliament |
| NCA | National Construction Authority |
| NFA | No Further Action |
| NGAO | National Government Administration Office |
| NG-CDF | National Government Constituency Development Fund |
| NHIF | National Health Insurance Fund |
| NPS | National Police Service |
| NYS | National Youth Service |
| OAG&DOJ | Office of the Attonery General & Department of Justice |
| PC | Performance Contracting |
| PFM–CG | Public Finance Management- County Government |
| PFM | Public Finance Management |
| PPADA | Public Procurement and Asset Disposal Act |
| PPDT | Political Parties Disputes Tribunal |
| PSB | Public Service Board |
| PSPMU | Public Service Performance Management Unit |
| PV | Payment Voucher |
| REREC | Rural Electrification and Renewable Energy Corporation |
| SRC | Salaries and Remuneration Commission |
| UHC | Universal Health Coverage |
| UNODC | United Nations Office on Drugs and Crime |
| POEA | Public Officer Ethics Act |

# MISSION STATEMENT

## VISION

An Integrity and Values-driven Kenyan Society

## MISSION

To promote integrity and combat corruption through law enforcement, prevention and education

## MANDATE

To combat and prevent corruption, economic crime and unethical conduct in Kenya through law enforcement, prevention, public education and promotion of standards and practices of integrity, ethics and anti-corruption

## CORE VALUES

Fidelity to the Law

Integrity

Teamwork

Innovation

Professionalism

Courage

# MEMBERS OF THE ETHICS & ANTI-CORRUPTION COMMISSION



David Oginde, PhD
**Chairperson**



Dr. Monica Wanjiru Muiru
**Vice-Chairperson**



Colonel (Rtd) Alfred Mshimba, MBS
**Commissioner**



Dr. Cecilia Mutuku
CHRP, CPS-K
**Commissioner**



Mr. John Otieno Ogallo
**Commissioner**



Mr. Twalib Mbarak, CBS
**Secretary/Chief Executive Officer**

# MESSAGE FROM THE CHAIRPERSON



The Constitution of Kenya, 2010 provided for the establishment of the Ethics and Anti-Corruption Commission pursuant to Article 79. The enactment of the EACC Act No.22 of 2011 gave EACC powers and mandate to combat and prevent corruption, economic crime and unethical conduct in Kenya through law enforcement, prevention, public education, promotion of standards and practices of integrity, ethics and anti-corruption.

The Commission aligned its strategies to the national development priorities as set out in the Kenya Vision 2030, Medium Term Plan III (2018-2022) and the Big 4 Agenda, among other plans. The Commission undertook an end term review of its 2018-2023 Strategic Plan to assess the extent of implementation, relevance, efficiency, effectiveness, impact and sustainability of programmes and activities.

In the review, it was established that the conviction rate of cases on corruption and unethical conduct rose from 51.5 percent in 2018 to 53.7 percent in 2023, the value of corruptly acquired assets recovered by the Commission increased from KES 3.565 billion in 2018 to KES 28.0 billion in 2023, and the value of loss of public funds averted through proactive investigations rose from KES 19.7 billion in 2018 to KES 39.2 billion in 2023.

Based on these findings, the Commission embarked on formulation a new Strategic Plan for the period 2023-2028. Under the new Plan, the Vision, Mission, and Strategic Goal of the Commission are supported by Four Pillars, namely: Law Enforcement; Promotion of Ethics and Integrity; Prevention of Corruption and Unethical Practices; and Education, Training and Public Awareness. It is our hope and desire that the new Plan will support us to ultimately realize the vision of an Integrity and Values-driven Kenyan Society.

During the period under review, the Commission leveraged on strategic linkages and partnerships with national, regional and international organisations to provide technical support and capacity building programmes. In particular, the Commission signed a Memorandum of Understanding (MoU) with the Public Procurement Regulatory Authority (PPRA) and Oversight and Anti-Corruption Authority of the Kingdom of Saudi Arabia.

The Commission also partnered with the European Union/United Nations Office on Drugs and Crime (EU/UNODC) through the Programme for Legal Empowerment and Aid Delivery in Kenya, Phase II (PLEAD II) to enhance the capacity of the Commission to fight corruption. In addition, we explored new partners and hosted distinguished delegates including the Attorney General of the Republic of Mozambique and the Ambassador of Indonesia to Kenya to forge new alliances in the fight against corruption.

I am confident with the steps taken and the milestones realized during the year under review. I call upon all partners, stakeholders and Kenyans to unite with the Commission in the fight against corruption and unethical conduct in the country.



David Oginde, PhD

**Chairperson**

**ETHICS AND ANTI-CORRUPTION COMMISSION**

# MESSAGE BY SECRETARY/CHIEF EXECUTIVE OFFICER



The Ethics and Anti-Corruption Commission presents its Annual Report for the Financial Year 2022-23, pursuant to section 27 of the Ethics and Anti-Corruption Commission Act, 2011 and Section 45 of the Leadership and Integrity Act, 2012. The Annual Report includes a description of activities and Financial Statements of the Commission.

During the year under review, the EACC pursuant to its law enforcement mandate, finalized and forwarded 97 investigation files on corruption and economic crimes to the Director of Public Prosecutions for review. A further 61 investigations files on violations of Chapter Six of the Constitution and Leadership and Integrity Act, 2012 were finalized with various recommendations.

In the same period, illegally acquired and unexplained assets with an estimated value of KES 3.6 billion were traced, while assets with an approximated value of KES 3.8 billion were recovered. The Commission also conducted proactive investigations which averted a possible loss of public funds estimated at KES 4.7 billion.

In an effort to enhance institutional and personal integrity, the Commission undertook systems reviews and finalized examinations reports at the Moi University and Masinde Muliro University of Science and Technology. Similarly, EACC conducted Corruption Risk Assessments in Bomet County Executive, County Assembly of Siaya, Siaya County Executive, County Assembly of Bomet and Public Procurement Regulatory Authority (PPRA).

The Commission, in line with its mandate to educate and raise public awareness, foster public support and build capacity in several sectors in the fight against corruption, conducted 97 Corruption Prevention Committee (CPC) trainings in Ministries, Departments, Agencies and County Governments reaching 1,787 participants and sensitized community and professional networks reaching 968 participants. Further, the Commission offered Integrity Assurance Officers Course, Leadership and Integrity Course for the Executives and Promoting integrity in Supply Chain Management Course.

In addition, the Commission implemented programmes to ensure compliance with ethical standards and practices as provided under Chapter Six of the Constitution and related laws. Towards this end, the Commission facilitated the signing and commitment to the Leadership and Integrity Code by 2,727 State Officers. The Commission also rolled out integrity compliance capacity-building programmes targeting State and Public Officers.

During the period under review, the Commission encountered a number of challenges that hampered effective implementation of its mandate key among them, the heightened political environment arising from the General Elections, inadequate budgetary allocation and delay in disbursement from the exechequer.

In spite of the challenges, the Commission remains steadfast in undertaking its mandate and in ensuring that timely action is taken on those found in violation of anti-corruption laws or in breach of ethical codes. I call upon every Kenyan to join us in combating corruption and promotion of ethical standards and practices.



**Twalib Mbarak, CBS**

**Secretary/Chief Executive Officer**

**ETHICS AND ANTI-CORRUPTION COMMISSION**

# Chapter 1

# BACKGROUND

## 1.1 Introduction

The Ethics and Anti-Corruption Commission (EACC) is a Constitutional Commission established under the Ethics and Anti-Corruption Commission Act (EACCA), No. 22 of 2011 pursuant to Article 79 of the Constitution. This Annual Report is prepared pursuant to the provisions of Article 254 (1) of the Constitution, Section 27 of EACCA, 2011 and Section 45(1) of the Leadership and Integrity Act (LIA), No. 19 of 2012. The Financial Year 2022/23 Annual Report provides details of anti-corruption activities undertaken and achievements realized; information relating to the enforcement of ethics and compliance with the provisions of LIA; relevant statistical information; challenges encountered; and audited financial statements of the Commission.

## 1.2 Mandate and Functions of the Commission

The Commission is mandated to combat and prevent corruption, economic crimes and unethical conduct through law enforcement, prevention, public education and promotion of ethical standards and practices. The mandate is derived from Articles 79 and 252 of the Constitution; the EACC Act, No. 22 of 2011; LIA, No. 19 of 2012; the Public Officer Ethics Act (POEA), No 4 of 2003; the Anti-Corruption and Economic Crimes Act (ACECA), No. 3 of 2003; and the Bribery Act, No. 47 of 2016, among other relevant laws. The functions of the Commission as derived from its mandate are to:

a) Develop codes of ethics and promote standards and best practices in integrity and anti-corruption for State and Public Officers;

b) Investigate and recommend to the Director of Public Prosecutions the prosecution of any acts of corruption, bribery, economic crimes or violation of codes of ethics;

c) Oversee the enforcement of codes of ethics and recommend appropriate action to be taken against State Officers or Public Officers alleged to have engaged in unethical conduct;

d) Advise, on its own initiative, any person on any matter within its functions;

e) Raise public awareness on ethical issues and educate the public on the dangers of corruption and enlist and foster public support in combating corruption;

f) Monitor practices and procedures of public bodies to detect corrupt practices and to secure the revision of methods of work or procedures that may be conducive to corrupt practices; and

g) Institute and conduct proceedings in court for purposes of the recovery or protection of public property, or for the freezing or confiscation of proceeds of corruption or related to corruption, or the payment of compensation, or other punitive and disciplinary measures.

The subsequent chapters of the Report are organized as follows: Chapter Two outlines Law Enforcement activities; Chapter Three focuses on Prevention of Corruption and Unethical Practices; Chapter Four expounds on Partnerships and Networks while Chapter Five presents audited Financial Statements of the Commission.

# Chapter 2

# LAW ENFORCEMENT

## 2.1 Introduction

This chapter highlights achievements of the Commission under its enforcement mandate. The achievements are presented under various sections, namely: Reports received and processed; status of investigations; proactive investigations; reports to the Director of Public Prosecutions; cases pending before court; cases finalized in court; illegally acquired and unexplained assets traced; civil proceedings; recovered assets; issuance of advisories, cautions and notices; integrity verification; and review of policy and legal framework.

## 2.2 Reports Received and Processed

The Commission received and processed 5,252 reports out of which 1,968 reports were within the Commission's mandate. Figure 2.1 shows the trend of reports received and processed over the last five years.

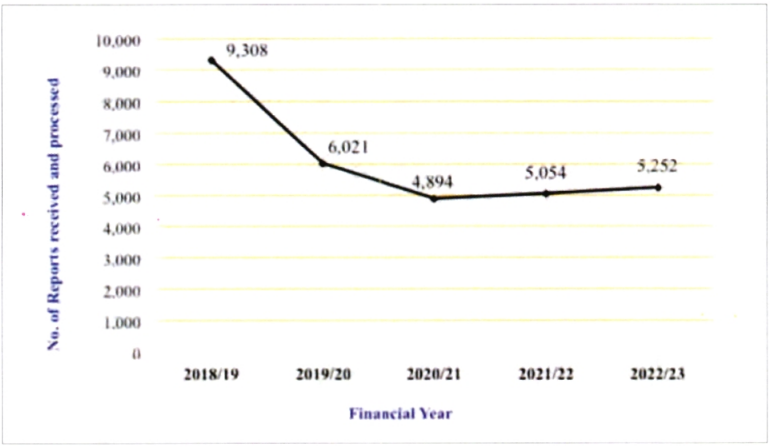



*Figure 2.1: Trend of number of reports received and processed*

The 5,252 reports were processed as illustrated in Table 2.1.

*Table 2.1: Action on Reports Received*

| Action Taken | No. of Reports |
|---|---|
| Reports recommended for investigation | 1,968 |
| Complainants advised on where to report | 1,745 |
| Reports referred to other agencies | 523 |
| Complainants requested to provide additional information | 122 |
| Recommended for No Further Action (NFA) | 894 |
| **Total No. of Reports** | **5,252** |

### 2.2.1 Reports Relevant to Commission Mandate

Out of 5,252 reports received, 1,968 were relevant to the Commission's mandate and were recommended for investigation. This represented 37 percent of reports received. Figure 2.2 illustrates the trend of reports relevant to the Commission's mandate over the last five years.

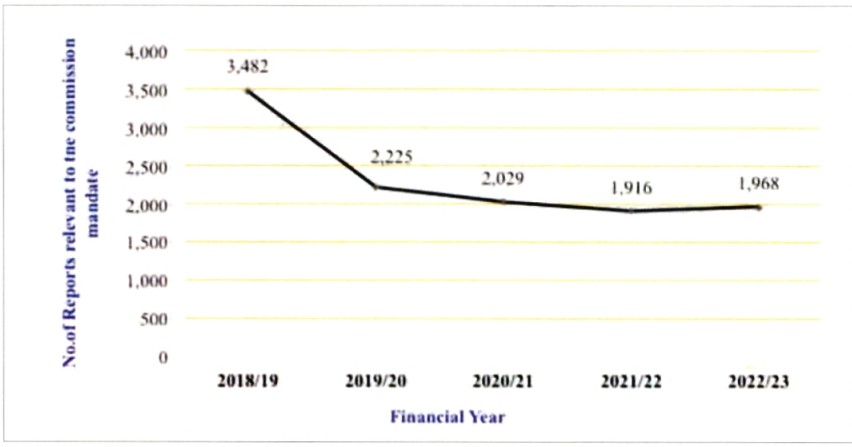



*Figure 2.2: Trend of reports relevant to the Commission's mandate*

The 1,968 reports recommended for investigation were classified as follows: 31 percent were related to bribery; 19 percent to embezzlement of public funds; 12 percent to fraudulent acquisition and disposal of public property; 10 percent to unethical conduct and 28 percent to other offenses as illustrated in Figure 2.3.

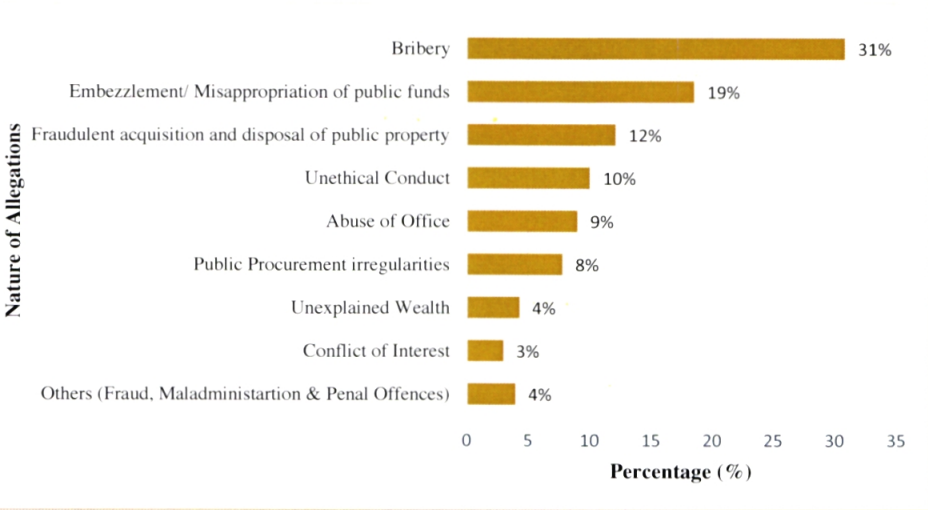



*Figure 2.3: Classification of reports received*

## 2.3 Status of Investigations

This section highlights cases under investigation, investigatory applications in courts and completed investigations during the reporting period.

### 2.3.1 Cases Under Investigation

During the reporting period, 512 cases were under investigation for corruption, economic crimes, bribery and unethical conduct. Some of the cases investigated are highlighted in Table 2.2.

*Table 2.2: Highlights of Cases under Investigations*

| | Inquiry Number | Allegation | Institution | Amount (KES) |
|---|---|---|---|---|
| 1 | EACC/FI/ INQ/20/2023 | Inquiry into allegations of irregular award of tenders for Ruiru II Water Project, Karimenu Water Project and Kitui Matuu Water Project. | Athi Water Works Development Agency | 26,720,000,000 |
| 2 | EACC/FI/ INQ/31/2022 | Inquiry into allegations of irregular award of contracts for the implementation of the Lake Turkana Wind Power Project and subsequent payment to M/S. Lake Turkana Wind Power Ltd between the years 2005 and 2019. | Kenya Electricity Transmission Company (KETRACO) | 18,499,082,672 |
| 3 | EACC/FI/ INQ/5/2023 | Inquiry into allegations of procurement irregularities in the tender for procurement of 37 CT Scanners awarded to M/S Megascope Healthcare (K) Ltd in the FY 2017/2018. | Ministry of Health | 10,200,000,000 |
| 4 | EACC/MLD/FI/ INQ/4/2021 | Inquiry into allegations of irregular payments in the acquisition of Kenya Utalii College, Coast Branch. | Tourism Fund | 8,500,000,000 |
| 5 | EACC/FI/ INQ/23/2023 | Inquiry into allegations of irregular disposal of Land L.R No. 209/6829, measuring 139 acres in Makongeni, Nairobi by the CEO, KRSRBS in FYs 2021/2022 and 2022/2023. | (KRSRBS) | 8,000,000,000 |
| 6 | EACC/FI/ INQ/6/2023 | Inquiry into allegations of irregular acquisition of Telkom Kenya shares from Helios Investors LLP by the Government of Kenya (GoK) in FY 2022/2023. | Telkom Kenya | 6,000,000,000 |
| 7 | EACC/FI/ INQ/13/2023 | Inquiry into allegations of procurement irregularities in Tender No. KEWI/ RFP/004/2019 for consultancy services awarded to M/S Arprim Consultants Limited in the FY 2019/2020. | Kenya Water Institute (KeWI) | 5,300,000,000 |

| | Inquiry Number | Allegation | Institution | Amount (KES) |
|---|---|---|---|---|
| 8 | EACC/FI/ INQ/2/2023 | Inquiry into allegations of irregular award of Tender No. KWS/USAID/RFP/ ICT/48/2020-2021 for Design, Supply, Testing and Commissioning of new Revenue Collection System to PesaPass Company Ltd in FYs 2020/2021 and 2021/2022. | Kenya Wildlife Services (KWS) | 5,000,000,000 |
| 9 | EACC/MSA/AT/ INQ/26/2023 | Inquiry into allegations of irregular extension of lease for L.R. Nos. 4637 and 28683 known as Voi Sisal without the approval of the defunct County Council of Taita Taveta. | County Government of Taita Taveta | 4,100,000,000 |
| 10 | EACC/FI/ INQ/19/2023 | Inquiry into allegations of irregular award of Tender No. GF ATM MAL NFM 2022/2023 OIT-02 for the supply of Long Lasting Insecticidal Nets (LLINS) in FY 2022/2023. | Kenya Medical Supplies Agency | 3,700,000,000 |
| 11 | EACC/FI/ INQ/30/2023 | Inquiry into allegations of fraudlent acquistion of NHIF funds by; Afya Bora Hospital Annex, Joy Nursing and Maternity, St. Peters Orthopedics and Surgical Speciality, Jekim Hospital Nkubu and Jekim Medical Center during the period 2019 to 2023. | National Health Insurance Fund (NHIF) | 3,200,000,000 |
| 12 | EACC/PI/ INQ/7/2023 | Inquiry into allegations of irregular award of a contract for provision of Drilling Services to M/S Lantech (Africa) Limited in FY 2013/2014. | Geothermal Development Company (GDC) | 3,000,000,000 |
| 13 | EACC/MSA/PI/ INQ/05/2020 | Inquiry into allegations of irregular alienation Kaya Tiwi forest land. | County Government of Kwale | 2,000,000,000 |
| 14 | EACC/BGM/ INQ/PI/03/2022 | Inquiry into allegations of procurement irregularities in award of Tender No LVNWWDA/W-S/MOI-MTD/2022-23 for construction works for water supply and sewerage for Moi's Bridge and Matunda towns. | Lake Victoria North Water Works Development Agency | 1,921,422,451 |
| 15 | EACC/MSA/FI/ INQ/08/2023 | Inquiry into allegations of misappropriation of public funds on the compensation of fisher men affected by the LAPSSET project. | Kenya Ports Authority | 1,700,000,000 |

| | Inquiry Number | Allegation | Institution | Amount (KES) |
|---|---|---|---|---|
| 16 | EACC/NKR/ FI/01/2023 | Inquiry into allegations of fraudulent acquisition of public property LR. No. 528 measuring 459.7 Ha by a private individual. | Egerton University | 1,600,000,000 |
| 17 | EACC/PI/ INQ/4/2023 | Inquiry into allegations of procurement irregularities in the award of a tender to Hexing Electrical Co. Limited for the supply of single phase and three phase meters in FY 2022/2023. | Kenya Power and Lighting Company (KPLC) | 1,500,000,000 |
| 18 | EACC/FI/ INQ/33/2023 | Inquiry into allegations of irregular compensation of Persons Affected by Project during the resettlement and compensation of 1,759 squatters in FY 2022/2023. | Kenya Ports Authority (KPA) | 1,400,000,000 |
| 19 | EACC/MCKS/FI/ INQ/8/2020 | Inquiry into allegations of irregular contract variation in Tender No. EPZA/08/2018-2019 for construction of industrial sheds infrastructure-civil works. | Export Processing Zone (EPZ) | 1,200,000,000 |
| 20 | EACC/ELD/AT/ INQ/12/2023 | Inquiry into allegations of fraudulent acquisition of public land measuring 10.40 acres with six un-surveyed parcels numbers 25 to 30 and sub divided into 18 parcels. | County Government of Uasin Gishu | 1,000,000,000 |
| 21 | EACC/GSA/FI/ INQ/01/2022 | Inquiry into allegations of embezzlement of public funds and procurement irregularities in FY 2019/2020. | County Government of Mandera | 871,800,000 |
| 22 | EACC/FI/ INQ/34/2022 | Inquiry into allegations of conflict of interest, abuse of office and procurement irregularities by a Senior Accountant at Kenya Rural Roads Authority (KeRRA) and Member of Parliament for Ikolomani Constituency in award of various tenders in public institutions between FYs 2018/19 and 2022/23. | (KeRRA), (KWS), (KURA), (KENHA) and County Governments of Siaya and Homabay | 817,335,960 |

| | Inquiry Number | Allegation | Institution | Amount (KES) |
|---|---|---|---|---|
| 23 | EACC/FI/ INQ/45/2022 | Inquiry into allegations of abuse of office and unexplained wealth by Meshak Rono, Joshua Lelei, Joel Ruto and Joseph Maritim, officials of County Government of Uasin Gishu and signatories of Uasin Gishu Overseas Education Trust bank account for scholarships in Finland between the year 2019 and 2022. | County Government of Uasin Gishu/ Uasin Gishu Overseas Education Trust | 800,000,000 |
| 24 | EACC/MSA/AT/ INQ/27/2023 | Inquiry into allegations of irregular alienation of public land reserved for Kenya Coast National Polytechnic formerly Mombasa Technical Training Institute in Shanzu - LR. No. MN/I/2932. | Kenya Coast National Polytechnic | 700,000,000 |
| 25 | EACC/BGM/FI/ INQ/7/2019 | Inquiry into allegations of procurement irregularities during the award of tender for Malaba Water and Sanitation Project - Water Supply Works LOT 1 contract to Mactebac Contractor Limited in FY 2018/2019. | Rift Valley Water Services Board (RVWSB) | 686,000,000 |
| 26 | EACC/GSA/FI/ INQ/03/2023 | Inquiry into allegations of procurement irregularities, fraud, tax evasion, conflict of interest and abuse of office by MCA Dandu Ward and a county employee between September 2014 and December 2022. | County Government of Mandera | 514,750,002 |
| 27 | EACC/KSM/FI/ INQ/05/2022 | Inquiry into allegations of procurement irregularities and embezzlement of public funds in Tender No. CGS/SCM/ EDU/OT/21-22/23 for Roof Works Sub-Contract and Main works for the proposed stadium between FY 2018/2019 and FY 2021/2022. | County Government of Siaya | 400,000,000 |
| 28 | EACC/MCKS/PI/ INQ/13/2022 | Inquiry into allegations of abuse of office by county officials in harvesting and transporting sand. | County Government of Kitui | 400,000,000 |

| | Inquiry Number | Allegation | Institution | Amount (KES) |
|---|---|---|---|---|
| 29 | EACC/ISL/FI/ INQ/7/2016 | Inquiry into allegations of procurement irregularities in the tender for the proposed construction of the county assembly in the FY 2013/2014. | County Assembly of Tharaka Nithi | 369,642,688 |
| 30 | EACC/KSI/FI/ INQ/8/2018 | Inquiry into allegations of irregular procurement in the award of tender for construction of county assembly office block in FY 2017/2018. | County Assembly of Nyamira | 367,000,000 |
| 31 | EACC/NYR/FI/ INQ/08/2022 | Inquiry into allegations of embezzlement of funds in the construction of Murang'a County Milk Processing Plant in FY 2013/14. | County Government of Muranga | 300,000,000 |
| 32 | EACC/ELD/FI/ INQ/7/2023 | Inquiry into allegations of misappropriation of funds meant for car loans and mortgage scheme between the year 2017 and 2021. | County Assembly of Turkana | 280,000,000 |
| 33 | EACC/PI/ INQ/6/2023 | Inquiry into allegations procurement irregularities in a tender for development of ASK Show Grounds in the FY 2012/2013 by Alice Kalya, former Chairperson ASK and Ken Kiplagat of Okoth & Kiplagat Advocates. | Agricultural Society of Kenya (ASK) | 250,000,000 |
| 34 | EACC/PI/ INQ/16/2023 | Inquiry into allegations of corruption and money laundering of public funds against Lwanzi Ventures Limited, Zac Jabali, James Stainpatricks, Triwam Investments and Tapururu Limited in FYs 2020/2021 and 2021/2022. | County Government of Kiambu | 227,959,430 |
| 35 | EACC/FI/ INQ/29/2022 | Inquiry into allegations conflict of interest against James Mumali Oyukah, an employee of the County Government through various tenders awarded to his company Hartland Enterprises Limited between September 2014 and February 2022. | County Government of Homa Bay | 205,618,338 |
| 36 | EACC/GSA/FI/ INQ/12/2023 | Inquiry into allegations of conflict of interest and embezzlement of public funds by Governor Ahmed Abdullahi and his associates in the supply of food rations to communities in the FY 2022/2023. | County Government of Wajir | 150,000,000 |

| | Inquiry Number | Allegation | Institution | Amount (KES) |
|---|---|---|---|---|
| 37 | EACC/KSM/F1/ INQ/41/16 | Inquiry into allegations of procurement irregularities for the award of tender for county spatial planning in FY 2015/16. | County Government of Kisumu | 150,000,000 |
| 38 | EACC/NKR/FI/ INQ/02/2022 | Inquiry into allegations of embezzlement of public funds by KERRA officials through companies associated with the staff members between January and August 2021. | KERRA | 118,677,661 |
| 39 | EACC/MCKS/ AT/INQ/1/2022 | Inquiry into allegations of irregular allocation of public lands Machakos Municipality Block 1/32 measuring about 4.08 Acres to private developers. | County Government of Machakos | 110,000,000 |
| 40 | EACC/BGM/FI/ INQ/22(A-)/2020 | Inquiry into allegations of embezzlement of public funds through imprest paid to the Office of the First Lady Priscilla Ambetsa Oparanya, during international and local travels. | County Government of Kakamega | 100,000,000 |
| 41 | EACC/ELD/EL/ INQ/18/2020 | Inquiry into allegations of abuse of office by the Vice Chancellor through payment of legal fees to M/S Gumbo & Associates from September 2015 to April 2020. | University of Eldoret | 86,397,002 |
| 42 | EACC/PI/ INQ/12/2022 | Inquiry into allegations of irregular award of Tender No. BOK/RA/01/2021 for rehabilitation of the auditorium at the Bomas of Kenya to Eleventh Construction Limited during the FY 2020/2021. | Bomas of Kenya Limited | 86,000,000 |
| 43 | EACC/ISL/FI/ INQ/12/2020 | Inquiry into allegations of procurement irregularities and conflict of interest in tender for management of contract for Akaiga Irrigation Project awarded to M/S Tamata Supplies Limited in the FY 2015/2016. | National Irrigation Board and NG-CDF Tigania East Constituency | 78,000,000 |
| 44 | EACC/MLD/FI/ INQ/13/2023 | Inquiry into allegations of irregular procurement of staff medical insurance cover against the Deputy Vice Chancellor Prof Hellen Monda between FYs 2019/2020 and 2022/2023. | Pwani University | 58,000,000 |

| | Inquiry Number | Allegation | Institution | Amount (KES) |
|---|---|---|---|---|
| 45 | EACC/ISL/AT/ INQ/9/2022 | Inquiry into allegations of embezzlement of public funds by county officials through irregular payments to Stephen Muthomi M'Anampiu's personal account between 2018 and 2022. | County Government of Isiolo | 55,090,860 |
| 46 | EACC/GSA/FI/ AT/10/2022 | Inquiry into allegations of irregular award of tender for construction of a water pan at Shimbrey Location vide Tender No. WCG/T/393/2017-2018 to M/S Fatco Construction & Transporters Limited. | County Government of Wajir | 31,907,427 |
| 47 | EACC/FI/ INQ/39/2022 | Inquiry into allegations of abuse of office against Michael Auka Ajwang, a county employee for receiving benefits from various suppliers contracted by the county between the period 2016 to 2022. | Nairobi City County | 40,847,000 |
| 48 | EACC//ISL/PI/ INQ/6/2020 | Inquiry into allegations of embezzlement of public funds meant for the acquisition of intensive care and high dependency equipment at Isiolo County Referral Hospital in the FY 2019/2020 and 2020/2021. | County Government of Isiolo | 40,000,000 |
| 49 | EACC/PI/ INQ/8/2023 | Inquiry into allegations of irregular award of tender for acquisition of two go-downs to Purple Dot Limited during FY 2020/2021. | Anti – Counterfeit Agency | 74,000,000 |
| 50 | EACC/GSA/AT/ INQ/03/2021 | Inquiry into allegations on unexplained wealth against the Chief Officer Finance County Government of Garissa. It is alleged that the said officer bought a residential property in Pangani, Nairobi on 14th June 2021. | County Government of Garissa | 35,000,000 |
| 51 | EACC/BGM/PI/ INQ/02/2022 | Inquiry into allegations that The First Lady Busia County, Judith Ojaamong irregularly received imprest from the Busia County Government through her personal assistant Betty Achieng Owino. | County Government of Busia | 22,000,000 |
| 52 | EACC/BGM/EL/ INQ/7/2020 | Inquiry into allegations of misappropriation of public funds by Bungoma County Woman Member of Parliament to pay for personal life insurance premiums at Britam Insurance Company. | Nationa Government Affirmative Action Fund (NGAAF) | 20,000,000 |

| | Inquiry Number | Allegation | Institution | Amount (KES) |
|---|---|---|---|---|
| 53 | EACC/MCKS/FI/ INQ/17/2022 | Inquiry into allegations of irregular alieanation of public land L.R. No. KAJIADO/ PURKO/311 measuring 5.2 ha in Kumpar, Kajiado County by the Lutheran Church. | County Government of Kajiado | 20,000,000 |
| 54 | EACC/NYR/EL/ INQ/05/2022 | Inquiry into allegations of double employment against Monicah Njeri an employee of Dedan Kimathi Univesity of Technology and Counry Assembly Service Board of Nyeri. | County Assembly of Nyeri | 11,000,000 |
| 55 | EACC/KSI/FI/ INQ/1/2022 | Inquiry into allegations of excess payment of salary to Nyamira County Governor Amos Kimwomi Nyaribo in 2021. | County Government of Nyamira | 5,647,060 |
| 56 | EACC/OPS/ INQ/126/2022 | Inquiry into allegations of bribery against staff of National Industrial Training Authority (NITA) and National Employment Authority (NEA) for issuance of training transcripts and approvals of contracts to home care givers. | NITA/NEA | 5,000,000 |
| 57 | EACC/ISL/EL/ INQ/4/2021 | Inquiry into allegations of abuse of office against members of County Assembly Service Board of Meru in the promotion of Directors and Assistant Directors at the County Assembly without a clear scheme of service in FY 2021/2022. | County Assembly Service Board of Meru | N/A |
| 58 | EACC/KSI/EL/ INQ/ 23 /2023 | Inquiry into allegations of forgery of academic certificates against George Ochola the Chief Officer for Fisheries. | County Government of Migori | N/A |
| 59 | EACC/MLD/EL/ INQ/6/2022 | Inquiry into allegations of irregular promotions and nepotism against Prof Mondoh Hellen, the Vice Chancellor. | Pwani University | N/A |
| 60 | EACC/EL/ INQ/18/2023 | Inquiry into allegations of forgery of identification documents against Mr. Juma Kiprono Kandie, Director of Human Resource and Administration. | Communications Authority | N/A |

### 2.3.2 Investigatory Applications

The Commission filed applications and obtained 1,185 warrants for inspecting or searching bank and mobile phone money transfer accounts, premises, vessels and vehicles in respect of persons or associates suspected of engaging in corruption, economic crimes or related offences.

### 2.3.3 Completed Investigations on Corruption, Economic Crimes and Ethical Breaches

The Commission completed 97 investigation files on corruption and economic crimes, which were forwarded to the Director of Public Prosecutions (DPP) for review and direction. Further, 61 investigations on violations of Chapter Six of the Constitution and Leadership and Integrity Act, 2012 were completed. Some of the completed investigations are highlighted in Table 2.3.

***Table 2.3: Highlights of Completed Investigations***

| | Inquiry Number | Nature of Allegation | Institution | Amount (KES) |
|---|---|---|---|---|
| 1 | EACC/FI/ INQ/31/2022 | Inquiry into allegations of irregular award of contracts for the implementation of the Lake Turkana Wind Power Project and subsequent payment to M/S. Lake Turkana Wind Power Ltd between the years 2005 and 2019. | Kenya Electricity Transmission Company (KETRACO) | 18,499,082,672 |
| 2 | EACC/ELD/FI/ INQ/22/2020 | Inquiry into allegations of procurement irregularities and inflation of price in the acquisition of land and premises by Turkana University from Mt. Kenya University during FY 2015/2016 and 2016/2017. | Masinde Muliro University of Science and Technology (MMUST) | 1,150,000,000 |
| 3 | EACC/FI/ INQ/3/2021 | Inquiry into allegations of procurement irregularities and tax evasion against directors of KIRI Consult Ltd and Itech Engineering Ltd in tender issued for consultancy for road construction by Kenya Roads Board (KRB) awarded between 2016 and 2020. | Kenya Roads Board (KRB) | 565,462,198 |
| 4 | EACC/FI/ INQ/41/2021 | Inquiry into allegations of embezzlement of funds in a scheme involving payments to ghost workers between August 2015 to February 2022. | National Museums of Kenya (NMK) | 491,405,413 |
| 5 | EACC/MSA/FI/ INQ/16/2017 | Inquiry into allegations of procurement irregularities in the Tender No. CGK/064/2014/2015 for construction of Kwale County Headquarters in the FY 2014/2015. | County Government of Kwale | 462,197,055 |

| | Inquiry Number | Nature of Allegation | Institution | Amount (KES) |
|---|---|---|---|---|
| 6 | EACC/KSI/FI/ INQ/8/2018 | Inquiry into allegations of procurement irregularities in a tender for construction of County Assembly office block awarded to Jetta Construction Company Ltd in the FY 2017/2018. | County Assembly of Nyamira | 379,000,000 |
| 7 | EACC/PI/ INQ/11/2021 | Inquiry into allegations of procurement irregularities in Tender No. GDC/ICT/ RT/010/2014-2015 for design, supply and commissioning of an information management system to Tekno International Limited during FY 2014/2015. | Geothermal Development Company | 344,523,712 |
| 8 | EACC/GSA/FI/ INQ/27/2018 | Inquiry into allegations of irregular payment to a contractor for incomplete construction works of the County Headquarters in the F/Y 2013/2014. | County Government of Mandera | 107,481,060 |
| 9 | EACC/MCKS/FI/ INQ/04/2016 | Inquiry into allegations of irregular award of Tender No. GMC/68/2015-2016 for desilting of Maruba Dam to Waki Clearing and Forwarding Agents Limited. | County Government of Machakos | 89,001,000 |
| 10 | EACC/MCKS/ INQ/FI/2/2019 | Inquiry into allegations of irregular payment to Lokaki Investment Limited in a Tender No. CGOKTI/127/2017-2018 for supply and delivery and commissioning of a CT scan and its accessories. | County Government of Kitui | 80,000,000 |
| 11 | EACC/MCKS/FI/ INQ/26/2019 | Inquiry into allegations of procurement irregularities in the supply of 10 digital and mobile X-Ray machines. | County Government of Kitui | 56,000,000 |
| 12 | EACC/MSA/FI/ INQ/04/2021-A | Inquiry into allegations of conflict of interest Vincent Chirimo Mbito, a county staff for trading with the County through Chilogola Holdings and Rome Investments Company Limited that he owns between FY 2017/18 and 2020/21. | County Government of Kwale | 22,850,891 |

| | Inquiry Number | Nature of Allegation | Institution | Amount (KES) |
|---|---|---|---|---|
| 13 | EACC/MCKS/FI/ INQ/10/2018 | Inquiry into allegations of embezzlement of public funds through irregular imprest payment to county officials in the FY 2018/2019. | County Government of Machakos | 14,800,000 |
| 14 | EACC/MSA/FI/ INQ/04/2020 | Inquiry into allegations of embezzlement of public funds through irregular imprest payment for fictitious events to Mr. Geoffrey Kimonge Mbogho, a county government employee between the years 2016 and 2017. | County Government of Taita Taveta | 12,458,990 |
| 15 | EACC/EL/ INQ/026/2022 | Inquiry into allegations of forgery of a degree certificate by Mrs. Farhiya Muse Abdullahi to gain employment as a Deputy Director. | County Government of Garissa | 7,151,703 |
| 16 | EACC/NYR/FI/ INQ/18/2021 | Inquiry into allegations of conflict of interest and irregular procurement against the Deputy Governor in the award of Tender No CGK/ TR&PW/OT/007/2017-2018 for spot improvement of Gatuto–Karii Market Road awarded to Kanja General Merchants Limited. | County Government of Kirinyaga | 7,084,294 |
| 17 | EACC/MLD/FI/ INQ/03/2018 | Inquiry into allegations of irregular procurement in Tender No TRCG/030/2016-2017 for fencing the KWS compound and staff quarters in Tana River County to Al-Karim General Construction Company Limited. | Kenya Wildlife Service (KWS) | 5,976,181 |
| 18 | EACC/OPS/ INQ/111/2020 | Inquiry into allegations of bribery and impersonation against John Obura Dimo, an auctioneer contracted by KRA for presenting himself as a KRA staff to the Managing Director Jenga Mabati Mills Ltd. | Keysian Auctioneers | 2,000,000 |
| 19 | EACC/BGM/PI/ INQ/1/2019 | Inquiry into allegations of irregular procurement in Tender No TPS/TN/1/2018 for the construction of a dormitory in Toroso Primary School by CDF officials during FY 2017/18. | CDF - Mt. Elgon Constituency | 3,500,000 |

| | Inquiry Number | Nature of Allegation | Institution | Amount (KES) |
|---|---|---|---|---|
| 20 | EACC/ MSA/OPS/ INQ/11/2021 | Inquiry into allegations of bribery against Philip Muigai Nduati, Boniface Aggrey Ouma and Isaac Wanaloba Kenyari for offering of a financial advantage to a DCI officer investigating allegations of tax evasion at the Port of Mombasa. | Various Merchants | 1,700,000 |
| 21 | EACC/OPS/ **INQ/67/2021** | Inquiry into allegations of soliciting for a bribe against a legal officer who was facilitating payment of legal fees in the FY 2021/2022. | Kenya Medical Supplies Authority (KEMSA) | 1,500,000 |
| 22 | EACC/ NYR/OPS/ INQ/12/2019 | Inquiry into allegations of bribery against Stephen Wameyo Okello, George Gaguchia Kimani and Duncan Oringo Bwire, KRA Officers who requested for a bribe from proprietors of Mwea Medical Centre as an inducement to reduce a tax debt. | Kenya Revenue Authority (KRA) | 1,000,000 |
| 23 | EACC/EL/ INQ/23/2021 | Inquiry into allegations of forgery of a diploma certificate against Juma Mwadama Zinje the Assistant Inspector II in Sustainanble Agriculture & Rural Development from Baraka Agricultural College to gain employment. | Kenya Plant Health Inspectorate Services | N/A |
| 24 | EACC/EL/ INQ/29/2021 | Inquiry into allegations of forgery of academic certificate by the Member of Parliament, Kimilili Constituency. | Parliamentary Service Commission | N/A |
| 25 | EACC/EL/ INQ/31/2018 | Inquiry into allegations of forgery of academic, disability and tax exemption certificates by Mr. David Mogire Nyabuti. | KENGEN | N/A |
| 26 | EACC/EL/ INQ/57/2018 | Inquiry into allegations of failure to renounce dual citizenship against Sofia Sheikh Adan, Woman Representative Marsabit County upon election as a state officer. | Parliamentary Service Commission | N/A |
| 27 | EACC/EL/ISL/ INQ/11/2017 | Investigations into allegations of irregular employment of Samburu County Assembly staff by the County Assembly Service Board | County Assembly of Samburu | N/A |

| | Inquiry Number | Nature of Allegation | Institution | Amount (KES) |
|---|---|---|---|---|
| 28 | EACC/MCKS/ EL/INQ/03/2018 | Inquiry into allegations of irregular recruitment of officers to Manifesto Implementation Unit during FY 2017/2018. | County Public Service Board of Kitui | N/A |
| 29 | EACC/MSA/EL/ INQ/01/2020 | Inquiry into allegations of conflict of interest and procurement irregularities in Tender No. KPA/114/2016-17/ ADM for provision of house keeping services. | Kenya Ports Authority | N/A |
| 30 | EACC/NKR/EL/ INQ/8/2019 | Inquiry into allegations of irregular recruitment and forgery of academic certificates to secure employment. | County Public Service Board of Bomet | N/A |
| 31 | EACC/EL/ INQ/5/2020 | Inquiry into allegations of forgery of academic certificates against Fayza Sadick Hilowle, the Deputy Chief Protocol Officer to gain employment. | County Government of Garissa | 6,119,402 |
| 32 | EACC/EL/ INQ/15/2020 | Inquiry into allegations of forgery of academic certificates against Mohammed Aden Karbat, the Director Social Services to gain employment. | County Government of Garissa | 6,640,991 |

## 2.4 Proactive Investigations

The Commission undertakes proactive measures to forestall possible loss of public resources. The status of proactive investigations conducted during the reporting period are detailed in this section.

### *2.4.1 Disruption of Corruption*

During the reporting period, the Commission carried out 16 proactive investigations which resulted in averting possible loss of public funds of approximately KES 4.74 Billion as indicated in Table 2.4.

***Table 2.4: Highlights of Cases where Loss was Averted through Disruption***

| | Description | Institution | Action Taken | Value of Loss Averted (KES) |
|---|---|---|---|---|
| 1 | Inquiry into allegations of embezzlement of funds by Senior Officials through payment of salaries to 105 ghost workers between years 2016 to 2022. | National Museums of Kenya | Payments stopped | 2,500,000,000 |
| 2 | Inquiry into allegations of irregular compensation to fishermen whose economic livelihood was affected by the establishment of Lamu Port. | Kenya Ports Authority | Payments stopped | 1,760,424,000 |

| | Description | Institution | Action Taken | Value of Loss Averted (KES) |
|---|---|---|---|---|
| 3 | Inquiry into allegations of misappropriation of World Bank funds from a grant through the Department of Livestock, Fisheries, Agriculture & Environment meant to assist registered community groups in FY 2021/2022. | County Government of Kilifi | Payments stopped | 98,818,252 |
| 4 | Inquiry into allegations of procurement irregularities in Tender Nos. CES/SMC/AGRIC/OT/2022-2023/04 for the supply and delivery of fertilizers and CES/SMC/AGRIC/OT/2022-2023/05 for the supply and delivery of certified maize seeds in FY 2022/2023. | County Government of Siaya | Tender Stopped | 80,000,000 |
| 5 | Inquiry into allegations of procurement irregularities and fraudulent payments by public officers for 18 tenders in FYs 2020/2021 and 2021/2022. | County Government of Kisumu | Payments stopped | 61,545,939 |
| 6 | Inquiry into allegations of procurement irregularities and fraudulent payments in Tender Nos. 1188636, 1188635, 1187701, 1187631, 1188628, 1188642, 1188645, 1188646, 1188643, 1188637 and 1187660 for routine maintenance of 11 roads for FY 2021/2022. | County Government of Bomet. | Payments stopped | 47,323,025 |
| 7 | Inquiry into allegations of irregular allocation of public land L.R. No. Garissa Municipality/Block3/519 to private developers. | Ministry of Water, Sanitation and Irrigation | Development on land parcel stopped | 40,000,000 |
| 8 | Inquiry into allegations of procurement irregularities in 18 tenders for construction of schools in FYs 2013/14 and 2014/15. | CDF - Seme Constituency | Tenders Stopped | 35,000,000 |
| 9 | Inquiry into allegations of irregular award of tender for the procurement, supply, installation, customization, configuration and training of e-Assembly System Phase 1 vide Tender No. BSC/CA/05/2022/2023 and Tender No. BSC/CA/06/2022/2023. | County Assembly of Busia | Payment stopped | 28,965,200 |
| 10 | Inquiry into allegations of irregular payment of emoluments through the county payroll to Rose Bosibori Guto ECD Teacher in 2023. | County Government of Nyamira | Payment stopped | 25,018,853 |

| | Description | Institution | Action Taken | Value of Loss Averted (KES) |
|---|---|---|---|---|
| 11 | Inquiry into allegations of irregular payments for fictitious contract through Invoice Number 0001 SEPAGRIC2022 in favour of Sosa Building and Construction Company in FY 2022/2023. | County Government of Busia | Payment stopped | 20,000,000 |
| 12 | Inquiry into allegations of irregular lease of National Cereals & Produce Board – Garissa Depot Land L.R. No. Garissa Township Block 2/102 to a private developer. | National Cereals & Produce Board | Construction works suspended | 20,000,000 |
| 13 | Inquiry into allegations of irregular procurement of Supply, Installation, Commissioning and Training of 10 Digital Mobile X-ray machines vide Tender No. CGOKTI/128/2017-2018 awarded to M/S Marmut Supplies. | County Government of Kitui | Payment stopped | 16,000,000 |
| 14 | Inquiry into allegations of fraudulent paytments to M/S Shabsal Company in a fictitious Tender No. BSA/CG/785/2021. | County Government of Busia | Payment stopped | 11,993,520 |
| 15 | Inquiry into allegations of irregular recruitment of staff vide Internal Adverts Nos. 23/2021 to 36/2021 and through Vacancies Nos 1/2022 to 33/2022 contrary to the Approved Staff Establishment. | County Government of Busia | Recruitment cancelled | N/A |
| 16 | Inquiry into allegations of irregular recruitment of senior staff contrary to the Approved Staff Establishment. | Kenya Export Promotion & Branding Agency | Recruitment cancelled | N/A |

### *2.4.2 Integrity Testing*

During the review period, the Commission carried out 155 random and targeted integrity tests within public institutions, namely National Police Service (NPS), Nairobi City County Government, National Registration Bureau, Kenya Revenue Authority (KRA), Ministry of Lands & Physical Planning, National Government Administrative Offices (NGAO), County Government of Kiambu, Department of Survey, County Government of Kajiado among others. Out of the 155 tests, 134 failed, 14 passed and seven were inconclusive. For the officers who failed, the Commission recommended administrative actions to the respective institutions.

### *2.4.3 Investigation into Allegations of Bribery*

The Commission carries out bribery investigations pursuant to the Bribery Act, 2016. In the period under review, 44 cases were completed out of which 32 were taken to court,

11 were closed, and one was referred to the relevant institution. In addition, 122 bribery cases were under investigation.

## 2.5 Reports to the Director of Public Prosecutions

Under Section 35 of the Anti-Corruption and Economic Crimes Act No. 3 of 2003, the Commission is required to report the results of its investigations to the Director of Public Prosecutions (DPP). In the period under review, 97 case files on corruption, economic crimes and unethical conduct were submitted to the Office of the Director of Public Prosecutions (ODPP). Out of these, the Commission recommended 74 case files for prosecution, one for administrative action and 22 for closure. Table 2.5 details the number of reports to ODPP and corresponding recommendation.

***Table 2.5: Reports to the Director of Public Prosecutions***

| | Action | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Total |
|---|---|---|---|---|---|---|
| 1 | No. of files recommended for prosecution | 19 | 20 | 18 | 17 | 74 |
| 2 | No. of files recommended for administrative or other action | 1 | 0 | 0 | 0 | 1 |
| 3 | No. of files recommended for closure | 10 | 2 | 5 | 5 | 22 |
| 4 | Total No. of files forwarded to the Director of Public Prosecutions | 30 | 22 | 23 | 22 | 97 |

## 2.6 Cases Pending before Court

During the period under review, the Commission had 214 cases on corruption, economic crimes and unethical conduct pending before court as highlighted in Table 2.6.

***Table 2.6: Highlights of Cases Pending Before Court***

| | Courts File No. | Accused Person(s) | Particulars of the Offence | Amount (KES) |
|---|---|---|---|---|
| 1 | ACC 2/2015<br>Milimani Law Courts | Deepak Chamanlal Kamani & Others | Unlawful acquisition of public property contrary to Section 45 (1) (a) as read with Section 48 (1) of ACECA, 2003. | 3,736,326,664 |
| 2 | ACC 26/2019<br>Milimani Law Courts | Peter Aguko Abok & Others | Abuse of office contrary to Section 46 as read with Section 48 (1) of ACECA, 2003. | 2,500,000,000 |
| 3 | ACC 3/2010<br>Milimani Law Courts | Shem Ochuodho & Others | Conspiracy to defraud contrary to Section 317 of the Penal Code. | 2,000,000,000 |
| 4 | ACC 32/2019<br>Milimani Law Courts | Mike Sonko & Others | Conflict of interest contrary to Section 42 (3) as read with Section 48 of ACECA, 2003. | 357,000,000 |

| | Courts File No. | Accused Person(s) | Particulars of the Offence | Amount (KES) |
|---|---|---|---|---|
| 5 | AC 3/2020<br><br>Mombasa Law Courts | Joel Kiprono Bii & 11 others | Willful failure to comply with the applicable law relating to procurement contrary to section 45(2) (b) as read with sec. 48 (1) (a) of ACECA. | 1,800,000,000 |
| 6 | ACC 2/2017<br><br>Milimani Law Courts | James Humphrey<br><br>Oswago &<br><br>Others | Wilful failure to comply with law relating to procurement contrary to Section 45 (2) (b) as read with Section 48 of ACECA, 2003. | 1,397,724,925 |
| 7 | MCAC E003/2023<br><br>Bungoma Law Courts | John Opala & Others | Conspiracy to defraud contrary to Section 317 of the Penal Code. | 600,000,000 |
| 8 | ACC 33/2018<br><br>Milimani Law Courts | Mohammed<br><br>Swazuri &<br><br>Others | Conspiracy to commit an economic crime contrary to Section 47A (3) as read with Section 48 of ACECA, 2003.<br><br>Unlawful acquisition of public property contrary to Section 45 (1) (a) as read with Section 48 of ACECA, 2003. | 221,375,000 |
| 9 | ACC 2/2020<br><br>Mombasa Law Courts | Patrick Nyoike | Failure to disclose a private interest to one's Principal contrary to Section 42(3) as read with Section 48(1) of the ACECA, 2003. | 214,548,342 |
| 10 | ACC 11/2020<br><br>Milimani | Amos Kabue Mwangi & 11 Others | Fraudulently making payments from public revenue for goods supplied contrary to Section 45(2) (a) (ii) as read with section 48(1) of ACECA 2003.<br><br>Unlawful acquisition of public property contrary to Section 45(1) (a) as read with Section 48(1) of the ACECA 2003. | 201,073,711 |
| 11 | ACC 2/2019<br><br>Meru Law Courts | Miriam Nkatha<br><br>Riungu & Others | Abuse of office contrary to Section 46 as read with Section 48(1) (a) of ACECA, 2003. | 180,421,781 |

| | Courts File No. | Accused Person(s) | Particulars of the Offence | Amount (KES) |
|---|---|---|---|---|
| 12 | ACC E005/2021<br><br>Milimani Law Courts | Nofatos Ng'ang'a Munyu & 8 Others | Conspiracy to commit an offence of corruption contrary to section 47 (A) as read with section 48(1) of the ACECA No. 3 of 2003.<br><br>Wilful failure to comply with the law applicable to procurement contrary to section 45 (2) (b) as read with section 48 of the ACECA 2003. | 103,391,910 |
| 13 | ACC 1/2022<br><br>Kericho Law Courts | Joash Chirchir & Others | Wilful failure to follow the law contrary to Section 45 (1) as read with Section 48 of ACECA, 2003. | 100,000,000 |
| 14 | ACC 3/2019<br><br>Milimani Law Courts | Moses Kasaine & Others | Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003.<br><br>Conflict of interest contrary to Section 42 (3) as read with Section 48 of ACECA, 2003. | 84,695,996 |
| 15 | ACC 4/2015<br><br>Milimani Law Courts | Dave Mwangi & Others | Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 of ACECA, 2003. | 59,688,250 |
| 16 | ACC 4/2019<br><br>Malindi Law Courts | Danson Mungatana & Others | Conspiracy to commit an economic crime contrary to Section 47A (3) as read with Section 48 of ACECA, 2003. | 51,569,775 |
| 17 | ACC 1/2018<br><br>Nyahururu Law Courts | Daniel Waithaka Mwangi & Others | Wilful failure to comply with the law relating to procurement contrary to<br><br>Section 45 (2) (b) as read with Section 48 of ACECA, 2003.<br><br>Fraudulent acquisition of public property contrary to Section 45 (1) (a) as read with Section 48 of ACECA, 2003. | 50,000,000 |
| 18 | ACC 35/2018<br><br>Milimani Law Courts | James Gakuya & Others | Conflict of interest contrary to Section 42 (3) as read with Section 48 of ACECA, 2003.<br><br>Wilful failure to comply with law relating to procurement contrary to Section 45 (2) (b) as read with Section 48 of ACECA, 2003. | 39,858,049 |

| | Courts File No. | Accused Person(s) | Particulars of the Offence | Amount (KES) |
|---|---|---|---|---|
| 19 | ACC No. E002/2021<br><br>Embu Law Courts (Formerly ACC 37/2021) | Muthomi Njuki & Others | Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003. | 34,998,500 |
| 20 | ACC 22/2019<br><br>Milimani Law Courts | Ferdinand<br><br>Ndung'u Waititu<br><br>& Others | Conflict of interest contrary to Section 42 (3) as read with Section 48 of ACECA, 2003.<br><br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003. | 25,624,500 |
| 21 | E001/2023<br><br>Kabarnet Law Courts | Dorcas Kandie & Dominic Ouma | Wilful failure to comply with the law relating to procurement contrary to Section 45(2) (B) as read with Section 48(1) of ACECA, 2003. | 24,300,000 |
| 22 | E001/2022<br><br>Kakamega Law Courts | Wilberforce Ndula & Others | Conspiracy to commit an economic crime contrary to Section 47A (3) as read with Section 48 of ACECA, 2003.<br><br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003.<br><br>Conflict of interest contrary to Section 45 (1) (a) as read with Section 48 of ACECA, 2003. | 21,000,000 |
| 23 | ACC 2/2021<br><br>Eldoret Law Courts | Joseph Namuar & 10 Others | Fraudulent acquisition of public property contrary to Section 45 (a) of ACECA. | 20,000,000 |
| 24 | ACC 1/2021<br><br>Nakuru Law Courts | James Nganga & Others | Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003. | 16,000,000 |
| 25 | ACC 01/2021<br><br>Mombasa Law Courts | Said Kajambo | Failure to disclose a private interest to one's Principal contrary to Section 42(3) as read with Section 48(1) of ACECA, 2003. | 14,893,000 |

| | Courts File No. | Accused Person(s) | Particulars of the Offence | Amount (KES) |
|---|---|---|---|---|
| 26 | ACC 882/2023<br><br>Nanyuki Law Courts | Arnold Karani Njiru & 5 Others | Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 of ACECA, 2003.<br><br>Wilful failure to comply with the law relating to management of public funds contrary to Section 45(2) (b) as read together with Section 48 of the ACECA, 2003. | 14,866,000 |
| 27 | ACC 5/2020<br><br>Eldoret Law Courts | Henry Maritim Koech & 5 Others | Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 of ACECA of 2003.<br><br>Conflict of interest contrary to Section 42 (3) as read with Section 48 of the ACECA, 2003. | 12,156,162 |
| 28 | ACC 40/2007<br><br>Makadara Law Courts | Johnson Jackson Githaka & John Faustin Kinyua | Fraudulent Acquisition of public property contrary to Section 45(1) (a) as read with Section 48 (1) of ACECA, 2003. | 12,100,000 |
| 29 | ACC 36/2020<br><br>Milimani | John Mburu Mwangi & 8 Others | Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 of ACECA, 2003.<br><br>Willful failure to comply with the law in relation to procurement contrary to Section 45 (2) (b) as read with Section 48 of ACECA, 2003. | 10,106,000 |
| 30 | E041/2020<br><br>Milimani Law Courts | Gabriel Bukachi Chapia | Fraudulent acquisition of public property contrary to section 45(1) (a) as read with section 48 (1) of ACECA, 2003.<br><br>Forgery contrary to Section 349 of the Penal Code.<br><br>Uttering a false document contrary to Section 353 of the Penal Code. | 9,790,695 |

| | Courts File No. | Accused Person(s) | Particulars of the Offence | Amount (KES) |
|---|---|---|---|---|
| 31 | E001/2022<br><br>Kericho Law Courts | Willy Kipkoech Langat &<br><br>Willy Kipkemboi Keter | Willful failure to follow the law contrary to Section 45 (1) as read with Section 48 of ACECA, 2003. | 9,500,000 |
| 32 | ACC 18/2020<br><br>Milimani | Zacharia Okoth Obado &15 Others | Conspiracy to commit an economic crime contrary to Section 47 A (3) as read with Section 48 of ACECA, 2003.<br><br>Unlawful acquisition of public property contrary to Section 45(1) (A) as read with section 48 of ACECA, 2003. | 8,200,000 |
| 33 | ACC 23/2018<br><br>Milimani Law Courts | Sospeter<br><br>Ojamoong &<br><br>Others | Wilful failure to comply with the law relating to procurement contrary to Section 45 (2) (b) as read with Section 48 of ACECA, 2003.<br><br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003.<br><br>Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 of ACECA, 2003. | 8,000,000 |
| 34 | MCAC E001/2023<br><br>Nakuru Law Courts | Eliezer Ngarari & Others | Wilful failure to comply with the law and regulations relating to procurement contrary to Section 45(2)(B) as read with Section 48 (1) of ACECA, 2003.<br><br>Fraudulent acquisition of public property contrary to Section 45(1)(A) as read with Section 48(1) ACECA, 2003. | 8,000,000 |
| 35 | ACC 1/2022<br><br>Lodwar Law Courts | Benson Logiel Lokwang | Fraudulent acquisition of public property contrary to Section 45(1) (a) as read with Section 48 (1) of ACECA, 2003. | 6,741,955 |
| 36 | ACC 1/2020<br><br>Eldoret Law Courts | Hosea Kanda | Fraudulent acquisition of public property contrary to Section 45(1) (a) as read with Section 48 (1) of ACECA, 2003. | 5,521,596 |

| | Courts File No. | Accused Person(s) | Particulars of the Offence | Amount (KES) |
|---|---|---|---|---|
| 37 | ACC E007/2021<br><br>Milimani Law Court | Ahmed Ngaira Rashid | Requesting and receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 of the Bribery Act No. 47 of 2016. | 3,500,000 |
| 38 | E002/2022 Mombasa Law Courts | Mohamed Maalim Edin | Fraudulent acquisition of public property contrary to Section 45(1) (a) as read with Section 48 (1) of ACECA, 2003.<br><br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003. | 2,956,400 |
| 39 | ACC 14/2016<br><br>Milimani Law Courts | Oscar Kipchumba Sudi | Forgery contrary to Section 349 of the Penal Code.<br><br>Uttering a false document contrary to Section 353 as read with Section 349 of the Penal Code.<br><br>False declaration contrary to Section 11 of the Oaths and Statutory Declarations Act, 2012. | N/A |
| 40 | ACC 742/2015<br><br>Naivasha Law Courts | Alfred Keter & Sunjeev Kaur Birdi | Causing disturbance/ unbecoming behaviour contrary to Section 95 (1) (b) of the Penal Code. | N/A |
| 41 | 1223/2017<br><br>Kitui Law Courts | Nelson Kivali Musyoka | Uttering a false document contrary to Section 353 of the Penal Code.<br><br>Making a document without authority contrary to Section 357 (a) of the Penal Code. | N/A |
| 42 | CF 1/2019<br><br>Kisumu Law Courts | Pamela Akinyi & Alfred Otieno | Forgery contrary to Section 349 of the Penal Code.<br><br>Uttering a false document contrary to Section 353 of the Penal Code. | N/A |
| 43 | ACC 5/2020<br><br>Mombasa Law Courts | Alexander Kubo Mwangeka | Providing false information to a public entity contrary to Section 46 (1) (d) and (2) of LIA, 2012.<br><br>Making a false document contrary to Section 347 (a) as read with Section 349 of the Penal Code. | N/A |

## 2.7 Cases Finalized in Court

During the year under review, 62 cases on corruption, economic crimes and unethical conduct were finalised in court out of which 27 were convictions, 27 acquittals and 8 withdrawals. Table 2.7 lists the cases finalised in court during the year.

***Table 2.7: Highlights of Cases Finalized in Court***

| | Court File No | Accused and Charges | Amount Involved (KES) | Judgement Details |
|---|---|---|---|---|
| | **Convictions** | | | |
| 1 | E006/2022<br><br>Milimani Law Court | George Nyasimi Onsumu<br><br>Requesting and receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 of the Bribery Act, 2016. | 400,000 | Convicted on both counts and sentenced to pay fine of KES 100,000 in default to serve two years' imprisonment. |
| 2 | E010/2022<br><br>Milimani Law Court | Martin Njoroge Wathiru<br><br>Requesting and receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 of the Bribery Act, 2016. | 10,000 | Convicted on his own plea of guilty and fined KES 40,000 in default to serve 12 months imprisonment |
| 3 | ACC 1378/2016<br><br>Muranga Law Court | Joseph Muinde Kilee<br><br>Requesting and receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 of the Bribery Act, 2016. | 10,000 | Convicted and sentenced to pay a total fine of KES 300,000 in default to serve one-year imprisonment.<br><br>In addition sentenced to an additional mandatory fine of KES 14,000. |
| 4 | ACC 8/2020<br><br>Milimani Law court | Peter Ndichu Njuguna<br><br>Requesting and receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 of the Bribery Act, 2016. | 500,000 | Convicted and sentenced to pay a total fine of KES 300,000 in default to serve two years' imprisonment. |
| 5 | ACC 3/2014<br><br>Eldoret Law Courts | Joseph Kiplagat Kurgat<br>Francis Kiplimo Ng'etich<br><br>Wilful failure to follow procurement procedures contrary to Section 45(2) (b) of ACECA, 2003.<br><br>Fraudulent acquisition of public property contrary to Section 45(1)(a) as read with Section 48 of ACECA, 2003. | 4,000,200 | Both convicted and fined on each count, KES 20,000 in default to serve six months imprisonment. |

| | Court File No | Accused and Charges | Amount Involved (KES) | Judgement Details |
|---|---|---|---|---|
| 6 | ACC 10/2010<br><br>ACC 1 Milimani Law Courts | 1. Christine Chacha<br>2. Concelia Ondieki<br>3. Thomas Omuga<br>4. Fred Ochanda<br>5. Francis Imbo Awuor<br><br>Fraudulent acquisition of public property contrary Section 45(1)(a) as read with Section 48 of ACECA, 2003.<br><br>False accounting by a public officer contrary Section 331(1) and (2) of the Penal Code Cap 63. | 3,354,000 | Christine Chacha, convicted for fraudulent acquisition of public property and fined KES 300,000 or in default to serve one year in prison and a mandatory fine of KES 108,000 as fine or in default to serve one year in prison.<br><br>Christine Chacha, convicted for false accounting and fined KES 1,000,000 in default to serve two years' imprisonment.<br><br>Concelia Ondieki, Thomas Omuga, Fred Ochanda and<br><br>Francis Imbo Awuor were acquitted under Section 215 of Crimjnal Procedure Code (CPC) Cap 75. |
| 7 | ACC E0011/2022<br><br>Milimani Law Courts | Metrine Nabwele Elima<br><br>Requesting and receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 of the Bribery Act, 2016. | 10,000 | Convicted and sentenced to pay a total fine of KES 30,000 in default to serve one year imprisonment. |
| 8 | MCAC/ E001/2022<br><br>Milimani law Courts | Fridah Ondimo Nyanduko<br><br>Requesting and receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 of the Bribery Act, 2016 | 30,000 | Convicted and sentenced to pay a total fine of KES 150,000 in default to serve one year and six months imprisonment. |
| 9 | ACC E001/2021<br><br>Milimani Law Courts | Pavel Robert Oimeke<br><br>Requesting and receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 of the Bribery Act, 2016. | 500,000 | Convicted and sentenced to pay a fine of KES 1,000,000 in default to serve three years' imprisonment. |

| | Court File No | Accused and Charges | Amount Involved (KES) | Judgement Details |
|---|---|---|---|---|
| 10 | ACC 16/2013<br><br>Milimani law Courts | James Humprey Oswago<br>Wilson Kiprotich Shollei<br><br>Abuse of office contrary to Section 46 of ACECA, 2003.<br><br>Wilful failure to comply with the law relating to procurement contrary to Section 45(2) b of ACECA, 2003. | 50,000,000 | Both convicted and sentenced to pay a fine of KES 5,000,000 each in default to serve three years' imprisonment. |
| 11 | ACC 7/2020<br><br>Milimani Law court | Rodgers Mwololo Mutisa<br><br>Requesting and receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 of the Bribery Act, 2016. | 250,000 | Convicted and sentenced to pay a total fine of KES 250,000 in default to serve two years' imprisonment. |
| 12 | MCAC 001/2023<br><br>Milimani Law court | Raphael Gichuru Gathigi<br><br>Requesting and receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 of the Bribery Act, 2016. | 20,000 | Convicted and sentenced to pay a total fine of KES 100,000 in default to serve two years' imprisonment. |
| 13 | ACC 19/2014<br><br>Nairobi Milimani Law court | 1. David Ndolo Ngilai<br>2. James Kituku Munguti<br>3. Julius Mbau Nzyuko<br><br>Conspiracy to defraud contrary to Section 317 of the Penal Code.<br><br>Stealing contrary to Section 268(1) as read with Section 275 of the Penal Code.<br><br>Breach of trust against public contrary to Section 127 of the Penal Code. | 553,831,731 | All convicted in count one and sentenced to pay a fine of KES 5,000,000 in default serve two years' imprisonment.<br><br>All were acquitted in subsequent counts. |

| | Court File No | Accused and Charges | Amount Involved (KES) | Judgement Details |
|---|---|---|---|---|
| 14 | E007/2022<br><br>Milimani Law Courts | Grace Wangare<br><br>John Karuma<br><br>Requesting and receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 of the Bribery Act, 2016 | 5,000 | Both convicted and sentenced to pay a total fine of KES 650,000 in default to serve seven years' imprisonment. |
| 15 | ACC 1441/2017<br><br>Mombasa Law Court | Dishon Mwakesi Mwakati<br><br>Requesting and receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 of the Bribery Act, 2016. | 1,000 | Convicted and sentenced to pay a total fine of KES 40,000 in default to serve six months' imprisonment.<br><br>The convict was sentenced to an additional mandatory fine of KES 2,000. |
| 16 | ACC 27/2019<br><br>Milimani Law Courts | Robert Githongo Kibe<br><br>Making a false document contrary to Section 347(a) as read with Section 349 of the Penal Code<br><br>Uttering a false document contrady to Section 353 of the Penal Code | N/A | Convicted and fined KES 500,000 in default to serve two years' imprisonment. |
| 17 | MCAC/ E001/2020<br><br>Eldoret Law courts | Boniface Mulei Kamami<br><br>Receiving a bribe contrary to Section 6 (1) as read with Section 18(1) & (2) of the Bribery Act, 2016. | 30,000 | Convicted and sentenced to pay a fine of KES 100,000 in default to serve 12 months imprisonment. |
| 18 | ACC 4/2016<br><br>Kakamega Law Courts | Vitalis Injehu Musoka,<br><br>Corruptly soliciting and receiving a benefit contrary to Section 39(3) (a) as read with Section 48(1) of ACECA, 2003. | 3,000 | Convicted and sentenced to a fine of KES 45,000 in default to serve one year imprisonment. |
| 19 | ACC 416/2016<br><br>Kakamega Law Courts | Wilfred Ocharo Maonga,<br><br>Corruptly soliciting and receiving a benefit contrary to Section 39(3) (a) as read with Section 48(1) of ACECA, 2003. | 15,000 | Convicted and sentenced to a fine of KES 60,000 in default to serve one year imprisonment. |

| | Court File No | Accused and Charges | Amount Involved (KES) | Judgement Details |
|---|---|---|---|---|
| 20 | ACC 1/2018<br><br>Kakamega Law Courts | Chrispinus Otieno Phinias Isaho Mutinjikani<br><br>Receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 (1) (2) of the Bribery Act, 2016. | 5,000 | Phinias Isaho Mutinjikani convicted and sentenced to a fine of KES 90,000 in default to serve one year imprisonment.<br><br>Chrispinus Otieno acquitted under Section 215 of the CPC, Cap 75. |
| 21 | ACC 1/2018<br><br>Machakos Law Courts | Ferdinard Mbevo<br><br>Receiving a bribe contrary to Section 6(1)(b) as read with Section 18 of Bribery Act, 2016.<br><br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003. | 1,000 | Convicted and sentenced to pay a fine of KES 45,000. |
| 22 | E001/2022<br><br>Makueni Law Courts | Innocent Munyao Christopher Kioko<br><br>Personation of a person employed in Public Service contrary to Section 382 of the Penal Code. | 50,000 | Both convicted and sentenced to pay a fine of KES 20,000 each. |
| 23 | ACC 1/2016<br><br>Mombasa Law Courts | Albert Ochengo Kereri<br><br>Corruptly soliciting for a benefit contrary to Section 39 as read with Section 48 (1) of ACECA, 2003. | 100,000 | Convicted and sentenced to pay a fine of KES 120,000. |
| 24 | ACC 1/2019<br><br>Meru Law Courts | James Lewis Kimathi<br><br>Receiving a bribe contrary to Section 6 (1)b as read with Section 18 of Bribery Act, 2016. | 10,000 | Convicted and sentenced to pay a fine of KES 120,000 in default to serve one year and six months imprisonment. |
| 25 | ACC 6/2017<br><br>Mombasa Law Courts | Maingi Matheka Mbatha<br><br>Requesting and receiving a financial advantage contrary to Section 6 (1) as read with Section 18 (1) (2) and (3) of the Bribery Act, 2016. | 3,000 | Accused person convicted and discharged under Section 35(1) of the Penal Code with the condition that he commits no offence during such period, not exceeding 12 months from the date of the Order. |

| | Court File No | Accused and Charges | Amount Involved (KES) | Judgement Details |
|---|---|---|---|---|
| 26 | CF No. 2/2016<br><br>Naivasha Law Courts | Norah Cheronoh<br><br>William Osewe<br><br>Corruptly soliciting for a benefit contrary to Section 39 as read with Section 48 (1) of ACECA, 2003.<br><br>Corruptly receiving a benefit contrary to Section 39 as read with Section 48 (1) of ACECA, 2003.<br><br>Conspiracy to commit a corruption offense contrary to Section 47A(3) as read with Section 48 of ACECA, 2003. | 15,000 | Norah Cheronoh convicted and fined KES 36,000 in default to serve 12 Months imprisonment.<br><br>Both fined KES 34,000 in default to serve 12 Months imprisonment.<br><br>Norah Cheronoh fined KES 30,000 in default to serve six Months imprisonment.<br><br>Both fined KES 30,000 each in default to serve six months imprisonment. |
| 27 | CF No. 450/2019<br><br>Kitale Law Courts | 1. Samuel Kimani Njhiah<br><br>2. Francis Rotich Suter<br><br>3. Cleophas Kipyego Ngetich<br><br>4. Joseph Kiprop Kirotich<br><br>5. Simon Kimutai Kipngetich<br><br>Conspiracy to Commit an Economic Crime Contrary to Section 47A (3) of ACECA, 2003.<br><br>Conspiracy to defraud contrary to Section 317 of the Penal Code (Cap 63). | 80,000 | All accused convicted and sentenced to two years' probation and ordered to refund KES 80,000. |
| | **Withdrawals** | | | |
| **28** | ACC 05/2018<br><br>Kisumu Law Courts | Renson Kibet Korir & 10 Others<br><br>Conspiracy to commit an economic crime contrary to Section 47a (3) as read with Section 48 (1) of ACECA, 2003. | 748,099,669 | • Withdrawn under section 87(a) of the CPC, Cap 75 |

| | Court File No | Accused and Charges | Amount Involved (KES) | Judgement Details |
|---|---|---|---|---|
| 29 | ACC 1/2010<br><br>Milimani Law Courts | 1.Davy Koech<br>2.Dustun Magu Ngumo<br>3.Afriac Medical services<br>4.Renison kiplangat Arap kirui<br>5.Joel Achiba Duda<br>6.Battan Mecca Khaemba<br>7.KEMRI<br>8.Africa Medical Services<br><br>Abuse of Office contrary to Section 46 as read with Section 48 of ACECA, 2003. | 536,986,493 | Withdrawn under Section 87(a) of the Criminal Procedure Code (CPC) Cap 75. |
| 30 | ACC 39/2018<br><br>Milimani Law Court | Richard Leresian Lesiyampe & 15 Others<br><br>Conspiracy to commit an offence of economic crime contrary to Section 47(a) (3) as read with Section 48 (1) of ACECA, 2003. | 468,950,294 | Withdrawn under Section 87(a) of the Criminal Procedure Code (CPC) Cap 75. |
| 31 | E001/2022<br><br>Isiolo Law Courts | 1.Joseph Gatama<br>2.Salad Boru<br>3.Mohamed Tubi Bidu<br>4.Waqo Gufu Boru<br>5.Malka Contractors Ltd<br><br>Conflict of interest contrary to Section 42(3) as read with section 48 of ACECA, 2003.<br><br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003. | 28,000,000 | • Withdrawn under section 87(a) of the CPC (Cap 75). |

| | Court File No | Accused and Charges | Amount Involved (KES) | Judgement Details |
|---|---|---|---|---|
| 32 | ACC 4/2018<br><br>Mombasa Law Courts | Pascal Mataza<br><br>Requesting and receiving a financial advantage contrary to Section 6 (1) as read with Section 18 (1) (2) and (3) of the Bribery Act, 2016. | 5,000 | Withdrawn under Section 87(a) of the Criminal Procedure Code (Cap 75). |
| 33 | ACC 8/2018<br><br>Mombasa Law Courts | Japheth Bengo<br><br>Requesting and receiving a financial advantage contrary to Section 6 (1) as read with Section 18 (1) (2) and (3) of the Bribery Act, 2016. | 10,000 | Withdrawn under Section 87(a) of the CPC (Cap 75). |
| 34 | ACC 3/2016<br><br>Nakuru Law Courts | David Mutunga Kyalo<br><br>Receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 (1) (2) of the Bribery Act, 2016. | 3,000 | Withdrawn under Section 87 (a) of the CPC (Cap 75). |
| 35 | ACC 23/2016 Nakuru Law Courts | 1. George Owino,<br>2. Florence Mbithe<br>3. Mwangangi Antony<br>4. Mwiti Muguna<br><br>Corruptly soliciting and receiving a benefit contrary to Section 39(3) (a) as read with Section 48(1) of ACECA, 2003. | 30,000 | Withdrawn under Section 87 (a) of CPC. |
| | **Acquittals** | | | |
| 36 | ACC 1/2016<br><br>Kericho Law Court | Joseph Maingi Kariuki<br><br>Corruptly soliciting for a benefit contrary to Section 39 as read with Section 48 (1) of ACECA, 2003.<br><br>Corruptly receiving a benefit contrary to Section 39 as read with Section 48 (1) of ACECA, 2003. | 10,000 | Acquitted under 215 of CPC (Cap 75). |

| | Court File No | Accused and Charges | Amount Involved (KES) | Judgement Details |
|---|---|---|---|---|
| 37 | ACC 10/2018<br><br>Mombasa Law Courts | Praful Kumar<br><br>Giving a bribe contrary to Section 5 (1) as read with Section 18 (1) & (2) of the Bribery Act, 2016. | 1,000,000 | Acquitted under Section 202 of the CPC (Cap 75). |
| 38 | ACC 4/2012<br><br>Mombasa Law Courts | Salome Yatich<br><br>Concelia A. Ondiek<br><br>Conspiracy to commit an offence of corruption contrary to Section 47A as read with Section 48 of ACECA, 2003.<br><br>Fraudulent acquisition of public property contrary to Section 45(1) as read with Section 48(1) of ACECA, 2003. | 2,900,000 | Both accused persons were acquitted under Section 215 of CPC (Cap 75). |
| 39 | ACC 6/2019<br><br>ACC 1<br><br>Mombasa Law Courts | George Ngugi Njeri<br><br>Offering a financial advantage contrary to section 5(1) of the Bribery Act, 2016 | 3,000 | Acquitted under section 215 of the CPC (Cap 75). |
| 40 | ACC 2/2017<br><br>Eldoret Law Courts | David Kinisu Sifuna & 38 Others<br><br>Abuse of office contrary to Section 46 as read with Section 48(1) of ACECA, 2003. | 1,786,000 | All 39 accused persons acquitted under Section 215 of the CPC (Cap 75). |
| 41 | ACC 1/2020 Milimani Law Courts | Mike Mbuvi Sonko & 2 Others<br><br>Conflict of Interest contrary to Section 42 (3) as read with Section 48 of ACECA, 2003. | 20,000,000 | Acquitted under section 210 of CPC (Cap 75). |
| 42 | ACC 3/2017<br><br>Mombasa Law Court | Said Omar Salim<br><br>Receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 (1) (2) of the Bribery Act, 2016. | 300 | Acquitted under Section 215 of the CPC (Cap75). |

| | Court File No | Accused and Charges | Amount Involved (KES) | Judgement Details |
|---|---|---|---|---|
| 43 | ACC 44/2018<br><br>Milimani | 1.Eng Michael Kamau<br>2.Eng. Mwangi Maingi<br>3.Philip Onyango Sika<br>4.Gilbert Mongare Arasa<br>5.Raphael Weche Okubo<br>6.Sylus Wichira Gitau<br>7.Charles Oike Mubweka<br>8.Kata Matemu Kithyo<br>9.Kenneth N. Mwangi<br><br>Engaging in a project without prior planning contrary to Section 45 (2) C as read with Section 48 (1) of ACECA, 2003.<br><br>Wilful failure to comply with the law in relation to procurement contrary to Section 45 (2) (B) as read with Section 48 (1) of ACECA, 2003. | 33,000,000 | All nine accused persons acquitted under Section 215 of CPC (Cap 75). |
| 44 | ACC E005/2022<br><br>Milimani Law Courts | 1. Paul Mburu Muiruri<br>2. Erastus Irungu Njomo<br>3. Eston Sabali Kiyai<br><br>Receiving a bribe contrary to Section 6 (1) (a) as read with Section 18 (1) (2) of the Bribery Act, 2016. | 17,000 | All acquitted under section 210 of CPC (Cap 75). |
| 45 | E017/2021<br><br>Milimani Law Courts | Michael Njogu Mburu<br><br>Receiving a bribe contrary to section 6 (1) (a) as read with Section 18 (1) (2) of the Bribery Act, 2016. | 200,000 | Acquitted under Section 215 of the CPC (Cap75). |
| 46 | ACC No. 2/2018<br><br>Isiolo Law Courts | Samson Akotha<br><br>Receiving a financial advantage contrary to Section 6(1) of the Bribery Act, 2016. | 1,500 | Acquitted under Section 215 of the CPC (Cap 75). |

| | Court File No | Accused and Charges | Amount Involved (KES) | Judgement Details |
|---|---|---|---|---|
| 47 | ACC 10/2016<br><br>ACC 1<br><br>Milimani Law Court | 1. William Nyabola Okedi<br>2. John Muturi<br>3. Florina Mwikali<br>4. Anthony Munyui<br>5. George Murimi<br><br>Wilful failure to follow procurement procedures contrary to Section 45(2) (b) of ACECA, 2003.<br><br>Abuse of office contrary to Section 46 as read with Section 48(1) of ACECA, 2003. | 99,000,000 | All acquitted under section 210 of CPC (Cap75). |
| 48 | ACC 3/2019<br><br>Kisii Law Courts | 1. John Ndege<br>2. Douglas Nyairo<br>3. Jasper Morara<br>4. George Otieno<br>5. Mogeni Sikare<br>6. Obare Omwoyo<br><br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003. | 2,100,000 | All acquitted under Section 215 of the CPC (Cap75). |
| 49 | ACC 3/2020<br><br>Eldoret Law Courts | David Ogaro<br><br>Hezron Motindu<br><br>Receiving a bribe contrary to Section 6 (1) as read with Section 18(1) & (2) of the Bribery Act, 2016. | 9,000 | Both acquitted under Section 202 of the CPC (Cap 75). |
| 50 | ACC 2/2020<br><br>Kitui Law Courts | Francis Kea<br><br>Joshua Munyaka<br><br>Deceiving principal contrary to Section 41 (2) as read with Section 48 of the ACECA, 2003. | 98,000,000 | Both acquitted under Section 210 of the CPC (Cap 75). |

| | Court File No | Accused and Charges | Amount Involved (KES) | Judgement Details |
|---|---|---|---|---|
| 51 | ACC 2/2019<br><br>Meru Law Courts | 1. Miriam Nkatha<br>2. Jephitha Kirimi<br>3. Sharon Koskei<br>4. Isaiah Thiane<br>5. Dennis Mworia<br>6. Acquilino Thilange<br>7. Kenneth Mwirigi<br>8. Joel Imitira<br><br>Wilful failure to follow procurement procedures contrary to Section 45(2) (b) of ACECA,2003. | 180,421,781 | All acquitted under section 215 of the CPC (Cap 75). |
| 52 | ACC No. 1/2016<br><br>Isiolo Law Courts | Francis Mjawasi Mwangemi Martin Ndemaki Wekesa<br><br>Corruptly soliciting and receiving a benefit contrary to Section 39(1) as read with Section 48 of ACECA, 2003. | 35,000 | Acquitted under Section 215 of CPC (Cap75). |
| 53 | ACC 4/2018<br><br>Meru Law Courts | William Mutwiri Muraa<br><br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003. | N/A | Acquitted under Section 215 of the CPC (Cap75). |
| 54 | ACC 1/2021 Migori Law Courts | Simon Mumu Mutinda<br><br>John Bosco Okotchi<br><br>Receiving a financial advantage contrary to Section 6(1) of the Bribery Act, 2016. | 30,000 | Acquitted under Section 215 of the CPC (Cap75). |
| 55 | ACC 14/2011<br><br>Mombasa Law Courts | Timothy Waweru<br><br>Incurring expenditure contrary to Section 45(2) (b) of ACECA, 2003. | 300,000 | Acquitted under Section 215 of the CPC (Cap 75). |

| | Court File No | Accused and Charges | Amount Involved (KES) | Judgement Details |
|---|---|---|---|---|
| 56 | ACC 9/2017<br><br>Machakos Law Courts | 1.Moses Bungei<br>2.Samson Momanyi<br>3.Grace Njenga<br><br>Receiving a financial advantage contrary to Section 6(1) of the Bribery Act, 2016. | 7,050 | • All acquitted under Section 215 of the CPC (Cap 75). |
| 57 | CF E003/2022<br><br>Mombasa Law Courts | 1.Jabu Salim Mohamed,<br>2.Zablon Agwata Mabea<br>3.Wilson Gachanja<br><br>Abuse of office contrary to Section 101 as read with Section 102A of the Penal Code. | N/A | All acquitted under Section 210 of the CPC (Cap 75). |
| 58 | ACC 1/2016<br><br>Nakuru Law Courts | James Kiili<br><br>Corruptly soliciting and receiving a benefit contrary to Section 39(1) as read with Section 48 of ACECA, 2003. | 5,000 | Acquitted under Section 215 of the CPC (Cap 75). |
| 59 | CF 2/2013 Nakuru Law Court | Lydia Lubanga<br><br>Corruptly soliciting and receiving a benefit contrary to Section 39(1) as read with Section 48 of ACECA, 2003. | 30,000 | Acquitted under Section 215 of the CPC (Cap 75). |
| 60 | ACC 1/2019<br><br>Narok Law Courts | 1.Reuben Njoroge Mungai,<br>2.Maurice Oloo<br>3.George Bahati<br><br>Receiving a financial advantage contrary to Section 6(1) of the Bribery Act, 2016. | 10,000 | Acquitted under Section 210 of CPC (Cap 75). |

| | Court File No | Accused and Charges | Amount Involved (KES) | Judgement Details |
|---|---|---|---|---|
| 61 | ACC 1/2019<br><br>Kericho Law Courts | 1.Martin Luther<br>2.Robert Chirchir<br>3.Effie Aluoch<br>4.Receiving a financial advantage contrary to Section 6(1) of the Bribery Act, 2016 | 280,000 | All acquitted under Section 215 of CPC (Cap 75). |
| 62 | ACC 2/2018<br><br>Kakamega Law Court | 1.Chiuli Murumba<br>2.Danstan Wafula<br>3.Ben Avenico<br>4.Yahya Mutali<br>5.Carolyne Malangachi<br>6.Mathias Ochuna Wanyela<br>7.Fredrick Mukwana<br>Conspiracy to commit an offence of corruption contrary to Section 47 (A) (3) as read with Section 48 of ACECA, 2003.<br>Unlawful Disposal of public property C/s 45(B) as read with Sec 48 of ACECA, 2003.<br>Fraudulent acquisition of public property C/S 45(1) (A) as read with S.48(1) of ACECA, 2003. | 2,360,000 | All acquitted under Section 215 CPC (Cap 75). |

## 2.8 Illegally Acquired and Unexplained Assets Traced

The Commission completed 40 asset-tracing inquiries in respect of illegally acquired and unexplained assets. The total estimated value of the assets traced was KES 6.63 billion. Some of the assets traced are highlighted in Table 2.8.

***Table 2.8: Highlights of Assets Traced***

| | Nature of Allegation | Institution traced for | Amount (KES) |
|---|---|---|---|
| 1 | Allegation of irregular review of grants of parcel no, MN/VI/3854, MN/VI/3856, MN/VI/3857, MN/VI/3858, MN/VI/3859, MN/VI/3860 MN/VI/3861, MN/VI/3862, MN/VI/3904, MN/VI/05, MN/VI/3906 excised from Moi International Airport, Mombasa to East African Gas Company Limited. | Kenya Airports Authority | 2,324,000,000 |

| | Nature of Allegation | Institution traced for | Amount (KES) |
|---|---|---|---|
| 2 | Allegation of fraudulent acquisition of public property L.R. No. 528 in Nakuru. | Egerton University | 1,600,000,000 |
| 3 | Allegation of irregular acquisition of public land L.R. Nos. 22611, 22613, 226187385/2 & 7385/3 belonging to Agricultural Training Centre in Nakuru by private developers. | Agricultural Training Centre (County Government of Nakuru) | 1,200,000,000 |
| 4 | Allegation of irregular alienation of public property L.R. No. 19128 to Red Bridge Farm Limited. | County Government of Kwale | 370,000,000 |
| 5 | Allegation of unexplained wealth against Alphanus Osoro Mokaya, former Chief Officer in the County Government of Kisii. | The National Treasury | 320,000,000 |
| 6 | Allegation of illegal demarcation/alienation of public land belonging to Marine National Reserve, Kenya Wildlife Service and issuance of titles no. Kwale/Shimoni/493, Kwale/Shimoni/494, Kwale/Shimoni/495 and Kwale/Shimoni/496 to private entities. | Kenya Wildlife Service (KWS) | 305,000,000 |
| 7 | Allegation of unlawful alienation of Kenya Revenue Authority staff quarters on a parcel No. MSA/XXVI/1082 situated in Kizingo Area in Mombasa County. | Kenya Revenue Authority | 143,000,000 |
| 8 | Allegation into irregular acquisition of public land in Machakos County, Ngei Estate Block | County Government of Machakos | 110,000,000 |
| 9 | Allegations of payment of multiple salaries to former and current employees of County Government of Homa Bay. | The National Treasury/ County Government of Homa Bay | 104,000,000 |
| 10 | Allegations of embezzlement of public funds by officials of the County Government of Isiolo through irregular payments to Stephen Muthomi M'Anampiu's personal account over the period 2018 to 2022. | County Government of Isiolo | 55,090,860 |
| 11 | Allegation of irregular acquisition of public property Kitale Municipality Block 12/236 by Nathaniel Tum, former Chairman of the School Board. | Kitale Academy Trans Nzoia County | 50,000,000 |
| 12 | Allegation into irregular acquisition of public utility land by Lutheran Church in Kajiado, Kumpar Area. | County Government of Kajiado | 50,000,000 |

## 2.9 Civil Proceedings

In the period under review, the Commission instituted suits for preservation and recovery of illegally acquired and unexplained assets. There were also Petitions and Judicial Review applications filed against the Commission.

### 2.9.1 Applications for Preservation of Assets

The Commission filed 23 applications for preservation of assets valued at approximately KES 886 million. Preservation and injunctive orders were granted for the applications. Table 2.9 highlights applications for preservation of assets during the year.

*Table 2.9: Highlights of Applications for Preservation of Assets*

| | Asset | Preserved From | Related Institution | Value (KES) |
|---|---|---|---|---|
| 1 | ACEC Misc. No. 1 of 2022; EACC vs Michael Auka Ajwang & Another<br><br>Application for Preservation prohibiting the transfer and/or disposal of 11 motor vehicles, three motor cycles and nine parcels of land against the respondents pending conclusion of investigations. | The Hydeout Riviera Limited and Michael Auka Ajwang | Nairobi City County Government | 537,000,000 |
| 2 | Kisii H.C Misc. Application No. E02 & 44 of 2023; EACC vs Alphanus Mokaya Osoro<br><br>Application for Preservation of monies held at KCB, National Bank and motor vehicles registered to entities associated with the Respondent. | Alphanus Mokaya Osoro | County Government of Kisii | 50,045,133 |
| 3 | ACEC Misc. Application No. E059 of 2022; EACC vs Wilson Kanani, Wilman Auto Invests, Willy Walla International Limited and Wilcoreg Limited.<br><br>Application for Preservation of monies held at Equity Bank Limited, I&M Bank Limited, National Bank and motor vehicles. | Wilson Kanani, Wilman Auto Invests, Willy Walla International Limited and Wilcoreg Limited | Nairobi City County Government | 48,003,527 |
| 4 | Nanyuki Misc. Application E012/2022<br><br>Application for Preservation of landed properties associated with the Respondent. | Danstar Holding Limited | State Department for Housing | 40,000,000 |
| 5 | ACEC Misc. Application No E045 of 2022: EACC vs Tracy Njoki King'e<br><br>Application for preservation of landed properties on allegations of embezzlement of public funds. | Tracy Njoki King'e | The National Treasury and Economic Planning | 36,018,978 |

| | Asset | Preserved From | Related Institution | Value (KES) |
|---|---|---|---|---|
| 6 | ELC E049 of 2023; EACC vs Ezekiel Luyali & Others<br><br>Application for Preservation of landed properties Block/XIX/234 | Ezekiel Luyali | The University of Nairobi | 21,000,000 |
| 7 | Kakamega ELC E17/2022<br><br>Application for Preservation of land associated with the Respondent. | Jacqueline Musalia | State Department of Housing | 20,000,000 |
| 8 | Bungoma ELC E079/2022; EACC vs Georgina N. Mutave, Ronald M. Omwoma & Wilson Gachanja<br><br>Application for Preservation of land associated with the Respondents. | Ronald M. Omwoma | State Department of Housing | 10,000,000 |

### 2.9.2 Recovery Suits Filed

The Commission filed 62 recovery suits with an estimated value of KES 8.73 billion in the period under review, as shown in Table 2.10.

***Table 2.10: Recovery Suits Filed***

| | Case No. | Parties | Case Summary | Amount (KES) |
|---|---|---|---|---|
| 1 | ELC No. 4 of 2023 | EACC vs Cantie HA Ltd & 3 Others | Suit for recovery of illegally acquired public land belonging to Egerton University. | 1,500,000,000 |
| 2 | ELC No. 11 of 2023 | EACC vs Pineapples Edge Limited & 5 Others | Suit for recovery of irregular alienation of Naivasha Municipality Block 5/285. | 1,400,000,000 |
| 3 | ELC 111 of 2022 Mombasa | EACC vs Parkmansions & Others | Suit for recovery of illegal excision of Plot No. MN/ VI/3862 Moi International Airport Mombasa. | 600,000,000 |
| 4 | ELC No. E162 of 2023 | EACC vs Peter Eliud Mutua Maundu & Others | Suit for recovery of Land L.R. No. 209/12118 (IR No. 65477) located along Elgon Road, Upper-Hill Area Nairobi City County. | 410,000,000 |
| 5 | ELC Suit No. E089 of 2023 | EACC vs Daniel Kipkemoi, M. W. Mbogo, Whitehart Investments Limited & Wilson Gachanja | Suit for recovery of LR No. 209/12303 (I.R No. 63566) on behalf of KALRO. | 400,000,000 |
| 6 | ELC 113 of 2022 Mombasa | EACC vs Spelling International & Others | Suit for recovery of illegal excision of Plot No. MN/ VI/3856 Moi International Airport Mombasa. | 360,000,000 |

| | Case No. | Parties | Case Summary | Amount (KES) |
|---|---|---|---|---|
| 7 | HC ACEC Civil Suit No. E012 of 2023 | EACC vs Michael Auka Ajwang & the Hydeout Riviera Limited | Suit for recovery of unexplained wealth against an employee of the Nairobi City County Government. | 342,857,859 |
| 8 | ELC 115 of 2022 Mombasa | EACC vs Bush Veld Limited & Others | Suit for recovery of illegal excision of Plot No. MN/ VI/3906 Moi International Airport Mombasa. | 325,000,000 |
| 9 | ELC 118 of 2022 Mombasa | EACC vs Kokog Investment & Others | Suit for recovery of illegal excision of Plot No. MN/ VI/3904 Moi International Airport Mombasa. | 265,000,000 |
| 10 | ACEC Suit No. E043 of 2022 | EACC vs Eric Kipkurui Mutai & 4 Others | Suit for recovery of payment for non–supply of food rations to the State Department of Correctional Services. | 257,000,000 |
| 11 | ACEC Suit No. E027 of 2022 | EACC vs David Kinyae Isika, Joyce Wairimu, Urbanus Kioko Mbithi, Wanga-Tech General Enterprises Limited, Davinka Suppliers and General Merchants Limited & Bruce Isika Kinyae T/A Brycen Smart Innovations | Suit for forfeiture of unexplained wealth against the 1st Defendant, who is a public officer at the Nairobi Metropolitan Development within the Ministry of Lands, Housing & Urban Development and other Defendants who were his relatives, associates, directors and proprietors of his companies. | 233,486,768 |
| 12 | ACEC Suit No. E033 of 2022 | EACC vs Peter Maina Njehia & Another | Suit for forfeiture of unexplained wealth acquired as a result of corrupt conduct by the Respondent, former Senior Supply Chain Manager at KETRACO. | 216,374,182 |
| 13 | ELC 117 of 2022 Mombasa | EACC vs Frankway Link & Others | Suit for recovery of illegal excision of Plot No. MN/ VI/3905 Moi International Airport Mombasa. | 205,000,000 |
| 14 | ACEC Suit No. E046 of 2022 | EACC vs Bruce Isika Kinyae T/A Brycen Smart Innovations & Others | Suit for forfeiture of unexplained wealth by an employee of Nairobi Metropolitan Development within the Ministry of Lands, Housing & Urban Development. | 186,123,958 |

| | Case No. | Parties | Case Summary | Amount (KES) |
|---|---|---|---|---|
| 15 | ELC No. 10 of 2023 Nakuru | EACC vs Pinneaple Edge Limited & 2 Others | Suit for recovery of irregular alienation of Naivasha Municipality Block 5/290. | 80,000,000 |
| 16 | ACEC Suit No. E041 of 2022 | EACC vs Steven Kisonzo Mulwa T/A Almahir Suppliers & Others | Suit for recovery of unexplained assets occasioned by irregular procurement from the State Department of Correctional Services on account of food rations not supplied in FYs 2016/2017, 2017/2018 and 2018/2019. | 165,735,000 |
| 17 | Kitui ELC NO. E005/2022 | EACC vs Bishop Gideon Muneni Nzoka & The Church Commissioners for Kenya | Suit for recovery of land reserved for Kitui Integrated Programme for the Visually Impaired against the Anglican Church of Kenya (ACK) of land | 159,000,000 |
| 18 | ELC E025 of 2023 Mombasa | EACC vs William Kabogo Gitau & Others | Suit for recovery of land L.R. No. MSA/XVI/1082 for Kenya Revenue Authority. | 143,000,000 |
| 19 | ELC E022 of 2023 Mombasa | EACC vs Maxtowers Limited & Others | Suit for recovery of land L.R. No. MSA/XVI/1081 for Kenya Revenue Authority. | 132,000,000 |
| 20 | ELC 109 of 2022 Mombasa | EACC vs George P. Gomu & Others | Suit for recovery of illegal excision of Plot No. MN/ VI/3859 Moi International Airport Mombasa. | 125,000,000 |
| 21 | ELC 116 of 2022 Mombasa | EACC vs Jeewi Limited & Others | Suit for recovery of illegal excision of Plot No. MN/ VI/3861 Moi International Airport Mombasa. | 104,000,000 |
| 22 | ELC NO E066 of 2022 | EACC vs Sammy Mwaita & Others | Suit for recovery of irregular alienation of Nakuru Municipality Block No. 20/232. | 100,000,000 |
| 23 | HCC E085 of 2022 Mombasa | EACC vs Mukitek Investments & 4 Others | Suit for recovery of public funds. | 78,000,000 |
| 24 | ACEC Suit No. E003 of 2023 | EACC vs Faith Jematia Kiptis | Suit for recovery of irregular payment and embezzlement of public funds from the National Treasury and Economic Planning paid as allowances purported as official duties without the approval of the Salaries and Remuneration Commission (SRC). | 67,664,975 |

| | Case No. | Parties | Case Summary | Amount (KES) |
|---|---|---|---|---|
| 25 | ELC Suit No. E051 of 2023 Mombasa | EACC vs Kensko Agro-Produce Limited & Others | Suit for recovery of two (2) parcels of land Mombasa Municipality/Block XXI/583 and Mombasa Municipality/ Block XXI/584. | 60,000,000 |
| 26 | EACC.KTL/ LS/28-D<br><br>KTL ELC 18/2021 | Zuhura Night Sakwa, Alice Maina Maruguti,<br><br>Francis Lilechi vs National Housing Corporation, National Land Commission, County Director National Housing Trans Nzoia, The Hon. Attorney General, EACC | Suit for recovery of Kitale Municipality Block 11/18. | 60,000,000 |
| 27 | ELC 112 of 2022 Mombasa | EACC vs Marachi A. Ooro & Others | Suit for recovery of illegal excision of Plot No. MN/ VI/3857 Moi International Airport Mombasa. | 60,000,000 |
| 28 | ELC 114 of 2022 Mombasa | EACC vs Peninsula Agencies & Others | Suit for recovery of illegal excision of Plot No. MN/ VI/3858 Moi International Airport Mombasa. | 60,000,000 |
| 29 | ELC 110 of 2022 Mombasa | EACC vs Jay & Kay Enterprises & Others | Suit for recovery of illegal excision of Plot No. MN/ VI/3855 Moi International Airport Mombasa. | 60,000,000 |
| 30 | ELC Civil Suit No. E182 of 2023 | EACC vs Japheth Kimutai Chepkeres & Others | Suit for recovery of land L.R. No. 209/12492 (IR. No. 71419) belonging to Kenya Railways Corporation in Nairobi. | 46,934,762 |
| 31 | ACEC E030 of 2022 Nairobi | EACC vs Hartland Enterprises Limited, James Mumali Oyuka & 4 Others | Suit for recovery of cash irregularly paid the Homa Bay County Assembly Service Board to M/S Hartland. | 36,270,033 |
| 32 | ELC No. 23 of 2022 Nyahururu | EACC vs Robert Kimemia Maina & 6 Others | Suit for recovery of public land Nyahururu Municipality Block VI/582, 585, 588, 590 and 591. | 35,000,000 |
| 33 | ACEC Suit No. E004 of 2023 | EACC vs Esther Wangechi Ngeru | Suit for recovery of public funds from the National Treasury and Economic Planning as allowances for purported official duties without the approval of SRC. | 34,095,200 |

| | Case No. | Parties | Case Summary | Amount (KES) |
|---|---|---|---|---|
| 34 | ACEC No. E047 of 2022 | EACC vs Tracy Njoki Kinge | Suit for recovery of irregular and fraudulent receipt of public funds from the National Treasury and Economic Planning paid within the period between February 2020 and June 2022, disguised as extraneous, taskforce/committee facilitation and other undefined allowances. | 33,152,000 |
| 35 | EACC.ELD/ LS/87-D<br><br>ACEC E025/2022 | EACC vs Amailo Investment Company Limited & Others | Suit for recovery cash for restitution to the County Government of Turkana. | 24,999,600 |
| 36 | ELC NO E012/2022 | EACC vs Daniel Ngetich & 2 Others | Suit for recovery of irregular alienation of Kericho Kabatega Block 1222 and 1328. | 24,000,000 |
| 37 | ACEC Suit No. E034 of 2022 | EACC vs Mulwa Farm Limited & Others | Suit for recovery of money from State Department of Correctional Services on account of food rations not supplied in FYs 2016/2017, 2017/2018 and 2018/2019. | 21,697,500 |
| 38 | ELC E002/2023 Kakamega | EACC vs Lucas Nandih Shamala & Wilson Gachanja | Suit for recovery of Parcel No. Kakamega Municipality Block III/241. | 21,000,000 |
| 39 | ELC E020 of 2023 Mombasa | EACC vs Mohamed Awadh & Others | Suit for recovery of land L.R. MSA/XVI/685 for Kenya Revenue Authority. | 21,000,000 |
| 40 | ELC E049 of 202 | EACC vs Ezekiel Luyali & Others | Suit for recovery of land L.R. Block/XIX/234 for University of Nairobi. | 21,000,000 |
| 41 | ACEC Suit No. E001 of 2023 | EACC vs Robert Theuri Murage | Suit for recovery of irregular payment and embezzled public funds from the National Treasury and Economic Planning paid as allowances for purported official duties without the approval of SRC. | 20,318,000 |
| 42 | ELC E023 of 2023<br><br>Mombasa | EACC vs Dorbang Limited & Others | Suit for recovery suit of land L.R. No. MSA/XVI/693 for Kenya Revenue Authority. | 20,000,000 |

| | Case No. | Parties | Case Summary | Amount (KES) |
|---|---|---|---|---|
| 43 | ACEC Suit No. E002 of 2023 | EACC vs Doris Nafula Simiyu | Suit for recovery of irregular payment and embezzled public funds by National Treasury and Economic Planning paid as wrong allowance without the approval of SRC. | 18,862,000 |
| 44 | Nyeri ELC No.28B of 2023 | EACC vs Gervas O. Oketch | Suit forrecovery of Nyeri Municipality Block 1/1082. | 18,800,000 |
| 45 | ELD HCCC NO. 92/09 & ELC NO. 458/13 | EACC vs Job Kipnandi Chebon & 2 Others | Suit for recovery of Eldoret Municipality Block 15/1750. | 18,000,000 |
| 46 | ELC E026 of 2023 Mombasa | EACC vs Gikoma Enterprises & Others | Suit for recovery of land L.R No.MSA/XVI/779 belonging to Kenya Revenue Authority. | 16,500,000 |
| 47 | ELC E024 of 2023 Mombasa | EACC vs Ramadhan Ali & Others | Suit for recovery of land L.R. No. MSA/XVI/1037 for Kenya Revenue Authority. | 16,000,000 |
| 48 | HC ACEC Civil Suit No. E017 of 2023 | EACC vs Nathaniel Manyenye Ahaza and Others. | Suit for recovery of cash against Boyse Ventures Limited, a company associated with Nathaniel Ahanza. | 13,989,450 |
| 49 | CMCC 131 of 2022 (Voi) | EACC vs Geoffrey Kimonge Mbogho | Suit for recovery of fraudulent per diem paid to Defendant. | 13,000,000 |
| 50 | ACEC Suit No. E038 of 2022 | EACC vs Joseph Kariuki Mwangi T/A Joslil General Supplies & Others | Suit for recovery of money against the Respondent for non-supply of food rations to State Department of Correctional Services in FYs 2016/2017, 2017/2018 and 2018/2019. | 12,000,000 |
| 51 | ELC 44 of 2022 | EACC vs Milly Glassworks & Another | Suit for recovery of land L.R. No. MSA/Block/XLVII/156 for Kenya Ports Authority. | 12,000,000 |
| 52 | ACEC Suit No. E035 of 2022 | EACC vs White Unicorn Limited & Others | Suit for recovery of cash occasioned by irregular procurement at the State Department of Correctional Services. | 10,075,000 |
| 53 | MCELC E079/2022 Bungoma | EACC vs Georgina N. Mutave, Ronald M. Omwoma & Wilson Gachanja | Suit for recovery of Parcel No. Bungoma Municipality/791. | 10,000,000 |
| 54 | ELC E021 of 2023 Mombasa | EACC vs E.M. Mbasu & Others | Recovery suit of land L.R. No. MSA/XVI/1015 for Kenya Revenue Authority. | 10,000,000 |

| | Case No. | Parties | Case Summary | Amount (KES) |
|---|---|---|---|---|
| 55 | MCELC E079/2022 Bungoma | EACC vs Anna Mwikali, Asha Hersi & Sammy Mwaita | Suit for recovery of Parcel No. Bungoma Municipality/213. | 9,000,000 |
| 56 | CMELC No. 4 of 2023 Nakuru | EACC vs Pauline Maiyo | Suit for recovery of irregular alienation of Kabarnet Municipality Block No. 161. | 8,000,000 |
| 57 | ELC No. 25 of 2022 Nyeri | EACC vs Chris M. Macharia | Suit for recovery of Nyeri Municipality Block 1/1371. | 7,000,000 |
| 58 | ELC No.9 of 2023 Nyeri | EACC vs Raphael Muturi Njogu | Suit for recovery of Nyeri Municipal Block 1/1403. | 7,000,000 |
| 59 | ELC No. 13 of 2023 Nyeri | EACC vs Mary Wairimu Waiganjo | Suit for recovery of Nyeri Municipality Block 1/1256. | 7,000,000 |
| 60 | ACEC Suit No. E036 of 2022 | EACC vs Maureen Ndungwa Mwikya T/A Reen East Africa Company & Others | Suit for recovery of cash occasioned by irregular procurement at the State Department of Correctional Services between 2016 to 2018. | 4,780,000 |
| 61 | CMELC No. 3 of 2023 Nakuru | EACC vs Catherine Mbugua & Others | Suit for recovery of illegally acquired land Nakuru Block 12/45 belonging to Moi Primary School- Nakuru. | 4,500,000 |

### 2.9.3 Cases filed against the Commission

There were 88 Petitions and Judicial Review Applications filed against the Commission as highlighted in Table 2.11.

***Table 2.11: Highlights of Cases Filed against the Commission***

| | Case No. | Parties | Subject Matter |
|---|---|---|---|
| 1 | Petition No. 11 of 2022 (Formerly Nairobi Const. Pet. No. E323 of 2022)<br><br>Mombasa High Court | Jeremiah Kiwoi vs Granton Graham Samboja, IEBC, EACC & Others | Petition against the Candidature of the 1st Respondent to vie as Governor for Taita Taveta County in the General Elections of 9th August 2022. |
| 2 | IEBC/ DRC/136/2022 | Wiper Democratic Party vs Mombasa County Returning Officer & Others | A complaint to the IEBC Dispute Resolution Committee by Wiper Democratic Movement Party seeking to set aside the decision of the Mombasa County Returning Officer of declining to clear Hon. Mike Sonko. |

| | Case No. | Parties | Subject Matter |
|---|---|---|---|
| 3 | Malindi Constitutional Petition No. 4B of 2022 | Kibibi Bakari Ali vs Hon Maitha Gideon Mung'aro, IEBC, EACC & Others | Petition seeking declaratory orders among others that the 1st Respondent is not eligible for election as a Governor Kilifi County in the General Elections of 9th August 2022. |
| 4 | Mombasa JR No. E022 of 2022 | Gideon Mbuvi Mike Sonko vs IEBC, EACC & Others | Application seeking to quash the decision of IEBC revoking the registration of the Applicant as a Candidate for Mombasa County Gubernatorial Election. |
| 5 | Kiambu Constitutional Petition No. 150 of 2022 (Formerly HC Const. Petition No. E380 of 2022) | Charles Maina Kariuki & Another vs Paul Karungo Thang'wa | Application seeking certification and empanelment of a three-judge bench to hear a Petition seeking to disqualify Paul Karungo Thang'wa from vying for the senatorial seat in Kiambu County. |
| 6 | Petition No. 19 of 2022 | Transparency International vs Registrar of Political Parties | Petition seeking a declaration that the nominations conducted by the Respondent and clearance of Independent Candidates without vetting is unconstitutional. |
| 7 | Constitutional Petition No. E370 of 2022 | Catherine Nyakoboke Nyang'au vs Inspector-General of NPS, DPP, EACC and the CMC at Milimani Law Courts. | Application to stop and quash the entire charge sheet and criminal proceedings at Milimani Criminal Case No. E3070 Ayoo of 2020. |
| 8 | ELRC No. E552 of 2022 | Dr. Agnes Wanjiru Njeru Gatama vs EACC | Petition challenging EACC advisory to County Assembly Service Board of Kirinyaga to cease payment of the Claimant's remuneration on grounds that she received similar benefits from Jomo Kenyatta University of Agriculture and Technology. |
| 9 | Petition No. E398 of 2022 | John Wangai & Others vs Eng, John Tanui & Others | Notice of Motion seeking mandatory orders of injunction pending any fiduciary activities of the 1st and 2nd Respondents citing breach of the Constitution by the Konza Technopolis Development Authority. |
| 10 | HC Petition No. E035 of 2022 | Nesco Services Limited vs EACC, AG & Others | Petition seeking the protection of the Petitioner's property rights as per Article 40 of the Constitution. |
| 11 | Eldoret Misc. Application No. E164 of 2022 | Jeremiah Ekamais Lomorukai Napotikan vs EACC & Others | Application by the Governor Turkana County for anticipatory bail. |

| | Case No. | Parties | Subject Matter |
|---|---|---|---|
| 12 | Kajiado ELC Civil Case No. E113 of 2022 | Bernard Onguso vs EACC, (Interested Parties - Land Registrar Kajiado and the Hon. AG) | Suit lodged at the Environment and Land Court seeking for orders that the caution registered over plot Nos. Kajiado/Kaputei North 50062 and Kajiado/Kaputei North 50063 be lifted. |
| 13 | COA Civil Application No. E437 of 2022 | Kuria Gathoni vs EACC & Others | Application for orders of stay of execution of the Ruling delivered by the Environment and Land Court of Kenya at Nairobi on 24th May 2022 and stay of proceedings in ELC No. E315 of 2021. |
| 14 | Nyeri JR No. E001 of 2022 | Republic vs Land Registrar & EACC; Ex-parte Applicants – Charles W. Wamae and Paul W. Wamae | Application for Judicial Review seeking removal of caution placed on L.R. No. Nyeri Municipality Block 1/1082. |
| 15 | Const. Petition No. E022 of 2023 | Law Society of Kenya & Transparency International vs Ferdinand Ndung'u Waititu Babayao, AG, EACC, Nairobi Rivers Commission (Interested Party – Katiba Institute) | Petition seeking an Order of *Certiorari* to quash the appointment of Ferdinand Ndungu Waititu to the Nairobi Rivers Commission conveyed in Gazette Notice Volume No. CXXIV – 258 dated 2nd Dec. 2022. |
| 16 | Const. Petition No. E111 of 2023 | Eng. Antony Tawayi Wamukota, Alice Nafula, Rachel Emitekwa, Chrispus Wamoyo, George Lala Indakwa, Patrick Wasike vs EACC | Petition seeking Conservatory Order restraining EACC from arresting and charging the Petitioner in relation to the activities of KETRACO Loinyangalani –Suswa Transmission Project. |
| 17 | ACEC Misc. No. E007 of 2023 | Zhang Jing, Zeyan Yang & Erdermann Properties Limited vs EACC | Application seeking for orders that a mandatory injunction be issued to compel the Respondent to release to the Applicants all the documents seized from the Applicants' premises that are not the subject of criminal proceedings in ACC No. 26 of 2019. |

| | Case No. | Parties | Subject Matter |
|---|---|---|---|
| 18 | HC Misc. Criminal Application No. E146 of 2023 | John Ngumi vs EACC & DPP | Application seeking an order for anticipatory bail or bond and further, a conservatory order restraining the Respondents, their servants, agents, officers and/ or anybody acting under their authority from effecting and/or arresting, detaining in custody, charging, harassing or otherwise however interfering with the liberty and fundamental freedoms of the Applicant |
| 19 | Civil Application No. E208 of 2023 | Joseph Chege Gikonyo & 2 Others vs EACC & Francis Irungu | Civil application filed at the Court of Appeal seeking leave to appeal to the Supreme Court against the Judgment delivered in CA No. 464 of 2018. |
| 20 | NKR ELC Petition No. 8/2021 | Hillary Mwaita vs KENHA & EACC | The Petitioner seeks declaration orders that he is the owner of the subject property Nakuru/ Municipality Block 20/232. |
| 21 | ACEC Petition No. E004 of 2023 | Nicholas Ochiel vs EACC & AG (Interested Parties – Waterfront Outlets Limited & 4 Others) | Petition seeking to quash Notices to explain the disproportion of the Defendants assets and known legitimate sources of income issued by the Commission on 30th October 2019 and a further order to strike out Nairobi ACEC Suit No. E024 of 2022. |
| 22 | Kisii Petition No. E010 of 2022 | Okiya Omtatah Okoiti vs EACC | The Petitioner seeks declaratory orders to compel EACC to investigate alleged fraudulent privatisation of Rioma/Nyakongo Market Borehole which was funded by public funds belonging to Kisii County and allegation of money laundering by the former Kisii County Governor. |
| 23 | Kisii Petition No. 10 of 2022 | Nahashon Mogonchi vs EACC & 5 Others | Petition seeking that EACC jointly with other bodies be ordered to investigate alleged forged academic documents by Simba Arati, Kisii County Governor. |
| 24 | Bungoma HCT JR Misc E002/2023 | Rachael Makokha & 5 Others<br>vs ODPP & EACC | Judicial Review seeking to avert matter on Fraudulent award of tender for the Construction of the Malaba Water and Sanitation Project amounting to KES 600 million. |
| 25 | Machakos ELC Petition No. 4 of 2022 | Monica Paul Muthoka vs Commissioner General of Prisons & 2 Others | Petitioners are defendant in ELC 33/2008 suit for recovery of prisons land. They have filed petitions seeking to restrain the respondents from denying them access to the suit property. |

| | Case No. | Parties | Subject Matter |
|---|---|---|---|
| 26 | Petition E004 of 2022 | Musa Ahmedurmaji vs EACC & KALRO | Petition seeking Temporary injunction to restrain EACC, KALRO and Registrar of Lands from implementing the Statutory Invitation Notice by EACC in respect of properties Kwale Makinon Road Phase II/1070-1942 excised from Parcel L.R. No. 28731 belonging to KALRO. |

## 2.10 Recovered Assets

Illegally acquired and unexplained assets valued at approximately KES 3.8 billion were recovered through court proceedings and out-of-court settlements, as shown in Table 2.12.

***Table 2.12: Recovered Public Assets***

| | Institution Recovered For | Recovered From | Asset | Estimated Value (KES) |
|---|---|---|---|---|
| 1 | Kenya National Highway Authority (KENHA) | Hillary Kipkorir Mwaita | Nakuru/ Municipality Block 20/32 | 2,010,000,000 |
| 2 | Lands Limited, a subsidiary of ADC | Major Gen (Rtd) Dedan Njuguna Gichuru | L.R. No. 14703 in Tigoni (30 Acres) | 440,000,000 |
| 3 | State Department for Roads, Ministry of Roads and Transport | Wak Limited, Redwood Properties | L.R No. 209/6337 I.R No. 85631 (Nairobi) | 430,000,000 |
| 4 | Nairobi City County Government | Harun Osoro Nyambuki | L.R. No. 209/13557 Nairobi West | 140,000,000 |
| 5 | Kenya Meat Commission | Safeways Limited | L.R. No. Mombasa MI/1/258 | 100,000,000 |
| 6 | National Housing Corporation | Omar Faraj | L.R. No. Mombasa Municipality Block 72/2935 | 80,000,000 |
| 7 | Kenya Civil Aviation | Bernsoft Limited & Others | L.R. No. Mombasa Municipality Block MN/1/2396 | 61,000,000 |
| 8 | Kenya Civil Aviation | Romli Agencies & Others | L.R. No. Mombasa Municipality Block N/1/2400 | 49,000,000 |
| 9 | Kenya Civil Aviation | Luka Chemutai Cheptoo | L.R. No. Mombasa Municipality MN/I/2414 | 48,000,000 |
| 10 | Nairobi City County Government | Taylor Adforce E.A. Ltd, Antonie Gerad Jemeau & Disma Arori | L.R No.2250/71 Mukoma Road, Karen | 45,000,000 |

| | Institution Recovered For | Recovered From | Asset | Estimated Value (KES) |
|---|---|---|---|---|
| 11 | County Government of Homabay | Bob Kephas Otieno and Eveline Awino Gouty T/A Nyangume Enterprise | Cash | 26,272,460 |
| 12 | Sang'alo Institute of Science and Technology | Amin Mohammed | L.R. No. Bungoma Municipality/570 | 22,000,000 |
| 13 | Ministry of Transport | Harith Swaleh | L.R. No. Mombasa Island/Block XI/ 950 | 18,000,000 |
| 14 | County Government of Nakuru | Maurice Mesa | Nakuru L.R. No. 26611 | 17,000,000 |
| 15 | State Department of Housing and Urban Development, Ministry of Lands | Asha Hersi Moghe | L.R. No. Bungoma Municipality/792 | 14,500,000 |
| 16 | State Department of Housing and Urban Development, Ministry of Lands | Japheth Gesage Gekonge | L.R. No. Bungoma Municipality/840 | 14,000,000 |
| 17 | State Department of Housing and Urban Development, Ministry of Lands | John Musambayi Katumanga, Lucy Kendi & Sammy K. Mwaita | L.R. Nos. Kakamega Municipality Block III/261 & Kakamega Municipality Block III/262 | 13,000,000 |
| 18 | State Department for Housing, Ministry of Lands | John Gakure Njire | L.R. No. Nyeri Municipality Block 1/1256 | 7,000,000 |
| 19 | County Government of Laikipia | Joseph Karanja Kaguru | L.R. No. Nyahururu Municipality Block VI/590 | 7,000,000 |
| 20 | County Government of Laikipia | Martin Murutu | L.R. No. Nyahururu Municipality Block VI/588 | 7,000,000 |
| 21 | County Government of Laikipia | Monica Njoki Njuguna | L.R. No. Nyahururu Municipality Block VI/585 | 7,000,000 |

| | Institution Recovered For | Recovered From | Asset | Estimated Value (KES) |
|---|---|---|---|---|
| 22 | County Government of Laikipia | Robert Kimemia Maina | L.R. No. Nyahururu Municipality Block VI/582 | 7,000,000 |
| 23 | State Department of Housing and Urban Development, Ministry of Lands | Roselidah Joyce Otieno | L.R. No. Bungoma Municipality/833 | 7,000,000 |
| 24 | State Department of Housing and Urban Development, Ministry of Lands | Francis Odhiambo | L.R. No. Bungoma Municipality/792 | 6,500,000 |
| 25 | State Department of Housing and Urban Development, Ministry of Lands | Fridah Asambah | L.R. No. Kakamega Municipality Block III/276 | 5,000,000 |
| 26 | State Department of Housing and Urban Development, Ministry of Lands | Michael Omusula | L.R. No. Kakamega Municipality Block III/239 | 5,000,000 |
| 27 | County Government of Nyamira | Amos Kimwomi Nyaribo | L.R. No. Kisii Municipality Block III/423 | 4,540,927 |
| 28 | County Government of Nyamira | Amos Kimwomi Nyaribo | Cash | 1,587,275 |
| 29 | Kenya Reinsurance Corporation Limited | Irene Muthoni & John Faustine Kinyua | L.R No. 209/10611/173 I.R No. 77586 Nairobi | 17,000,000 |
| 30 | Kenya Ports Authority | Mukitek Investments | Cash | 78,161,858 |
| 31 | Ministry of Environment and Forestry | Samuel Kariuki Njoroge | Cash | 30,754,705 |
| 32 | Kenya Medical Research Institute (KEMRI) | Davy Koech | Cash | 26,375,000 |
| 33 | The National Treasury | Charles Mutiso | Cash | 24,000,000 |
| 34 | Ministry of Environment and Forestry | Samuel Kariuki | Cash | 20,000,000 |
| 35 | Chebororwa Agricultural Training Centre | Nicholas Kaino and Rose Kaino | Cash | 11,493,000 |
| 36 | County Assembly of Homabay | Several employees of County Assembly of Homabay | Cash | 8,391,500 |

| | Institution Recovered For | Recovered From | Asset | Estimated Value (KES) |
|---|---|---|---|---|
| 37 | Rural Electrification and Renewable Energy Corporation (REREC) | Penina Wambui Karomo | Cash | 3,843,417 |
| 38 | County Government of Kisii | Evans Rambeka Nyaoga | Cash | 3,162,453 |
| 39 | Ministry of Education | Joel Kaunda | Cash | 1,498,900 |
| 40 | County Assembly of Trans Nzoia | Alfred Weswa & Ben Matete | Cash | 1,000,000 |
| 41 | Office of the Auditor General | Stephen Ndungu Kinuthia & Desmond Irungu | Cash | 1,000,000 |
| 42 | Export Processing Zone Authority | Richard Mutule | Cash | 1,000,000 |
| 43 | Karachuonyo CDF | James Rege | Cash | 909,398 |
| 44 | County Government of Bungoma | Vincent Ngeiywo | Cash | 801,000 |
| 45 | County Government of Bungoma | Bungoma County Government employees | Cash | 800,000 |
| 46 | County Assembly of Uasin Gishu | 1. Leah Malot<br>2. Eileen Kendagor<br>3. Joel Rugut<br>4. Hosea Lamai<br>5. Kirwa Kemboi<br>6. Patrick Bundotich<br>7. Julius Sang | Cash | 786,679 |
| 47 | County Government of Kisii | 1. Caroline Ooro Atieno<br>2. Alex Buigut<br>3. Raymond Oduma<br>4. Dotrine Okech | Cash | 682,400 |
| 48 | County Government of Isiolo | Daniel Wambugu | Cash | 550,000 |
| 49 | County Assembly of Meru | Maore Ngore | Cash | 540,000 |
| 50 | Ministry of Education | Ian Kaundi | Cash | 500,000 |
| 51 | Ministry of Education | Joel Kaunda | Cash | 386,000 |

| | Institution Recovered For | Recovered From | Asset | Estimated Value (KES) |
|---|---|---|---|---|
| 52 | County Government of Bungoma | Catherine Nanja Wambilianga | Cash | 562,000 |
| 53 | Ministry of Interior & Coordination of National Government | Alphonce N. Mulinge | Cash | 295,000 |
| 54 | The National Treasury | Michael Gituto | Cash | 250,000 |
| 55 | County Government of Homabay | Caroline Muga & Joel Nyakundi | Cash | 220,000 |
| 56 | County Government of Nyeri | Michael Kibuchi Gitutu | Cash | 150,000 |
| 57 | County Government of Homabay | Vincent Ngeywo & Beatrice Akoth Ouma | Cash | 150,000 |
| 58 | County Assembly of Homa Bay | Owaka Nicholas | Cash | 150,000 |
| 59 | County Assembly of Homa Bay | Maureen Aoko | Cash | 130,000 |
| 60 | JKUAT/ East African School of Aviation | Jackson Chau Kagiri | Cash | 120,000 |
| 61 | County Assembly of Kisii | Charles G. Kamau | Cash | 100,000 |
| 62 | Igembe North CDF | Daniel Wambugu T/A Water Link | Cash | 100,000 |
| 63 | County Government of Bungoma | Emelda Adhiambo & Kingo Emmanuel Kiboi | Cash | 96,000 |
| 64 | County Government of Bungoma | Alex Buigut | Cash | 625,000 |
| 65 | Kenya Industrial Research and Development Intitute (KIRDI) | Jonathan Lati Lelelit | Cash | 94,329 |
| 66 | County Government of Homabay | Tabitha Zackayo | Cash | 90,000 |
| 67 | Samburu East Sub-County Education officer | Joel Kaunda | Cash | 89,000 |

| | Institution Recovered For | Recovered From | Asset | Estimated Value (KES) |
|---|---|---|---|---|
| 68 | County Government of Kisii | 1. Julius Gaya<br>2. Vincent Nyamache<br>3. Effie Onyango<br>4. Thomas Opere<br>5. Winnie Wendy | Cash | 72,800 |
| 69 | County Government of Homabay | Anthony Komen | Cash | 70,000 |
| 70 | The National Treasury | Samuel Apo | Cash | 70,000 |
| 71 | County Government of Bungoma | 1. Abonyo Fred,<br>2. Andrew Cheruiyot<br>3. Enock Otieno Obiero | Cash | 65,000 |
| 72 | County Assembly of Meru | Several members of staff of County Assembly | Cash | 60,100 |
| 73 | County Government of Bungoma | Lilian Elizabeth | Cash | 56,000 |
| 74 | County Government of Bungoma | Charles Guandaru Kamau & David Lusweti Makokha | Cash | 52,000 |
| 75 | County Government of Bungoma | Charles G. Kamau | Cash | 50,000 |
| 76 | Karachuonyo CDF | George Songok | Cash | 50,000 |
| 77 | County Government of Homabay | Teresa Awuor | Cash | 40,000 |
| 78 | County Government of Homabay | Nyamula Washington | Cash | 30,000 |
| 79 | County Government of Homabay | Carolyne Muga | Cash | 30,000 |
| 80 | County Government of Bomet | Andrew Kipyegon Cheruiyoit | Cash | 30,000 |
| 81 | County Government of Homa Bay | Beatrice Akoth Ouma | Cash | 25,000 |
| 82 | County Government of Bungoma | Fred Obonyo | Cash | 20,000 |
| 83 | County Assembly of Meru | Paul Anampiu | Cash | 19,600 |
| 84 | County Assembly of Meru | Domiciano Maranya | cash | 14,500 |

| | Institution Recovered For | Recovered From | Asset | Estimated Value (KES) |
|---|---|---|---|---|
| 85 | County Assembly of Kisii | 1. Robert Omenda<br>2. Cornelia Atieno<br>3. Antony Komen | Cash | 11,700 |
| 86 | County Government of Bungoma | Renson Lusenaka | Cash | 10,950 |
| 87 | County Government of Homa Bay | John Onyango Wachara | Cash | 10,000 |
| 88 | County Government of Homa Bay | Abonyo Fredrick | Cash | 10,000 |
| 89 | County Government of Homa Bay | Amos Mbewa | Cash | 10,000 |
| 90 | County Government of Homabay | Caroline Atieno | Cash | 10,000 |
| 91 | County Government of Homabay | Maureen Omata | Cash | 10,000 |
| 92 | County Government of Homabay | Bernard Amira | Cash | 10,000 |
| 93 | County Government of Homabay | Hillary Kunga | Cash | 10,000 |
| 94 | County Assembly of Meru | Sussy Kiambi | Cash | 10,000 |
| 95 | County Government of Homa Bay | Caroline Akinyi | Cash | 10,000 |
| 96 | County Assembly of Meru | Rose Mary Kagendo | Cash | 8,000 |
| 97 | County Government of Homabay | Dotrine Atieno | Cash | 5,000 |
| 98 | County Government of Homabay | Cornelia Atieno Otunga | Cash | 5,000 |
| 99 | County Government of Homabay | Dotrine Atieno Okech | Cash | 5,000 |
| 100 | County Assembly of Kisii | Eve Goga | Cash | 5,000 |
| 101 | Local Authorities Provident Fund (LAPFUND) | Maore Ngore | Cash | 5,000 |
| 102 | County Government of Bungoma | Rose Nicholus Bulitia | Cash | 4,000 |
| 103 | County Government of Bungoma | Fred Wanjala Mukhwana | Cash | 3,500 |
| 104 | County Assembly of Meru | Faith Mwenda | Cash | 3000 |

| | Institution Recovered For | Recovered From | Asset | Estimated Value (KES) |
|---|---|---|---|---|
| 105 | County Government of Bungoma | Nolyne Masafe | Cash | 1,000 |
| 106 | County Government of Bungoma | Chebusirit Mike | Cash | 1,000 |
| 107 | County Government of Bungoma | Sarah Nangila | Cash | 1,000 |

## 2.11 Issuance of Advisories, Cautions and Notices

The Commission, in enforcing Chapter Six of the Constitution issued 253 advisories, 22 cautions and 41 notices to public entities and persons for violation of Chapter Six and LIA, 2012 during the reporting period. Highlights of Advisories, Cautions and Notices issued are presented in Tables 2.13, 2.14 and 2.15 respectively.

***Table 2.13: Highlights of Advisories Issued***

| | Nature of Advisory | Recepient(s) of Advisory |
|---|---|---|
| 1 | Advisory issued on management of existing staff, new recruitments and pending bills in County Governments following the new administrations that were ushered in after the August 2022 General Elections. | All County Governors, County Secretaries and Chairpersons of the County Public Service Boards |
| **2** | Advisory issued on adherence to Parliamentary Service (Constituency Offices) Regulations, 2005 on opening of Constituency/County Offices and recruitment of staff. | Clerk of the Senate/Secretary to the Parliamentary Service Commission |
| 3 | Advisory on rampant falsification and forgery of academic certificates. | All Chancellors, Vice-Chancellors, all Chairpersons of University Councils, all Academic Registrars, Chief Executive Officers of Commission for University Education, Kenya National Qualifications Authority and Kenya National Examinations Council |
| 4 | Advisory on conflict of interest, failure to protect public resources and nepotism. | Governor, Meru County |
| 5 | Advisory on irregular recruitment of staff and breaching established staff cappings. | Governor, Homa Bay County |
| 6 | Advisory on integrity verification and clearance prior to making appointments as County Executive Committee Members. | All County Governors, Speakers of County Assemblies and Clerks of County Assemblies |
| 7 | An advisory issued to the IG to take appropriate administrative action against Police Constable Shadrack Muendo. | Inspector-General of Police |

| | Nature of Advisory | Recepient(s) of Advisory |
|---|---|---|
| 8 | Advisory on compliance with the requirement of submitting a self-declaration form to the Commission as provided under Section 12A of the LIA, 2012. | Hon. Basil Criticos appointee as Chairperson Kenya Trade Network Agency Board |
| 9 | Advisory issued to review and enhance the guidelines governing the management of the NG-CDF funds to address the various emerging malpractices. | CEO, NG-CDF Board |
| 10 | Advisory on submission of initial and final declarations of income, assets and liabilities. | 1. Clerk of the Senate<br>2. Clerk of the National Assembly<br>3. Secretary/ Chief Executive Officer, Public Service Commission (PSC)<br>4. All County Assembly Clerks<br>5. All Secretaries/Chief Executive Officers, County Public Service Boards |
| 11 | Advisory on signing and commitment to the Leadership and Integrity Code by Governors, Deputy Governors, Members of the County Assembly, County Executive Committee Members. | All County Secretaries and Clerks of County Assemblies |
| 12 | Advisory issued to the effect that a member of County Assembly Service Board is a Public Officer within the bounds of article 260 of the Constitution. | Speaker of the County Assembly of Bungoma |
| 13 | Advisory issued to conduct an audit, keep proper records and closely monitor payroll data. | Commissioner General for Prisons |

***Table 2.14: Highlights of Cautions Issued***

| | Person(s) Cautioned | Position | Nature of the Caution |
|---|---|---|---|
| 1 | 1. Rashid Omar Ijema<br>2. Milka Hankola Karhayu<br>3. Adhan Nuri Berhe<br>4. Alii Abass Alii<br>5. Rehanna Gobu Bute | Board Members of Tana River County Public Service Board | Failure to declare conflict of interest in the shortlisting and appointment of Mr. Issac Hajir Abdi as Assistant Director for Sports. |
| 2 | Emily Mwikali Sila | Senior Assistant Director at the Kenya Institute of Curriculum Development (KICD) | Providing misleading information on her academic qualifications during recruitment. |

| | Person(s) Cautioned | Position | Nature of the Caution |
|---|---|---|---|
| 3 | 1. Hon. Gideon Gachara Gitau<br>2. Hon. Daniel Ngugi<br>3. Hon. Simon Kuria Wakarema | Former Members of County Assembly, Kiambu County | Assaulting the former Speaker of the County Assembly Hon. Stephen Ndichu. |
| 4 | Antony Stephen Wachira<br>Kalu Kitaba Fitte | Deputy Director Finance and<br>Deputy Director, Supply Chain Management at KEMRI | Breach of Public Procurement and Public Finance Management laws in the procurement of staff medical cover. |
| 5 | Everline Bunusu Kakai | County Executive Committee Member (CECM), County Government of Bungoma | Failure to comply with Public Finance Management Regulations in respect to timely surrender of imprest. |
| 6 | Korinko Ole Koisamou | CECM of Lands, County Government of Narok | Failure to honour legal and financial obligations in a land transaction. |
| 7 | Michael Okoba | Member of Vihiga County Assembly | Failure to resign as a public officer from the Vihiga County Government before contesting in the elections of August 2022. |
| 8 | Florence Sitawa | Vihiga Deputy County Commissioner | Failure to declare conflict of interest in the bursary issuance process. |
| 9 | Nerry Otieno Achar | Former CECM, County Government of Kisumu | Earning a salary despite impeachment by the County Assembly of Kisumu. |

***Table 2.15: Highlight of Notices issued***

| | Organization/ Individuals Notified | Nature of the Notice |
|---|---|---|
| 1 | Felix Kipkorir Langat, Kenya Prisons Service | Demand notice for recovery of KES 1,109,870 being salary irregularly earned from Kenya Prisons Service between April 2018 and June 2019 during which period he was also an employee of the County Government of Bomet. |
| 2 | Ancent Kituku Nzioka, former advisor to the Governor of County Government of Machakos | Demand notice for recovery of KES 1,517,875 being salary irregularly earned from the County Government of Machakos following an allegation of double employment at County Government of Machakos and Mount Kenya University. |

| | Organization/ Individuals Notified | Nature of the Notice |
|---|---|---|
| 3 | Johana Cheptoo Kiprotich, State Department of Livestock, Disease Surveillance | Demand notice for recovery of KES 10,737,166 being salary irregularly earned from the County Government of Elgeyo Marakwet following an allegation of double employment at the State Department for Livestock and the County Government of Elgeyo Marakwet. |
| 4 | Justa Wawira Kiura Mwangi, former County Executive Committee Member, County Government of Embu | Demand notice for recovery of KES 2,843,033 being salary irregularly earned from Embu County Government between December 2021 and October 2022 during which period she was also an employee of the Kenya Vision 2030 Delivery Secretariat. |
| 5 | Rachelle Rael Khisa Nekesa, former Member of Bungoma County Assembly Service Board | Demand notice for recovery of KES 892,767 being salary irregularly earned from the County Assembly of Bungoma when she vied for a political seat without resigning. |
| 6 | Speaker, Members and Staff of County Assembly of Taita Taveta namely:<br>1. Hon. Wisdom Mwamburi<br>2. Hon. Anselim Mwadime<br>3. Mr. Gadiel Maghanga<br>4. Hon. Anthony Warighe<br>5. Hon. Newton Kifuso<br>6. Hon. Lilian Kidali<br>7. Hon. Nancy Mghoi Mwakio<br>8. Hon. Amos Mjomba Makalo<br>9. Hon. Azhar Zahid Din<br>10. Hon. Brayson Masha Mwambi<br>11. Hon. Genard Maghanga<br>12. Hon. Jimmy Mwamidi | Twenty-six demand notices for recovery of double payment of Daily Subsitence Allowances. |
| | 13. Hon. Joseph Mwalegha<br>14. Hon. Joseph Mabishi<br>15. Hon. Josephat Peter Shambi<br>16. Hon. Kusania Sakina Nabighi<br>17. Hon. Lawrence Mzugha<br>18. Hon. Lilian Mwangoi<br>19. Hon. Patricia Mwashighadi<br>20. Hon.Stephen Mkala<br>21. Hon. Jones Solomon<br>22. Hon. Dorcas Mghoi Mlughu<br>23. Mr. Joseph Waduu<br>24. Ms. Zuhura Rehema<br>25. Ms. Mary Ambi<br>26. Mr. James Mwang'ombe | |

## 2.12 Integrity Verification

The Commission received and processed 7,908 integrity verification requests from different institutions and individuals. Out of these, 3,563 were requests from National Government, 4,332 from County Governments and 13 from private institutions. Out of the 7,908 individuals, the Commission provided information on 60 individuals who were found to have contravened Chapter Six of the Constitution. In addition, the Commission received 64,003 self-declaration forms in line with Section 12A of LIA, 2012.

## 2.13 Review of Policy and Legal Framework

The Commission contributed to the development and strengthening of policy and legal anti-corruption framework in the country. The Commission made recommendations for formulation and amendments of the following laws and regulations:

### 2.13.1 Amendment to Anti-Corruption and Economic Crimes Act, No. 3 of 2003

The Commission continued to support the Office of the Attorney General and Department of Justice (AOG&DOJ) in the proposed Bill for amendment of the Anti-Corruption and Economic Crimes Act before Parliament. The Bill seeks to harmonise its provisions with the functions of the Director of Public Prosecution under Article 157(2) of the Constitution. It also proposes to amend the Act to allow the Commission to seek for a court order for a State Officer under investigation or charged with corruption or economic crimes to be barred from accessing their office or exercising powers of that office where the public officer is likely to interfere with investigations in any way.

### 2.13.2 Amendment to Ethics and Anti-Corruption Commission Act, No.22 of 2011

The Commission continued to support the Office of the Attorney General and Department of Justice (AOG&DOJ) in the proposed Bill seeking to amend the Ethics and Anti-Corruption Commission Act to require the presentation of its annual report within six months to the end of the year to which it relates.

### 2.13.3 Amendment to Leadership and Integrity Act, No. 19 of 2012

The Commission in collaboration with OAG&DOJ proposed to the 12th Parliament amendment of the Leadership and Integrity Act. The proposed amendment seeks to allow EACC to verify and make recommendation on the suitability of candidates intending to apply to be appointed to a public entity. It additionally proposes to allow the High Court on application by any person, to declare the assumption of office by a state officer to be invalid for want of executing a commitment to the specific Leadership and Integrity Code. The term of the 12th Parliament expired on 9th June, 2022 necessitating reintroduction of the proposed amendment to the 13th Parliament.

### 2.13.4 Development of Model Procedures for Prevention of Corruption and Bribery

The Commission embarked on the development of the Model Procedures for Prevention of Corruption and Bribery in public and private sector, pursuant to Section 9 of the Bribery Act, 2016. The document has been approved by the Commission Corruption Prevention Committee and awaiting stakeholder sensitization on implementation of the Model Procedures.

# Chapter 3

# PREVENTION OF CORRUPTION AND UNETHICAL PRACTICES

## 3.0 Introduction

This Chapter presents programmes implemented by the Commission during the Financial Year 2022-2023 pursuant to its preventive mandate. The programmes include: systems reviews; corruption prevention advisories; monitoring the implementation of prevention intervention; sectoral corruption fora; implementation of Chapter Six of the Constitution and related laws; public education and awareness; and strategic planning.

## 3.1 Systems Review

Systems Review aims to reveal weaknesses, opportunities for corruption and unethical practices in order to strengthen institutional systems and minimize opportunities for corruption. The Commission reviews organizational systems through Examinations and Corruption Risk Assessments (CRAs).

### 3.1.1 Examinations

The Commission examined systems, policies, procedures and practices of Moi University and Masinde Muliro University of Science and Technology. Two reports were finalized and disseminated. Table 3.1 presents some of the findings and recommendations as provided in the examination reports.

*Table 3.1: Highlight of the Findings and Recommendations of Examinations*

| Focus Area | Finding | Recommendation |
|---|---|---|
| **1. Systems, Policies, Procedures and Practices at Moi University** | | |
| University Masterplan | The University Masterplan had not been reviewed for 35 years and some developments undertaken were not in conformity with the masterplan. | Ensure the University Masterplan is periodically reviewed and complied with. |
| Public Finance Management Standing Committee | Failure to establish Public Finance Management Standing Committee | Establish the Public Finance Management Standing Committee to provide strategic guidance on public finance management matters in accordance with Regulation 18 and 19 of the PFM (National Government) Regulations 2015. |
| Variation of Contracts | Irregular variation of contracts. | Ensure adherence to Section 139 of Public Procurement and Asset Disposal Act, 2015 (PPADA) on contract variations. |
| Payment of salary arrears for contracted staff | Failure to pay contracted staff for a prolonged period. | Ensure timely payments of all staff engaged by the University. |

| | | |
|---|---|---|
| Management of Information Systems | Lack of a framework to guide on procurement, hosting, management and maintenance of the Information Systems. | Develop a framework to guide on acquisition, development and management of Information Systems. |
| Rules and regulations governing examinations | Failure to adhere to the Rules and Regulations Governing Undergraduate Examinations, Graduation and Certification. | Ensure that all administrators of examination adhere to the University *Common Rules and Regulations Governing Undergraduate Examinations, Graduation and Certification* and *Rules and Regulations Governing the Conduct and Discipline of Students,* 7th Edition. |
| **2. Systems, Policies, Procedures and Practices at MMUST** | | |
| Financial Accounting System | Failure to fully automate the accounting system. | Ensure full automation of the financial management function. |
| Students Fees Debtors | Failure to collect students' fees before exams, graduation and issuance of certificates. The University had students' debtor totaling to KES. 1,130,646,569 as at 30th September, 2022. | The Vice Chancellor should ensure adherence to the University's Policies, Regulations and Manuals and that all outstanding fees is collected. Further, the process should be fully automated to allow flagging of unpaid fees. |
| Surrender of Imprests | Failure to surrender imprests within the stipulated timeline. For instance, ABNO UNISOL's imprest ledgers indicated KES. 35,640,819.45 of un-surrendered imprests as at 1st November, 2022. | The Vice Chancellor should ensure that all imprests are surrendered within 7 working days after returning to the duty station and any overdue outstanding imprest are fully recovered from employees' salary in line with Regulation 92(5) of PFM (National Government) Regulations 2015. |
| Transport Policy | Lack of Transport and Fleet Management Policy. | The Vice Chancellor should ensure that a Transport and Fleet Management Policy is developed and implemented. |
| Payment of Salary | Irregularities in payments of salary, for instance, one officer who had travelled to the United States of America on study leave was paid a total sum of over KES. 10,000,000 irregularly due to late communication between the Human Resource Department and the Finance Department. | The Vice Chancellor should ensure full recovery of all irregular salary payment with interest at the prevailing Central Bank of Kenya Rate. |
| Stalled Projects | The University had projects which had stalled beyond the contract implementation period. | The Vice Chancellor should ensure that proper planning, adequate funding, awarding contracts to capable and responsive contractors and effective monitoring during implementation of projects. |

### 3.1.2 Corruption Risk Assessments

The Commission conducted Corruption Risk Assessments (CRAs) in Bomet County Executive, County Assembly of Siaya, Siaya County Executive, County Assembly of Bomet and Public Procurement Regulatory Authority (PPRA). Highlights of the findings and recommendations of the CRA Reports are presented in Table 3.2.

*Table 3.2: Highlights of the Findings and Recommendations of Assessment Reports*

| Focus Area | Finding | Recommendation |
|---|---|---|
| **Bomet County Executive** | | |
| Trader Databases | The County Executive maintained manual and incomplete database of it's traders and businesses. | Automate and periodically update the database of traders operating within the County. |
| Bank Accounts | The County Executive did not maintain accurate and comprehensive records of all their bank accounts. | Maintain a register of all bank accounts operated by the County Executive as per Regulation 87 (1) of the Public Finance Management (County Government) Regulations, 2015. |
| Creditors' Payment Policy | The County Executive did not have a Creditors' Payment Policy and failed to maintain a Creditors' Aging Summary. | Develop and implement a Creditors' Payment Policy and maintain a Creditors' Aging Summary. |
| Annual Procurement Plan | The County Executive did not have a consolidated and approved Annual Procurement Plan. | Develop and use a consolidated Approved Procurement Plan. |
| Building Plans Approvals | County Executive lacked an active Development Control Committee. | Constitute and operationalize a Development Control Committee. |
| Skills Inventory | The County Executive did not maintain a Staff Skills Inventory. | Develop and maintain a comprehensive Staff Skills Inventory. |
| Integration of automated systems | The County Executive's automated systems were not integrated. | Integrate the automated systems at the County Executive. |
| **Siaya County Executive** | | |
| Enforcement of County Laws | Failure to enforce County Laws in implementation of the 4th Schedule of the Constitution. | Ensure County Laws are enforced. |
| Public Finance Management Standing Committee | The County Executive had not established and operationalized the Public Finance Management Standing Committee. | Establish the Public Finance Management Standing Committee pursuant to Regulations 18 and 19 of the PFM (CG) Regulations, 2015. |

| Focus Area | Finding | Recommendation |
|---|---|---|
| County Budget and Economic Forum | The County Executive had not established the County Budget and Economic Forum. | Establish the County Budget and Economic Forum to participate in planning, budgeting, and financial management as envisioned in Section 137 of the PFM Act, 2012. |
| Contracted staff in Revenue Collection | The County Executive had 324 revenue employees whose contracts had expired but were still in service. | Ensure adherence to Section 2 of PFM Act, 2012 when engaging employees on revenue collection. |
| Abandoned Projects | Incomplete and abandoned projects due to inadequate funding, lack of close supervision, lack of prompt resolution of disputes | The County Executive should ensure proper planning of projects before execution. |
| **County Assembly of Siaya** | | |
| Security for Car loans and Mortgages | Failure to jointly register security for the loans in the names of the beneficiaries and the County Assembly. | Collateral for securing loans should be valued, charged and registered in the joint names of the beneficiary and the County Assembly before approval of loan facilities. |
| Vote Book Control | Payments by the County Assembly were processed and paid without being committed in the vote book. | Ensure the approved budget allocations are entered in the vote book in adherence to Regulation 51(b) of the PFM (CG) Regulations, 2015. |
| Ownership of Assets | Lack of ownership documents for some assets such as the County Assembly Complex and the Speaker's Residence. | Obtain ownership documents for County Assembly assets. |
| Tender Specifications | The County Assembly occasionally uses brand names and models when specifying goods in their tender documents contrary to Section 60 of PPADA, 2015 | Adhere to the provision of Section 60 of PPADA, 2015. |
| Payroll Reconciliation | The County Assembly did not undertake monthly payroll reconciliation to identify any errors, discrepancies or omissions in payroll records. | Monthly payroll reconciliation to be undertaken for accuracy and integrity in payroll management. |
| **County Assembly of Bomet** | | |
| ICT Masterplan | The County Assembly had not reviewed the ICT Master Plan (2014 - 2018). | Review the ICT Master Plan. |
| Vote Book Control | The County Assembly did not commit payments in the vote book leading to inadequate budget monitoring and control. | Adhere to vote book control procedures for adequate budget monitoring and control. |

| Focus Area | Finding | Recommendation |
|---|---|---|
| Cash Books | The County Assembly did not maintain and update cash books for its bank accounts. | Maintain and update cash books for its bank accounts. |
| Evaluation Criteria | Inadequate evaluation criteria in some County Assembly bid documents. | Provide comprehensive evaluation criteria in bid documents. |
| Registration of Contractors | Engaging contractors who were not registered with the National Construction Authority (NCA) | Engage contractors registered and licenced with NCA. |
| Server Rooms | Unrestricted access to County Assembly server rooms. | Restrict access to server rooms to authorized personnel. |
| Committee Meeting Registers | Inconsistent signatures in the manual attendance registers for committee meetings. | Ensure genuine meeting attendees sign and consider having a biometric attendance register. |
| **Public Procurement Regulatory Authority** | | |
| Suspension and Debarment of bidders | The repository maintained for entities debarred from participating in tenders excludes the entities suspended/debarred by other Regulatory Agencies. | Include details of all debarred and suspended entities in the repository. |
| Monitoring and Evaluation of Procuring Entities | Lack of monitoring and evaluations of some functions such as classified procurements, diplomatic missions and public schools. | Establish a mechanism to ensure all sectors are monitored and evaluated. |
| Public Procurement and Asset Disposal Function | The Authority had not undertaken a review on the overall performance of the public procurement and asset disposal function. | Undertake a review of the procurement and asset disposal function. |
| Market Price Index | Failure to undertake and publish periodic review of common user items | Undertake periodic reviews and update market price index of common user items. |
| Public Procurement and Assets Disposal Manuals | Lack of specific guidelines for procurement and asset disposal process undertaken by the Kenya Diplomatic Missions. | Develop procurement and asset disposal guidelines for the Kenya Diplomatic Missions. |

## 3.2 Corruption Prevention Advisories

The Commission provides advisories to institutions and individuals on prevention of bribery and corruption pursuant to Section 11 (1) (g) of the EACC Act, 2011 and Section 9 of the Bribery Act, 2016. During the period under review, the Commission provided advisories on the Public Service Performance Contracting Framework, on prevention of bribery and corruption under the Bribery Act, 2016 and the formulation of Corruption Prevention Guidelines and Procedures.

### 3.2.1 Advisories under the Public Service Performance Contracting Framework

Under Performance Contracting, the Commission partnered with the Public Service Performance Management Unit (PSPMU) to oversee the implementation of corruption prevention indicator activities in Ministries, Departments and Agencies (MDAs) signed with the National Government.

Based on the guidelines provided, the Commission analyzed and reviewed 1,121 quarterly reports submitted by MDAs under the Corruption Prevention Criteria in the Performance Contract and feedback on progress to respective MDAs. The Commission also evaluated performance of each of the MDAs that signed Performance Contracts during the financial year 2022/2023, and submitted a report to the PSPMU.

### 3.2.2 Advisories on Prevention of Bribery and Corruption

Section 9 (1) of the Bribery Act, 2016 makes it mandatory for public and private entities to put in place procedures proportionate to their size and scale of operation for the prevention of bribery and corruption. The Act also requires the Commission to assist private and public entities, and any interested person, to develop and put in place procedures for prevention of bribery and corruption.

The Commission advised 172 MDAs on the Bribery Act. Some of the MDAs advised included: Kenya Medical Practitioners and Dentists Council; Railways Corporation Ltd; Kenya National Commission for UNESCO; Kibabii University; Ministry of Defense; Shanzu Teachers Training College; National Research Fund; Webuye Technical and Vocational College (TVC); Kenya Forestry Research Institute; University of Eldoret; Kenya Institute for Public Policy Research and Analysis (KIPPRA); Ekerubo Gietai TVC; Business Registration Service; Pwani University; The National Treasury; Kenya Revenue Authority; National Environment Trust (NET) Fund; Kenya Literature Bureau; Ministry of Interior and National Administration; Kenya Space Agency; Lake Victoria South Water Works Development Agency; Kenya Plant Health Inspectorate Service; Unclaimed Financial Assets Authority and Ebukanga TVC.

## 3.3 Corruption Prevention Guidelines

The Commission developed and disseminated guidelines on the implementation of the Corruption Prevention Indicator in the Performance Contract during the 19th Cycle (FY 2022/2023).

## 3.4 Monitoring the Implementation of Prevention Interventions

The Commission monitored the implementation of systems review recommendations and advisories issued to various institutions.

### 3.4.1 Systems Review Recommendations

The Commission monitored the implementation of systems review recommendations at the National Registration Bureau, Kisumu County Executive, Kisii County Executive, County Assembly of Kisii, Makueni County Executive, County Assembly of Kisumu and County Assembly of Makueni. The implementation status of the recommendations is at different levels.

### 3.4.2 Advisories

The Commission monitored the implementation of the Corruption Prevention Indicator under the PC framework in 12 MDAs. The monitoring revealed that the implementation of the indicator is affected by lack of budgetary provision for corruption prevention activities; lack of trained Integrity Assurance Officers (IAOs); poorly constituted Corruption Prevention Committees (CPCs); and delegating the entire responsibility for implementing the indicator to an individual officer within an institution. The MDAs were advised to strengthen their corruption prevention framework.

### 3.4.3 Sectoral Corruption Prevention Fora

The Commission held a corruption prevention forum on the implementation of the Corruption Prevention Indicator during the 19th Cycle (FY 2022/2023) Performance Contracting period. The Commission also held three fora on the formulation of the procedures for the prevention of bribery and corruption, required under the Bribery Act, 2016. The total participants in the fora were 453.

## 3.5 Implementation of Chapter Six of the Constitution and Related Laws

In the spirit of promoting leadership and integrity, the Commission undertook several initiatives. These include: Development of Leadership and Integrity Codes for State Officers; publication of specific leadership and integrity codes, commitment to the Leadership and Integrity Codes; development of Codes of Conduct and Ethics for Public Officers; regulation of bank accounts outside Kenya; oversight in the management of Declaration of Income, Assets and Liabilities (DIALs); automation of processes for compliance with Chapter Six of the Constitution, LIA and POEA, capacity building on implementation of Chapter Six of the Constitution; and issuance of technical advisories on Chapter Six and other related integrity laws.

### 3.5.1 Development of Leadership and Integrity Codes for State Officers

Section 37 of the Leadership and Integrity Act, 2012 requires each public entity with State Officers to develop a Specific Leadership and Integrity Code (SLIC) for the State Officers serving in that entity. The specific codes developed are to be submitted to the Commission for approval, in accordance with Section 39 of LIA. The Commission approved Leadership and Integrity Code for County Executive of Kwale. The Commission has so far reviewed all the Codes from 137 entities with State Officers.

### 3.5.2 Commitment to the Leadership and Integrity Codes

Section 40 of the LIA, provides that a newly appointed or elected State Officer is, at the time of taking oath of office or within seven days of assuming State Office, to sign and commit to the Specific Leadership and Integrity Code. The Commission facilitated the signing and commitment to the Leadership and Integrity Code for 2,727 State Officers as summarized in the Table 3.13.

*Table 3.3: Signing of Leadership and Integrity Code by State Officers*

| Institution | Designation of State Officer | No. of Officers |
|---|---|---|
| Presidency | President | 1 |
| | Deputy President | 1 |
| | Prime Cabinet Secretary | 1 |
| The Judiciary | Judges of the Court of Appeal | 7 |
| | Judges of the High Court | 20 |
| State Law Office | Attorney General | 1 |
| Ethics and Anti-Corruption Commission | EACC Chairperson | 1 |
| | Commissioners | 2 |
| National Police Service Commission | Member | 1 |
| National Police Service | Deputy Inspector General | 1 |
| Salaries and Remuneration Commission | Member | 1 |
| Commission on Revenue Allocation | Members | 8 |
| County Government | Governor | 47 |
| | Deputy Governor | 47 |
| | Speaker | 47 |
| | Members of County Assembly | 2,235 |
| | County Executive Committee Members | 301 |
| | County Attorney | 5 |
| **Total** | | **2,727** |



*Baringo Governor H.E. Benjamin Chesire Cheboi signing Specific Leadership and Integrity Code on assumption of Office*

### 3.5.3 Development of Codes of Conduct and Ethics for Public Officers

The Commission provided technical support to various public entities in developing and implementing Codes of Conduct and Ethics for their respective Public Officers. This was aimed at aligning the Codes to Section 52 of the LIA, 2012. During the period under review, the Commission supported seven public entities to develop Codes. These include; Kenya Industrial Research and Property Institute, Kenya Forest Service, National Land Commission, National Cereals and Produce Board, Salaries and Remuneration Commission, Lake Victoria North Water Works Development Agency and the Universities Fund.

### 3.5.4 Regulation of Bank Accounts Outside Kenya for State and Public Officers

The Commission is mandated to oversee and enforce implementation of Section 19 of LIA, 2012 as read with Rule 14 of the Leadership and Integrity Regulations, 2015. The Commission approved 137 applications to open and operate bank accounts outside Kenya, processed 158 bank statements and 24 notifications for closure of approved bank accounts.

### 3.5.5 Oversight in the management of Declaration of Income, Assets and Liabilities

The Commission has the oversight mandate in the implementation of Part IV of Public Officer Ethics Act, 2003 (POEA) on Declaration of Income, Assets and Liabilities (DIALs). Section 33 (1), (2) of POEA requires each Responsible Commission to develop and subsequently publish the administrative procedures in the Kenya Gazette. The Commission facilitated the development and subsequent publication of administrative procedures on DIALs for Kitui and Nyeri County Assembly Powers and Privilege Committees.

### 3.5.6 Capacity Building on implementation of Chapter Six of the Constitution

The Commission implemented integrity compliance capacity-building programme on Chapter Six of the Constitution and related integrity laws targeting State and Public Officers. A total of 13,003 Public Officers were trained in 62 capacity building fora.

## 3.6 Public Education and Awareness Programmes

The Commission is mandated to conduct public education, training and awareness creation on matters ethics, integrity and anti-corruption to enlist public support in the fight against corruption. This is achieved through public outreach programmes; mainstreaming of integrity in institutions of learning; media education; development and dissemination of Information, Education and Communication materials; general sensitization; and training of Corruption Prevention Committees.

### 3.6.1 Public Outreach Programmes to Targeted Community and Professional Networks

During the year under review, the Commission sensitized networks such as Boda Boda Safety Association of Kenya (BAK); Community Based Organizations; Non-Governmental Organisations; Community Opinion Leaders; Faith-Based Organizations; Marketing Cooperative Societies; Professionals from the Board of Registration of Architects and Quantity Surveyors from Narok, Laikipia, Trans-Nzoia Kitui Meru, Kakamega, Machakos, Embu, Kirinyaga, Nakuru and Marsabit. The Commission also

sensitized the legal Managers of the Association of Kenya Insurers and staff of Blue Consulting from the private sector. The total participants sensitized were 968.

### 3.6.2 Corruption Prevention Committee Training

The Commission implemented 97 Corruption Prevention Committee (CPC) trainings in Ministries, Departments, Agencies and County Governments and 1,787 CPC members were trained.

### 3.6.3 General Sensitization

The Commission conducted hot spot sensitization in Open Air Markets in Marsabit, Moyale, Narok, Kitui, Laikipia, Kajiado, Trans-Nzoia and Moyale border point reaching approximately 64,000 persons. In addition, the Commission conducted 154 general sensitization programmes for MDAs, children and youth from Seventh Day Adventist churches in 15 counties. Under these programmes 311,776 persons were sensitized.

### 3.6.4 Mainstreaming Integrity in Institutions of Learning

To enhance integrity in learning institutions, the Commission carries out several programmes such as school/institution outreach programme and establishment and monitoring of integrity clubs.

#### i) Outreach in institutions of learning

During the year under review, the Commission implemented School Outreach Programmes aimed at nurturing character, patriotism and empowering the learners to advocate and practice good governance. The activities were carried out in 18 Counties. In total, the Commission visited 350 Primary and Secondary schools reaching 129,712 learners. Further, 4,940 teachers, non-teaching staff and 350 parents were sensitized in the various schools.




*A Commission Officer during a school outreach programme in Kiambu County*

The Commission also hosted 51 members of Mwasere Girls' High School's Integrity Club who learnt the successes of the Commission and their roles in the fight against corruption.



*Integrity Club Members from Mwasere Girls High School during an educational visit to the Commission*

The Commission also implemented outreach programmes in 48 Universities, Tertiary Institutions such as Vocational Colleges, Teachers' and Medical Training Colleges in 15 Counties. A total of 4,164 students and staff were equipped with relevant knowledge, skills and attitude in good governance.

**ii) Integrity Club Forum and Conference**

The Commission convened an Integrity Club forum in Kisii High School where approximately one thousand students from 22 schools participated. The forum aimed at sharing experiences on preventing unethical practices through building a culture of integrity.

The Commission held the first Integrity Club Conference at Tom Mboya University in Homa Bay County. The theme of the conference was *Modelling Leaders of Integrity through University Integrity Clubs*. This Conference brought together 82 students and 15 lecturers drawn from Tom Mboya University, Maseno University, Rongo University, Jaramogi Oginga Odinga University of Science and Technology, Kisii University and Great Lakes University of Kisumu.



*Participants following proceedings of the first Integrity Club Conference at Tom Mboya University in Homa Bay County*

**iii) Awareness creation programmes for Education Managers and Integrity Club Patrons**

The Commission undertook virtual trainings for 47 Sub-County Directors of Education and 18 Sub-County Quality Assurance Officers drawn from six Counties namely: Machakos, Nyeri, Muranga, Kiambu, Nakuru and Nairobi.

Further, an awareness creation program for Integrity Club Patrons was undertaken on the best club management practices. During the workshop, the patrons developed an Integrity Club Annual Work plan to be implemented in their respective schools. The workshop brought together 35 patrons drawn from Nairobi and Kiambu Counties.



*A Commissioner being interviewed by the press during the Integrity Club Patrons' Training at Machakos University*

### 3.6.5 Media Education Programmes

During the year under review, the Commission produced 27 print articles on ethics and anti-corruption. In addition, the Commission participated in five televised programmes and 13 radio talk shows. Through these, the Commission reached approximately 11 million persons.

### 3.6.6 Development and Dissemination of Information, Education and Communication Materials

During the year under review, the Commission developed 10 types of IEC materials and reviewed two types namely; *Maswali yanayoulizwa mara kwa mara kuhusu tume ya maadili na kupambana na ufisadi* and *Jihusishe! Elewa jukumu lako dhidi ya ufisadi na utovu wa maadili*. Further, the Commission printed 8,332 assorted IEC materials and disseminated 7,174.

## 3.7 National Integrity Academy

The National Integrity Academy (NIAca) offered three courses namely Integrity Assurance Officers Course, Leadership and Integrity Course for the Executives and Promoting Integrity in Supply Chain Management. A total of 468 Participants drawn from different public institutions were trained. Table 3.4 gives a summary of the courses offered.

***Table 3.4: Courses offered by NIAca***

| Course offered | Name of institution | Number of officers trained and issued with certificates |
|---|---|---|
| Integrity Assurance Officers Course | Kenyatta National Hospital, Retirement Benefits Authority, Content Aggregation Limited, Witness Protection Agency, Nuclear Power and Energy Agency, Lake Victoria Water Service Board, University of Kabianga, Eldoret Water Company, Kenya Literature Bureau, Ministry of Tourism - Department of Wildlife, Maasai Mara Technical Training Institute, Egerton University, KIPPRA, Kenya National Trading Corporation, Nairobi Technical Training Institute, Chemelil Sugar Company, Baringo Technical Training Institute, Siaya Institute of Technology, Kenya Veterinary Board, Kenya Industrial Research Development Institute, Universities Fund, National Cereals and Produce Board and Kenya Development Corporation. | 355 |
| Leadership and Integrity Course for Executives | National Industrial Training Authority and National Hospital Insurance Fund | 23 |
| Promoting Integrity in Supply Chain Management | 38 public institutions | 78 |
| | Turkana University Council and Management | 12 |

In addition, NIAca in collaboration with the Kenya Institute of Curriculum Development (KICD), reviewed and harmonized training content and developed new curricula for new programmes.

## 3.8 End Term Review of the Strategic Plan (2018-2023)

An End-Term review was undertaken to assess the extent of implementation, relevance, efficiency, effectiveness, impact and sustainability of programmes and activities in the Strategic Plan (2018-2023). The findings of the review were used to refine and redesign new strategies, programmes and activities to be implemented in the new strategic planning period (2023-2028). Some of the key findings of the review were that:

- The conviction rate of cases on corruption and unethical conduct rose from 51.5 percent in 2018 to 53.7 percent in 2023;
- The concurrence rate by ODPP on recommendations made by EACC increased from 90.2 percent in 2018 to 92.0 percent in 2023;
- The value of corruptly acquired assets recovered by the Commission increased from KES 3.565 billion in 2018 to KES 28.0 billion in 2023;
- The value of loss of public funds averted through proactive investigations rose from KES 19.7 billion in 2018 to KES 39.2 billion in 2023;
- The Commission undertook 398 electronic and print media education and awareness programmes reaching out to an average of 46.6 million people per year;
- The Commission finalized 65 system reviews to identify systematic weakeness or loopholes to prevent corruption in public institutions and one private institution; and,
- In enforcing compliance with Chapter Six of the Constitution, the Commission issued 1,333 advisories, 432 notices and 288 cautions.

## 3.9 Development of the Strategic Plan (2023-2028)

In line with its mandate to combat and prevent corruption and unethical conduct, the Commission developed a new Strategic Plan for the period 2023-2028. The Vision of the Commission in the Strategic Plan is *An integrity and values-driven Kenyan society* and the goal is to *Eradicate corruption and enhance ethical conduct.* The Commission's Vision, Mission and Strategic Goal are supported by Four Pillars, which are Law Enforcement; Promotion of Ethics and Integrity; Prevention of Corruption and Unethical Practices; and Education, Training and Public Awareness. During the new planning period the Commission aims to achieve six strategic objectives, namely:

- To effectively deter and punish corruption and unethical practices;
- To promote ethics and integrity;
- To improve institutional accountability in public and private sectors;
- To increase public involvement in the fight against corruption and unethical practices;
- To enhance cooperation, collaboration and coordination in the fight against corruption and unethical practices; and,
- To improve organizational efficiency and effectiveness.

# Chapter 4

# PARTNERSHIPS AND NETWORKS

## 4.0 Introduction

The Commission established and maintained strategic linkages and partnerships with national, regional and international organizations as provided for in Section 11(3) of EACC Act, 2011 to enhance the fight against corruption and to optimize on their respective capabilities and strengths. This chapter presents national, regional and international engagements that were pursued by the Commission in the year under review.

## 4.1 National Engagements

The Commission supported the Kenya Leadership and Integrity Forum (KLIF) and partnered with Public Procurement Regulatory Authority (PPRA), development partners, media and civil society.

### 4.1.1 Kenya Leadership Integrity Forum

Kenya Leadership Integrity Forum (KLIF) is a platform that brings together stakeholders to provide a collective and collaborative framework for a multisectoral and citizen-driven initiative against corruption. KLIF comprises state and non-state actors categorized in 20 sectors, namely: Executive; Legislature; Judiciary; County Governments; Labour; Anti-Corruption Agencies; Enforcement; Watchdog Agencies; Media Sector; Private Sector; Professional Bodies; Education; Civil Society; Religious Organizations; Constitutional Commissions; Development Partners; Transport Sector; Regional and Sub-Regional Bodies; Regulatory Boards; and Financial Services Sector. The Commission provides human, financial and technical support to the forum and in the year under review supported implementation of the following programmes:

i) Implementation and Monitoring of Kenya Integrity Plan 2019-2023 by stakeholders.



*Multi-sectoral Technical Committee during the End Term Review of Kenya Integrity Plan 2019-2023 and Development of KIP 2023-2028 retreat in Nakuru County from 8th - 14th May, 2023*

ii) Commemoration of the sixth edition African Anti-Corruption Day 2022 on 12th July 2022 under the theme Elect Leaders of Integrity to Enhance Transparency and Accountability.



*Representatives from Transparency International Kenya (TI-Kenya) Ethics and Anti-Corruption Commission; United States International University, Africa; Strathmore University; and, Media Council of Kenya at the Television discussion panel during the AACD 2022 Commemoration at Strathmore University Business School*

iii) Commemoration of International Anti-Corruption Day (IACD) 2022 in Nairobi County on 9th December 2022 under the theme UNCAC at 20: Uniting the World Against Corruption.



*The Chief Guest, Hon. Justin Muturi, EGH, the Attorney General of the Republic of Kenya and Archbishop (Emeritus) Dr. Eliud Wabukala, EBS, Chairperson of EACC with Stakeholders at the Commemoration of International Anti-Corruption Day held at the Kenya School of Government*

### 4.1.2 Partnership with Public Procurement Regulatory Authority (PPRA)

The Commission signed a Memorandum of Understanding (MoU) with the Public Procurement Regulatory Authority (PPRA) whose objective is to strengthen and formalize a technical framework of cooperation between EACC and PPRA in the discharge of respective mandates in investigations.



*The Secretary/CEO EACC and the Director General of Public Procurement Regulatory Authority during the signing of MOU between the two institutions*

### 4.1.3 Partnership with Development Partners

The Commission partnered with the European Union/United Nations Office on Drugs and Crime (EU/UNODC) under the Programme for Legal Empowerment and Aid Delivery in Kenya, Phase II (PLEAD II) to enhance the capacity of key agencies in the fight against corruption. During the period under review, UNODC, through PLEAD II supported the development of the EACC Strategic Plan (2023-2028), Commemoration of the IACD, 2022 and launch of a Report on the study of Corruption and Unethical Conduct in Kenyan Health Care Projects.

The Commission hosted delegations from the Federal Bureau of Investigation (FBI) and the United States Department of Justice (USDOJ) to enhance technical capacities of the Commission's investigations. In addition, UNODC Coordinator for the Corruption and Economic Crime Branch Africa, paid a courtesy visit to the Commission where partnership engagements in automation of investigation processes, public awareness initiatives, capacity building programmes, acquisition of modern investigation tools and change management programmes were discussed and agreed upon.

## 4.2 Regional Engagements

The Commission hosted a delegation from the Office of the Attorney General of the Republic of Mozambique who visited the Commission to benchmark on best practices in prosecution and investigation of economic crimes. The Commission also hosted the African Parliamentarian Network Against Corruption (APNAC) Kenya Chapter where focus on fostering national, regional and international cooperation in the fight against corruption was discussed.

## 4.3 International Engagements

The Commission hosted the Ambassador of Indonesia to Kenya and discussed areas of collaboration and support in strengthening the Commission's capacity to fight corruption and recover illicitly acquired assets.

The Commission was represented at the following international fora:

i) Thirteenth Commonwealth Regional Conference of Heads of Anti-Corruption Agencies in Africa in May, 2023, Seychelles;

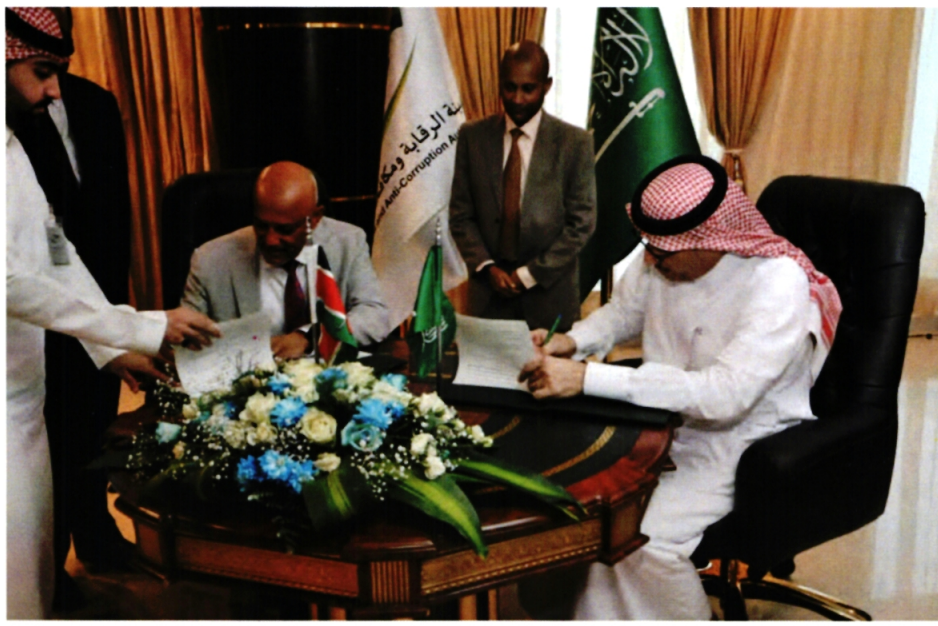
ii) Senior Level Leadership and Management Programme for Heads of Anti-Corruption Agencies in November 2022, Mauritius;

iii) African Association of Anti-Corruption Authorities Regional Conference in September, 2022, Ivory Coast;

iv) International Anti-Corruption Conference in December 2022, Washington DC;

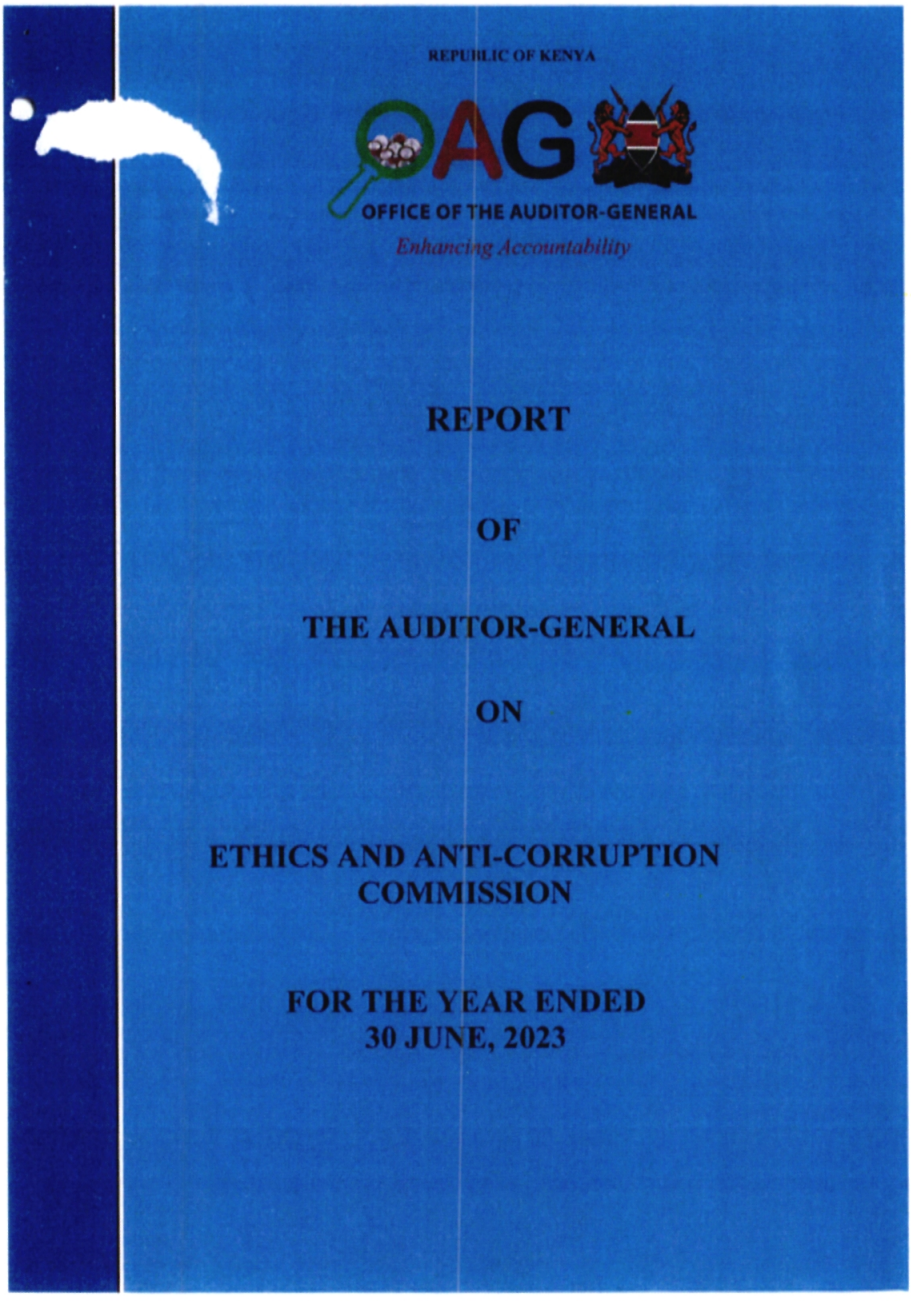
v) Signing of MOU with Oversight and Anti-Corruption Authority of Saudi in May 2023, Saudi Arabia; and,

vi) Fourth Exco Meeting of International Association of Anti-Corruption Authorities (IAACA) in April 2023, Hong Kong.

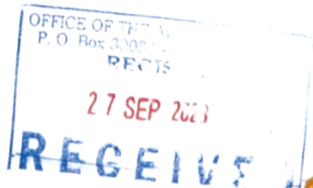


*The Secretary/CEO EACC and the President of the Oversight and Anti-Corruption Authority "Nazaha," signing an MOU to strengthen mutual cooperation between the two agencies in the quest to combat corruption in their countries.*

# ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING 30TH JUNE 2023









# ETHICS AND ANTI - CORRUPTION COMMISSION

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED

## 30TH JUNE 2023

**Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)**

# Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

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Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

### A: Acronyms and Abbreviations

| | |
|---|---|
| CEO | Chief Executive Officer |
| CBK | Central Bank of Kenya |
| ICPAK | Institute of Certified Public Accountants of Kenya |
| IPSAS | International Public Sector Accounting Standards |
| NT | National Treasury |
| OAG | Office of the Auditor General |
| OSHA | Occupational Safety and Health Act of 2007 |
| PFM | Public Finance Management |
| PPE | Property Plant & Equipment |
| ODPP | Office of the Director of Public Prosecutions |

### B: Glossary of terms

**Fiduciary Management**- Members of Management directly entrusted with the responsibility of financial resources of the organisation

**Comparative Year**- Means the prior period

**The Act**- The Ethics and Anti-corruption Act, 2011

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 2. KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Background information

The Ethics and Anti-Corruption Commission (EACC) was established under the Ethics and Anti-Commission Act on 27th August, 2011. The EACC is domiciled in Kenya and has Regional Offices in Bungoma, Eldoret, Garissa, Isiolo, Kisii, Kisumu, Machakos, Malindi, Mombasa, Nakuru, and Nyeri.

The EACC is structured in an elaborate framework for performance of its functions enumerated in the EACC Act, 2011. The Chairperson of Commission leads a team of Commissioners who are in charge of policy, oversight and strategy. The Commission Secretary who doubles as the Chief Executive Officer leads the Secretariat. The Secretariat functions are cascaded in the Directorates of: Investigations; Legal Services and Asset recovery; Ethics and Leadership; Preventive Services; Corporate Services; Finance and Planning; and Field Services and Coordination. A Director heads each Directorate.

### (b) Principal Activities

The principal mandate of the Commission is to combat and prevent corruption, economic crimes and unethical conduct through law enforcement, prevention, public education and promotion of ethical standards and practices. The mandate derived from Articles 79 and 252 of the Constitution; the EACC Act, No.22 of 2011; the Leadership and Integrity Act (LIA) Act No.19 of 2012; Public Officers Ethics Act, No. 4 of 2003; Anti-Corruption and Economics Crimes Act No. 4 of 2003; and the Bribery Act, No.47 of 2016 among other relevant laws and legislation.

| | | |
|---|---|---|
| Vision | : | An Integrity Driven Kenyan Society. |
| Mission | : | To promote integrity and combat corruption through law enforcement, prevention and education. |
| Core Objectives | : | Policy, Legal and Regulatory Framework; Enforcement; Prevention and Public Awareness; and Institutional Capacity. |
| Functions | : | Develop codes of ethics and promotion of standards and best practices in integrity and anti-corruption for State and public offices; investigate and recommend to the Director of Public Prosecutions the prosecution |

of any acts of corruption, bribery, economic crimes or violation of codes of ethics; oversee the enforcement of codes of ethics and recommend appropriate action to be taken against State Officers or Public Officers alleged to have engaged in unethical conduct; advise, on its own initiative, any person on any matter within its functions; Raise public awareness on ethical issues and educate the public on the dangers of corruption and enlist and foster public support in combating corruption; monitor the practices and procedures of public bodies to detect corrupt practices and to secure the revision of methods of work or procedures that may be conducive to corrupt practices; and Institute and conduct proceedings in court for purposes of the recovery or protection of public property, or for the freeze or confiscation of proceeds of corruption or related to corruption, or the payment of compensation, or other punitive and disciplinary measures.

**(c) Key Management**

The EACC day-to-day management is under the following key organs:

- Commissioners
- Accounting Officer/Secretary/CEO
- Executive Management

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|---|---|---|
| 1. | Secretary/Chief Executive Officer | Mr. Twalib Mbarak, CBS |
| 2. | Deputy Chief Executive Officer | Mr. Abdi A. Mohamud, MBS |
| 3. | Director, Finance and Planning | CPA Joel I.Mukumu, OGW |
| 4. | Director, Preventive Services | Mr.Vincent O. Okong'o, 'ndc' |
| 5 | Director, Investigations | Mr. Paschal K. Mweu, OGW |
| 6. | Director, Legal Services & Asset Recovery | Mr. David K.Too, OGW |
| 7. | Director, Ethics and Leadership | CPA John Lolkoloi, OGW |
| 8. | Director, Field Services & Coordination | Mr. Jackson K. Mue, OGW |
| 9. | Head, Human Resource Management | Ms. Ellyjoy G. Bundi, HSC |
| 10. | Head, Supply Chain Management | Mr. Eddie Odhiambo |

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**(e) Fiduciary Oversight Arrangements**

***Audit and Risk Committee***

Audit and Risk Committee form a key element in the governance process providing an independent expert assessment on the activities of top management, the quality of risk management, financial reporting, financial management and internal audit to the Commission.

***Finance Planning and Supply Chain Management Committee***

The Committee reviews and offers guidance on policies and reports related to the financial and Supply Chain Management functions.

***Parliamentary Oversight Committees***

National Assembly Department of Justice and Legal Affairs Committee (JLAC) and Public Accounts Committee ensure transparency and openness of EACC activities; hold EACC accountable; provides financial accountability; and uphold the rule of law.

***Enforcement Committee***

The Committee is tasked with the responsibility of reviewing, adjudicating and advising on investigations of corruption cases presented by a team of investigators and lawyers from the Directorates of: Investigations; Legal Services and Asset Recovery; Field Services and Coordination; and Ethics and Leadership.

***Corruption Prevention, Education & Public Engagement Committee***

The Committee is tasked with the responsibility of reviewing and advising on corruption prevention strategies and policies.

***Support Services Committee***

The Committee reviews and advises on strategies and policies touching on Human Resource Management, Corporate Affairs and Public Communication, Administration and ICT.

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

| Commission Committees | Members |
|---|---|
| Enforcement | Commissioner Col. (Rtd) Alfred Mshimba,MBS - Chairperson<br>Commissioner Dr. Monica Muiru |
| Corruption Prevention, Education and Public Engagement | Commissioner Dr. Cecilia Mutuku - Chairperson<br>Commissioner John Ogallo |
| Support Services | Commissioner Dr. Monica Muiru - Chairperson<br>Commissioner Dr. Cecilia Mutuku |
| Audit & Risk | Lawrence Nyalle (Independent Chairperson)<br>John Matagaro (Representative, National Treasury)<br>Commissioner - John Ogallo<br>Commissioner Dr. Monica Muiru<br>Commissioner Dr. Cecilia Mutuku |
| Finance, Planning and Supply Chain Management | Commissioner John Ogallo - Chairperson<br>Commissioner Col. (Rtd) Alfred Mshimba |

**(f) Entity Headquarters**

P.O. Box 61130-00200
Integrity Centre
Jakaya Kikwete/Valley Road Junction
Nairobi, Kenya

**(g) Entity Contacts**

Headquarters, Nairobi
Integrity Centre
Jakaya Kikwete /Valley Road Junction
P. O. Box 61130-00200, Nairobi
Tel: (254) (020) 4997000
Mobile: 0709 781000; 0730 997000
Email address: eacc@integrity.go.ke
Website: www.eacc.go.ke

**(h) Entity Bankers**

1. Central Bank of Kenya
   Haile Selassie Avenue
   P.O. Box 60000 - 00200
   City Square 00200
   Nairobi, Kenya

2. Kenya Commercial Bank
   Headquarters
   P.O. Box 69695-00400
   Nairobi, Kenya

**(i) Independent Auditor**

Auditor –General
Office of the Auditor General
Anniversary Towers, University Way
P. O. Box 30084
GPO 00100
Nairobi, Kenya

**(j) Principal Legal Adviser**

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 3. THE COMMISSION

| Ref | Commission Members | Details |
|---|---|---|
| 1. | <br>**David Oginde, PhD**<br>**Chairperson**<br><br>Doctor of Philosophy in Organisational Leadership from Regent University USA, a Master of Arts in Leadership from PAC University, and a Bachelor of Architecture from the University of Nairobi. | **Independent Chairperson**<br><br>Born in the year 1959; Appointed Chairperson of EACC on 29th April 2023 and assumed office on the 9th of May 2023.<br><br>He is the immediate former Presiding Bishop of Christ Is The Answer Ministries (CITAM), where he led several organisational transformation initiatives placing CITAM as a cutting-edge institution.<br><br>Dr. Oginde is the Chairman of the University Council of the Mama Ngina University College (MNUC) and the Evangelical Alliance of Kenya (EAK), as well as, the Vice-Chair of the Association of Evangelicals in Africa (AEA).<br><br>He is a renowned and distinguished leader and has published several books and articles on leadership and governance. He is also the founder of The Catalead Associates, a leadership development firm and runs the popular Leadership Forum on Hope FM. |
| 2. | <br>**Dr. Monica Muiru**<br>**Vice-Chairperson**<br><br>Doctor of Philosophy in Business & Management from Egerton University, Master Degree in Accounting and Finance, Bachelor of Commerce Degree in Business Administration from University of Nairobi. | **Vice Chairperson and Independent Commissioner**<br><br>Born in the year 1965; She is a trained, experienced and internationally exposed business professional and academic scholar with many years of experience in accounting, finance and management.<br><br>Previously served as a lecturer at Egerton University and worked at Kenya Broadcasting Corporation (KBC), East African Standard, Mellon Bank in Pittsburgh USA and Motient Corporation, Reston, Virginia, USA.<br><br>In addition, a fellow of the Chartered Institute of Marketing, a member of Zonta International and an Associate member of the American Chartered Institute of Accounting. She chairs Support Services Committee. |

| | | |
|---|---|---|
| 3. | <br>**Col. (Rtd) Alfred Mshimba, MBS**<br>**Commissioner**<br><br>Master of Business Administration in Strategic Management from the University of Nairobi and a Bachelor's Degree in Business Administration. | **Independent Commissioner**<br><br>Born in the year 1959; Col. Mshimba is a retired career military officer with over 30 years' experience in leadership, administration, human resource management, procurement and diplomacy.<br><br>In addition, Commissioner Col. (Rtd) Mshimba, has been recognized for his service and was honoured by receiving the Military Observer, United Nations Western Sahara Morocco (MINRUSO) Medal. In 2022, Col. Mshimba was conferred by His Excellency the President with the Moran of the Burning Spear (MBS) in recognition of his distinguished service to the nation. He chairs the Enforcement Committee |
| 4. | <br>**Dr. Cecilia Mutuku, CHRP, CPS(K)**<br>**Commissioner**<br><br>Doctor of Philosophy and Masters in Business Administration, with a specialization in Human Resources Management (HRM), both from The University of Nairobi (UoN). In addition, a Certificate in Quality Management by the International Trade Centre (ITC). A member of the Institute of Human Resources (IHRM), Institute of Certified Secretaries (ICS) and The National Quality Institute (NQI). In addition, a member of the American Society for Quality (ASQ) and the Kenya Institute of Management (KIM). | **Independent Commissioner**<br><br>Born in the year 1968; She is a Human Resource and Governance expert with extensive experience in policy development, leadership, organizational behaviour and reforms, human resource management, performance improvement, culture change and quality management.<br><br>In addition, she is a Certified Human Resource Practitioner (CHRP-K) and a Certified Company Secretary (CPS-K).<br><br>Before joining the Commission, Dr. Mutuku held senior positions including Head of Human Resources at the Kenya Bureau of Standards (KEBS) and the Head of National Quality Institute (NQI-KEBS).<br><br>She is passionate about excellence and quality especially within the public sector institutions and has been spearheading Training of Anti Bribery Management Systems (ABMS) Standard in various forums. She chairs the Corruption Prevention, Education and Public Engagement Committee. |

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

| | | |
|---|---|---|
| 5. | <br>**Mr. John Ogallo**<br>**Commissioner**<br><br>Holds a Master of Business Administration (MBA) degree from the University of Sheffield (UK), and Post-Graduate Diploma in Public Financial Management from the University of London.<br>In addition, Certified Public Accountant (CPA-K). | **Independent Commissioner**<br><br>Born in the year 1956; Previously worked with the World Bank in Washington DC; an expert in Financial Management and Governance. He has wide experience in financial management for development; and has led teams to provide technical assistance to strengthen institutions on accountability; and undertake fiduciary due diligence, advisory services and analytics.<br><br>In addition, worked for several years in the private and public sectors in Kenya in various technical and managerial capacities. He has experience in international consultancy, including with the African Development Bank.<br><br>He chairs Finance, Planning and Supply Chain Management Committee. |
| 6. | <br>**Mr. Twalib Mbarak, CBS**<br>**Secretary/Chief Executive Officer**<br><br>Master of Arts Degree in Armed Conflict and Peace Studies (University of Nairobi) Bachelor of Arts degree (University of Nairobi). | **Secretary to the Commission and Chief Executive Officer**<br><br>Born in the year 1965; Mr. Mbarak was appointed the Secretary/Chief Executive Officer in January, 2019. He has served in high-ranking positions in the Military, intelligence and corporate Sectors for 39 years.<br><br>He has extensive experience in the field of security, intelligence and investigations. He is a Certified Security Management Professional from the International Security Management Institute, UK. He founded the Association of Corporate and Industrial Security Professionals (ACISMP) an association directing the corporate security in Kenya.<br><br>In 2019, His Excellency the President of the Republic of Kenya awarded Mr. Mbarak the Chief of Burning Spear (CBS) in recognition of his distinguished service and outstanding achievements in public service. |

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 4. KEY MANAGEMENT TEAM

| Ref | Management | Details |
|---|---|---|
| 1. | <br>**Mr. Twalib Mbarak, CBS**<br>**Secretary/Chief Executive Officer**<br><br>Master of Arts in Armed Conflict & Peace Studies<br>Bachelor of Arts (Political Science and Sociology) | He is the Accounting Officer and Chief Executive Officer of the Commission. He is charged with the day-to-day operations, which entails providing strategic, financial and operational leadership. |
| 2. | <br>**Mr. Abdi A. Mohamud, MBS**<br>**Deputy Chief Executive Officer**<br><br>Master of Science (Security and Risk Management)<br>Bachelor of Laws (LLB) | He deputizes the Chief Executive Officer (CEO) in the day-to-day operations of the Commission. |
| 3. | <br>**CPA Joel I. Mukumu, OGW**<br>**Director, Finance and Planning**<br><br>Master of Business Administration (Finance),<br>Bachelor of Commerce -Accounting Option.<br>Certified Public Accountant of Kenya | Provide Directorate's leadership in implementation of PFM Act 2012, policy formulation, implementation and coordination of the Finance and Budget functions of the Commission. In addition, lead overall management of the Directorate's functions and activities. |

| | | |
|---|---|---|
| 4. | <br>**Mr. Vincent O. Okong'o, 'ndc'**<br>**Director, Preventive Services**<br><br>Master of Arts (Economics & Social Studies),<br>Master of Arts in Economic Policy Management | Provide Directorate's leadership in policy formulation, implementation and advisory on preventive measures including prevention, public awareness, training, research; and overall management of the Directorate's functions and activities. |
| 5. | <br>**Mr. Pashal K.Mweu, OGW**<br>**Director,Investigations**<br><br>Master Degree in Governance & Ethics<br>Bachelor Degree in Philosophy | Provide Directorate's leadership in policy formulation, implementation and advisory in investigative role of the Commission. Further, manages the Directorate's functions and activities. |
| 6. | <br>**Mr. David K. Too, OGW**<br>**Director, Legal Services & Asset Recovery**<br><br>Master of Business Administration<br>Bachelor of Laws (LLB), Diploma in Law | Provide Directorate's leadership in policy formulation, implementation and advisory on relevant laws. In addition, lead asset recovery related to corruption and overall management of the Directorate's functions and activities. |
| 7. | <br>**CPA John Lolkoloi, OGW**<br>**Director, Ethics & Leadership** | Provide Directorate's leadership in implementation of Leadership and Integrity Act 2012, development of ethical standards and practices in public service and overall management of the Directorate's functions and activities. |

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

| | | |
|---|---|---|
| | Master of Business Administration (Strategic Management), Bachelor of Commerce (Finance), Certified Public Accountant of Kenya | |
| 8. | <br>**Mr. Jackson K. Mue, OGW**<br>**Director, Field Services & Coordination**<br><br>Master of Science in ICT Policy and Regulation, Bachelor of Science (Mathematics & Computer Science).<br>Post Graduate Diploma in Computer Science | Provide Directorate's leadership in coordination of Commission functions at regional levels, partnerships, and support the office of Secretary/Chief Executive Officer in general administration and overall management of the Directorate's functions and activities. |
| 9. | <br>**Ms. Ellyjoy G. Bundi, HSC**<br>**Deputy Director, Human Resource Management**<br>Master of Business Administration (HRM)<br>Bachelor of Education, Diploma in Human Resources Management | Provide Commission leadership in human capital management and relevant labour laws, implementation of key human resource aspects not limited to succession, development, retention, training, and overall management of the Commission staff related functions and activities. |
| 10. | <br>**Mr. Eddie Odhiambo**<br>**Ag. Deputy Director, Supply Chain Management**<br>Master of Business Administration<br>Bachelor of Science (Statistics & Computer Science), Diploma in Purchasing and Supplies Management<br>Chartered International Procurement Professional | Provide leadership in implementation of The Public Procurement and Assets Disposal Act, 2015 and related regulations in supply chain management functions of the commission and overall management of procurement supportive function of the Commission. |

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 5. CHAIRPERSON'S STATEMENT



The Ethics and Anti-Corruption Commission has continued to discharge its mandate and support the national aspirations espoused in the Constitution and various government blueprints. In doing so, the Commission plays an integral part of protecting public resources to ensure realization of the economic development agenda of the Country. Notably, the Commission under its Strategic Plan for the period 2018-2023, has identified and amplified four (4) key pragmatic strategies focusing on high-impact investigations, robust tracing and recovery of corruptly acquired assets, corruption prevention and forging, and maintaining strategic partnerships with state and non-state actors.

These strategies aim at causing deterrence, extinguishing benefits accrued from corrupt conduct, raising awareness on the dangers of corruption and fostering a whole-of-society, and government approach to fighting corruption and unethical conduct. I am pleased to note that these strategies are bearing fruits based on the activities reported and the value of assets recovered for the benefit of the public.

The Commission acknowledges with gratitude the immense support that we have continued to receive from the government through budgetary allocation and creating an enabling legal and policy framework for the effective discharge of the mandate. I note that the budgetary allocation has gradually increased over the years, which is a clear testament of the commitment by the government to support good governance and a values-driven Kenyan society.

The Commission recognizes Development Partners who have supported various programmes and activities. Through partnership, we have reduced the resource gap particularly in the area of specialized trainings and acquisition of modern investigation tools and equipment.

The national and regional partners have been instrumental in supporting our programmes and activities. In particular, I commend the National Council on Administration of Justice, which has remained vibrant and vocal in ensuring the criminal justice system is responsive, efficient and effective.

God bless Kenya. God bless EACC.

**David Ogiude, PhD**
**CHAIRPERSON**

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 6. REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER



The Ethics and Anti-Corruption Commission is pleased to present the Annual Report and Financial Statements for the Financial Year ended 2022/23. The Report is prepared pursuant to section 27 of Ethics and Anti-Corruption Commission Act, 2011 and section 45 of the Leadership and Integrity Act (LIA, 2012).

The annual accounts of the Commission are prepared, audited and reported in accordance with the Public Audit Act, 2003 (No. 12 of 2003) and Public Finance Management Act, 2012, as well as, in consonance to the International Public Sector Accounting Standards (IPSAS) on prudent financial management and reporting.

The Report contains financial statements, which include Statement of Financial Position; Statement of Financial Performance; Statement of Changes in Net Assets; Statement of Cash Flows; Statement of Comparison of Budget and Actual Amounts and other explanatory notes.

In the Financial Year 2022/2023, the Commission was allocated a total of Kshs 3,578,530,000 both Recurrent and Development expenditures expressed in Kshs 3,420,530,000 Recurrent and Kshs 158,000,000 Development expenditures. The Commission further received an additional allocation of Kshs 100,000,000 for the Recurrent supplementary budget to mitigate the emerging financial needs whilst the Development budget was scaled down to Kshs 46,565,743.

During the reporting period, the absorption rate for the Recurrent budget stood at 96.34 percent while that of Development expenditure was at 100 percent. In addition, the Commission received support under the United Nations Office on Drugs and Crime (UNODC) Programme for Legal Aid Delivery (PLEAD II) in support of various programmes and activities.

The financial resources allocated has enabled the Commission to continue discharging its mandate effectively. The Commission enhanced its anti-corruption interventions by focusing on high impact investigations, tracing and recovery of corruptly acquired assets, disruption of corruption networks and strengthening institutional and personal integrity in public entities.

The Commission will continue to ensure compliance with the applicable laws in the management of public funds entrusted for the discharge of its programmes and activities.

**Twalib Mbarak, CBS**
**SECRETARY/CHIEF EXECUTIVE OFFICER**

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2022/2023

EACC has four strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2018/2019- FY 2022/2023. These strategic pillars/ themes/ issues are as follows:

Pillar/theme/issue 1: Policy, Legal and Regulatory Framework

Pillar/theme/issue 2: Enforcement

Pillar/theme/issue 3: Prevention and Public Awareness

Pillar/theme/issue 4: Institutional Capacity

The Commission develops its annual work plans based on the above four pillars/Themes/Issues. Assessment of the Commission's performance against its annual work plan is done on a quarterly basis. The Commission achieved its performance targets set for the FY 2022-2023 period for its four strategic pillars, as indicated in the table below:

| Strategic Pillar/Theme/Issues | Objective | Key Performance Indicators | Activities | Achievements |
|---|---|---|---|---|
| Pillar/ theme/ issue 1: **Policy, Legal and Regulatory Framework** | Strengthening policy, legal and regulatory framework | 1.No. of Laws reviewed and amendment(s) proposed | 1.Propose new amendments to the laws | Four (4) – (Amendments to ACECA; EACC Act, LIA, Bribery Act) |
| | | 2.Effective policy, legal and regulatory framework | 2.Policy, legal and regulatory framework | |
| | | 3.No. of regulations reviewed and amendment proposed | 3.Regulations reviewed and amendment proposed | One (1) -On Development of Model Procedures for Prevention of Corruption and Bribery |
| | | 4.Country review report on review of Chapter 2 and (UNCAC and AUCPCC | 4.Participate in Kenya's UNCAC<br><br>Undertake AUPCC review | Reports to AG Chambers on the status implementation of UNCAC |
| Pillar/theme/issue 2: **Enforcement** | Enhancing law enforcement in the fight against corruption and unethical conduct | 1.No. of reports analyzed | 1.Reports received and analysed | Received -5252 reports received. 1968 reports within mandate. |
| | | 2.No. of Completed Investigations | 2.Investigations completed on corruption and economic crimes | 97 Files completed with various recommendations |
| | | 3.No. ethical breaches investigated and completed | 3. Ethical breaches investigations completed | 61 Files on ethical breaches |

| | | | | |
|---|---|---|---|---|
| | | 4. No. of Files forwarded to ODPP for determination | 4. Files forwarded to ODPP for determination | 97 Files completed with various recommendations |
| | | 5. No. of preservation applications filed and value in Kshs ( million) | 5. Preservation suits filed in the Court and value in Kshs (million) | 23 applications for preservation of assets valued at approximately Kshs 886,566,330 |
| | | 6.No. of suits, petitions and judicial review applications defended | 6. Suits, petitions and judicial review applications defended | 88 petitions and judicial reviews |
| | | 7.No. and value Kshs (million) of disruptions executed | 7. No. and value Kshs (million) of disruptions | Kshs 4.74 billion |
| | | 8. Value of assets recovered | 8. Value of assets recovered | Kshs 4.212 billion |
| Pillar/theme/issue 3: **Prevention and Public Awareness** | Enhancing public education, communication and awareness on corruption and unethical practices | 1.No. of print media, programmes conducted | 1.Print media, programmes conducted | 27 Print articles<br>18 electronic programmes |
| | | 2.No. of Information Education Communication materials developed and disseminated | 2. Information Education Communication IEC materials disseminated | -Developed 10 types of IEC materials and two reviewed<br>-printed 8,332 assorted IEC materials<br>-Disseminated 7,174 IEC materials |
| | | 3.No. of targeted spots reached | 3.Targeted spots reached | 311,776 persons were reached in targeted spots |
| | | 4.No. of networks Reached | 4. Networks reached | 916 Targeted Community and Professional Networks |
| | | 5. Portable Adili (Integrity) content developed | 5.Online portal engagement | Hosted several platforms on specialised services |
| | Enhancing the prevention of corruption and unethical practices | 1.No of advisories on the Corruption Prevention Indicator under the Performance Contracting (PC) framework to MDAs | 1. Advisories on the Corruption Prevention Indicator under the Performance Contracting (PC) framework to MDAs | 97 Corruption Prevention Committee reaching 1,787 participants |

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| | | | | |
|---|---|---|---|---|
| | | 2.No. of System review reports | 2.System review reports | 2 Reports |
| | | 3.No of Corruption risks assessments | 3.Corruption risks assessments | 6 Reports |
| | | 4. Advisories of Corruption Prevention Committees (CPCs) | 4.Monitoring Reports Corruption Prevention Committees | Report on advisories on CPCs |
| | | 5. Number of Integrity Assurance Officers (IAOs) trained | 5. Integrity Assurance Officers Trained (IAOs) | 468 Integrity Assurance Officers (IAOs) trained |
| | | 6. Number of targeted research conducted | 6. Number of targeted research | 1- National Corruption and Ethics Survey, 2022 |
| | | 7. Programme evaluation conducted | 7. Programme evaluation | 2 - Corruption in the Health Sector |
| Pillar/ theme/ issue 4: **Institutional Capacity** | Enhancing institutional capacity of the Commission | 1.Workplace audit | 1. Workplace audit report | Report on workplace audit |
| | | 2. Number of staff recruited and placed | 2. Recruit staff | 20 Staff were recruited for replacement |
| | | 3.Budget Estimates | 3.Approved budget estimates | Ksh 3,567,095,743 |
| | | 4.Integrity Centre Refurbishment 4th floor | 4.Integrity Centre Refurbishment | Project ongoing at 48 % completion level |
| | | 5.Internal audit programme report | 5.Audit and risk management | Risks management Report |
| | | 6.Fleet management | 7. Fuel usage | Fuel cards in place and frequent audits |
| | | 7.Security of the Integrity Centre | 8.Reduced Security incidences | Less reports on security breaches |

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 8. CORPORATE GOVERNANCE STATEMENT

The Ethics and Anti-Corruption Commission (EACC) is a Constitutional Commission created pursuant to Article 79 of the Constitution of Kenya 2010 and established under Section 3 of the Ethics and Anti-Corruption Commission Act No. 22 of 2011. The mandate of the Commission is to combat and prevent corruption, economic crimes and unethical conduct through law enforcement, prevention, public education and promotion of ethical standards and practices.

The EACC Act provides for the functions and powers of the Commission, qualifications, and procedures for the appointment of the Chairperson and Members of the Commission, and for other related purposes. Section 4 of the Act provides for the composition of the Commission, which comprises a Chairperson and four other Members. They are appointed in accordance with the provisions of the Constitution and the Act. The Chairperson and Members of the Commission serve for a single term of six (6) years on a part-time basis.

The functions of the Commissioners are majorly threefold: policy, oversight, and strategy. The Secretary to the Commission is also the Chief Executive Officer and Accounting Officer. The Secretary is responsible for strategic, financial and operational leadership. In performing its function, the Commission may engage such experts as may be necessary for the performance of its functions.

In compliance with the constitutional requirement on access to services, the Commission has established 11 Regional Offices and has a presence in 50 Huduma Centres across the country to ensure reasonable access to its services in all parts of the Republic. The headquarters is at the Integrity Centre in Nairobi County.

The Commission meets as often as may be necessary for the discharge of its business. The proceedings of meetings of the Commission are governed by the Second Schedule of the Ethics and Anti-Corruption Act, No. 22 of 2011.

In addition to Commission meetings, the Commission has established four (4) Committees namely; Finance and Supply Chain Management, Law Enforcement, Support Services, and Corruption Prevention, Education and Public Engagement for the effective discharge of oversight function. A Commissioner chairs the Committees with members co-opted from heads of Directorates and Departments with relevant experience and skills. There is also a Risk and Audit Committee established

in accordance with the Public Finance Management Act to support the Commission through monitoring and reviewing the risk, control and governance processes.

The Commission is required to prepare an Annual Report at the end of each Financial Year and submit to the President and the National Assembly. The Report is an accountability tool detailing the activities of the Commission, achievements and any impediment that hinders the discharge of our mandate. The Commission also prepares Annual Financial Statements in accordance with the law and is audited by the Office of the Auditor General.

## 9. MANAGEMENT DISCUSSION AND ANALYSIS

### 9.1 Reports on Corruption Received by the Commission

The Commission received, analyzed and processed 5,252 reports in FY 2022/23, out of which 1,968 reports were within the Commissions mandate and therefore recommended for investigations. **Figure 1** illustrates the trend of reports within Commission mandate from Financial Years 2018/19 to 2022/23.

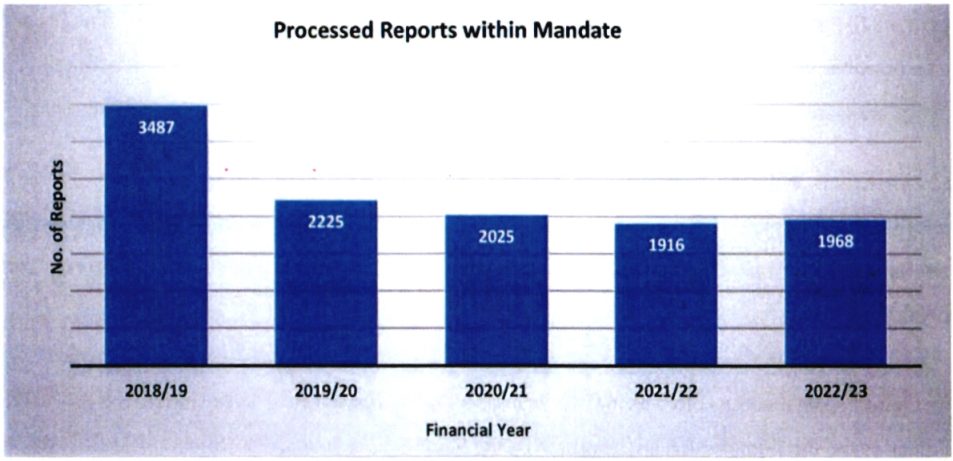


**Figure 1: Summary of Reports within Commission Mandate**

### 9.2 Cases Forwarded to the Office of the Director of Public Prosecutions

Upon satisfying threshold for investigation and relevant evidence obtained, the completed files are submitted to the Office of the Director of Public Prosecutions (ODPP) for determination. The independent review by ODPP results in either concurrence with EACC recommendation, files returned for further investigations or administration action and closure. The Commission has consistently achieved case concurrence rate of above 92% as in a five-year period indicated in Table 1.

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

**Table 1: Reports to ODPP with Recommendation to Prosecute**

| Year | No. of Reports | Accepted | Not Accepted | Concurrence rate (%) |
|---|---|---|---|---|
| 2018/19 | 78 | 77 | 1 | 99 |
| 2019/20 | 43 | 40 | 3 | 93 |
| 2020/21 | 70 | 68 | 2 | 98 |
| 2021/22 | 97 | 80 | 17 | 82 |
| 2022/23 | 74 | 68 | 6 | 92 |

**Table 2** presents the results of reports to DPP with recommendation for administrative action. On average, 94 percent concurrence rate observed over the period.

**Table: 2 Reports to DPP with Recommendation for Administrative Action**

| Year | No. of Reports | Accepted | Not Accepted | Concurrence rate (%) |
|---|---|---|---|---|
| 2018/19 | 13 | 13 | 0 | 100 |
| 2019/20 | 10 | 9 | 1 | 90 |
| 2020/21 | 15 | 12 | 3 | 80 |
| 2021/22 | 9 | 9 | 0 | 100 |
| 2022/23 | 1 | 1 | 0 | 100 |

**Table 3** shows reports to DPP with recommendation for closure for the Five-Year period. The Commission has achieved a concurrence rate of 88 percent.

**Table 3: Reports to DPP with Recommendation for Closure**

| Year | No. of Reports | Accepted | Not Accepted | Concurrence rate (%) |
|---|---|---|---|---|
| 2018/19 | 33 | 31 | 2 | 94 |
| 2019/20 | 19 | 17 | 2 | 89 |
| 2020/21 | 19 | 18 | 1 | 95 |
| 2021/22 | 48 | 38 | 10 | 79 |
| 2022/23 | 22 | 18 | 4 | 82 |

### 9.3 Outcome of Cases Finalized in Court

The cases that are scrutinized by ODPP and deemed fit for prosecution are taken to court and Table 4 provides the results of 53% conviction rate.

**Table 4: Outcome of cases finalized in Court**

| Year | No of cases finalized | Conviction | Acquittal | Discharge | Conviction rate (%) |
|---|---|---|---|---|---|
| 2018/19 | 78 | 51 | 23 | 4 | 65 |
| 2019/20 | 55 | 23 | 28 | 4 | 41 |
| 2020/21 | 31 | 23 | 5 | 3 | 74 |
| 2021/22 | 60 | 30 | 27 | 3 | 50 |
| 2022/23 | 75 | 27 | 16 | 34 | 36 |

The Commission recovers assets acquired out of corruption and economic crime as a deterrent measure. In a five-year period, the Commission recovered assets worth Kshs 29 billion as shown in Table 5

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

**Table 5: Assets Recovered**

| Assets Recovered from 2018/19-2022/23 | | | | | |
|---|---|---|---|---|---|
| **Year** | **2018/19** | **2019/20** | **2020/21** | **2021/22** | **2022/23** |
| Value in Kshs (million) of public assets recovered | 4,500 | 12,120 | 6,500 | 1,776 | 4,212 |

### 9.4 Loss averted through Disruption of Corruption Networks

The Commission averted possible loss of the public funds in intelligence gathering strategy, which resulted to Kshs **41.2** billion from FY 2018/19 to FY 2022/23 as reported in Figure 2.

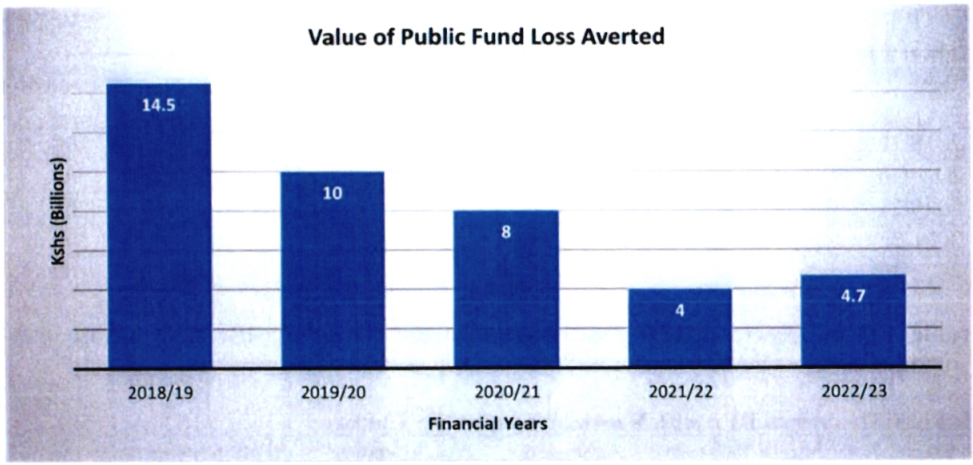


**Figure 2: Loss averted through Disruption of Corruption Networks**

### 9.5 Institutional Systems Reviews Reports

The commission has conducted examinations into the systems, policies, procedures and practices of operation in the various state entities, among them:

| | |
|---|---|
| 2018/19 | Examination into the systems, policies, procedures and practices of the Ministry of Environment and Forestry and Examination into the policies, procedures and practices in the centralized procurement of ICT equipment and services at the Ministry of Information, Communications and Technology. |
| 2019/20 | Examination into the systems, policies, procedures and practices of the Ministry of Environment, Sheikh Khalifa Bin Zayed Al-Nahyan Secondary and Technical School Mombasa, and in the centralized procurement of ICT items and services by the ministry of ICT |
| 2020/21 | During the year, the Commission reviewed the systems, policies, procedures and practices of operation in the various state entities, and Counties and completed reports. These are:<br>▪ Corruption risk assessment in the Nandi County Executive<br>▪ Corruption risk assessment in the Nandi County Assembly<br>▪ Corruption risk assessment in the Nyamira County Executive<br>▪ Corruption risk assessment in the Nyamira County Assembly |

| | |
|---|---|
| | ▪ Systems review in the Department of Housing targeting affordable Housing, Estates Management and Slum Upgrading<br>▪ Systems review in the National Hygiene Program-Kazi Mtaani<br>▪ Systems review into the, policies, procedures and practices of work on the establishment of technical and vocational education and training institutions<br>▪ Systems review into the Agricultural Settlement Fund Trustee<br>▪ Systems audit into the National Youth Service targeting various functional areas (eight reports completed) |
| 2021/22 | During the year, the Commission reviewed the systems, policies, procedures and practices of operation in MDAs and Counties and completed 22 examination reports and15 reports at National Youth Service (NYS). Some of these are enumerated;<br>▪ Universal Health Coverage Programme, Ministry of Health<br>▪ 15 National Youth Service sub stations<br>▪ The Judiciary (2)- Government Funded Projects/ operations<br>▪ Six Reports on Corruption Risk Assessments (CRAs) conducted in three counties. The CRAs were conducted in Bungoma County Executive, County Assembly of Bungoma, Mombasa County Executive, County Assembly of Mombasa, Isiolo County Executive and County Assembly of Isiolo. |
| 2022/23 | During the Financial Year, the Commission reviewed the systems, policies, procedures and practices of operation in MDAs and Counties and completed 2 examination reports and 6 reports Corruption Risks Assessment Reports in the following institutions:<br>Two System Reviews Reports of Moi University and Masinde Muliro University of Science and Technology and<br>Six Corruption Risks Assessments of Bomet County Executive, County Assembly of Siaya, Siaya County Executive, County Assembly of Bomet, Public Procurement Regulatory Authority (PPRA) and Kenyatta International Convention Centre (KICC |

### 9.6 Enforcement of Chapter Six and Leadership and Integrity Act

During the Financial Year under review, the Commission undertook integrity verification for compliance with the provisions of Chapter Six of the Constitution for **7,908** applicants seeking appointment to state and public offices, 60 public officers failed the integrity test indicated in Table 6.

**Table 6: Integrity verification statistics**

| S/No. | Institution | No. of officers cleared | No. of officers not cleared | Total Received |
|---|---|---|---|---|
| **1.** | National Government | 3,526 | 37 | **3,563** |
| **2.** | County Governments | 4,309 | 23 | **4,332** |
| | Private Institutions | 13 | 0 | **13** |
| **Sub-Total** | | **7,848** | **60** | **7,908** |
| 1. | Self-declaration forms received | **64,003** | 0 | **64,003** |
| **Total** | | **71,851** | **60** | **71,911** |

# Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

### 9.7 Financial Performance

The Commission is committed to comply with Public Finance Management Act, 2012 in execution of its mandate. The Government through The National Treasury funds the Commission programmes and activities. The Commission has consistently utilized allocated budget at above 96% absorption rate as recorded in five-year period.

**Table: Financial Absorption rate**

| | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | Average |
|---|---|---|---|---|---|---|
| % Absorption rate | **99.6** | **97** | **99** | **99** | **96.40** | **98.20** |

### 9.8 Commission's key projects or investments decision implemented or ongoing

The Commission is currently refurbishing the Integrity Centre in phases. Upgrading the outlook is complete while provision for lifts is underway. It projected completion date is Financial Year 2023/2024.

### 9.9 Major risks facing the Commission

| | |
|---|---|
| Operational risks | |
| 1. | Inadequate number of Staff |
| 2. | Breakdown of commission motor vehicles |
| 3. | Inadequate equipment in ICT, survey and valuation |
| 4. | Gaps in integrity laws to support investigation on ethical breaches |
| 5. | Stagnated salaries |
| Financial risks | |
| 6. | Inadequate funding of Commission's operations |
| 7. | Delayed Exchequer disbursements |
| Compliance Risks | |
| 8. | Failure by state organs to implement preventive recommendations |
| Reputational risk | |
| 9. | Inaccurate media information |

### 9.10 EACC's compliance with statutory requirements

The EACC aligns itself to the provision of the EACC Act, 2011 on the appointment of the Commission members, which comprise of a Chairperson and four other Members. They are appointed in accordance with the provisions of the Constitution and the Act. The Chairperson and Members of the Commission serve for a single term of six (6) years on a part-time basis. The Chief Executive Officer serves as the Secretary to the Commission.

### 9.11 Review of the economy and GJLO Sector

Kenya's GDP grew at 4.8 percent in the year 2022 having been affected by contraction in agricultural activities reflecting the impact of the drought experienced to most parts of the country. Similarly, in 2023 the economy remained resilient and expanded by 5.3% in the first quarter of the year. The growth was mainly supported by a rebound of the agricultural sector and continued resilience of service sectors.

Kenya's medium-term growth outlook remains strong as the economy continues to recover from the multiple crises such as drought and Covid-2019. GDP growth over the medium term is expected to remain at around 5.5 percent, broadly in line with the pre-pandemic trend and Kenya's estimated potential GDP growth rate. This growth will be reinforced by the Government's Bottom – Up Economic Transformation Agenda (BETA) geared towards economic turnaround and inclusive growth.

Inflation rate stood at 7.9% in June 2023, mainly driven by a notable decline in food prices, despite increased fuel pump prices. The inflation rate is expected to moderate further, supported by lower food prices attributed to improving supply of key food commodities and the implementation of Government measures to improve the supply of sugar through importation. Real per capita incomes are expected to grow at around 3 percent in the medium term whereas poverty is expected to resume its pre-pandemic downward trend.

The Commission is classified under GJLO Sector, which contributes directly and indirectly to the Gross Domestic Product (GDP). Its direct contribution includes revenue generation in terms of court fees, court awards, court fines, cash/property recoveries incidental to provision of its services. The indirect contribution to GDP is through creating a secure and conducive business environment to enhance the productivity of other sectors.

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 10 ENVIRONMENTAL AND SUSTAINABILITY REPORTING

EACC exists to combat and prevent corruption and Economic crimes and unethical conduct in Kenya. It's what guides us to deliver our strategy, which is founded on four pillars:
Below is a brief highlight of our achievements in each pillar;

### i. Ethics and Anti-Corruption Commission Sustainability

***Sustainability strategy and profile FY 2022/2023***

#### a. Legal framework enhancement

To enhance the elaborate existing anti-corruption legal and policy framework guiding its operations, in FY 2022/2023 EACC submitted a Memorandum to the National Assembly detailing proposals to amend the Anti-Corruption and Economic Crimes Act, 2003; the Leadership and Integrity Act, 2012 and the Bribery Act, 2016. The amendments seek to allow the Commission to be bar those charged with corruption from accessing Office or exercising powers of the Office; verify the suitability of candidates applying to be appointed to a public entity and to include both private and public entities in the scope of the application of the Bribery Act. The Commission also developed model procedures for prevention of corruption and bribery in public and private sector, pursuant to section 9 of the Bribery Act 2016.

#### b. Strategic Plan focus areas

During FY 2022/2023, the Commission was implementing the Strategic Plan 2018-2023, which focused on High impact investigation, Asset Recovery, Corruption Prevention, Public education and Partnerships. The aim of the strategies is creating greater impact leading maximum deterrence; extinguishing the benefit obtained from corrupt conduct; strengthening systems, policies and practices of public bodies to prevent corruption and promote ethics; empowering citizens to proactively participate in governance affairs and fostering the support of both state and non-state actors through sharing of information, experience and exchange of best practice respectively.

#### c. Partnerships and Collaborations

In FY 2022/2023, the Commission signed a Memorandum of Understanding (MOU) with institutions such as; the Public Procurement Regulatory Authority (PPRA). The MOU focuses on areas of cooperation in investigations and enhancing accountability in the public service.

Further, the Commission pursued partnerships with international peer agencies such as; the Federal Bureau of Investigation (FBI), development partners including; GIZ and the European Union/United Nations Office on Drugs and Crime (EU/UNODC) under the Programme for Legal Empowerment and Aid Delivery in Kenya, Phase II (PLEAD II) to enhance the capacity in the fight against corruption.

#### d. Achievements

The Commission through law enforcement concluded **97** investigations, recovered Assets worth approximately **Kshs. 4.2 Billion** and traced corruptly acquired assets worth approximately **Kshs. 3.58 Billion**. In addition, the Commission averted loss of approximately **Kshs. 4.74 Billion** through

proactive investigations and disruption of corruption networks, instituted **523** suits for recovery, protection and preservation of public assets suspected to be corruptly acquired, or proceeds of corruption worth **Kshs. 887 Million.**

The Commission through preventive interventions finalized **2** systems examinations/reviews and Corruption Risk Assessment in 6 public entities (4 County Governments and 2 state corporations); issued advisories on prevention of bribery and corruption to **172** MDAs under the Performance Contracting framework; conducted continuous trainings, education and awareness programmes under the National Integrity Academy (NIAca) and conducted schools outreach programs to inculcate a culture of ethics and integrity targeting school children and college students.

**e. Challenges**

Despite the progress so far realized, the Commission still encountered a number of challenges that include; inadequate resources, slow judicial processes, politicization of corruption, citizen apathy, impersonation of staff and inadequate legal framework to enforce Chapter Six of the Constitution.

***ii) Environmental performance***

In order to embrace sustainable waste disposal, the Commission has a Service Level Agreement with a cleaning services firm to offer cleaning, collection of garbage and disposal of various categories of waste generated in the Commission premises.

Waste Bins are equally positioned strategically in various locations of Commission premises in order to ensure clean environment.

The Commission has a Corporate Social Responsibility Programme whose objectives include conservation of the environment through improvement of forest cover through tree planting.

***iii) Employee Welfare***

The Commission has a policy on recruitment, appointment and promotion that guides the recruitment process. The policy provides a requirement to ensure that the one (1/3) gender constitutional requirement is observed in the recruitment processes. Further, the Commission's Shortlisting and Interview Guidelines are designed to promote regional and gender balance. The percentage gender distribution was 40.3% female and 59.7% male as at June 2023, out of which 31 ethnic communities are represented out the 46 existing communities as per 2019 census report. In recognition of the Commission's effort in embracing diversity and inclusivity, in March 2023, the Commission was awarded a certificate of recognition as 2nd runners up in the category of most inclusive constitutional Commission and Independent office.

The Commission policies are reviewed from time to time but within a period of three (3) years and the review takes into consideration views of stakeholder to ensure participation. For instance, the Commission's Corporate Services and Procedures Manual and the Organizational Structure were reviewed in 2020. The two instruments have been identified for review in the EACC Strategic Plan 2023-2028.

To manage and develop employee's knowledge, skills and attitudes, the Commission develops an Annual Training Plan which acts as a guideline for training staff each financial year. The training needs are derived from gaps identified during performance appraisal and skills gaps based on the Commission's strategic objectives and mandate. Further, to ensure officers are in good professional standing with the various professional bodies, the Commission pays for Annual Subscription and Continuous Professional Development (CPD) courses for officers who are registered as professionals within the various professions. The Career Progression Guidelines specifies the growth of jobholders and specifies the requirements of each position thus making officers aware of the requisite skills required to grow in their careers.

The Performance Management System in the Commission entails setting targets that are drawn from the Strategic Plan cascaded into departmental work plans through to individual targets. Performance appraisal is conducted at the end of the financial year based on the target sets at the beginning of the year between the appraisers and appraise to ensure that the appraisal process is objective. In order to reward officers, Commission recommends officers for National honours and issues commendation letters in recognition of exemplary performance. The Commission also provides the following insurance covers to cater for the employee welfare, Staff medical Cover, Group Life Assurance Cover and Group Personal Accident Cover. The Commission has a Health and Safety Policy that is in compliance with the Occupational Safety and Health Act of 2007.

***iv) Market place practices-***

***a) Responsible competition practice***

The open tender procurement method continues to be the preferred method to enhance completion, equity and provide transparency in the procurement and disposal processes. The commission further adhered to the affirmative programs through allocation of a portion of procurement opportunities to the Youth, Women and Persons with Disability firms.

The Commission adheres to high standards of integrity in its business operations, in the tender documents an anonymous hotline service is provided to report unethical behaviours.

***b) Responsible Supply chain and supplier relations***

The Commission has improved relationship with the various supply chain stakeholders in the value chain and the engagements has created value to the user department requirements. Through supplier development programs the Commission has managed to enhance consolidation of the procurement requirements that has realized centralized supply chain that enabled economies of scale.

***c) Responsible marketing and advertisement***

The Commission use of the e-procurement has enabled the procurement opportunities to reach a wider supplier base and further reduced the bidding costs of suppliers through electronic submission of their bids. The use of print media as a means of advertisement has been a strategy for mass reach of potential bidders on the available procurement opportunities

***d) Product stewardship***

The Commission technical requirements has shifted to performance based instead of the traditional conformance requirements; this shift has enabled value for money outcome.

Further emphasis have been placed on whole life cost approach in determination of the most responsive bids that has supported in financial planning and decision making by the evaluation committees.

**v) *Corporate Social Responsibility / Community Engagements***

The EACC's corporate social responsibility is based on the fact that, as part of the Kenyan society, we have responsibilities that go beyond our legal obligations for the benefit of the society at large. Our corporate social responsibility entails community engagement, supporting community activities, responding to emerging challenges, donating to charities, helping the needy and application of ethical conduct and participating in matters of topical national interest in Kenya. Our Corporate Social Responsibility, CSR, strategy involves building relationships and partnerships and working together with organizations that we believe advance the wellbeing of Kenyans. The EACC's CSR decisions are made in the best interest of the society.

Concerning, engagement with the community, the Commission strives strong values for existential relationship. However, in FY 2022/23, The Commission did not engage in either CSR or Community engagement activity.

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 11 REPORT OF THE COMMISSION

The Commission submits its report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Commission's affairs.

### i) Principal activities

The principal activities of the Commission are to investigate corruption and economic crimes, recover lost public property and obtain compensation for damaged public property, prevent corruption, conduct public education on the dangers of corruption and promote ethics and integrity.

### ii) Results

The results of the entity for the year ended June 30, 2023 are set out on pages 1 to 23.

### iii) Commissioners

The Commission members who served during the year under review, are shown on pages viii to x. During the year Commissioner Archbishop (Emeritus) Dr. Eliud Wabukala,EBS retired and David Oginde ,PhD was appointed with effect from 29th April, 2023.

### iv) Surplus remission

The entity did not make any surplus during the year 2022/2023 and hence no remittance to the consolidated fund.

### v) Auditors

The Auditor-General is responsible for the statutory audit of Ethics and Anti-Corruption Commission for the year ended June 30, 2023 in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015 and the Ethics and Anti-Corruption Commission Act, 2011.

By Order of the Commission

.....

**TWALIB MBARAK, CBS**
**SECRETARY/CHIEF EXECUTIVE OFFICER**

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 12 STATEMENT OF COMMISSION'S RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 26 of the Ethics and Anti-Corruption Commission Act, require the Management to prepare Financial Statements in respect of EACC, which give a true and fair view of the state of affairs of the EACC at the end of the financial year and the operating results of the EACC for the period 2022/2023. The Commission is also required to ensure that proper accounting records are kept which disclose with reasonable accuracy the financial position. The Commission is also required to safeguard its assets.

The Commission is responsible for the preparation and presentation of the EACC *'s* Financial Statements, which give a true and fair view of the state of affairs of the EACC as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the EACC; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Commission accepts responsibility for the EACC's Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act and the Ethics and Anti-Corruption Commission Act, 2011. The Commission is of the opinion that the EACC's financial statements give a true and fair view of the state of EACC's transactions during the financial year ended June 30, 2023 and of the EACC's financial position as at that date. The Commission further confirms the completeness of the accounting records maintained for EACC, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Commission to indicate that the EACC will not remain a going concern for at least the next twelve months from the date of this statement.

# Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

**Approval of the Financial Statements**

The EACC's Financial Statements were approved by the Commission on September 25, 2023 and signed on its behalf by:

.....
**David Oginde, PhD**
**Chairperson**

.....
**Twalib Mbarak, CBS**
**Secretary/Chief Executive Officer**

**REPUBLIC OF KENYA**

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OFFICE OF THE AUDITOR-GENERAL
*Enhancing Accountability*

**HEADQUARTERS**
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON ETHICS AND ANTI-CORRUPTION COMMISSION FOR THE YEAR ENDED 30 JUNE, 2023

### PREAMBLE

I draw your attention to the contents of my report which is in three parts:

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and relevant laws and regulations that have a direct effect on the financial statements.

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purposes.

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided under Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

**Opinion**

I have audited the accompanying financial statements of Ethics and Anti-Corruption Commission as set out on pages 1 to 24, which comprise the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of

changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ethics and Anti-Corruption Commission as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Ethics and Anti-Corruption Commission Act, 2011.

**Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ethics and Anti-Corruption Commission Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Emphasis of Matter**

**Poor Financial Performance**

During the year under review, the Commission reported a deficit of Ksh.181,860,262 (2021/2022-Kshs.61,647,104). Management has disclosed in Notes 6 and 28 to the financial statements that the deficit arose mainly due to depreciation and amortization expense of Ksh.99,186,101 which is a non-cash expense and accrued expenses leading to an increase in trade and other payables balances from Kshs.23,761,416 in the prior year to Kshs.99,106,066 in the current period. This is attributed to the underfunding by the Exchequer which if unreversed is likely to negatively impact on the implementation of the Commission's planned activities.

My opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

**Other Matter**

**Trade and Other Payables**

As disclosed in Note 17 to the financial statements, the statement of financial position reflects trade and other payables balance of Kshs.99,106,066 which was not settled during the financial year 2022/2023 but was carried forward to 2023/2024 financial year. Management attributed non- payment of trade and other payables to lack of Exchequer issues from The National Treasury.

Failure to settle payables during the year to which they relate adversely affects budgets for the following year.

**Other Information**

The Commissioners are responsible for the other information, which comprises the Chairman's report, Secretary/Chief Executive Officer's report, the statement of corporate governance, management discussions and responsibilities, statement of corporate social responsibility and the statement of commissioners' responsibilities. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

**Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

**Basis for Conclusion**

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

**Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### Responsibilities of Management and Commissioners

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Commission's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the Commission or cease operations.
Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Commissioners are responsible for overseeing the Commission's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue to sustain its services. If I conclude that a

material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Commission to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Commission to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

**CPA Nancy Gathungu, CBS**
**AUDITOR-GENERAL**

**Nairobi**

**06 October, 2023**

Ethics and Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 14 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

| | Notes | 2022-2023 Kshs | 2021-2022 Kshs |
|---|---|---|---|
| **Revenue from non-exchange transactions** | | | |
| Transfers From Other Government Entities | 3 | 3,305,886,892 | 3,431,064,329 |
| Other Income | 9 (a) | 2,582,719 | 365,264 |
| **Total Revenue** | | **3,308,469,611** | **3,431,429,593** |
| **Expenses** | | | |
| Employee costs | 4 | 2,544,913,807 | 2,482,085,811 |
| Commissioners Expenses | 5 | 21,859,414 | 18,292,504 |
| Depreciation and amortization expense | 6 | 99,186,101 | 90,545,278 |
| Repairs and maintenance | 7 | 40,486,316 | 34,230,111 |
| Use of goods and services | 8 | 784,524,078 | 774,732,571 |
| Transfer to KCB Loan Scheme | 25 | - | 100,000,000 |
| **Total Expenses** | | **3,490,969,716** | **3,499,886,275** |
| Gain /Loss on sale of assets | 9 (b) | 639,843 | 6,809,578 |
| **Surplus(deficit) before tax** | | **(181,860,262)** | **(61,647,104)** |
| **Taxation** | | - | - |
| **Surplus/(Deficit) for the period/year** | | **(181,860,262)** | **(61,647,104)** |
| **Net Surplus/(Deficit) for the year** | | **(181,860,262)** | **(61,647,104)** |

The notes set out on pages 8 to 23 form an integral part of these financial statements.

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Commission by:

**Twalib Mbarak, CBS**
**Secretary/Chief Executive Officer**

Date: 26/9/2023

**CPA Joel I. Mukumu, OGW**
**Director, Finance & Planning**
**ICPAK Member No: 5917**

Date: 25/09/2023

**David Oginde , PhD**
**Chairperson**

Date: 26/09/2023

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 15 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

| | Notes | 2022-2023 Kshs | 2021-2022 Kshs |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 10 | 27,559,671 | 98,790,021 |
| Receivables from non-exchange transactions | 11 | 30,360,910 | 27,814,932 |
| Inventories | 12 | 213,669 | 927,805 |
| **Total Current Assets** | | **58,134,250** | **127,532,758** |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | 13 | 1,805,627,847 | 1,848,024,432 |
| Asset recovery Bank Account | 19 (a) | 437,381,144 | 329,220,970 |
| Intangible Assets | 14 | 9,576,325 | 12,768,433 |
| Long term receivables from exchange (Gratuity bank/ investment) | 15 | 42,559,147 | 30,955,226 |
| **Total Non-Current Assets** | | **2,295,144,463** | **2,220,969,061** |
| **Total Assets** | | **2,353,278,713** | **2,348,501,819** |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Trade and other payables from exchange transactions | 17 | 99,106,066 | 23,761,416 |
| Current portion of borrowings (Accrued liabilities and charges) | 18 | 696,000 | 27,470,916 |
| **Total Current Liabilities** | | **99,802,066** | **51,232,332** |
| **Non-Current Liabilities** | | | |
| Non-Current provisions (Asset recovery account) | 19 (b) | 437,431,144 | 329,220,970 |
| Non-current employee benefit obligation (Gratuity fund) | 16 | 45,278,633 | 32,981,665 |
| **Total Non-Current Liabilities** | | **482,709,777** | **362,202,635** |

## Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

| | Notes | 2022-2023 Kshs | 2021-2022 Kshs |
|---|---|---|---|
| **Total Liabilities** | | **582,511,843** | **413,434,967** |
| **Net Assets** | | | |
| Acquisition Development fund | 21(b) | 1,543,382,916 | 1,518,000,000 |
| Revenue Reserves | 21(a) | 44,423,306 | 189,066,296 |
| Accumulated Fund/Capital fund | 20 | 182,960,648 | 228,000,556 |
| **Total Net Assets** | | **1,770,766,870** | **1,935,066,852** |
| **Total Net Assets and Liabilities** | | **2,353,278,713** | **2,348,501,819** |

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Commission.

**Twalib Mbarak, CBS**
**Secretary/Chief Executive Officer**

Date: 26/9/2023

**CPA Joel I. Mukumu, OGW**
**Director, Finance & Planning**
**ICPAK Member No: 5917**

Date: 25/09/2023

**David Oginde , PhD**
**Chairperson**

Date: 26/09/2023

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 16 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

| | Capital Reserve Kshs | Acquisition Development Fund Kshs | Revenue reserve Kshs | Total Kshs |
|---|---|---|---|---|
| **As at June 30, 2021** | **178,553,761** | **1,518,000,000** | **176,736,291** | **1,873,290,051** |
| Surplus for the period | - | - | (61,647,104) | (61,647,104) |
| Transfer of unspent exchequer to N. Treasury | - | - | (16,568,168) | (16,568,168) |
| Transfer of depreciation/Amortization on capital fund to retained earnings | (90,545,278) | - | 90,545,278 | - |
| Donated Assets | 18,050,000 | - | - | 18,050,000 |
| Development grant | 121,942,073 | - | - | 121,942,073 |
| **As at June 30, 2022** | **228,000,556** | **1,518,000,000** | **189,066,296** | **1,935,066,852** |
| Surplus for the period | - | - | (181,860,262) | (181,860,262) |
| Transfer of unspent exchequer to N. Treasury | - | - | (36,585,913) | (36,585,913) |
| Transfer of depreciation/Amortization on capital fund to retained earnings | (99,186,101) | - | 99,186,101 | - |
| Development grant | 54,146,193 | - | - | 54,146,193 |
| Development grant--Acquisition of Integrity Centre | - | 25,382,916 | (25,382,916) | |
| **As at June 30, 2023** | **182,960,648** | **1,543,382,916** | **44,423,306** | **1,770,766,870** |

## 17 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

| | Notes | Kshs 2022-2023 | Kshs 2021-2022 |
|---|---|---|---|
| **Cash flows From Operating Activities** | | | |
| Loss from operations | | (181,860,262) | (61,647,104) |
| Add back non-cash payment (Depreciation) | 6 | 95,993,993 | 87,353,170 |
| Add back non-cash payment (Amortization) | 6 | 3,192,108 | 3,192,108 |
| Gain on disposal of Assets | 9 (b) | (639,843) | (6,809,578) |
| **Income from Operations** | | **(83,314,004)** | **22,088,596** |
| (Increase)/Decrease in inventories | 12 | 714,136 | 668,022 |
| (Increase)/Decrease in receivables & Prepayments | 11 | (2,545,978) | 1,421,025 |
| Increase/(Decrease) in payables | 17&18 | 48,569,734 | 8,881,959 |
| **Net cash flows from operating activities** | | **(36,576,112)** | **33,059,602** |
| **Cash flows From Investing Activities** | | | |
| Purchase of property, plant and equipment | 13 | (54,146,193) | (139,992,073) |
| Transfer of unspent exchequer to Treasury | 21(a) | (36,585,913) | (16,568,168) |
| Purchase of Intangible Assets | 14 | - | - |
| Asset recovery | 19(b) | 108,210,174 | 104,761,331 |
| Proceeds from disposal of plant, property and equipment | 26 | 1,188,628 | 9,956,255 |
| Gratuity Fund | 16 | 12,296,968 | (9,668,115) |
| **Net cash utilized in investing activities** | | **30,963,664** | **(51,510,770)** |
| Fixed Assets Capital Funds | 20 | 54,146,193 | 139,992,073 |
| Creditors written back | | - | - |

| | | | |
|---|---|---|---|
| Asset recovery | 19 (a) | (108,160,174) | (104,761,331) |
| Gratuity Fund | 15 | (11,603,921) | 9,645,579 |
| **Net cash used in Financing activities** | | **(65,617,902)** | **44,876,321** |
| **Net increase in cash and cash equivalents** | | **(71,230,350)** | **26,425,153** |
| Cash and Cash equivalents at beginning of the year | | 98,790,021 | 72,364,868 |
| **Cash and cash equivalents at end of year** | | **27,559,671** | **98,790,021** |

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Commission.

**Secretary/Chief Executive Officer**
**Twalib Mbarak, CBS**

Date: 26/9/2023

**Director, Finance & Planning**
**CPA Joel I. Mukumu,OGW**
**ICPAK Member No: 5917**

Date: 25/09/2023

**Chairperson**
**David A.Oginde PhD**

Date: 26/09/2023

## 18 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

| | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference | % of Utilization |
|---|---|---|---|---|---|---|
| | 2022-2023 | 2022-2023 | 2022-2023 | 2022-2023 | 2022-2023 | |
| **Revenue** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | |
| Government grants and subsidies | 3,420,530,000 | 100,000,000 | 3,520,530,000 | 3,305,886,892 | 214,643,108 | 94% |
| Other Income | - | - | - | 2,582,719 | (2,582,719) | |
| Gain/Loss on Disposal | - | - | - | 639,843 | (639,843) | |
| Development Expenditure-Grants and subsidies | 158,000,000 | (111,434,257) | 46,565,743 | 46,565,700 | 43 | 100% |
| **Total income** | **3,578,530,000** | **(11,434,257)** | **3,567,095,743** | **3,355,675,154** | **211,420,589** | 97% |
| **Expenses** | | | | | | |
| Use of Goods and services | 748,436,745 | 95,341,500 | 843,778,245 | 784,524,078 | 59,254,167 | 93% |
| Employee Cost | 2,608,993,255 | 3,678,500 | 2,612,671,755 | 2,544,913,807 | 67,757,948 | 97% |
| Commissioners' expenses | 22,260,000 | - | 22,260,000 | 21,859,414 | 400,586 | 98% |
| Depreciation and Amortization cost | | | - | 99,186,101 | (99,186,101) | |
| Repairs and maintenance cost | 40,840,000 | 980,000 | 41,820,000 | 40,486,316 | 1,333,684 | 97% |
| Staff Loan | | | | | | |
| Development Expenditure | 158,000,000 | (111,434,257) | 46,565,743 | 46,565,700 | 43 | 100% |
| **Total expenditure** | **3,578,530,000** | **(11,434,257)** | **3,567,095,743** | **3,537,535,416** | **29,560,327** | 99% |
| **Surplus for the period** | | | | **(181,860,262)** | **181,860,262** | |

Ethics and Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

## 19 NOTES TO THE FINANCIAL STATEMENTS

### General Information

The Ethics and Anti-Corruption Commission (EACC) was established under the Ethics and Anti-Corruption Act on 27th August 2011. The Entity is domiciled in Kenya and has Regional Offices in the regions of Bungoma, Eldoret, Garissa, Isiolo, Kisii, Kisumu, Machakos, Malindi, Mombasa, Nakuru, and Nyeri.

### 1. Statement of Compliance and Basis of Preparation

The Commission's Financial Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Commission. The accounting policies have been consistently applied to all the years presented.

The Financial Statements have been prepared on the basis of historical cost, unless stated otherwise. The Cash Flow statement is prepared using the indirect method. The Financial Statements are prepared on accrual basis of accounting.

### 2. Summary of Significant Accounting Policies

#### a) Revenue recognition

**Revenue from non-exchange transactions**

Income is recognized in the period in which it is received. Government and donor funding is only recognized on receipt. Income is not accrued if its recoverability is considered doubtful.
Interest income is recognized on time in proportion basis using the effective interest rate method.

**Transfers from other government entities**
Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Commission and can be measured reliably.

***Sale of goods***
Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Commission.

***Interest income***

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**b) Budget information**

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

**c) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if their recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**d) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Commission recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The Commissions policy is to depreciate assets on straight line basis at the following rates, Buildings 2%, Motor vehicles 16.67 %, Furniture and fittings 12.5%, Computer equipment 30%, Security equipment 12.5%, Plant and equipment 12.5%.

**e) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful life of the intangible assets is assessed as either finite or indefinite. The Commissions policy is to depreciate Software at the rate of 20%.

**f) Research and development costs**

The Commission expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Commission can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**g) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**h) Provisions**

Provisions are recognized when the Commission has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation. A reliable estimate can be made of the amount of the obligation.

Where the Commission expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is Virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**i) Contingent liabilities**

The Commission does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**j) Changes in accounting policies and estimates**

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**k) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

**l) Comparative figures**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**m) Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Commission's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However,

uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

**Useful lives and residual values**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

**(a)** The condition of the asset based on the assessment of experts employed by the Entity

**(b)** The nature of the asset, its susceptibility and adaptability to changes in technology and processes

**(c)** The nature of the processes in which the asset is deployed

**(d)** Availability of funding to replace the asset

**3. Transfers from Other Government Entities**

| | | 2022-2023 | 2021-2022 |
|---|---|---|---|
| **Unconditional grants** | | **Kshs** | **Kshs** |
| Operational Grant | | | |
| | Quarter 1 | 625,698,386 | 585,659,839 |
| | Quarter 2 | 987,796,446 | 1,219,505,701 |
| | Quarter 3 | 538,912,360 | 732,180,638 |
| | Quarter 4 | 1,161,060,193 | 978,945,089 |
| | Development Exchequer | 46,565,700 | 36,715,135 |
| **Total** | | **3,360,033,085** | **3,553,006,402** |
| **Less** | | | |
| Exchequer used for other Assets Acquisition | | 54,146,193 | 121,942,073 |
| Exchequer used for Intangibles Acquisition | | - | - |
| **Total** | | **54,146,193** | **121,942,073** |
| **Net Exchequer for operations** | | **3,305,886,892** | **3,431,064,329** |

Ethics and Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

**4. Employee costs**

| | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Salaries and wages | 1,465,638,922 | 1,418,508,643 |
| Employee related costs | 310,181,299 | 296,674,248 |
| Travel, Motor car, Accommodation and Subsistence | 215,767,923 | 224,566,434 |
| Housing Benefits and allowances | 553,325,663 | 542,336,486 |
| **Total Employee Costs** | **2,544,913,807** | **2,482,085,811** |

**5. Commissioners Expenses**

| | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Commissioners travelling facilitation | 4,624,414 | 3,915,891 |
| Commissioners sitting Allowances | 16,890,000 | 13,905,000 |
| Commissioners Airtime Allowances | 345,000 | 471,613 |
| **Total Commissioners Expenses** | **21,859,414** | **18,292,504** |

**6. Depreciation and Amortization costs**

| | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Property, Plant and Equipment | 95,993,993 | 87,353,170 |
| Intangible Assets | 3,192,108 | 3,192,108 |
| **Total depreciation Costs** | **99,186,101** | **90,545,278** |

**7. Repairs and maintenance**

| | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Property | 1,429,279 | 2,137,147 |
| Equipment | 2,479,103 | 6,558,908 |
| Vehicles | 22,494,452 | 22,024,735 |
| Other | 14,083,482 | 3,509,321 |
| **Total Repairs & Maintenance** | **40,486,316** | **34,230,111** |

**8. Use of goods and services**

| | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Advertising, Publishing and Printing | 14,211,892 | 25,614,484 |
| Audit fees | 696,000 | 696,000 |
| Conferences and delegations | 39,394,811 | 46,295,824 |
| Consulting fees | 3,259,253 | 6,544,157 |
| Consumables | 18,185,085 | 21,514,600 |
| Electricity | 15,111,080 | 13,183,522 |
| Fuel and Oil | 32,851,409 | 25,992,497 |
| Insurance | 254,468,748 | 265,198,679 |
| Legal Expenses | 3,595,861 | 4,821,163 |

| | | |
|---|---|---|
| Licences and permits | 37,861,521 | 29,793,548 |
| Specialised materials | 2,815,690 | 6,000 |
| Postage | 4,812,650 | 4,527,311 |
| Rental | 76,767,851 | 74,901,658 |
| Confidential Expenses | 145,578,595 | 106,991,180 |
| Sewerage and water costs | 1,315,265 | 790,410 |
| Research and Development | 5,641,217 | 7,792,698 |
| Telecommunication | 24,404,414 | 28,636,051 |
| Training | 71,470,302 | 77,733,782 |
| Refurbishment of Non-Residential buildings | 3,810,678 | 2,044,548 |
| Bank charges | 344,156 | 391,022 |
| Other Expenses | 27,927,600 | 31,263,437 |
| | **784,524,078** | **774,732,571** |

**9 (a) Other Income**

| | **2022-2023** | **2021-2022** |
|---|---|---|
| | **Kshs** | **Kshs** |
| Sale of items/Insurance compensation (sale of tenders) | 2,582,719 | 365,264 |

**9 (b) Gain/Loss on sale of Assets**

| | **2022-2023** | **2021-2022** |
|---|---|---|
| | **Kshs** | **Kshs** |
| Gain/Loss on sale of Assets | 639,843 | 6,809,578 |

| | **2022-2023** | **2021-2022** |
|---|---|---|
| **10. Cash and Cash Equivalent** | **Kshs** | **Kshs** |
| Current bank Accounts | 27,559,256 | 98,790,021 |
| Cash on hand and in transit | 415 | - |
| **Total cash and cash equivalents (See detailed analysis of Cash and cash equivalents Note 29)** | **27,559,671** | **98,790,021** |

**11. Receivables from non-exchange contracts**

| **Current receivables** | **2022-2023** | **2021-2022** |
|---|---|---|
| | **Kshs** | **Kshs** |
| Staff Imprest | 3,863,172 | 2,271,931 |
| Staff Advances | 78,131 | 22,745 |
| Rent Deposit and Prepayments | 26,419,607 | 25,520,256 |
| **Total current receivables** | **30,360,910** | **27,814,932** |

Ethics and Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2023

**12. Inventories**

| | 2022-2023 Kshs | 2021-2022 Kshs |
|---|---|---|
| Consumable stores | 3,137,588 | 3,851,725 |
| Provision for loss of inventory | (2,923,920) | (2,923,920) |
| **Total inventories at the lower of cost and net realizable value** | **213,669** | **927,805** |

**13. Property Plant and Equipment - Refer to the PPE schedule Pages 19 & 20**

| **14. Intangible assets-software** | **2022-2023 Kshs** | **2021-2022 Kshs** |
|---|---|---|
| **Cost** | | |
| **As At July 2022** | 196,067,587 | 196,067,587 |
| Additions during the year | - | - |
| **As At July 2022** | **196,067,587** | **196,067,587** |
| **Additions during the year** | - | - |
| **As at June 2023** | **196,067,587** | **196,067,587** |
| | | |
| **Amortization and Impairment** | | |
| **As at July 2022** | 183,299,154 | 180,107,046 |
| **Charge for the year** | 3,192,108 | 3,192,108 |
| **As at June 2022** | **186,491,262** | **183,299,154** |
| | | |
| **Net Book Value 2023** | **9,576,325** | **12,768,433** |
| **Net Book Value 2022** | **12,768,433** | **15,960,541** |

**15. Gratuity Fund Bank Account**

| | 2022-2023 Kshs | 2021-2022 Kshs |
|---|---|---|
| Balance brought forward | 5,955,226 | 10,600,805 |
| Additions | 166,656,377 | 145,727,563 |
| Payments | (154,052,456) | (150,373,142) |
| **Sub Total** | **18,559,147** | **5,955,226** |
| Short Deposit Investment | 24,000,000 | 25,000,000 |
| **Total** | **42,559,147** | **30,955,226** |

**16. Gratuity Fund Account**

| | 2022-2023 | 2021-2022 |
|---|---|---|
| Balance brought forward | 32,981,665 | 42,649,780 |
| Additions | 32,860,914 | 78,728,628 |
| Payments | (20,563,946) | (88,396,743) |
| **Total** | **45,278,633** | **32,981,665** |

**17. Trade and other payables from exchange transactions**

| | 2022-2023 Kshs | 2021-2022 Kshs |
|---|---|---|
| Creditors | 86,768,886 | 3,857,683 |
| Refundable Deposits | 6,441,972 | 14,117,291 |
| Treasury advances | 4,598,919 | 4,598,919 |
| Payroll payables | 1,193,794 | 1,135,808 |
| Unpaid Over Expenditure | 102,495 | 51,715 |
| **Total trade and other payables** | **99,106,066** | **23,761,416** |

**18. Accrued liabilities and charges**

| | 2022-2023 Kshs | 2021-2022 Kshs |
|---|---|---|
| Accrued audit fees | 696,000 | 2,088,000 |
| National Lands Commission | - | 25,382,916 |
| **Total trade and other payables** | **696,000** | **27,470,916** |

**19(a). Asset Recovery Bank Account**

| | 2022-2023 Kshs | 2021-2022 Kshs |
|---|---|---|
| Balance brought forward | 329,220,970 | 224,459,639 |
| Funds recovered in the year | 108,161,239 | 104,762,516 |
| Payments -Bank charges | (1,065) | (1,185) |
| **Total** | **437,381,144** | **329,220,970** |

**19 (b). Asset Recovery Fund Account**

| | 2022-2023 Kshs | 2021-2022 Kshs |
|---|---|---|
| Balance brought forward | 329,220,970 | 224,459,639 |
| Funds recovered in the year | 108,211,239 | 104,762,516 |
| Payments-Bank charges | (1,065) | (1,185) |
| **Total** | **437,431,144** | **329,220,970** |

**20. Capital fund**

| | 2022-2023 Kshs | 2021-2022 Kshs |
|---|---|---|
| Balance brought forward | 228,000,556 | 178,553,761 |
| Transfer of depreciation/Amortisation on capital fund to retained earnings | (99,186,101) | (90,545,278) |
| Donated Asset | - | 18,050,000 |
| Development grant | 54,146,193 | 121,942,073 |
| **Total** | **182,960,648** | **228,000,556** |

**21(a). Revenue Reserve**

| | 2022-2023 Kshs | 2021-2022 Kshs |
|---|---|---|
| Balance brought forward | 189,066,296 | 176,736,291 |
| Recovery of unspent exchequer to N. Treasury | (36,585,913) | (16,568,168) |
| Transfer of depreciation/Amortisation on capital fund to retained earnings | 99,186,101 | 90,545,278 |
| Surplus for the year | (181,860,262) | (61,647,104) |
| Development grant- Acquisition of Integrity Centre | (25,382,916) | - |
| **Total** | **44,423,306** | **189,066,296** |

**21(b). Acquisition fund**

| | 2022-2023 Kshs | 2021-2022 Kshs |
|---|---|---|
| Balance brought forward | 1,518,000,000 | 1,518,000,000 |
| Development grant- Acquisition of Integrity Centre | 25,382,916 | - |
| | **1,543,382,916** | **1,518,000,000** |

**22. Events after the reporting period**

There were no material adjusting and non-adjusting events after the reporting period

**23. Currency**

The Financial Statements are presented in Kenya Shillings (Kshs)

**24. Acquisition Development fund**

These were funds received for acquisition of Integrity Centre

| 25. Exchequer transfer to loan scheme | 2022-2023 Kshs | 2021-2022 Kshs |
|---|---|---|
| Transfer to Staff House Mortgage and Car loan Scheme | - | 100,000,000 |

| 26. Proceeds from disposal of assets | 2022-2023 Kshs | 2021-2022 Kshs |
|---|---|---|
| **Total** | **1,188,628** | **9,956,255** |

## 13. PROPERTY, PLANT AND EQUIPMENT

| | Land | Building | Motor vehicles | Furniture, Fixture & fitting | Computer Equipment | Security Equipment | Plant and Equipment | Library Books | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Cost or Valuation:** | **Sh** | **Sh** | **Sh** | **Sh** | **Sh** | **Sh** | **Sh** | **Sh** | **Sh** |
| **Estimated Useful Life (years)** | - | 50 | 6 | 8 | 3 | 8 | 8 | 8 | |
| **Depreciation Rates** | - | 2% | 16.67% | 12.50% | 30% | 12.5% | 12.50% | 12.50% | |
| **As at 1st July 2021** | **795,483,750** | **757,245,914** | **487,204,164** | **91,052,476** | **268,750,491** | **165,232,176** | **101,886,378** | **11,610,157** | **2,678,465,505** |
| Additions | | **16,192,413** | 80,440,000 | 405,000 | 41,057,934 | 872,491 | 1,024,235 | | 139,992,073 |
| Disposals | | | (38,452,563) | (310,100) | (19,297,574) | | (505,790) | - | (58,566,027) |
| Transfers/adjustments | - | | - | - | - | - | - | | - |
| Land Improvements | - | - | | | | | | | |
| **As at 30th June 2022** | **795,483,750** | **773,438,327** | **529,191,601** | **91,147,376** | **290,510,851** | **166,104,667** | **102,404,823** | **11,610,157** | **2,759,891,552** |
| Additions | | 20,816,154 | 8,598,489 | 2,324,000 | 21,979,800 | 48,000 | 379,750 | | 54,146,193 |
| Disposals | | | (5,143,909) | (936,059) | (2,475,149) | | | | (8,555,117) |
| Transfers/adjustments | - | | | | | | | | - |
| Land Improvements | - | - | | | | | | | - |
| **As at 30th June 2023** | **795,483,750** | **794,254,481** | **532,646,181** | **92,535,317** | **310,015,502** | **166,152,667** | **102,784,573** | **11,610,157** | **2,805,482,628** |
| **Depreciation and impairment** | | | | | | | | | |
| At 1 July 2021 | - | 37,161,190 | 414,137,818 | 50,759,659 | 218,269,369 | 94,816,894 | 63,337,098 | 1,451,270 | 879,933,299 |

## 13. PROPERTY, PLANT AND EQUIPMENT *continued….*

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Disposals | - | - | (36,572,859) | (247,636) | (18,219,067) | - | (379,787) | - | (55,419,349) |
| Depreciation | - | 14,725,543 | 25,271,107 | 5,079,419 | 27,165,330 | 8,910,972 | 4,930,939 | 1,269,861 | 87,353,170 |
| **At 30 June 2022** | - | **51,886,733** | **402,836,066** | **55,591,442** | **227,215,632** | **103,727,867** | **67,888,250** | **2,721,131** | **911,867,120** |
| Disposals | | - | (5,051,904) | (721,784) | (2,232,645) | | | | (8,006,333) |
| Depreciation | | **15,141,866** | 26,685,787 | 5,339,308 | 33,661,791 | 8,916,972 | 4,978,408 | 1,269,861 | 95,993,993 |
| **As at 30 June 2023** | - | **67,028,599** | **424,469,949** | **60,208,966** | **258,644,778** | **112,644,839** | **72,866,658** | **3,990,992** | **999,854,781** |
| **Net book values** | | | | | | | | | |
| **At 30 June 2023** | **795,483,750** | **727,225,882** | **108,176,232** | **32,326,351** | **51,370,724** | **53,507,828** | **29,917,915** | **7,619,165** | **1,805,627,847** |
| **At 30 June 2022** | **795,483,750** | **721,551,594** | **126,355,535** | **35,555,934** | **63,295,219** | **62,376,801** | **34,516,573** | **8,889,026** | **1,848,024,432** |

**27. Contingency Liabilities**

The Commission has given no guarantees to third parties. In the ordinary course of business, the Commission has been sued in various cases with potential exposure estimated at **Kshs 204,236,911.** The Commission is a defendant or co-defendant in various litigations and claims. The outcomes of these litigations and claims are yet to be determined; hence, the Commission has not made any provisions in these accounts towards contingent liabilities.

**Contingent Liabilities**

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Court cases against the Commission | 204,236,911 | 43,987,916 |

**28.** The deficit is mainly caused by depreciation.

**29. Detail Analysis of Cash and Cash equivalents**

| Financial Institution | Account Number | 2022-2023 | 2021-2022 |
|---|---|---|---|
| | | Kshs | Kshs |
| KCB - Main A/C | 1103253387 | 14,716,141.35 | 39,012,929 |
| KCB - Mombasa | 1106512073 | 70,990 | 2,000,000 |
| KCB - Kisumu | 1121427499 | 872,790.60 | 2,000,000 |
| KCB - Garissa | 1128655223 | 1,870,704.40 | 2,000,000 |
| KCB - Nyeri | 1128743523 | 1,372,710 | 2,000,000 |
| KCB - Eldoret | 1131040244 | 983,899.35 | 2,000,000 |
| KCB - Malindi | 1167493583 | 1,227,808 | 2,000,000 |
| KCB - Isiolo | 1167596226 | 1,209,940 | 2,000,000 |
| KCB - Machakos | 1167286790 | 865,620 | 1,978,300 |
| KCB - Nakuru | 1167708466 | 452,895 | 2,000,000 |
| KCB - Kisii | 1178636070 | 513,280 | 2,000,000 |
| KCB - Bungoma | 1249057019 | 1,934,070 | 1,915,675 |
| Central Bank of Kenya | 1000181141 | 50,970.50 | 36,465,636 |
| CBK - GIZ Project | 1000227959 | 700 | 700 |
| CBK Development A/C | 1000182059 | 1,416,736.50 | 1,416,781 |
| Cash - Head Office | | 415.30 | 0.30 |
| **Total** | | **27,559,671** | **98,790,021** |

## APPENDIX.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

### A. Recurrent Account

| Name of the MDA/Donor Transferring the funds | Date received as per bank statement | Nature: Recurrent/ Development/ Others | Total Amount Kshs | Where Recorded/recognized | | |
|---|---|---|---|---|---|---|
| | | | | Statement of Financial Performance | Capital Fund | Total Transfers during the Year |
| The National Treasury | 01.08.2022 | Recurrent | 193,389,023 | 193,389,023 | | 193,389,023 |
| The National Treasury | 18.08.2022 | Recurrent | 50,000,000 | 50,000,000 | | 50,000,000 |
| The National Treasury | 01.09.2022 | Recurrent | 190,689,568 | 190,689,568 | | 190,689,568 |
| The National Treasury | 27.09.2022 | Recurrent | 191,619,795 | 191,619,795 | | 191,619,795 |
| The National Treasury | 05.10.2022 | Recurrent | 50,000,000 | 50,000,000 | | 50,000,000 |
| The National Treasury | 28.10.2022 | Recurrent | 246,121,558 | 246,121,558 | | 246,121,558 |
| The National Treasury | 14.11.2022 | Recurrent | 54,555,290 | 54,555,290 | | 54,555,290 |
| The National Treasury | 15.11.2022 | Recurrent | 226,133,685 | 226,133,685 | | 226,133,685 |
| The National Treasury | 15.12.2022 | Recurrent | 217,959,735 | 217,959,735 | | 217,959,735 |
| The National Treasury | 28.12.2022 | Recurrent | 193,026,177.8 | 193,026,178 | | 193,026,178 |
| The National Treasury | 11.01.2023 | Recurrent | 100,000,000 | 100,000,000 | | 100,000,000 |
| The National Treasury | 27.01.2023 | Recurrent | 194,606,197 | 194,606,197 | | 194,606,197 |
| The National Treasury | 20.02.2023 | Recurrent | 51,934,783 | 51,934,783 | | 51,934,783 |
| The National Treasury | 02.03.2023 | Recurrent | 192,371,380 | 192,371,380 | | 192,371,380 |
| The National Treasury | 04.04.2023 | Recurrent | 191,980,818 | 191,980,818 | | 191,980,818 |
| The National Treasury | 12.04.2023 | Recurrent | 100,000,000 | 100,000,000 | | 100,000,000 |
| The National Treasury | 03.05.2023 | Recurrent | 192,542,254 | 192,542,254 | | 192,542,254 |

| | | | | | | |
|---|---|---|---|---|---|---|
| The National Treasury | 24.05.2023 | Recurrent | 100,000,000 | 100,000,000 | | 100,000,000 |
| The National Treasury | 08.06.2023 | Recurrent | 191,072,070 | 191,072,070 | | 191,072,070 |
| The National Treasury | 21.06.2023 | Recurrent | 194,440,571 | 194,440,571 | | 194,440,571 |
| The National Treasury | 04.07.2023 | Recurrent | 191,024,480 | 191,024,480 | | 191,024,480 |
| **Total** | | | **3,313,467,385** | **3,313,467,385** | | **3,313,467,385** |
| | | | | | | |

**B. Development Account**

| Name of the MDA/Donor Transferring the funds | Date Received as per Bank Statement | Nature: Recurrent Development Others | Total Amount Kshs | Statement of Financial Performance | Where Recorded/Recognized | |
|---|---|---|---|---|---|---|
| | | | | | Capital Fund | Total Transfers during the Year |
| The National Treasury | 04.07.2023 | Development | 46,565,700 | | 46,565,700 | 46,565,700 |
| **Total** | | | **46,565,700** | | **46,565,700** | **46,565,700** |
| **Grand Total** | | | **3,360,033,085** | **3,313,467,385** | **46,565,700** | **3,360,033,085** |

**APPENDIX 2: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated timeframe within which we expect the issues to be resolved.

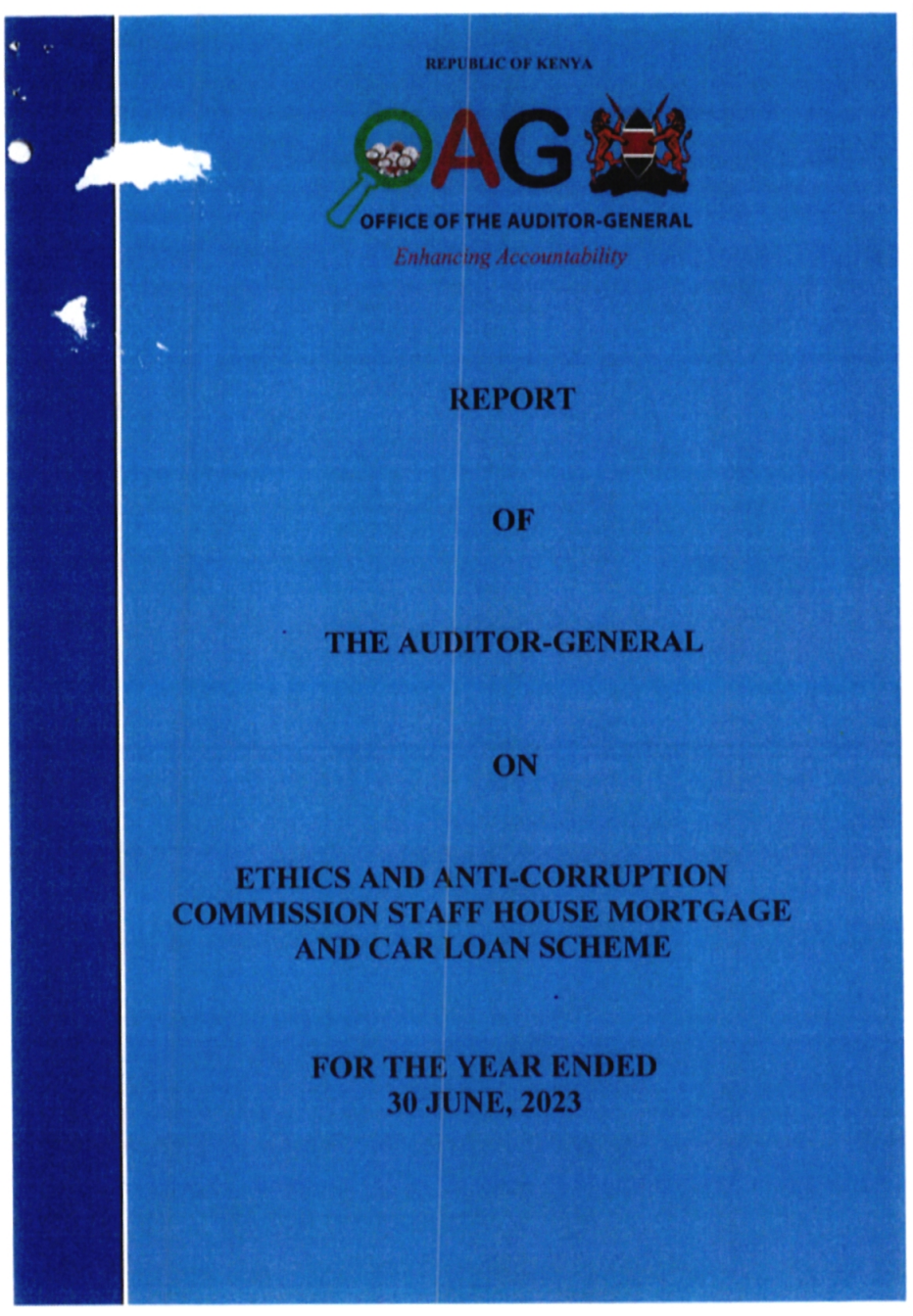
| Ref. No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue | Status | Timeframe |
|---|---|---|---|---|---|
| 1 | The Commission reported a deficit of Kshs 61,647,104 (2020/2021- Kshs 64,475,692) .The persistent under-funding might affect the full implementation of the Commission's planned activities in the future. | The deficit arose mainly due to depreciation and amortization expenses. | Mr Joel I Mukumu, OGW<br><br>Director Finance and Planning | Not Resolved | Awaiting Presentation to Public Accounts Committee of the National Assembly. |

.....
**David Oginde, PhD**
**Chairperson**

.....
**Twalib Mbarak, CBS**
**Secretary/Chief Executive Officer**

Chapter 6

# STAFF HOUSE MORTGAGE AND CAR LOAN SCHEME



REPUBLIC OF KENYA

OAG

OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**ETHICS AND ANTI-CORRUPTION COMMISSION STAFF HOUSE MORTGAGE AND CAR LOAN SCHEME**

**FOR THE YEAR ENDED 30 JUNE, 2023**










# ETHICS AND ANTI-CORRUPTION COMMISSION

## STAFF HOUSE MORTGAGE AND CAR LOAN SCHEME

## ANNUAL REPORT AND FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED
## 30TH JUNE 2023

**Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)**

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme*
*Annual Report and Financial Statements for the year ended 30th June 2023*

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## 1. ABBREVIATIONS, ACRONYMS AND GLOSSARY OF TERMS

### A. Abbreviations and Acronyms

| | |
|---|---|
| EACC | Ethics and Anti-Corruption Commission |
| CEO | Chief Executive Officer |
| IPSAS | International Public Sector Accounting Standards |
| OAG | Office of the Auditor General |
| PFM | Public Finance Management |
| PFMA | Public Finance Management Act |
| PSASB | Public Sector Accounting Standards Board |
| IPSASB | International Public Sector Accounting Standards Board |
| SRC | Salaries and Remuneration Commission |
| CSR | Corporate Social Responsibility |

### B. Glossary of Terms

**Fiduciary management**- Members of management entrusted directly with the responsibility and trust for the organisation financial resources.

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme*
*Annual Report and Financial Statements for the year ended 30th June 2023*

## 2. KEY FUND INFORMATION AND MANAGEMENT

### a) Background information

Ethics & Anti-Corruption Commission (EACC) Staff House Mortgage and Car Loan Scheme Fund was established and derives its authority and accountability from the provisions under Section 84(1), Section 24 (4) (5) (6) (7) of the PFM Act, 2012 and Section 127 (1) (2) of the PFM (National Government) Regulations, 2015.

The EACC Staff House Mortgage and Car Loan Fund was set in the financial year 2016-2017 as a revolving fund pursuant to the Salaries and Remuneration Commission (SRC) Circular ref No. SRC/ADM/CIR/1/13 Vol. III (128) of 17th December 2014 on Mortgage and Car Loan Schemes for State Officers and other Public Officers of Government of Kenya, with the objective of providing a loan scheme for the purpose of acquisition of motorcar and residential property for staff.

The Fund is wholly owned by Ethics & Anti-Corruption Commission (EACC) and is domiciled in Kenya.

### b) Principal Activities

The principal activity of the fund is to provide:

(i) Mortgage loans to EACC staff for the sole purpose of:
   a) Purchasing an existing residential property;
   b) Purchase of land and construction;
   c) Construction, renovation and/or improvement of existing residential property or existing plot/land;
   d) Takeover loans on existing mortgages or equity release on existing mortgage property

(ii) Car loans for acquisition of motor cars for personal use by EACC staff.

The Fund is administered by the EACC Staff Mortgage and Car Loan Advisory Committee. The committee is charged with the responsibility of processing loans from applicants in accordance with laid down approved regulations, setting up a revolving Fund for the disbursement of loans, and supervising the day-to-day operations of the Fund.

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme*
*Annual Report and Financial Statements for the year ended 30th June 2023*

The Scheme's Secretariat and the Staff Mortgage and Car Loan Advisory Committee are drawn from the Ethics & Anti-Corruption Commission (EACC) but its management is under the Housing Finance Company and the KCB Bank Limited. The role of the banks is to manage the scheme and provide some administrative services for the fund.

**c) The Commission**

| Ref | Position | Name |
|---|---|---|
| 1 | Chairperson | David Oginde, PhD |
| 2 | Commissioner | Dr. Monica Muiru |
| 3 | Commissioner | Col. (Rtd) Alfred Mshimba |
| 4 | Commissioner | Dr. Cecilia Mutuku |
| 5 | Commissioner | John Ogallo |
| 6 | Secretary to the Commission | Twalib Mbarak, CBS |

**d) Key Management**

| Ref | Position | Name |
|---|---|---|
| 1 | Fund Administrator | Mr. Twalib Mbarak, CBS<br>Secretary/Chief Executive Officer |
| 2 | Fund Accountant | CPA Joel I. Mukumu, OGW<br>Director, Finance and Planning |
| 3. | Staff Mortgage and Car Loan Advisory Committee | Mr. David Too, OGW<br>Director, Legal Services & Asset Recovery/<br>Committee Chairperson |
| 4 | Staff Mortgage and Car Loan Advisory Committee | Ms. Ellyjoy G. Bundi, HSC<br>Deputy Director, Human Resource Management/ Secretary |
| 5 | Staff Mortgage and Car Loan Advisory Committee | Mr. Abdi A. Mohamud, MBS<br>Deputy Chief Executive Officer/ Member |

| | | |
|---|---|---|
| 6 | Staff Mortgage and Car Loan Advisory Committee | Mr. Vincent O. Okong'o, ndc,<br>Director, Preventive Services/ Member |
| 7 | Staff Mortgage and Car Loan Advisory Committee | Mr. Jackson K. Mue, OGW<br>Director, Field Services & Coordination/ Member |
| 8 | Staff Mortgage and Car Loan Advisory Committee | CPA John Lolkoloi, OGW<br>Director, Ethics & Leadership/ Member |

**e) Fiduciary Oversight Arrangements**

| Ref | Position | Name |
|---|---|---|
| 1. | Risk & Audit Committee | Mr. Lawrence Nyalle<br>(Independent Chairperson) |
| 2. | Deputy Director, Internal Audit | Mr. Hassan Kidzuga |
| 3. | Staff Mortgage and Car loan Advisory Committee | Mr. David Too, OGW<br>(Chairperson) |
| 4. | Staff Mortgage and Car loan Advisory Committee | Ms. Ellyjoy G. Bundi, HSC<br>(Secretary) |

**f) Registered Offices**

Integrity Centre
Jakaya Kikwete/Valley Road Junction
P.O. Box 61130-00200
Nairobi, Kenya

**g) Fund Contacts**

Headquarters, Nairobi

Integrity Centre

Jakaya Kikwete /Valley Road Junction

P. O. Box 61130-00200, Nairobi

Tel: (254) (020) 4997000

Mobile: 0709 781000; 0730 997000

Fax: (020) 2240954

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Email address: eacc@integrity.go.ke

**h) Fund Bankers**

Kenya Commercial Bank
P.O. Box 69695-00400
Agip House
Nairobi, Kenya

Housing Finance Company
Kenyatta Avenue
P.O. Box 30088 - 00100
Nairobi, Kenya

**i) Independent Auditors**

Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084-00100 GPO
Nairobi, Kenya

**j) Principal Legal Adviser**

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112-00200 City Square
Nairobi, Kenya

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## 3. THE COMMISSION

| Ref | Commission Members | Details |
|---|---|---|
| 1. | <br>**David Oginde, PhD**<br>**Chairperson**<br>Doctor of Philosophy in Organisational Leadership from Regent University USA, Master of Arts in Leadership from PAC University, and Bachelor of Architecture from the University of Nairobi. | **Chairperson and Independent Commissioner**<br><br>Appointed on 29th April, 2023 and assumed office on the 9th of May, 2023. He is the immediate former Presiding Bishop of Christ Is The Answer Ministries (CITAM), where he led several organisational transformation initiatives placing CITAM as a cutting-edge institution. He is currently the University Council Chairman of the Mama Ngina University College (MNUC). He is also the Chairman of the Evangelical Alliance of Kenya (EAK), and the Vice-Chair of the Association of Evangelicals in Africa (AEA). A renowned and distinguished leader with specialization in leadership and governance. He has published several books and written articles in various leadership journals and is the founder of The Catalead Associates, a leadership development firm and runs the popular Leadership Forum on Hope FM. |
| 2. | <br>**Dr. Monica Muiru**<br>**Vice-Chairperson**<br><br>Doctor of Philosophy in Business & Management from Egerton University, Master Degree in Accounting and Finance, Bachelor of Commerce Degree in Business Administration from University of Nairobi. | **Vice Chairperson and Independent Commissioner.**<br><br>Born in the year 1965; She is a trained, experienced and internationally exposed business professional and academic scholar with many years of experience in accounting, finance and management.<br><br>Previously served as a lecturer at Egerton University and worked at Kenya Broadcasting Corporation (KBC), East African Standard, Mellon Bank in Pittsburgh USA and Motient Corporation, Reston, Virginia, USA.<br><br>In addition, a fellow of the Chartered Institute of Marketing, a member of Zonta International and an Associate member of the American Chartered Institute of Accounting. |

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| 3. | <br>**Col. (Rtd) Alfred Mshimba**<br>**Commissioner**<br><br>Master of Business Administration in Strategic Management from the University of Nairobi and a Bachelor's Degree in Business Administration. He is an expert in logistics and supply chain management. | **Independent Commissioner**<br><br>Born in the year 1959 and appointed on 14th December 2021. Col. Mshimba is a retired career military officer with over 30 years' experience in leadership, administration, human resource management, procurement and diplomacy.<br><br>In addition, Commissioner Col. (Rtd) Mshimba, has been recognized for his service and was honoured by receiving the Military Observer, United Nations Western Sahara Morocco (MINRUSO) Medal among other accolades. |
| 4. | <br>**Dr.Cecilia Mutuku,**CHRP, CPS(K)<br>**Commissioner**<br><br>Doctor of Philosophy and Masters in Business Administration, with a specialization in Human Resources Management (HRM), both from The University of Nairobi (UoN). In addition, a Certificate in Quality Management by the International Trade Centre (ITC). A member of the Institute of Human Resources (IHRM), Institute of Certified Secretaries (ICS) and The National Quality Institute (NQI). In addition, a member of the American Society for | **Independent Commissioner**<br><br>She is a Human Resource and Governance expert with extensive experience in Policy Development, Leadership, Organizational Behaviour and Reforms, Human Resource Management, Performance Improvement, Culture Change and Quality Management. In addition, a Certified Human Resource Practitioner (CHRP-K) and Certified Company Secretary (CPS-K). Former, Head of Human Resources at the Kenya Bureau of Standards (KEBS) and the Head of the National Quality Institute (NQI-KEBS). Involved in steering the design, development and implementation of the Certification Program for Quality Practitioners in Kenya and has been participating in the KEBS Technical Committees on Quality Management and Quality Assurance and on Human Resources Management. Passionate about excellence and quality especially within the public sector institutions and has been spearheading Training of Anti Bribery Management Systems (ABMS) Standard in various forums. |

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| | Quality (ASQ) and the Kenya Institute of Management (KIM). | |
| 5. | <br>**CPA John Ogallo**<br>**Commissioner**<br><br>Master of Business Administration (MBA) degree from the University of Sheffield (UK), and Post-Graduate Diploma in Public Financial Management from the University of London. In addition, Certified Public Accountant (CPA-K). | **Independent Commissioner**<br><br>He is Public Financial Management (PFM) expert with extensive global experience in Governance and Institutional Building. He has worked for several years at the World Bank in Washington DC; and has expertise in Financial Management and Governance. He has wide experience in financial management for development; and has led teams to provide technical assistance to strengthen institutions of accountability; and undertake fiduciary due diligence, advisory services and analytics. In addition, worked for several years in the private and public sectors in Kenya in various technical and managerial capacities. More so, has undertaken international consultancy assignments, including with the African Development Bank, to strengthen public administration and public finance management systems.<br>Further, credits in knowledge of and professional interest in Corporate Governance and Decentralization and Local Governance. As an ordained Pastor and a strong believer in the principles of fairness, good governance – integrity, commitment to ethical values, respect for the rule of law and a just society. |
| 6. | <br>**Mr. Twalib Mbarak, CBS**<br>**Secretary/Chief Executive Officer** | **Secretary to the Commission and Chief Executive Officer**<br><br>Born in 1965; Served as Major at Kenya Armed Defence Forces, Senior Officer at National Intelligence Service (NIS), Kenya Anti-Corruption Commission (KACC) and Kenya Electricity Generating Company (KenGen).<br><br>Experienced in Security, Intelligence and Investigation Management. He is a Certified |

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| | Master of Arts Degree in Armed Conflict and Peace Studies (University of Nairobi)<br>Bachelor of Arts degree (University of Nairobi) | Security Management Professional from the International Security Management Institute, UK. In Kenya, he founded the Association of Corporate and Industrial Security Professionals (ACISMP) an association directing the corporate security in Kenya. |

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## 4. MANAGEMENT TEAM

| | Management | Details |
|---|---|---|
| 1. |  **Mr. Twalib Mbarak, CBS**<br>**Secretary/Chief Executive Officer**<br><br>Master of Arts in Armed Conflict & Peace Studies<br>Bachelor of Arts (Political Science and Sociology) | Provides strategic, financial and operational leadership, coordinate, and work with the Commissioners and senior leadership team. Involved in managing the day-to-day operations of the Commission. |
| 2. |  **Mr. Abdi A. Mohamud, MBS**<br>**Deputy Chief Executive Officer**<br><br>Master of Science (Security and Risk Management)<br>Bachelor of Laws (LLB) | Supports the Secretary/Chief Executive Officer (CEO) in leading the Commission's executive team, and in managing the day-to-day operations, resources and staff. In addition, provide leadership in policy formulation, implementation, and advisory in investigative role of the Commission. Further, manage directorates function s and activities. |
| 3. |  | Provide Directorate's leadership in policy formulation, implementation, and advisory on relevant laws. In addition, lead asset recovery related to corruption and overall management of the Directorate's functions and activities. |

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| | **Mr. David K. Too, OGW**<br>**Director, Legal Services & Asset Recovery**<br>Master of Business Administration<br>Bachelor of Laws (LLB), Diploma in Law | |
| 4. | <br>**Mr. Vincent O. Okong'o 'ndc'**<br>**Director, Preventive Services**<br>Master of Arts (Economics & Social Studies), Master of Arts in Economic Policy Management<br>Bachelor of Arts (Economics) | Provide Directorate's leadership in policy formulation, implementation and advisory on preventive measures including prevention, public awareness, training, research; and overall management of the Directorate's functions and activities. |
| 5. | <br>**Director, Field Services & Coordination**<br>Master of Science in ICT Policy and Regulation, Bachelor of Science (Mathematics & Computer Science). Post Graduate Diploma in Computer Science | Provide Directorate's leadership in coordination of Commission functions at regional levels, partnerships, and support the office of Secretary/Chief Executive Officer in general administration and overall management of the Directorate's functions and activities. |

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| 6. | <br>**CPA John Lolkoloi, OGW**<br>**Director, Ethics & Leadership**<br>Master of Business Administration (Strategic Management), Bachelor of Commerce (Finance), Certified Public Accountant of Kenya(CPA-K) | Provide Directorate's leadership in implementation of Leadership and Integrity Act 2012, development of ethical standards and practices in public service and overall management of the Directorate's functions and activities. |
| 7. | <br>**Mr. Paschal K. Mweu, OGW**<br>**Director, Investigations**<br>Master Degree in Governance & Ethics<br>Bachelor Degree in Philosophy | Provide Directorate's leadership in policy formulation, implementation and advisory in investigative role of the Commission. Further, manage the directorate's functions and activities. |
| 8. | <br>**CPA Joel I. Mukumu, OGW**<br>**Director, Finance and Planning**<br>Master of Business Administration (Finance), Bachelor of Commerce - Accounting Option. Certified Public Accountant of Kenya | Provide Directorate's leadership in implementation of PFM Act 2012, and policy formulation, implementation and coordination of the Finance and Budget functions of the Commission. In addition, lead overall management of the Directorate's functions and activities. |

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| 9. | <br>**Ms. Ellyjoy G. Bundi, HSC**<br>**Deputy Director, Human Resource Management**<br>Master of Business Administration (HRM)<br>Bachelor of Education, Diploma in Human Resources Management | Provide Commission leadership in human capital management and relevant labour laws, implementation of key human resource aspect not limited to succession, development, retention, training, and overall management of the Commission staff related functions and activities. |
| 10. | <br>**Mr. Eddie Odhiambo- Assistant Director, Supply Chain Management**<br>Master of Business Administration<br>Bachelor of Science (Statistics & Computer Science), Diploma in Purchasing and Supplies Management<br>Chartered International Procurement Professional | Provide leadership in implementation of Public Procurement and Disposal Act, 2015 and related regulations in supply chain management functions of the commission and overall management and supportive function of the Commission. |

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## 5. CHAIRPERSON'S REPORT



The Commission established the Staff House Mortgage and Car Loan Scheme in 2016 as an important tool to motivate, retain and improve their wellbeing. The Scheme was established pursuant to Salaries and Remuneration Commission Guidelines to enable staff acquire residential houses and motor vehicles at favourable interest rates.

The Scheme started with an initial seed capital of Kshs 300 million in 2016 and has grown over the period to the current cash inflows of Kshs 1,733,955,144. The National Treasury has continued to support the Scheme through consistent funding. The loan principal repayment stood at Ksh.400, 021,861 by end of FY 2022/23.

The governance and management of the Scheme is set out in the EACC Staff Mortgage and Car Loan Scheme Policies and Regulations, 2016 (Revised 2019) and as per the guidelines issued by the Salaries and Remuneration Commission. The Polices and Guidelines provides a framework for the prudent management, accountability and transparency in application of the fund.

Finally, the Commission extends its appreciation to the National Treasury for the continued support in allocation of resources to the Fund. We also call upon the Trustees and Service Providers to remain prudent and vigilant in ensuring that the Fund meets its intended objective.

God bless Kenya, God bless you all.

**David Oginde, PhD**
**CHAIRPERSON OF THE COMMISSION**

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## 6. REPORT OF THE FUND ADMINISTRATOR



The Commission presents the Financial Statements of the EACC Staff House Mortgage and Car Loan Scheme for the year ending 30th June 2023. The Scheme is administered pursuant to the Public Finance Management Act, 2012, the Public Financial Regulations, 2015 and reported in line with the International Public Sector Accounting Standards (IPSAS).

In order to ensure good governance and efficiency in the management of the Fund, the Commission has established the Staff Mortgage and Car Loan Advisory Committee to administer the Fund. External professional service providers support the Committee with technical expertise for effective operation of the Fund. As at 30th June 2023, the fund balance stood at Kshs. 1,202,377,405 while the loan repayments have stood at Kshs. 400,021,861.

The Scheme has so far facilitated 150 members of staff with mortgage facilities while 97 employees have been facilitated to acquire motor vehicles. In the year under review, the Fund disbursed Kshs. 60,744,129 and Kshs. 1,600,000 for House Mortgage and car loans respectively.

I encourage the staff of the Commission to take advantage of this competitive facility to improve their welfare and that of their families. As the Fund Administrator, I will continue to work with all the stakeholders including the National Treasury with a view to ensure sustainability of the Fund.

**Twalib Mbarak, CBS**
**SECRETARY TO THE COMMISSION/ FUND ADMINISTRATOR**

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## 7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

**Introduction**

Section 81 (2)(f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each national government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key strategic objectives are contained in the EACC 2023-2028 Strategic Plan. However, to achieve the objective of the Salaries and Remuneration Commission (SRC) circular Ref. No: SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014 that initialized the establishment of the fund, the EACC 2023-2028 Strategic Plan incorporated the following as one of its strategic objectives;

**To attract and retain a productive and motivated human resource**

To realise this strategic objective, the EACC Staff House Mortgage and Car Loan Scheme relied on its strategic objectives to guide activities, policy formulation and work plans and made the following progress and achievements towards its targeted objective during FY 2022/2023.

Below we provide the progress on attaining the stated objective:

| Program | Objective | Outcome | Indicator | Achievements |
|---|---|---|---|---|
| Control and Management of Public Finances | To attract and retain a productive and motivated human resource | Increased number of staff accessing the staff mortgage and car loan | Percentage of staff retained in EACC and number of staff who accessed the mortgage and car loans | The number of staff who accessed the mortgage and car loans rose from 242 in FY 2021/2022 to 247 staff in FY 2022/2023.This has led to a motivated workforce and retention of staff in EACC. |

## 8. CORPORATE GOVERNANCE STATEMENT

### a. The EACC Staff House Mortgage and Car Loan Scheme Fund

The Ethics and Anti-Corruption Commission Staff House Mortgage and Car loan scheme Fund is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014 and Section 24 (4)(5)(6)(7) of the Public Finance Management (PFM) Act, 2012 and 127 (1)(2) of the PFM (National Government) Regulations, 2015.

Its mandate is to provide car loans and house mortgage to members of staff. The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the fund is a formal governance structure with the committee at its apex. The operations of the fund are governed by EACC Staff House Mortgage and Car Loan Scheme Regulations, 2016 (Revised 2019) and PFM Act, 2012, PFM Regulations, SRC Circulars, National Treasury Circulars and any other government legislations.

### b. The Fund Management Committee

Section 9 & 10 of the EACC Staff Mortgage Regulations, 2016 (Revised 2019) provides for appointment of a committee and an administrator of the fund. The committee is made up of twelve members including the Chairperson and a Secretary. The committee is responsible for the long-term strategic direction of the fund. The committee exercises leadership, enterprise, integrity and judgment in directing the Fund.

### c. Roles and functions of the Fund Administration Committee

The function of the Committee includes receiving and processing applications for loans following the existing terms and conditions of borrowing; liaising with the service provider (financial institution) to set up the revolving Fund for disbursement of loans; forward the successful applications with recommendations to fund managers for processing.

The committee members are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the fund is delegated to the fund administrator but the committee is responsible for establishing and maintaining the fund's system of internal controls for the realization of its mandate.

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**d. Committee Meetings**

The committee meets quarterly or as required in order to monitor the implementation of the fund's strategic objectives and achievement of the targets. The committee also plays an oversight role over all other financial and operational issues.

**e. Ethics and conduct as well as governance audit**

**Internal Control and Risk Management**

The committee is responsible for reviewing the effectiveness of the fund's system of internal control which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

**Management Team**

The management team headed by the Fund Administrator implements the committee decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the committee's objectives are achieved effectively and efficiently.

**Auditor**

The Auditor General is responsible for the statutory audit of the EACC Staff House Mortgage and Car Loan Scheme Fund in accordance with the provisions of Art. 226 (3) and Art.229 (4) (b) of the Constitution of Kenya, 2010, section 24 (10) (b) and section 84 (3) of the PFM Act, 2012 and section 35 of the Public Audit Act, 2015. The audit issues raised in the FY 2022/2023 were resolved, and the scheme financial statements were reported to present fairly in all material aspects the true financial position of the Scheme. The auditors of the Scheme, thus, issued an unqualified audit opinion.

**Statement of Compliance**

The Committee confirms that the Fund has, throughout the FY 2022/2023, complied with all statutory and regulatory requirements and has been managed under the principles of good corporate governance.

## 9. MANAGEMENT DISCUSSION AND ANALYSIS

### a) Operational and financial performance of the Fund during the period

The Scheme was introduced seven (7) years ago and has recorded total cash inflows of Kshs 1,733,955,144 as reported in the period under review.

The number of applicants who have shown interest in Mortgage and Car Loan facility has grown over time with the waiting list becoming bigger every day. There are 150 successful applications for mortgage amounting to Kshs. 1,181,502,704 and 97 successful applications for Car Loan amounting to Kshs. 127,696,300 as at the end of the period under review.

**Performance for the periods 2015/2016 to 2022/2023**

| | **Mortgage** | **Car Loan** | **Total** |
|---|---|---|---|
| | **Kshs** | **Kshs** | **Kshs** |
| Exchequer funding HFC Schemes | 520,000,000 | 200,000,000 | 720,000,000 |
| Exchequer funding KCB Schemes | 527,000,000 | 38,000,000 | 565,000,000 |
| Net inter-fund bank transfers | (167,000,000) | (33,000,000) | (200,000,000) |
| Principal repayments received HFC | 219,921,358 | 106,715,194 | 326,636,553 |
| Principal repayments received KCB | 68,989,758 | 4,395,550 | 73,385,308 |
| Interest earned on HFC Schemes | 149,929,407 | 35,450,157 | 185,379,564 |
| Interest earned on KCB Schemes | 62,188,251 | 1,365,468 | 63,553,719 |
| **Total Inflows** | **1,381,028,775** | **352,926,369** | **1,733,955,144** |
| | | | |
| Loans Issued HFC | 706,210,876 | 116,416,300 | 822,627,176 |
| Loans Issued KCB | 475,291,828 | 11,280,000 | 486,571,828 |
| Scheme Administration Cost | 120,416,246 | 8,372,170 | 128,788,416 |
| Withholding Tax on interest | 2,667,489 | 93,041 | 2,760,530 |
| Bank Service Charges | 4,050 | 2,865 | 6,915 |
| **Total Outflows** | **1,304,590,488** | **136,164,376** | **1,440,754,864** |
| **Net Inflows** | **76,438,287** | **216,761,993** | **293,200,280** |

Due to increased demand for mortgage and car loan facility, the fund has been facing inadequate resource challenges due to fiscal austerity measure instituted by the government. However, there is a great expectation that in future the scheme will be a self-sustaining revolving fund.

**b) Fund's key projects or investments decision implemented or ongoing**

The Commission has continued to support the Mortgage and Car Loan schemes for the staff. This is intended to provide affordable housing for the staff while at the same time facilitating the staff to conveniently commute to and from their workplace.

**c) Fund's compliance with statutory requirements**

The fund complied with all its statutory and tax obligations in the implementation of its mandate. Further, the fund complied with all the necessary laws and regulations applicable in the management of the funds.

**d) Risk management activities**

The Scheme has put in place risk management framework for risk identification and mitigation. Further it has embedded risk management in all its planning, execution, evaluation and business continuity arrangements.

Some of the key risks facing the scheme fund include

i) **Strategic Risks**: These are risks that affect the ability to carry out the long-term goals and objectives of the fund due to inadequate funding.

ii) **Compliance Risks**: These are risks associated with non- compliance with applicable laws and regulations could result in litigation and conflict of interest.

iii) **Financial Risks**: The risk of financial loss that may include ineffectiveness of internal controls, inadequate funding, inability to service the loans and delay in financial reporting due to reliance on third party financial information. The delayed funding may also result in the Commission's inability to fund all the applications hence delay in issuing loans and acquisition of the properties.

iv) **Operational Risk**: The risk of direct or indirect loss or inability to provide core services especially to mortgage and car loan applicants, resulting from inadequate or failed financial processes, resources and systems.

**e) Financial Probity and Governance**

To obtain assurance on compliance and prudence in the management of the fund finances, the Scheme prepares the financial statements for the Mortgage and Car loan funds, which are subjected to both internal and external audit. The audit findings and recommendations enable the Scheme to strengthen the fund operational and financial systems.

## 10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Environmental and Sustainability reporting corporate social responsibility is an integral part of the Commission culture. As a responsible organization, the Commission respects the interests of its stakeholders – our employees, customers, suppliers and the wider community. We actively seek opportunities to improve the environment and contribute to the well-being of our communities. During the Financial Year 2022/2023, the Fund did not carry out any CSR. However, the Committee is looking forward to getting involved more in CSR activities in future.

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## 11. REPORT OF THE FUND ADMINISTRATION COMMITTEE

The Fund Administration Committee submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Fund affairs.

**Principal activities**

The principal activity of the fund is to provide financing to the members of staff to purchase, develop or renovate residential property and acquisition of motor cars for private use.

**Performance**

The performance of the Fund for the year ended June 30, 2023, is set out on pages 1 to 23.

**The Fund Administration Committee**

The members of the Commission who served during the year are shown on pages vii to x.

**Auditors**

The Auditor-General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Commission

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**David Oginde, PhD**
**Chairperson of the Commission**

## 12. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 84 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Fund established under the constitution or an act of parliament shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund, (iii)Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv)Safeguarding the assets of the fund; (v)Selecting and applying appropriate accounting policies, and (vi)Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2023, and of the Fund's financial position as at that date.

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

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Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the Financial Statements**

The Fund's financial statements were approved by the Commission on 25th September 2023 and signed on its behalf by:

.....

**David Oginde, PhD**
**Chairperson of the Commission**

.....

**Twalib Mbarak, CBS**
**Fund Administrator /**
**Secretary to the Commission**

**REPUBLIC OF KENYA**

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OFFICE OF THE AUDITOR-GENERAL
*Enhancing Accountability*

**HEADQUARTERS**
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON ETHICS AND ANTI-CORRUPTION COMMISSION STAFF HOUSE MORTGAGE AND CAR LOAN SCHEME FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

**Opinion**

I have audited the accompanying financial statements of Ethics and Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme as set out on pages 1 to 25,

which comprise the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ethics And Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Ethics and Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme Regulations, 2016 (Revised 2019) and the Public Finance Management Act, 2012.

**Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ethics and Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

**Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

**Basis for Conclusion**

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal controls, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### Responsibilities of Management and The Commissioners

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Scheme's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Scheme or cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Commissioners are responsible for overseeing the Scheme's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

## Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Scheme to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Scheme to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide the Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

**CPA Nancy Gathungu, CBS**
**AUDITOR-GENERAL**

**Nairobi**

**06 October, 2023**

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme*
*Annual Report and Financial Statements for the year ended 30th June 2023*

## 14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2023

| Description | Note | 2022/23 | 2021/22 |
|---|---|---|---|
| | | Kshs. | Kshs. |
| **Revenue from exchange transactions** | | | |
| Interest income on Bank Balance | 6 | 7,996,688 | 4,989,878 |
| | | | |
| Interest on Individuals Staff House Mortgage and Car Loans | 7 | 36,895,922 | 36,712,479 |
| **Total revenue** | | **44,892,610** | **41,702,357** |
| **Expenses** | | | |
| Commission paid to Service Providers | 8 | 27,671,942 | 27,534,359 |
| | | | |
| Withholding Tax on Interest Income | 9 | 1,383,598 | 1,376,718 |
| | | | |
| Bank Service Charges | 10 | - | 2,130 |
| **Total expenses** | | **29,055,540** | **28,913,207** |
| | | | |
| **Surplus for the period** | | **15,837,070** | **12,789,150** |

The notes set out on pages 7 to 24 form integral part of these financial statements.

The financial statements on pages 1 to 5 were approved on 25th September 2023 by:

**Twalib Mbarak, CBS**
**Fund Administrator /**
**Secretary to the Commission**

**CPA Joel I. Mukumu, OGW**
**Fund Accountant /**
**Director, Finance & Planning**
**ICPAK M/No. 5917**

**David Oginde, PhD**
**Chairperson of the Commission**

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme*
*Annual Report and Financial Statements for the year ended 30th June 2023*

## 15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

| Description | Note | 2022/23 | 2021/22 |
|---|---|---|---|
| | | Kshs. | Kshs. |
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 11 | 293,200,280 | 252,856,967 |
| Short term receivables from Staff House Mortgage | 12 | 60,460,926 | 59,349,427 |
| Short term receivables from Staff Car Mortgage | 12 | 9,316,942 | 12,973,217 |
| Total Current Assets | | **362,978,148** | **325,179,611** |
| | | | |
| **Non-current assets** | | | |
| Long term receivables from staff House Mortgage | 12 | 832,130,810 | 845,371,903 |
| Long term receivables from staff Car Mortgage | 12 | 7,268,447 | 15,988,817 |
| | | **839,399,257** | **861,360,720** |
| **Total assets** | | **1,202,377,405** | **1,186,540,331** |
| | | | |
| **Net assets** | | | |
| Accumulated surplus (*Reserves*) | 13 | 117,377,405 | 101,540,331 |
| Mortgage and Car loan revolving fund | 13 | 1,085,000,000 | 1,085,000,000 |
| **Total net assets** | | **1,202,377,405** | **1,186,540,331** |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund financial statements were approved on 25th September 2023 and signed by:

**Twalib Mbarak, CBS**
**Fund Administrator /**
**Secretary to the Commission**

**CPA Joel I. Mukumu, OGW**
**Fund Accountant /**
**Director, Finance & Planning**
**ICPAK M/No. 5917**

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**Chairperson of the Commission**

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme*
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## 16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2023

| Description | Note | Mortgage Fund | Car Loan Fund | Accumulated Surplus | Total |
|---|---|---|---|---|---|
| | | Kshs | Kshs | Kshs. | Kshs. |
| | | | | | |
| **As at 1 July 2021** | | **920,000,000** | **65,000,000** | **88,751,185** | **1,073,751,185** |
| Surplus for the period | | - | - | 12,789,150 | 12,789,150 |
| Transfers from EACC | 15 | 100,000,000 | - | - | 100,000,000 |
| **As at 30 June 2022** | | **1,020,000,000** | **65,000,000** | **101,540,335** | **1,186,540,335** |
| | | | | | |
| **Balance as at 1 July 2022** | | **1,020,000,000** | **65,000,000** | **101,540,335** | **1,186,540,335** |
| Surplus for the period | | | | 15,837,070 | 15,837,070 |
| Transfers from EACC | 15 | | | | |
| **As at 30 June 2023** | | **1,020,000,000** | **65,000,000** | **117,377,405** | **1,202,377,405** |

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**Chairperson of the Commission**

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme*
*Annual Report and Financial Statements for the year ended 30th June 2023*

## 17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2023

| Description | Note | 2022/23 | 2021/22 |
|---|---|---|---|
| | | Kshs. | Kshs. |
| **Cash flows from operating activities** | | | |
| **Receipts** | | | |
| Interest income on Bank Balance | 6 | 7,996,688 | 4,989,878 |
| | | | |
| Interest on Individuals Staff Mortgage and Car Loans | 7 | 36,895,922 | 36,712,479 |
| **Total receipts** | | **44,892,610** | **41,702,357** |
| **Payments** | | | |
| Commission paid to Service Providers | 8 | 27,671,942 | 27,534,359 |
| | | | |
| Withholding Tax on Interest Income | 9 | 1,383,598 | 1,376,718 |
| | | | |
| Bank Service Charges | 10 | - | 2,130 |
| **Total payments** | | **29,055,540** | **28,913,207** |
| **Net cash flow from operating activities** | | **15,837,070** | **12,789,150** |
| | | | |
| **Cash flows from investing activities** | | | |
| Increase in short-term receivables Staff Mortgage & car loans | 12 | 2,544,776 | 134,120 |
| Increase in long-term receivables Staff Mortgage & car loans | 12 | 21,961,463 | 7,348,034 |
| **Net cash flows used in investing activities** | | **24,506,239** | **7,482,154** |
| | | | |
| **Cash flows from financing activities** | | | |
| Receipts into the mortgage revolving fund | 13 | - | 100,000,000 |
| Receipts into the car loan revolving fund | 13 | - | - |
| **Net cash flows used in financing activities** | | **-** | **100,000,000** |
| | | | |
| **Net increase/(decrease) in cash and cash equivalents** | | **40,343,312** | **120,271,303** |
| Cash and cash equivalents at 1 July 2022 | 11 | 252,856,968 | 132,585,664 |
| **Cash and cash equivalents at 30 June 2023** | | **293,200,280** | **252,856,967** |

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**David Oginde, PhD**
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## 18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023

| Description | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference | % of utilization |
|---|---|---|---|---|---|---|
| | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. | |
| | A | B | C=(A+B) | D | E=(C-D) | F= D/C |
| **Revenue** | | | | | | |
| Interest on Bank Balance | 4,989,878 | | 4,989,878 | 7,996,688 | (3,006,810) | 160% |
| Interest on Staff Mortgage & Car Loans | 36,712,479 | | 36,712,479 | 36,895,922 | (183,443) | 100% |
| **Total Revenue** | **41,702,357** | | **41,702,357** | **44,892,610** | **(3,190,253)** | |
| | | | | | | |
| **Expenditure** | | | | | | |
| Commission paid to service providers | 27,534,359 | | 27,534,359 | 27,671,942 | (137,583) | 100% |
| Withholding Tax on Interest Income | 1,376,718 | | 1,376,718 | 1,383,598 | (6,880) | 100% |
| Bank Service Charges | 2,130 | | 2,130 | - | 2,130 | 0% |
| **Total Expenditure** | **28,913,207** | | **28,913,207** | **29,055,540** | **(142,333)** | 100% |
| **Surplus for the period** | **12,789,150** | | **12,789,150** | **15,837,070** | **(3,047,920)** | 124% |

*Note:*

**Revenue**: This was attained due to higher interest realized on bank balances than anticipated

**Expenditure:** Slightly higher amounts were incurred on commission to service providers than budgeted

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**Fund Administrator /**
**Secretary to the Commission**

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**Fund Accountant / Director, Finance & Planning**
**ICPAK M/No. 5917**

**David Oginde, PhD**
**Chairperson of the Commission**

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme Annual Report and Financial Statements for the year ended 30th June 2023*

## 19. NOTES TO THE FINANCIAL STATEMENTS

### 1. General Information

Ethics and Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme Fund is established by and derives its authority and accountability from the Public Finance Management Act (PFMA) 2012. The Fund is wholly owned by the Ethics & Anti-Corruption Commission (EACC) and is domiciled in Kenya. The Fund's principal activity is to provide financing to the members of staff to purchase, develop or renovate residential property and acquisition of motor car for private use.

### 2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Fund's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings (**Kshs**), which is the functional and reporting currency of the Fund.

The financial statements have been prepared in accordance with the PFM Act, 2012 and the International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

### 3. Adoption of New and Revised Standards

*i.* **New and amended standards and interpretations in issue effective in the year ended 30 June 2023**

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

*ii.* **New and amended standards and interpretations in issue but not yet effective in the year ended 30th June 2023.**

| Standard | Effective date and impact: |
|---|---|
| **IPSAS 41:** Financial Instruments | **Applicable: 1st January 2023:**<br>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of the Fund's future cash flows.<br>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:<br>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;<br>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and<br>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between the Fund's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.<br>The standard has no impact on the EACC Staff House Mortgage and Car Loan Scheme Fund. |
| **IPSAS 42:** Social Benefits | **Applicable: 1st January 2023**<br>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Fund provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:<br>(a) The nature of such social benefits provided by the Fund;<br>(b) The key features of the operation of those social benefit schemes; and |

| Standard | Effective date and impact: |
|---|---|
| | (c) The impact of such social benefits provided on the Fund's financial performance, financial position and cash flows.<br>The standard has no impact on the EACC Staff House Mortgage and Car Loan Scheme Fund. |
| Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments | **Applicable: 1st January 2023:**<br>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.<br>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.<br>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.<br>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.<br>The amendment has no impact on the EACC Staff House Mortgage and Car Loan Scheme Fund. |
| Other improvements to IPSAS | ***Applicable 1st January 2023***<br>• *IPSAS 22 Disclosure of Financial Information about the General Government Sector.*<br>Amendments to refer to the latest System of National Accounts (SNA 2008).<br>• *IPSAS 39: Employee Benefits*<br>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.<br>• *IPSAS 29: Financial instruments: Recognition and Measurement*<br>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. |

| Standard | Effective date and impact: |
|---|---|
| | There was no impact of the Standard to the current financial report of the Scheme. |
| IPSAS 43 | ***Applicable 1st January 2025***<br>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the Fund.<br>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.<br>There was no impact of the Standard to the current financial report of the Scheme. |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | ***Applicable 1st January 2025***<br>The Standard requires,<br>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:<br>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.<br>There was no impact of the Standard to the current financial report of the Scheme. |

*iii.* **Early adoption of standards**

The Fund did not early – adopt any new or amended standards in the year 2022/23

**4. Significant Accounting Policies**

**a. Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Fund and can be measured reliably.

**ii) Revenue from exchange transactions**

**Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income for each period.

**b. Budget information**

The original budget for FY 2022/23 was approved on 22nd July 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Fund upon receiving the respective approvals in order to conclude the final budget.

The Fund's budget is prepared on a different basis from the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis.

The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also

***Significant Accounting Policies (Continued)***

made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts as per the statement of financial performance has been presented under page 5 of these financial statements.

**c. Financial instruments**

**1)Financial assets**

***Initial recognition and measurement***

Financial assets within the scope of IPSAS 29 Financial Instruments; Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. The Fund determines the classification of its financial assets at initial recognition.

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

***Held-to-maturity***

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Fund has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, with less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

***Impairment of financial assets***

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a Fund of financial assets is impaired. Management then follows the procedure





***Significant Accounting Policies (Continued)***

required by Regulation 145 of the PFM Act, 2012. A financial asset of the Fund is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (*an incurred 'loss event'*) and that loss event has an impact on the estimated future cash flows of the Fund that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors of the Fund are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults).

**2) Financial liabilities**

***Initial recognition and measurement***

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Fund determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

**d. Contingent liabilities**

The Fund does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**e. Contingent assets**

The Fund does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Fund in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

***Significant Accounting Policies (Continued)***

**f. Changes in accounting policies and estimates**

The Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

IPSAS-3: Accounting Policies, Changes in Accounting Estimates and Errors is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors.

The standard requires compliance with any specific international financial reporting standard applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.

Prior period errors are omissions from, and misstatements in, an entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available and could reasonably be expected to have been obtained and taken into account in preparing those statements. Such errors result from mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

**g. Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

***Significant Accounting Policies (Continued)***

**h. Related parties**

The Fund regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management are regarded as related parties and comprise the Commission, the Directors, the Fund Managers, and Fund Accountant.

**i. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Housing Finance Company and KCB Bank Ltd at the end of the financial year.

**j. Comparative figures**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**k. Events after the reporting period**

There were no material adjusting and non-adjusting events after the reporting period.

**l. Ultimate and Holding Fund**

The EACC Staff Mortgage and Car Loan Scheme Fund is established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014 and Section 24 (4)(5)(6)(7) of the Public Finance Management (PFM) Act 2012 and 127 (1)(2) of the PFM (National Government).
Its ultimate parent is the Ethics and Anti-Corruption Commission.

**m. Currency**

The financial statements are presented in Kenya Shillings (**Kshs**).

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***Significant Accounting Policies (Continued)***

**5. Significant judgments and sources of estimation uncertainty**

The preparation of the Fund's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**6. Interest income on Bank Balance**

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | Kshs. | Kshs. |
| Interest on Mortgage Bank Account HFC | 1,394,006 | 1,794,079 |
| Interest on Mortgage Bank Account KCB | 5,945,764 | 2,363,473 |
| Interest on Car Loan Bank Account KCB | 386,135 | 589,065 |
| Interest on Car Loan Bank Account HFC | 270,783 | 243,261 |
| **Total Interest Income** | **7,996,688** | **4,989,878** |

The Interest Income of **Kshs 7,996,688** relates to the total interest earned on the capital sum deposited in the Free Fund (High Interest) Account at an annualized 91-day Treasury Bill Rate minus 1%.

**7. Interest on Individuals Staff House Mortgage and Car Loans**

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | Kshs. | Kshs. |
| Individual Staff Mortgage 4% Interest at HFC | 19,919,440 | 20,254,873 |
| Individual Staff Mortgage 4% Interest at KCB | 16,034,337 | 14,924,381 |
| Individual Car Loan 4% Interest at HFC | 634,157 | 1,219,036 |
| Individual Car Loan 4% Interest at KCB | 307,988 | 314,189 |
| **Total Interest Income** | **36,895,922** | **36,712,479** |

## 8. Commission paid to Service Providers

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | Kshs. | Kshs. |
| 3% Commission to Service Provider HFC Mortgage | 14,939,580 | 15,191,154 |
| 3% Commission to Service Provider KCB Mortgage | 12,025,753 | 11,193,286 |
| 3% Commission to Service Provider HFC Car loan | 475,618 | 914,277 |
| 3% Commission to Service Provider HFC Car loan | 230,991 | 235,642 |
| **Total** | **27,671,942** | **27,534,359** |

## 9. Withholding Tax on Interest Income

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | Kshs. | Kshs. |
| Staff Mortgage 1% Interest at HFC | 746,979 | 759,558 |
| Staff Mortgage 1% Interest at KCB | 601,288 | 559,664 |
| Car Loan 1% Interest at HFC | 23,781 | 45,714 |
| Car Loan 1% Interest at KCB | 11,550 | 11,782 |
| **Total** | **1,383,598** | **1,376,718** |

The scheme charges an interest of 4% on loans issued out which a share of 1 % is credited back to the scheme for growth of the fund. The withholding tax of Kshs 1,383,598 relates to the 1% interest income received.

## 10. Bank Service Charges

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | Kshs. | Kshs. |
| Mortgage Bank accounts | - | 1,065 |
| Car Loan Bank accounts | - | 1,065 |
| **Total** | - | **2,130** |

## 11. Cash and cash equivalents

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | Kshs. | Kshs. |
| HFC Staff Mortgage Bank Account | 91,717,106 | 66,509,886 |
| KCB Staff Mortgage Bank Account | 151,721,181 | 149,818,709 |
| KCB Car Loan Bank Account | 17,865,484 | 5,999,636 |
| HFC Car Loan Bank Account | 31,896,509 | 30,528,736 |
| **Total Cash and Cash equivalents** | **293,200,280** | **252,856,967** |

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**Detailed analysis of the cash and cash equivalents in banks approved by The National Treasury in line with Section 28 of the PFM Act ,2012 are as follows:**

| | | 2022/23 | 2021/22 |
|---|---|---|---|
| **Financial Institution** | **Account number** | **Kshs.** | **Kshs.** |
| **Mortgage and Car Loan Fund** | | | |
| KCB Bank Limited | MM1823230468 | 149,324,032 | 148,433,540 |
| KCB Bank Limited | MM2035HC6PL | 31,793,652 | 5,921,551 |
| Housing Finance Company | 2025883401-0 | 17,865,484 | 30,528,736 |
| Housing Finance Company | 2025883104-0 | 91,717,106 | 66,509,885 |
| **Sub- Total** | | **290,700,274** | **251,393,712** |
| **Current Account** | | | |
| KCB Bank Limited | 1233945564 | 2,397,149 | 78,085 |
| KCB Bank Limited | 1233948172 | 102,857 | 1,385,170 |
| **Sub- Total** | | **2,500,006** | **1,463,255** |
| **Grand Total** | | **293,200,280** | **252,856,967** |

The scheme back-up accounts held at Housing finance for both Mortgage loans and Car loans hold funds that are disbursed to the beneficiaries less principal recoveries. It shall thus at all times have a balance equivalent to the total aggregate disbursed loans less principal recoveries. The back-up account does not earn interest.

**12. Mortgage and Car Loan Receivables**

| **Description** | **2022/23** | **2021/22** |
|---|---|---|
| | **Kshs.** | **Kshs.** |
| **Current Receivables** | | |
| Short term receivables from staff House Mortgage | 60,460,926 | 59,349,427 |
| Short term receivables from staff Car Mortgage | 9,316,942 | 12,973,217 |
| **Total Current Receivables** | **69,777,867** | **72,322,644** |
| **Non-Current Receivables** | | |
| Long term receivables from staff House Mortgage | 832,130,810 | 845,371,903 |
| Long term receivables from staff Car Mortgage | 7,268,447 | 15,988,817 |
| **Total Non- Current Receivables** | **839,399,257** | **861,360,720** |
| **Total Receivables** | **909,177,124** | **933,683,364** |

| **Ageing analysis (receivable from exchange transactions** | **2022/23** | **% of total** | **2021/22** | **% of total** |
|---|---|---|---|---|
| Less than 1 year | 69,777,867 | 8% | 72,322,644 | 8% |
| Between 1-2 years | 139,555,735 | 15% | 144,645,288 | 15% |

| | | | | |
|---|---|---|---|---|
| Between 2-3 years | 209,333,602 | 23% | 216,967,932 | 23% |
| Over 3 years | 490,509,920 | 54% | 499,747,500 | 54% |
| **Total** | **909,177,124** | 100% | **933,683,364** | 100% |

**13. Mortgage and Car Revolving Fund**

| **Description** | **2022/23** | **2021/22** |
|---|---|---|
| | **Kshs.** | **Kshs.** |
| **Revolving fund as at 01 July** | 1,085,000,000 | **985,000,000** |
| Mortgage Revolving fund | - | 100,000,000 |
| Car Loan Revolving fund | - | - |
| | **1,085,000,000** | **1,085,000,000** |
| Accumulated surplus (*Reserves)* | 117,377,405 | 101,540,331 |
| **Total funds as at 30 June** | **1,202,377,405** | **1,186,540,331** |

**14. Financial risk management**

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

**a) Credit risk**

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by

the Fund's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Fund's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

| Description | Total amount Kshs. | Fully performing Kshs. | Past due Kshs. | Impaired Kshs. |
|---|---|---|---|---|
| **At 30 June 2023** | | | | |
| Receivables from Car Loans and Mortgages | **909,177,125** | **909,177,125** | - | - |
| Bank Balances | **293,200,280** | **293,200,280** | - | - |
| **Total** | **1,202,377,405** | **1,202,377,405** | - | - |
| | | | | |
| **At 30 June 2022** | | | | |
| Receivables from Car Loans and Mortgages | **933,683,364** | **933,683,364** | - | - |
| Bank Balances | **252,856,967** | **252,856,967** | - | - |
| **Total** | **1,186,540,331** | **1,186,540,331** | - | - |

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Fund has significant concentration of credit risk on amounts due from staff loan beneficiaries.

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**b) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the Fund's short, medium, and long-term funding and liquidity management requirements. The Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

**c) Market risk**

The board has put in place an internal audit function to assist it in assessing the risk faced by the Fund on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates, which will affect the Fund's income or the value of its holding of financial instruments.

The objective of market risk management is to manage and control of market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by the Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

**d) Interest rate risk**

Interest rate risk is the risk that the Fund's financial condition may be adversely affected as a result of changes in interest rate levels. The Fund's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

***Management of interest rate risk***

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**Sensitivity analysis**

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs. 142,333 (2022: Kshs. 28,913,207).

A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs. 1,445,660 (2023- Kshs. 29,055,540) = (Last year revenue) x (1+5%)

**e) Capital risk management**

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The Fund capital structure comprises of the following funds:

| **Description** | **2022/23** | **2021/22** |
|---|---|---|
| | **Kshs.** | **Kshs.** |
| **Revolving fund as at 01 July** | **1,085,000,000** | **985,000,000** |
| Mortgage Revolving fund | - | 100,000,000 |
| Car Loan Revolving fund | - | - |
| | **1,085,000,000** | **1,085,000,000** |
| Accumulated surplus *(Reserves)* | 117,377,405 | 101,540,331 |
| **Total funds** | **1,202,377,405** | **1,186,540,331** |
| | | |
| Less: Cash and bank balances | (293,200,280) | (252,856,967) |
| Net debt/(excess cash and cash equivalents) | 909,177,124 | 933,683,364 |
| **Gearing** | **76%** | **79%** |

**15. Related party**

**a) Nature of related party relationship**

Entities and other parties related to the Fund include those parties who can exercise control or exercise significant influence over its operating and financial decisions. Related parties have management personnel and their associates. The fund/scheme is related to the following entities:

a) The National Treasury

b) Ethics & Anti-Corruption Commission

c) Staff Mortgage and Car Loan Advisory Committee; and

d) Key management personnel

**b) Related party transactions**

**i.** Transfers from related parties

| **Description** | **2022/23** | **2021/22** |
|---|---|---|
| | **Kshs.** | **Kshs.** |
| Transfers from EACC | - | 100,000,000 |

## 20. SCHEME ACCOUNTABILITY STATEMENT AS AT 30TH JUNE 2023

| | House Mortgage Scheme Interest | House Mortgage Scheme | Car Loan Scheme Interest | Car Loan Scheme | Total |
|---|---|---|---|---|---|
| **Scheme Funding:** | **Kshs.** | **Kshs.** | **Kshs.** | **Kshs.** | **Kshs.** |
| Opening Balance 01.07.2022 | | 1,094,049,326 | | 92,491,007 | 1,186,540,333 |
| Funding for the year | | - | | - | - |
| **Total Principal Funding** | | **1,094,049,326** | | **92,491,007** | **1,186,540,333** |
| | | | | | |
| **Interest** | | | | | |
| Interest earned on Bank Balance HFC | | 1,394,006 | | 386,135 | 1,780,141 |
| Interest earned on Bank Balance KCB | | 5,945,764 | | 270,783 | 6,216,547 |
| Interest earned;4% on Loans Issued | 35,953,77 | | 942,145 | | |
| Less:3% Administration fees | (26,965,333) | 8,988,444 | (706,609) | 235,536 | 9,223,981 |
| Withholding Tax on Interest Income | | (1,348,267) | | (35,330) | (1,383,597) |
| Bank Service Charges | | - | | - | - |
| **Total net Interest** | | 14,979,948 | | 857,124 | 15,829,120 |
| **Total Fund** | | **1,109,029,274** | | **93,348,131** | **1,202,377,405** |
| Total Loans Issued KCB Bank | (475,291,828) | | (11,280,000) | | |
| Total Principal Repaid KCB Bank | 68,989,758 | (406,302,070) | 4,395,550 | (6,884,450) | (413,158,520) |
| Total Loans Issued HFC Bank | (706,210,876) | | (116,416,300) | | |
| Total Principal Repaid HFC Bank | 219,921,210 | (486,289,666) | 106,715,362 | (9,700,938) | (495,990,604) |
| **Total Fund Balance 30.06.2023** | | **216,437,538** | | **76,762,743** | **293,200,280** |

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## 21. ANNEXES

### Annex I: Statement of Scheme Performance

The Scheme recorded four (4) successful applications for Mortgage amounting to Kshs. 60,744,129 and only one (1) for Car Loan amounting to Kshs. 1,600,000 as at the end of the period under review compared with nine (9) successful applications for Mortgage and one (1) successful applications for Car loan in the previous financial year as analysed below.

| **Comparative Scheme Performance** | | | | |
|---|---|---|---|---|
| | **2022-2023** | | **2021-2022** | |
| **Scheme** | **Number of successful applicants** | **Amount** | **Number of successful applicants** | **Amount** |
| | No. | **Kshs.** | No. | **Kshs.** |
| Staff Mortgage | 4 | 60,744,129 | 9 | 82,462,033 |
| Staff Car Loan | 1 | 1,6000,000 | 1 | 2,000,000 |
| | **5** | **62,344,129** | **10** | **84,462,033** |

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**Annex II: Cumulative Scheme performance in the last seven (7) years**

| FY | | Mortgage HFC | Mortgage KCB | Car loan HFC | Car loan KCB | Total |
|---|---|---|---|---|---|---|
| 2016-2017 | No of successful applicants | 28 | - | 24 | - | **52** |
| | Loan Disbursed (Kshs) | 247,230,562 | - | 36,531,800 | - | **283,762,362** |
| 2017-2018 | No of successful applicants | 24 | - | 19 | - | **43** |
| | Loan Disbursed (Kshs) | 170,300,379 | - | 19,761,000 | - | **190,061,379** |
| 2018-2019 | No of successful applicants | 21 | 2 | 25 | - | **48** |
| | Loan Disbursed (Kshs)) | 162,940,172 | 13,467,257 | 32,648,500 | - | **209,055,929** |
| 2019-2020 | No of successful applicants | 9 | 13 | 17 | - | **39** |
| | Loan Disbursed (Kshs)) | 70,564,972 | 72,448,230 | 22,017,000 | - | **165,030,202** |
| 2020-2021 | No of successful applicants | 2 | 40 | 5 | 5 | **52** |
| | Loan Disbursed (Kshs) | 7,032,733 | 294,312,237 | 5,458,000 | 7,680,000 | **314,482,970** |
| 2021-2022 | No of successful applicants | 3 | 6 | - | 1 | **10** |
| | Loan Disbursed (Kshs)) | 24,452,629 | 58,009,404 | - | 2,000,000 | **84,462,033** |
| 2022-2023 | No of successful applicants | 2 | 2 | - | 1 | **5** |
| | Loan Disbursed (Kshs)) | 23,689,429 | 37,054,700 | - | 1,600,000 | **62,344,129** |

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**Annex III: Progress on follow up of prior year Auditor's recommendations**

The Scheme did not have any Audit follow up issues for the previous Audited Financial Year 2021/22.

.....
**David Oginde, PhD**
**Chairperson of the Commission**

.....
**Twalib Mbarak, CBS**
**Secretary to the Commission/**
**Fund Administrator**