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SPECIAL AUDIT REPORT
OF THE AUDITOR-GENERAL ON
PAYROLL MANAGEMENT FOR
COUNTY EXECUTIVE OF KITUI



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COUNTY 015
JULY 2025



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FOREWORD BY THE AUDITOR-GENERAL


I am pleased to present this Special Audit Report on payrolls for the Kitui County Executive for the financial years 2021/2022, 2022/2023, and 2023/2024. Article 229 of the Constitution of Kenya, 2010 mandates the Auditor-General to undertake financial, compliance and performance audits. Further, Section 7(1)(a) of the Public Audit Act, 2015 requires the Auditor-General to give assurance on the effectiveness of internal controls, risk management and overall governance at national and county governments. The Special Audit of the payrolls for the Kitui County Executive was conducted in line with this mandate.

The Special Audit evaluated the human resource and payroll processes at the Kitui Executive, and assessed their compliance with the established legal framework on payroll management. The scope of the Special Audit covered the requirements of the Second Kenya Devolution Support Programme (KDSP II), whose objective is to strengthen county-level performance and accountability.

The Special Audit identified weaknesses in controls and irregularities in salary processing and payments, and provides recommendations to the Kitui County Executive for enhancing compliance, accuracy, accountability, and efficiency in payroll management.

The report is submitted to Parliament in accordance with Article 229 (7) of the Constitution of Kenya, 2010, and Section 39 (1) of the Public Audit Act, 2015. I have remitted copies of the report to the Principal Secretary, State Department for Devolution, Chairperson, the Kitui County Public Service Board, and the Governor, Kitui County Government.

The Annexures contain personal data and will be handled in accordance with the data protection principles as provided for in the Data Protection Act, 2019.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

8 July, 2025

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ABBREVIATIONS

CBA	Collective Bargaining Agreement
COB	Controller of Budget
COs	Chief Officers
CPSB	County Public Service Board
DO	Development Objective
DSA	Daily Subsistence Allowance
DLI	Disbursement-Linked Indicator
FIF	Facility Improvement Fund
GoK	Government of Kenya
HR	Human Resource
HRIS-Ke	Human Resource Information System – Kenya
IDA	International Development Association
IFMIS	Integrated Financial Management Information System
IPPD	Integrated Payroll and Personnel Database
ISSAIs	International Standards of Supreme Audit Institutions
KDSP	Kenya Devolution Support Programme
KRA	Key Result Area
MDAs	Ministries, Departments and Agencies
MIS	Management Information System
NHIF	National Hospital Insurance Fund
NSSF	National Social Security Fund
OAG	Office of the Auditor-General
PAYE	Pay As You Earn
PFM	Public Finance Management
PSC	Public Service Commission
SRC	Salaries and Remuneration Commission
TSC	Teachers Service Commission

1. EXECUTIVE SUMMARY

Introduction and Background

- 1.1 Article 229 of the Constitution of Kenya, 2010 mandates the Auditor-General to undertake financial, compliance and performance audits. Further, Section 7 (1) (a) of the Public Audit Act, 2015 requires the Auditor-General to give an assurance on the effectiveness of internal controls, risk management and overall governance at national and county governments. In addition, Section 34 of the Public Audit Act, 2015 mandates the Auditor-General to conduct periodic audits upon request or at the Auditor-General's own initiative, with a view to evaluating the effectiveness of risk management, control and governance processes in public entities. The Special Audit on Payroll Management for the Kitui County Executive, referred to as the County Executive in this report, was conducted in line with this mandate.
- 1.2 The Government of Kenya (GoK) received an International Development Association (IDA) Credit of EUR140.7 million (Approximately Kshs. 19,538,432,130 using the prevailing exchange rate as at 28 June 2024) from the World Bank, to implement the Second Kenya Devolution Support Program (KDSP II). KDSP II supports a sub-set of reforms envisaged under the Government's Devolution Sector Plan. The financing agreement, Credit Number IDA-7447-KE, became effective in March 2024 and is set to be implemented over a four-year period; 2023-2027. The development objective of the KDSP II is to strengthen county performance in the financing, management, coordination, and accountability for resources. To achieve the DO, the Program was expected to improve outcomes in the participating counties under three (3) Key Result Areas (KRAs). KRA 1 was on sustainable financing and expenditure management, KRA 2 on intergovernmental coordination, institutional performance, and human resource management, and KRA 3 on oversight, participation, and accountability.
- 1.3 The Special Audit on Payroll Management for the County Executive is linked to Key Result Area (KRA) 2. There are two (2) Disbursement-Linked Indicators (DLIs) under this KRA:

- i. Participating counties that have integrated their human resource records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the human resource management information system;
 - ii. Participating counties that are enhancing accountability for results through an integrated performance management framework.
- 1.4 From 2013, the County Executive was using the Integrated Payroll and Personnel Database (IPPD) System to operate payroll for employees with personal numbers, while excel spreadsheets were used to operate payroll for employees without personal numbers. However, due to technological limitations at the time of its development, IPPD did not comprehensively address all human resource related functions. This led to development of a web-based Human Resource Information System-Kenya (HRIS-Ke) in 2024.
- 1.5 A parallel run of the IPPD System and HRIS-Ke was conducted across Ministries, Departments and Agencies and County Governments in November 2024. This was to ensure the readiness of the HRIS-Ke for roll out. Thereafter, in January 2025, the HRIS-ke was fully adopted for payroll management.

Audit Objectives

- 1.6 The objective of the Special Audit on Payroll Management was to assess the adequacy of controls and compliance across the entire payroll process—from budgeting and recruitment to salary processing and payment. The specific objectives were to:
 - i. Evaluate whether the preparation and execution of the payroll budget align with relevant laws and approved budgetary provisions;
 - ii. Assess whether the recruitment process complied with applicable legal, regulatory, and organizational frameworks governing employment;
 - iii. Assess the integrity of payroll data and identify any double entries, entries in multiple institutions, unverified employees, or inconsistencies across the County Government Payroll System;
 - iv. Determine the accuracy of payroll calculations and payments;
 - v. Evaluate adherence to tax laws, labour laws, and other statutory requirements; and

- vi. Assess whether payroll data was accurately and completely migrated from IPPD system to the Human Resource Information System – Kenya (HRIS-Ke).

Audit Scope and Limitations

- 1.7 The Special Audit of payroll management covered financial years 2021/2022, 2022/2023 and 2023/2024. It entailed review of the payroll management system and other related records maintained by the County Executive. The payroll systems included the Integrated Payroll and Personnel Database (IPPD), manual and casual payrolls.
- 1.8 The County Executive did not provide salary control account agreements with the Cooperative Bank and the Kenya Commercial Bank, and not all summoned employees appeared for the physical verification. This limitation was mitigated by using data analysis to test the controls.

Methods of Gathering Evidence

- 1.9 The Special Audit on Payroll Management involved review of payroll processes at the County Headquarters, analysis of payroll data and comparison with records maintained by the County Executive.
- 1.10 The methods used to gather audit evidence included document review, data analytics, interviews with key payroll staff and physical verification of staff. Further, audit evidence was gathered through walk through tests. In addition, data validation was also conducted to test data integrity.

Summary of Findings

The key audit findings are as detailed below:

A. Payroll Budgeting

I. Compensation of Employee to Revenue Ratio Exceeded the set Threshold

- 1.11 The audit established that the ratio of the budgeted compensation of employees to the budgeted revenue for the County Executive exceeded thirty-five percent (35%) in the three (3) financial years. This is contrary to Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015. Further, a comparison of the actual personal emolument expenditure, with the actual revenue, revealed that the County Executive also exceeded the thirty-five percent (35%) threshold in the three (3) years.

II. Budget Votes in Payroll Systems not Aligned with those in Approved Budget

- 1.12 The audit established that the budget Vote Heads in the IPPD System and the HRIS-Ke were not aligned with those in the approved budgets. This led to inconsistencies between budgetary allocations and actual payroll expenditure, thereby increasing the risk of misallocation or even misuse of public funds, as expenditure may be charged under incorrect or obsolete vote heads.

B. Recruitment Process

I. Lack of Annual Recruitment Plans

- 1.13 During the period under audit review, the County Executive recruited one thousand seven hundred and fifteen (1,715) employees. The audit established that the departments that initiated the recruitments did not have annual recruitment plans to guide the recruitment process. Further, no evidence was provided to prove that budgetary availability was sought before initiating the recruitment process. The lack of annual recruitment plans and lack of confirmation of availability of budgets can result in either overstaffing, understaffing, or hiring staff for roles that do not align with organizational priorities.

II. Designations in the Payroll Systems not Aligned with Approved Staff Establishment

- 1.14 The Special Audit established that there were designations in the approved staff establishment that were not configured in IPPD System and HRIS-Ke. To facilitate salary processing, the affected employees were placed in similar Job Groups in the IPPD System. This process can lead to inefficiencies in workforce planning and budget overruns.

C. Employee Data Management

I. Integrity of Date of Birth Data in Payroll Systems

- 1.15 The Special Audit identified two hundred and eighty-three (283) employees with inconsistent date of birth. Interview with forty-six (46) of the employees and verification of their identification documents established that the dates captured in the IPPD System and the HRIS-Ke for five (5) employees were different from those in employees' Birth Certificates. This is contrary to the directive outlined in Circular Ref. No: PSC/ ADM/ 13(9).

II. Drawing Salary from Different Government Entities

- 1.16 The Special Audit established that in the 2023/2024 financial year, four (4) employees had been engaged by both Kitui County Executive and Teachers Service Commission (TSC). During the period of dual engagement, the officer received a gross salary of Kshs.1,296,329 from the County Executive and Kshs.1,784,686 from TSC.

III. Failure of Chief Officers to Account for Human Resources in their Departments

- 1.17 A comparison of CO-provided staff lists with the IPPD system's staff register revealed significant discrepancies. Specifically, forty-six (46) employees appeared on Chief Officers' lists but were not present in the IPPD system. Conversely, one hundred and fifty (150) employees, who collectively received Kshs.108,652,091 in payments during the financial year, were found in the IPPD system but were not included in the lists provided by their respective Chief Officers. This significant mismatch between departmental records and the

central payroll system highlights weaknesses in financial accountability and staff oversight.

D. Payroll Processing and Payments

I. Charging of Compensation of Employee to the Wrong Budget Vote

- 1.18 The Special Audit established that there were misalignments between departmental Vote Heads in the IPPD System and those in the Integrated Financial Management System (IFMIS) Ledger Account. As a result, posting of salary in the IFMIS was not done as per departmental Vote Heads. This process creates inconsistencies between budget allocations and actual expenditure by departments, therefore presenting the risk of misuse of funds and inaccurate financial reporting.

II. Irregular Payment and Overpayment of Allowances

a. Overpayment of House Allowance

- 1.19 Comparison of salary paid to employees during the period under audit review with applicable Salary and Remuneration Commission (SRC) circulars and guidelines established there was one (1) employee who was overpaid Basic salary totalling to Kshs.60,000.

E. Compliance with Laws and Regulations

- 1.20 An assessment of the County Executive's adherence to laws on statutory deductions and labor laws was conducted, and the following issues were established: -

I. Non-Deduction of Pay As You Earn

- 1.21 Comparison of statutory deductions for employees with Bank Statements established Pay As You Earn (PAYE) for thirteen (13) employees with a gross salary of Kshs.6,034,348 was not deducted from their salary. Further, there were instances of delay in remittance of National Health Insurance Fund (now appealed), National Social Security Fund, and Pay As You Earn deductions. This exposes the County Executive to penalties, interest, and reputational risks, thereby undermining stakeholders' confidence.

II. Late Remittance of Statutory Deductions

- 1.22 Comparison of statutory deductions for employees in the IPPD System with Bank Statements established that NHIF, NSSF and PAYE deductions from employees were not remitted on time. The delay ranged from three (3) day to twenty-one (21) days.
- 1.23 The failure to deduct and remit statutory deductions or their late remittance exposes the County Executive to penalties, and legal sanctions while also denying employees their lawful benefits and protections.

III. Non-Compliance with Requirements in Ethnic Diversity

- 1.24 Analysis of employees in the IPPD system as at 30 June, 2024 established that 91% of the staff were from one dominant ethnic community contrary to the requirements of Section 7(2) of the National Cohesion and Integration Act, 2008. Further in the year 2023/2024, the Board recruited one hundred and seventy (170) employees, 93% of whom were from the same dominant community, contrary to Section 65(1)(e) of the County Governments Act, 2012.

F. Migration from Integrated Payroll and Personnel Database System to Human Resource Information System-Kenya

- 1.25 The migration of salary processing from IPPD system to HRIS-Ke was reviewed to establish the completeness, accuracy, and integrity of the data transferred.

I. Overpayment and Underpayment of Salary and Allowances

- 1.26 The County Executive adopted the Human Resource Information System (HRIS-Ke) with effect from December 2024. Comparison between November, 2024 IPPD data and December 2024 HRIS-Ke data established instances of overpayment and underpayments of salaries and allowances.

II. Non-Deduction of Statutory Deductions

- 1.27 Regulation 120(3) of the Public Finance Management (County Governments) Regulations, 2015 requires the accounting officer to certify the correctness of the payroll at least once every month.

1.28 The Special Audit established that upon migration, eight (8) employees earnings were not subjected to PAYE deductions the total amount being Kshs.586,720.

Conclusion

- 1.29 The Special Audit of payrolls for Kitui County Executive uncovered several audit issues in payroll and human resource management, which may negatively affect its financial sustainability, compliance, and operational efficiency. In view of the findings, the Special Audit concludes as follows:
- 1.30 The Kitui County Government did not comply with requirement on limiting the Employee Cost within thirty-five (35%) of Revenue. The non-compliance with requirements on limiting the Employee Cost within thirty-five (35%) of Revenue indicates weaknesses in internal budgeting process and inadequate oversight role by the County Assembly. Therefore, the County's financial resources are strained, limiting the funds available for critical development projects and essential service delivery.
- 1.31 The Vote Heads in the IPPD System and HRIS-Ke were not aligned with those in the approved budgets and those configured in the IFMIS Ledgers. The misalignment hinders effective management of departmental budgets and control resulting to inaccurate financial reporting. Further, it undermines the obligations of the Accounting Officers to ensure lawful, efficient, and accountable use of public resources. In addition, it increases the risk of unauthorized or irregular salary payments.
- 1.32 The departments in the County Executive did not have approved annual human resource recruitment plans. The absence of annual recruitment plans demonstrates ineffective workforce planning. This hampers the county's ability to plan, budget, and deploy personnel effectively across departments, leading to staffing gaps or surpluses.
- 1.33 The IPPD System and HRIS-Ke were not updated with approved designations in the approved staff establishment. The failure by the County Executive to update the Payroll Systems with approved designations in the approved staff establishment undermines budgetary control and increases the risk of unauthorized or irregular salary payments. This weakness compromises the integrity of payroll processing, weakens accountability, and may result in discrepancies between approved staffing structures and actual payroll expenditures.

- 1.34 The authenticity of some of the employees could not be established. This was evidenced by the failure by the Chief Offices to account for employees in their departments, the payroll data Integrity issues, employees drawing salary from different government entities and failure by employees to appear for physical verification. This casts doubt on authenticity of payroll records and raises the risk of irregular or fraudulent payments, including paying salaries to staff who do not offer services to the County.
- 1.35 There were instances where employees were paid irregular allowances. The payment of irregular allowances reflects weaknesses in the payroll system's controls, including poor data validation and lack of oversight. These lapses increase the risk of financial misstatements, fraudulent payments, and non-compliance with applicable policies, ultimately undermining the integrity and accountability of the payroll process.
- 1.36 The controls over processing and payment of salary were not adequate as evidenced by the unauthorized job group changes, circumventing payroll controls to pay irregular salary Arrears and nugatory expenditure on staff cost. This indicates weak financial and human resource controls, exposing the payroll to fraud and abuse.
- 1.37 The IPPD System provision for manual entry of arrears without automated controls or validation created a loophole that has been exploited to process irregular payments. This weakness undermines the reliability of payroll data, increases the risk of financial loss, and reflects inadequate system and management controls.
- 1.38 The County Executive did not comply with tax and labour laws as evidenced by evidenced by delayed statutory remittances and prolonged engagement of casuals. This violates legal obligations, increasing the risk of penalties, litigation, and reputational damage, thereby undermining stakeholders' confidence.
- 1.39 The migration from the IPPD System to the HRIS-Ke was inadequately managed as evidence by overpayments and underpayments of allowances, and non-deduction of statutory deductions that arose from migration. This indicates weaknesses in data validation, lack of system configuration to enforce

salary structures, and insufficient post-migration reconciliation controls, thereby exposing the County Executive to financial loss and reputational risk.

- 1.40 The identified audit issues had persisted over time, suggesting a failure of risk identification mechanisms and an underperforming internal audit function that may not have identified and prevented the control breaches in a timely manner.

Recommendation

- 1.41 In view of the findings and conclusion of the Special Audit, the following is recommended for implementation by the Kitui County Executive.
- 1.42 To ensure compliance with the fiscal responsibility principle on capping expenditure on wages to thirty-five (35) percent of the County Executive's total revenue, the County Assembly should establish mechanisms to ensure compliance with the PFM Act in the execution of its oversight responsibilities.
- 1.43 For effective management of departmental budgets and enhance accuracy in reporting of personal emolument expenditure per department thus promoting accountability by the Chief Officers, the Chief Officer for Public Finance together with the management of the State Department for Public Service and Human Capital Development (the custodian of the Human Resource Information System-Kenya) should ensure that the Human Resource Information System – Kenya (HRIS-Ke) is at all time configured with the approved budget vote structures. Further, staff costs should be charged to the votes under which their budgets are made.
- 1.44 To enhance the attainment of optimal staffing levels, management of the County Executive should align the payroll system with the approved staff establishment and ensure consistency between authorized positions and personnel data. Additionally, the staff establishment module in the HRIS-Ke should be fully implemented and configured to enforce recruitment strictly within the approved establishment limits.
- 1.45 To reduce instances of financial loss due to irregular payment of allowances, enhance payroll integrity and support effective personnel management, the County Executive, together with the State Department for Public Service and Human Capital Development should ensure HRIS-Ke is appropriately configured to automatically enforce salary structures, as stipulated in the Salaries and Remuneration Commission Circulars and other relevant directives. Further, validations controls should be implemented in order to ensure compliance, enhance payroll accuracy, and prevent irregular financial transactions.

- 1.46 To ensure no payment is made to non-existent employees, salary payments to all staff who failed to appear for physical verification should be suspended.
- 1.47 To reduce opportunity for process irregular payments by exploiting existing weakness in arrear payments, the management of the County Executive together with that of State Department for Public Service and Human Capital Development should automate the processing of arrears by eliminating manual entry fields and integrating system-based validation rules. This will enhance control, ensure consistency with approved policies, and reduce the risk of irregular or unauthorized payments.
- 1.48 To enforce compliance with set labor laws and statutory deductions, the management of the County Executive should implement monitoring and reporting mechanisms to promptly detect and address compliance issues, alongside staff training on compliance obligations.
- 1.49 All salaries and allowances irregularly paid or overpaid should be recovered and responsible officers held accountable.

2. INTRODUCTION AND BACKGROUND

Introduction and Background

- 2.1 Article 229 of the Constitution of Kenya, 2010 mandates the Auditor-General to undertake financial, compliance and performance audits. Further, Section 7 (1) (a) of the Public Audit Act, 2015 requires the Auditor-General to give an assurance on the effectiveness of internal controls, risk management and overall governance at national and county governments. In addition, Section 34 of the Public Audit Act, 2015 mandates the Auditor-General to conduct periodic audits upon request or at the Auditor-General's own initiative, with a view to evaluating the effectiveness of risk management, control and governance processes in public entities. The Special Audit on Payroll Management for the Kitui County Executive, referred to as the County Executive in this report, was conducted in line with this mandate.
- 2.2 The Government of Kenya (GoK) received an International Development Association (IDA) Credit of EUR140.7 million (Approximately Kshs. 19,538,432,130 using the prevailing exchange rate as at 28 June 2024) from the World Bank, to implement the Second Kenya Devolution Support Program (KDSP II). KDSP II supports a sub-set of reforms envisaged under the Government's Devolution Sector Plan. The financing agreement, Credit Number IDA-7447-KE, became effective in March 2024 and is set to be implemented over a four-year period; 2023-2027. The development objective of the KDSP II is to strengthen county performance in the financing, management, coordination, and accountability for resources. To achieve the DO, the Program was expected to improve outcomes in the participating counties under three (3) Key Result Areas (KRAs). KRA 1 was on sustainable financing and expenditure management, KRA 2 on intergovernmental coordination, institutional performance, and human resource management, and KRA 3 on oversight, participation, and accountability.
- 2.3 The Special Audit on Payroll Management for the County Executive is linked to Key Result Area (KRA) 2 There are two (2) Disbursement-Linked Indicators (DLIs) under this KRA:

- i. Participating counties that have integrated their human resource records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the human resource management information system;
 - ii. Participating counties that are enhancing accountability for results through an integrated performance management framework.
- 2.4 From 2013, the County Executive was using the Integrated Payroll and Personnel Database (IPPD) System to operate payroll for employees with personal numbers, while excel spreadsheets were used to operate payroll for employees without personal numbers. However, due to technological limitations at the time of its development, IPPD did not comprehensively address all human resource related functions. This led to development of a web-based Human Resource Information System-Kenya (HRIS-Ke) in 2024.
- 2.5 A parallel run of the IPPD System and HRIS-Ke was conducted across Ministries, Departments and Agencies and County Governments in November 2024. This was to ensure the readiness of the HRIS-Ke for roll out. Thereafter, in January 2025, the HRIS-ke was fully adopted for payroll management.

Numbers of Employees and Payroll Expenditure

- 2.6 Over the three (3) year period under review, there was a gradual decrease in the number of employees and slight increase in the payroll costs.
- 2.7 The overall staff growth across the audit period was **41%**. While the cumulative growth in compensation of employee over the three years was approximately **21%** as shown in **Figures 1 and 2**.

Figure 1: Growth Rate of the Number of Staff

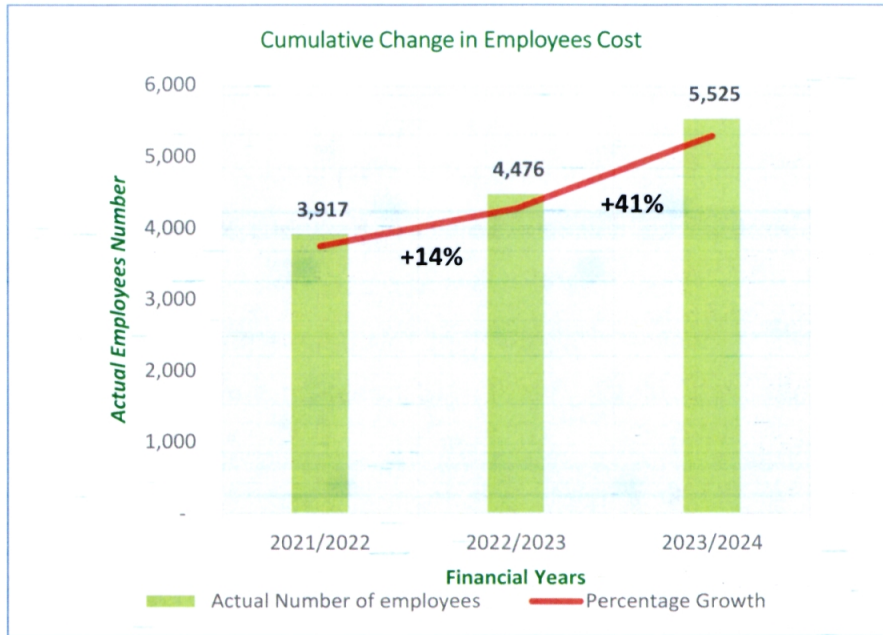
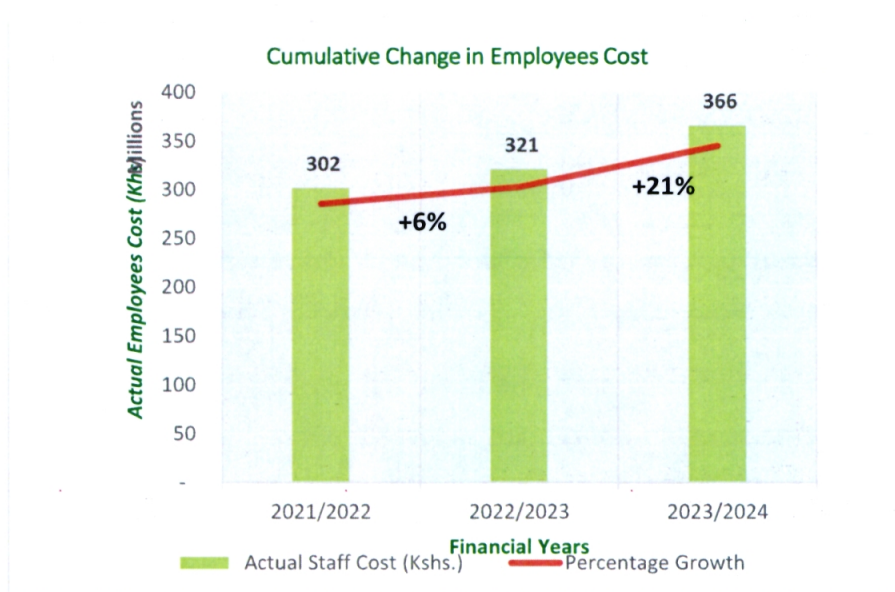


Figure 2: Growth Rate of Compensation of Employee



Audit Objectives

- 2.8 The objective of the Special Audit on Payroll Management was to assess the adequacy of controls and compliance across the entire payroll process from budgeting and recruitment to salary processing and payment. The specific objectives were to:
- i. Evaluate whether the preparation and execution of the payroll budget align with relevant laws and approved budgetary provisions,
 - ii. Assess whether the recruitment process complied with applicable legal, regulatory, and organizational frameworks governing employment,
 - iii. Assess the integrity of payroll data and identify any double entries, entries in multiple institutions, unverified employees, or inconsistencies across the County Government Payroll System,
 - iv. Determine the accuracy of payroll calculations and payments,
 - v. Evaluate adherence to tax laws, labour laws, and other statutory requirements.
 - vi. Assess whether payroll data was accurately and completely migrated from IPPD system to Human Resource Information System – Kenya (HRIS-Ke).

Audit Scope and Limitations

- 2.9 The Special audit of payroll management covered financial years 2021/2022, 2022/2023 and 2023/2024. It entailed review of the payroll management system and other related records maintained by the County Executive. The payroll systems included the Integrated Payroll and Personnel Database (IPPD), manual and casual payrolls.
- 2.10 The audit was carried out in the month of January, 2025
- 2.11 The County Executive did not provide salary control account agreements with the Cooperative Bank and the Kenya Commercial Bank, and not all summoned employees appeared for the physical verification. This limitation was mitigated by using data analysis to test the controls.

Audit Methodology

- 2.12 The Special Audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) 4000 for Compliance Audit. These standards require that the audit is planned and performed so as to draw reasonable audit conclusions on the design, implementation and operating effectiveness of internal controls.

Methods of Gathering Evidence

- 2.13 The Special Audit on Payroll Management involved review of payroll processes at the County Headquarters, analysis of payroll data and comparison with records maintained by the County Management.
- 2.14 The methods used to gather audit evidence during the audit included, document review, data analytics, interviews with key payroll staff and physical verification of staff.

a) Document Review

- 2.15 The audit team reviewed various documents in order to set audit criteria and assess compliance with the criteria and in gathering audit evidence. They include:
- i. The Constitution of Kenya, 2010;
 - ii. The Public Finance Management Act, 2012;
 - iii. The Public Finance Management (County Governments) Regulations, 2015;
 - iv. County Governments Act, 2012;
 - v. Employment Act, 2007;
 - vi. SRC Circular, Ref No: SRC/TS/CGOVT/3/16, dated 29 July, 2013;
 - vii. SRC Circular, Ref No: SRC/TS/29(81), dated 10 August, 2022;
 - viii. Compendium of Remuneration and Benefit for Public Service, dated December 2022;
 - ix. Approved Staff Establishments, 2022; and
 - x. Collective Bargaining Agreements (CBAs), 2012

b) Data Analytics

- 2.16 The payroll and staff register data from the IPPD System was extracted and analyzed. The exceptions from the analysis formed the basis for verification with payroll records maintained by the County Executive.
- 2.17 The following data sets for the financial years 2021/2022, 2022/2023 and 2023/2024 were analyzed: -
- i. IPPD Staff Registers and Payroll Data;
 - ii. Payment Schedules;
 - iii. Itemized Budgets for Staff Costs; and
 - iv. Chief Officers Staff Lists for Each Department, as at 30 June, 2024.

c) Interviews

- 2.18 The audit team interviewed relevant payroll officers from the County Executive and County Public Service Board (CPSB). This was in order to understand payroll processes and obtain clarification on audit issues. The officers interviewed are as listed in **Appendix 1**.

d) Physical Verification of Staff

- 2.19 The Audit Team requested all the Chief Officers to provide countersigned lists of staff members in their departments as at 30 June, 2024. The lists were compared with the IPPD staff registers maintained by the County Executive.
- 2.20 The Audit Team, through the County Secretary, requested ninety-three (93) employees to present themselves in person for a physical verification, which was based on initial exceptions from data analytics. This verification was to confirm the existence of staff, their employment status and the accuracy of the staff personal data maintained in the payroll systems.

Report Structure

2.21 The report is organized as follows:

- i. Executive Summary;
- ii. Introduction and Background;
- iii. Detailed Findings;
- iv. Conclusion;
- v. Recommendations; and
- vi. Appendices.

2.22 The report should be read in its entirety, in order to fully comprehend the approach to the audit, findings, conclusions and the proposed recommendations.

3. DETAILED AUDIT FINDINGS

3.1 The detailed findings are in the ensuing paragraphs and have been categorized into the following six (6) broad areas:

- a. Payroll Budgeting;
- b. Recruitment Process;
- c. Employee Data Management;
- d. Payroll Processing and Payments;
- e. Compliance with Laws and Regulations; and
- f. Migration from Integrated Personnel and Payroll Database System to Human Resource Information System-Kenya.

A. Payroll Budgeting

3.2 The review of payroll budgeting aimed at assessing the reasonableness of payroll forecasts, alignment with the approved budgets and compliance with relevant laws and regulations. The following issues were established: -

I. Compensation of Employee to Revenue Ratio Exceeded the set Threshold

3.3 Regulation 25(1)(a) of Public Finance Management (County Governments) Regulations, 2015 requires the County Executive Committee Member for Finance with the approval of the County Assembly to set a limit on the county government's expenditure on wages and benefits for its public officers. This is pursuant to Section 107(2) of the Public Finance Management Act, 2012. Further, regulation 25(1)(b) requires the limit set not to exceed thirty-five (35%) percent of the county government's total revenue.

3.4 The Special Audit established that the ratio of budgeted compensation of employee to budgeted revenue exceeded 35% in the three (3) years under audit as shown in Table I. This is contrary to Regulation 25(1)(a) of Public Finance Management (County Governments) Regulations, 2015.

Table 1: Budgeted Compensation of Employee to Revenue Ratio

Financial Year	Total Budgeted Revenue (Kshs.)	Budgeted Compensation of Employee (Kshs.)	% of Utilization
2021/2022	12,468,642,561	4,754,571,052	38%
2022/2023	12,306,052,565	5,191,406,947	42%
2023/2024	14,257,138,712	5,088,754,387	36%

*Source: Financial Statements

3.5 Further, a comparison of the actual personal emolument expenditure with the actual revenue, as reflected in the financial statements, revealed that the County Executive had also exceeded the thirty-five (35%) percent threshold the three (3) financial years as shown in **Table 2**.

Table 2: Compensation of Employees to Budget Ratio

Financial Year	Actual Revenue (Kshs.)	Compensation of Employee (Kshs.)	Actual Employee Cost to Revenue Ratio
2021/2022	10,980,411,897	4,325,180,836	39%
2022/2023	12,374,934,874	4,729,926,122	38%
2023/2024	13,074,283,745	5,002,692,126	38%

*Source: Financial Statements

3.6 The high budget allocation for compensation of employees may strain the County's financial resources, thereby limiting funds available for critical development projects and essential service delivery.

II. Budget Votes in Payroll Systems not Aligned with those in Approved Budget

3.7 Regulation 22(1)(b) of Public Finance Management (County Governments) Regulations, 2015 requires an Accounting Officer to maintain effective systems of internal control and have measures to ensure their effectiveness.

3.8 A comparison of payrolls reports extracted from the IPPD System with the approved budget established that the Vote Heads in the IPPD System were not aligned with those in the approved budgets as shown in **Annexure 1**.

- 3.9 One of the primary factors contributing to the misalignment between the departments and the Vote Heads was the failure to update the IPPD System to reflect changes resulting from the restructuring and consolidation of various sectors within the County Executive.
- 3.10 The County Executive migrated the processing of payrolls from the IPPD System to HRIS-Ke in December 2024. This was done before the alignment was done. As a result, at the time of audit, the HRIS-Ke had similar Votes Heads to those in the IPPD System.
- 3.11 The continued referencing to outdated departmental structures leads to inconsistencies between budgetary allocations and actual payroll expenditures, increasing the risk of misallocation or even misuse of public funds, as expenditure may be charged under incorrect or obsolete vote heads.

B. Recruitment Process

- 3.12 The recruitment process was reviewed in order to establish whether the hiring practices were fair and aligned with the County Executive's policies and legal requirements. The following issues were revealed:

I. Lack of Annual Recruitment Plans

- 3.13 Section 59(1)(g) of the County Governments Act, 2012 require the County Public Service Board of a county to facilitate the development of coherent, integrated human resource planning and budgeting for personnel emoluments in counties. Further, Regulation 119(2) of the Public Finance Management (County Governments) Regulations, 2015 requires the budgetary allocation for personnel costs to be determined on the basis of a detailed costing of a human capital plan of a county government entity as approved by the responsible county department for public service management matters, the County Public Service Board and County Treasury.
- 3.14 The County Executive recruited four hundred and ninety-five (495) officers in 2021/2022, one thousand and fifty (1,050) in 2022/2023, and one hundred and seventy (170) in 2023/2024 (excluding casual employees). The audit established that the departments which initiated the recruitments did not have annual recruitment plans to guide the recruitments. Further, no evidence was

provided to prove that availability of budgets was sought before the recruitments were initiated.

- 3.15 The lack of annual recruitment plans supported by budgetary provisions can result in either overstaffing, understaffing, or hiring staff for roles that do not align with organizational priorities.

II. Designations in the Payroll Systems not Aligned with Approved Staff Establishment

- 3.16 Regulation 22(1)(b) of Public Finance Management (County Governments) Regulations, 2015 requires an Accounting Officer to maintain effective systems of internal control and have measures to ensure their effectiveness.
- 3.17 There were four hundred and sixty-one (461) designations configured in the IPPD System. The Special audit established that of the four hundred and sixty-one (461) configured designations, eight (8) were not in the approved staff establishment as detailed in **Annexure 3**.
- 3.18 The County Executive migrated the processing of payrolls from the IPPD System to HRIS-Ke in December 2024. This was done before the alignment was done. As a result, at the time of audit, the HRIS-Ke had similar designations to those in the IPPD System.
- 3.19 As a result of the misalignment between the staffing records in the IPPD System and the approved staff establishment, it was not possible to establish whether the County filled positions in accordance with the approved staff establishment. This may lead to inefficiencies in workforce planning, budget overruns.

C. Employee Data Management

- 3.20 Review of employee's data management involved assessing the accuracy and completeness of both manually maintained records and data from the IPPD System. The following issues were established: -

I. Integrity of Date of Birth Data in Payroll Systems

- 3.21 Regulation 22(1)(b) of the Public Finance Management (County Governments) Regulations, 2015 requires an accounting officer to be accountable to the County Assembly for maintaining effective systems of internal control and the

measures taken to ensure that they are effective. Further, Circular Ref. No: PSC/ ADM/ 13(9) dated 19th November 2020 from the Public Service Commission to all authorized officers stipulates that the date of birth as per the Birth Certificate should be considered as a public officer's official date of birth.

- 3.22 The Special audit identified two hundred and eighty-three (283) employees in the IPPD System with inconsistent dates of birth.
- 3.23 Interview with a sample of forty-six (46) employees and verification of their identification documents established that the dates captured in the IPPD System for five (5) employees were different from those in employees' Birth Certificates as detailed in **Annexure 4**.
- 3.24 In addition, identification for two hundred and sixty-three (263) employees as detailed in **Annexure 5**, were not presented thus the authenticity of the birth dates of these officers could not be determined. This is contrary to the directive outlined in Circular Ref. No: PSC/ ADM/ 13(9).
- 3.25 The County Executive migrated the processing of payrolls from the IPPD System to HRIS-Ke in December 2024. This was done before data cleaning to improve its quality and reliability. As a result, at the time of audit, the HRIS-Ke had similar date of birth to those in the IPPD System.
- 3.26 The inaccurate capture of birthdates leads to the risk of exceeding the legal retirement age or forcing an employee to retire before they are due for retirement. There is also the risk of miscalculation of retirement dates and pension dues of employees, as well as other entitlements that are calculated based on age.

II. Drawing Salary from Different Government Entities

- 3.27 Section 149(1) of the Public Finance Management Act, 2012 imposes on an accounting officer of a county government entity the responsibility of ensuring that the resources of the entity for which the officer is designated are used in a way that is (a) lawful and authorized, and (b) effective, efficient, economical and transparent.
- 3.28 The Special Audit established that in the 2023/2024 financial year, one (1) employee had been engaged by both Kitui County Executive and Teachers Service Commission (TSC). During the period of dual engagement, the officer

received a gross salary of Kshs.1,296,329 from the County Executive and Kshs.1,784,686 from TSC as detailed in **Annexure 6**.

- 3.29 Interviews with the affected staff indicated that they were initially employed by TSC before transitioning to Kitui County Executive without completing the proper exit process. Consequently, their salaries were paid by both entities.

III. Failure of Chief Officers to Account for Human Resources in their Departments

- 3.30 Section 148(1) of Public Finance Management Act, 2012 requires a County Executive Committee Member for Finance to, except as otherwise provided by law, in writing designate accounting officers to be responsible for managing the finances of the county government entities as is specified in the designation. Further, Sub-Section (2) requires the person responsible for the administration of a county government entity to be the accounting officer responsible for managing the finances of that entity except as otherwise stated in other legislation.
- 3.31 The Letter of Engagement addressed to the County Secretary for the in-depth audit of payroll, dated 3 January 2025, ref: OAG/SAS/SADS/KDSP-PAYROLL/3/015 required Chief Officers (COs) to provide a list of staff members in their department as at 30 June, 2024. This list was to be compared with employees in the payroll systems.
- 3.32 The Special Audit established that there were forty-six (46) employees in the Chief Officers' lists who were not in the IPPD System as detailed in **Annexure 7**. Further, there were one hundred and fifty (150) employees, who were in the IPPD System but not on the lists provided by COs. During the three (3) financial years under review, the one hundred and fifty (150) employees collectively received payments amounting to Kshs.108,652,091 as detailed in **Annexure 8**.
- 3.33 The employees who did not present themselves for who did not appear in COs list may not exist, raising the risk of irregular or fraudulent payments.

D. Payroll Processing and Payments

- 3.34 Assessment was carried out on controls in payroll processing and payments to determine whether employee salaries and deductions were accurately calculated, authorized, and comply with the applicable laws. The following issues were established: -

I. Charging of Compensation of Employee to the Wrong Budget Vote

- 3.35 Regulation 22(1)(b) of Public Finance Management (County Governments) Regulations, 2015 requires an Accounting Officer to maintain effective systems of internal control and have measures to ensure their effectiveness.
- 3.36 Review of personnel emolument budget established that the budgeting was not done per the department, instead, the whole compensation of employees budget was it was budgeted under two departments of Medical Services and Public Health and department of Public Service as detailed in **Annexure 9**. Further, comparison of gross salary processed through the IPPD System, casual payroll and manual payrolls with salary ledgers from the Integrated Financial Management Information System (IFMIS) established the Vote Heads configured in the IPPD System were different from those in the IFMIS.
- 3.37 The County Executive migrated the processing of payrolls from the IPPD System to HRIS-Ke in December 2024. This was done before the alignment was done. As a result, at the time of audit, HRIS-Ke had similar Votes Heads to those in the IPPD System.
- 3.38 This misalignment creates inconsistencies between budget allocations and actual expenditures by departmental, therefore increasing the risk of misuse of funds and inaccurate financial reporting.

II. Irregular Payment and Overpayment of Allowances

- 3.39 The SRC Circular SRC/TS/29(81), dated 10 August, 2023 on Remuneration and Benefits for Public Officers in the County Government Executive for The Third Remuneration Review Cycle 2021-2022 - 2023-2025 (7), lists all the earnings county executive officers are entitled to. The compendium of Remuneration and Benefits for Public Service dated December 2022 outlined

Remuneration and Benefits for Public Officers serving in the County Government Executive.

3.40 Collective Bargaining Agreement between the Association of Local Government Employers and Kenya Local Government Workers Union National Joint Negotiating Council incorporating all Local Authorities in Kenya of 01 September, 2012 (The Collective Bargaining Agreement (CBA), 2012) defines Terms and Conditions of Service for Officers of Local Authorities, including rates for basic salary, house allowance, acting allowance, special duty allowance, overtime, leave allowance, among others.

3.41 An analysis of payroll data and comparison of salary and allowance processed through the IPPD System and Manual payrolls with respective rates stipulated in SRC circulars revealed the following anomalies:

a. Overpayment of House Allowance

3.42 There was one (1) employee who was overpaid house allowance totalling Kshs.60,000 as summarized in **Table 3**.

Table 3: Overpayment of Basic Salary

Month	Payroll-Num	Amount Paid (Kshs)	SRC Rate (Kshs)	Overpaid Amount (Kshs.)
July	1991044021	80,000	60,000	20,000
August	1991044021	80,000	60,000	20,000
September	1991044021	80,000	60,000	20,000
Total		240,000	180,000	60,000

*Source: IPPD Payroll data

E. Compliance with Laws and Regulations

3.43 An assessment of the County Executive's adherence to laws on statutory deductions and labor laws was conducted, and the following issues were established: -

I. Non-Deduction of Pay As You Earn

3.44 Section 37(1) of the Income Tax Act, 1973 requires an employer paying emoluments to an employee to deduct therefrom and account for tax thereon, to such extent and in such manner as may be prescribed.

- 3.45 The Special Audit established that thirteen (13) employees with no evidence of disability were not being deducted Pay As You Earn, contrary to Section 37(1) of the Income Tax Act, 1973. The total amounts not deducted amounted to Kshs.6,034,348 as detailed in **Annexure 10**.

II. Late Remittance of Statutory Deductions

- 3.46 Rule 10(1) of Income Tax (P.A.Y.E) Rules, 1973 requires that before the tenth day following the end of every month or before any other day which may be notified to him by the Commissioner, an employer shall pay all amounts of tax which the employer has deducted during such month.
- 3.47 Section 15(4) of the National Health Insurance Fund (NHIF) Act, 1998 (now repealed) required contributions to NHIF be made by ninth day of the month following that of deduction.
- 3.48 Section 20(1)(A) of National Social Security Fund Act, 2013, an employer is required to pay the contribution under subsection (1) on the ninth day of each month.
- 2.23 Comparison of statutory deductions for employees in the IPPD System with Bank Statements established that NHIF, NSSF and PAYE deductions from employees were not remitted on time as detailed in **Annexure 11**. The delay ranged from three (3) day to twenty-one (21) days.
- 3.49 The failure to deduct and remit statutory deductions or their late remittance exposes the County Executive to penalties, and legal sanctions while also denying employees their lawful benefits and protections.

III. Non-Compliance with Requirements in Ethnic Diversity

- 3.50 Section 7(1) of the National Cohesion and Integration Act, 2008, states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff. Section 7(2) states that no public establishment shall have more than one third of its staff from the same ethnic community.
- 3.51 Section 65(1)(e) of the County Governments Act, 2012 require County Public Service Board to consider, in selecting candidates for appointment, the need to ensure that at least thirty (30%) percent of the vacant posts at entry level are

filled by candidates who are not from the dominant ethnic community in the county.

- 3.52 Analysis of employees in the IPPD system as at 30 June, 2024 established that 91% of the staff were from one dominant ethnic community contrary to the requirements of Section 7(2) of the National Cohesion and Integration Act, 2008. Further in the year 2023/2024, the Board recruited one hundred and seventy (170) employees, 93% of whom were from the same dominant community, contrary to Section 65(1)(e) of the County Governments Act, 2012.

F. Migration from Integrated Payroll and Personnel Database System to Human Resource Information System-Kenya

- 3.53 The migration of salary processing from IPPD system to HRIS-Ke was reviewed to establish the completeness, accuracy, and integrity of the data transferred.

I. Overpayment and Underpayment of Salary and Allowances

- 3.54 Section 149(2)(a) of the Public Finance Management Act, 2012 requires the accounting officer of a county government to ensure that all expenditure made by the entity complies with requirements on lawful, authorized, and transparent use of resources of the entity.
- 3.55 The County Executive adopted the Human Resource Information System (HRIS-Ke) with effect from December, 2024. Comparison between payroll data from the IPPD System and the HRIS-Ke for the month of November, 2024 and December 2024 respectively established instances of overpayment and underpayments of salaries and allowances as shown in **Table 4** and detailed in **Annexures 12**.

Table 4: Overpayment and Underpayment of Salaries and Allowances

Allowance	Total Amount Underpaid		Total Amount Overpaid	
	Number of Employees	Amount (Kshs.)	Number of Employees	Amount (Kshs.)
Basic Salary	5,159	11,258,461	6	58,000
Rental House	9	33,455		
Commuter Allowance	11	21,194	1	8,000
Special House	5	10,017	1	7,816
Health Risk Allowance	5	7,516	19	11,100
Health Service	1	12,903	1	20,000
Health Workers Extraneous	148	1,706,129	363	2,416,333
Rental House			1	1,467
Salary Market Adjustment	4	25,636	1	8,494
TOTAL		13,075,311		2,531,210

*Source: HRIS Payroll data

II. Non-Deduction of Statutory Deductions

- 3.56 Regulation 120(3) of the Public Finance Management (County Governments) Regulations, 2015 requires the accounting officer to certify the correctness of the payroll at least once every month.
- 3.57 The Special Audit established that after migration of payroll processing to the HRIS-Ke, eight (8) employees earnings totalling Kshs.586,720 were not subjected to PAYE as shown in **Annexure 13**.

4. CONCLUSION

- 4.1 The Special Audit of payrolls for Kitui County Executive uncovered several audit issues in payroll and human resource management, which may negatively affect its financial sustainability, compliance, and operational efficiency. In view of the findings, the Special Audit concludes as follows:
- 4.2 The Kitui County Government did not comply with requirement on limiting the Employee Cost within thirty-five (35%) of Revenue. The non-compliance with requirements on limiting the Employee Cost within thirty-five (35%) of Revenue indicates weaknesses in internal budgeting process and inadequate oversight role by the County Assembly. Therefore, the County's financial resources are strained, limiting the funds available for critical development projects and essential service delivery.
- 4.3 The Vote Heads in the IPPD System and HRIS-Ke were not aligned with those in the approved budgets and those configured in the IFMIS Ledgers. The misalignment hinders effective management of departmental budgets and control resulting to inaccurate financial reporting. Further, it undermines the obligations of the Accounting Officers to ensure lawful, efficient, and accountable use of public resources. In addition, it increases the risk of unauthorized or irregular salary payments.
- 4.4 The departments in the County Executive did not have approved annual human resource recruitment plans. The absence of annual recruitment plans demonstrates ineffective workforce planning. This hampers the county's ability to plan, budget, and deploy personnel effectively across departments, leading to staffing gaps or surpluses.
- 4.5 The IPPD System and HRIS-Ke were not updated with approved designations in the approved staff establishment. These increases the risk of unauthorized or irregular salary payments. This weakness compromises the integrity of payroll processing, weakens accountability, and may result in discrepancies between approved staffing structures and actual payroll expenditures.
- 4.6 The authenticity of some of the employees could not be established. This was evidenced by the failure by the Chief Offices to account for employees in their departments, the payroll data Integrity issues, employees drawing salary from different government entities and failure by employees to appear for physical

- verification. This casts doubt on authenticity of payroll records and raises the risk of irregular or fraudulent payments, including paying salaries to staff who do not offer services to the County.
- 4.7 There were instances where employees were paid irregular allowances. The payment of irregular allowances reflects weaknesses in the payroll system's controls, including poor data validation and lack of oversight. These lapses increase the risk of financial misstatements, fraudulent payments, and non-compliance with applicable policies, ultimately undermining the integrity and accountability of the payroll process.
 - 4.8 The controls over processing and payment of salary were not adequate as evidenced by the unauthorized job group changes, circumventing payroll controls to pay irregular salary Arrears and nugatory expenditure on staff cost. This indicates weak financial and human resource controls, exposing the payroll to fraud and abuse.
 - 4.9 The IPPD System provision for manual entry of arrears without automated controls or validation created a loophole that has been exploited to process irregular payments. This weakness undermines the reliability of payroll data, increases the risk of financial loss, and reflects inadequate system and management controls.
 - 4.10 The County Executive did not comply with tax and labour laws as evidenced by evidenced by delayed statutory remittances and prolonged engagement of casuals. This violates legal obligations, increasing the risk of penalties, litigation, and reputational damage, thereby undermining stakeholders' confidence.
 - 4.11 The migration from the IPPD System to the HRIS-Ke was inadequately managed as evidence by overpayments and underpayments of allowances, and non-deduction of statutory deductions that arose from migration. This indicates weaknesses in data validation, lack of system configuration to enforce salary structures, and insufficient post-migration reconciliation controls, thereby exposing the County Executive to financial loss and reputational risk.
 - 4.12 The identified audit issues had persisted over time, suggesting a failure of risk identification mechanisms and an underperforming internal audit function that may not have identified and prevented the control breaches in a timely manner.

5. RECOMMENDATION

- 5.1 In view of the findings and conclusions of the Special audit, the following is recommended to the Makueni County Executive;
- 5.2 For effective management of departmental budgets and enhance accuracy in financial reporting the Chief Officer for Public Finance together with the management of the State Department for Public Service and Human Capital Development should ensure that the Human Resource Information System – Kenya (HRIS-Ke) is at all time configured with the approved budget vote structures.
- 5.3 To enhance transparency, fairness, and accountability in the recruitment process, the County Executive should develop and implement annual recruitment plans aligned with staffing needs and budgetary provisions. Additionally, recruitment processes should be strengthened to ensure transparency, including public advertisement of vacancies, consideration of only formally submitted applications, and securing budget approvals before initiating any recruitment activities.
- 5.4 To ensure integrity of data maintained in the payroll systems, the management should ensure the validation controls are implemented in the in the HRIS-Ke. Further, the HRIS-Ke should be integrated with Key government systems such as the National Identity, National Social Security Fund (NSSF), Social Health Authority (SHA). Additionally, the use of manual Excel-based payrolls should be discontinued in favor of HRIS-Ke.
- 5.5 To ensure no payment is made to non – existence employees, salary payments to all staff who failed to present themselves for physical verification should be suspended.
- 5.6 Management should conduct a comprehensive post-migration payroll reconciliation to identify and correct overpayments, and underpayments resulting from the system transition. Further, HRIS-Ke should be configured to enforce approved salary structures and allowance.
- 5.7 To enforce compliance with set labor laws and statutory deductions, the management of the County Executive should implement monitoring and

reporting mechanisms to promptly detect and address compliance issues, alongside staff training on compliance obligations.

6. APPENDICES

Appendix 1: List of Staff Interviewed

No.	Position	
1.	Director	Human Resource Management & Development
2.	Principal Accountant	Finance, Revenue Management & Accounting
3.	Principal Accountant	Finance, Revenue Management & Accounting
4.	Director	Accounting Services
5.	Secretary	County Public Service Board

Appendix 2: List of Annexures


The annexures referenced in the report and which are listed below will be provided in soft copies.


No.	Annexure	Title
1.	Annexure 1	Budget Votes in Payroll Systems not Aligned with those in Approved Budget
2.	Annexure 2	Lack of Annual Recruitment Plans
3.	Annexure 3	Designations in the Payroll Systems not Aligned with Approved Staff Establishment
4.	Annexure 4	Integrity of Date of Birth Data in Payroll Systems
5.	Annexure 5	Birth Certificates not presented for verification
6.	Annexure 6	Drawing Salary from Different Government Entities
7.	Annexure 7	Failure of Chief Officers to Account for Human Resources in their Departments
8.	Annexure 8	Failure of Chief Officers to Account for Human Resources in their Departments
9.	Annexure 9	Charging of Compensation of Employee to the Wrong Budget Vote
10.	Annexure 10	Non-Deduction of Pay As You Earn
11.	Annexure 11	Late Remittance of Statutory Deductions
12.	Annexure 12	Overpayment and Underpayment of Salary and Allowances
13.	Annexure 13	Non-Deduction of Statutory Deductions


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