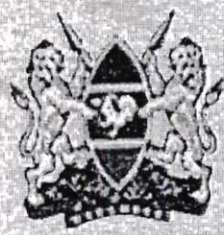


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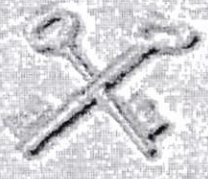
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*Paper hand
By the Rt Hon. Peter
Munishi on Wednesday
15.06.2011*



Office of the Deputy Prime Minister

Ministry of Finance



INTERNAL AUDIT DEPARTMENT

**FINAL QUANTIFIED REPORT ON
EXTENDED FORENSIC AUDIT OF KENYA EDUCATION
SECTOR SUPPORT PROGRAMME (KESSP)**

June, 2011

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ABREVIATIONS & ACRONYMS

AC-Accounts
ASAL-Arid and Semi Arid Lands
CFO-Chief Finance Officer
CIDA-Canadian International Development Association
DEO-District Education Officer
DFID-Department for international Development
DPs-Development Partners
ECDE- Early Childhood Development and Education
EFA-Education for All
FMR- Financial Management Reports
FPE-Free Primary Education
FTI -Fast Track Initiative
FY-Financial Year
GOK-Government of Kenya
IAD-Internal Audit Department
IAG-Internal Auditor General
IDA- International Development Association
IPs-Investment Programme/s
JFA-Joint Financing Agreement
KACC-Kenya Anti-Corruption Commission
KENAO-Kenya National Audit Office
KESSP-Kenya Education Sector Support Programme
MOE-Ministry of Education
MOHEST –Ministry of Higher Education, Science and Technology
MDGs-Millennium Development Goals
PAC-Principal Accounts Controller
PEV- Post Election Violence
SNE-Special Needs Education
PID-Project Implementation Document
PMG-Paymaster General
PPOA-Public Procurement Oversight Authority
PS/T-PS/Treasury
PS-Permanent Secretary
SBE-Standard Chartered Bank Banking Coding
SNE-Special Needs Education
TIVET- Technical, Industrial, Vocational and Entrepreneurship Training
TOR-Terms of Reference
UNICEF- United Nations Children’s Fund

EXTENDED FORENSIC AUDIT OF KENYA EDUCATION SECTOR SUPPORT PROGRAMME (KESSP)

EXECUTIVE SUMMARY

1.0 MANAGEMENT RESPONSE AND STATUS ACTION PLAN

- 1.1 The issues identified in this forensic audit indicate that there were serious disconnects between the FMRs and the underlying vouchers, cash book postings and bank statements.

This report was issued after further forensic audit work was performed on documentations and reconciliation by management and discussions held with Management with final report provided on 12th May 2011. The status is that the final figures of ineligible expenditure stood at Kshs 4,663,003,462.00. Attempts by Ministry of Education to perform reconciliations of the FMRs to underlying financial transactions misreporting on the Financial Management Reports (FMRs) – KSH.2,274,629,818.00 bore no fruits.

No further work was performed to assess whether SKE payment of Kshs 1,936,000,000.00 from Bank records (Ministry records were not available) could be reconciled to either the FMRs or the vouchers and school records.

1.2 Responsibility: Human Resources

A disciplinary investigation was undertaken on the basis of the draft final report in regard to imprests and facilitation payments made to employees and make appropriate recoveries, at the end of further verification no report was issued by management on findings and action.

1.3 Responsibility: CFO AND HEAD OF ACCOUNTING UNIT

Financial accounting practices should be strengthened, delegation of authority reviewed and enforced and vigorously, updated training on the Transfer Payment Policy provided to all accounts and finance staff working on KESSP.

1.4 Responsibility: MINISTRY OF EDUCATION MANAGEMENT, KESSP PROJECT MANAGEMENT AND INTERNAL AUDIT

With regard to the other audit issues which have been drawn to the attention of both the Management of Ministry of Education and the Project Management in the context of this investigation, further work is recommended by Ministry of Education Management and KESSP Project Management, based on risk and materiality.

The Internal Audit Department may undertake any further forensic work required.

2.0 INTRODUCTION

- (i) In October 2009, Internal Audit Department, (IAD) of Treasury released a fiduciary audit report on Kenya Education Sector Support Programme (KESSP)
- (ii) However, the fiduciary audit by IAD covered only a sample size of less than 0.5 % of the targeted population and concentrated on 30% of the transactions at the MOE headquarters for the month June 2009.
- (iii) In order to have a clear picture of the magnitude of risks facing KESSP, the Gok through Treasury and MOE committed itself to undertake an extended forensic audit of KESSP covering a period of four (4) years running from 1st July, 2005 to 30th June, 2009. More importantly, the extended audit was to identify risks in the programme to enable Gok put in place appropriate mitigation measures going forward.
- (iv) The Treasury and development partners (DPs) supporting KESSP agreed on the need to enhance the capacity of IAD during the audit. In this regard, DFID offered to provide technical support to IAD by commissioning an independent external consultant which Treasury welcomed.
- (v) This forensic audit report on KESSP is therefore an outcome of the collaboration between IAD and the independent consultant commissioned by DFID.
- (vi) According to the TORs agreed on between Treasury, MOE and the external consultant, the final outcome of the extended KESSP audit was to comprise of three (3) reports namely;
 - a) Quantification report on expenditure considered ineligible
 - b) Report on control environment
 - c) Report on forensic investigations.
- (vii) This quantification report therefore should be read in conjunction with the report on internal control environment report while the third report on forensic investigations will be submitted separately to KACC.
- (viii) Further, the ineligible expenditure of **ksh.248,887,059.00** reported in the initial KESSP fiduciary audit of October 2009 by IAD and the imprests amounting to **Kshs 102 million** under investigation by KACC and which are currently a subject of the judicial process have been excluded from this report.

This final report has been compiled after receiving a formal response on the draft report and holding discussing with Ministry of Education Senior Management Officials, from 10th to 18th November, 2010, and therefore incorporates management views.

The report also includes, as an annexure, a detailed action plan on how to implement the recommendation of the Forensic Audit.

3.0 KEY AUDIT OBJECTIVES

The objective of the extended forensic audit of KESSP was to provide reasonable assurance that key operational, financial and management controls over both local initiatives (counterpart) and development partner funds are adequate and effective. This includes determining whether Funds are spent for the intended purposes in accordance with the terms and conditions of contribution agreements and/or contracts.

The TORs for the audit included the following key audit objectives:-

- (i) To detect all potential transactional irregularities that may have occurred during the period under review. This was to include the identification of the extent of any fraudulent behaviour, quantifying ineligible expenditures and identifying individuals responsible, gather information in a manner consistent with the evidentiary requirements of the Kenya judicial system and referral to the appropriate investigative agency (KACC).
- (ii) To quantify and report on expenditures that are not compliant with the conditions and requirements of GoK financial rules and procedures as well as KESSP financing agreement protocols.
- (iii) To identify areas for improvement in the control environment to ensure that in future the objectives of the programme expenditure are met and that any identified loopholes are sealed to ensure that the opportunities for misappropriation, fraud and misuse are minimized.

4.0 SCOPE & METHODOLOGY

- (i) The extended forensic audit covered a period of four (4) years i.e. between July 1, 2005 and June 30th, 2009;
- (ii) The audit was undertaken in two (2) stages. The first stage involved a desk or offsite review and focussed on tracking of disbursements of Free Primary Education (FPE) funds from the Consolidated Fund to MOE, then to commercial banks up to school's bank accounts;
- (iii) The second stage involved making physical (onsite) visits to 512 sampled schools spread all over the country. These schools were identified on the basis of risk assessment conducted during the first stage;

- (iv) However, as indicated elsewhere in this report, the scope of audit was limited by non submission of required supporting documents particularly by the accounting staff based at MOE. This issue was raised with management and the missing documents were produced, confirmed by the Internal Audit team that they were the once listed as missing although no further audit of the documents were conducted;
- (v) In the absence of relevant supporting documentary evidence, several expenditures totalling to Kshs 8.17 billion had been categorized as ineligible in the draft audit report, however, after additional clarification and evidence produced by MoE, the list of the ineligible expenditure has been revised downwards to Kshs 4,663,903,463.00 and agreed on with MoE (see paragraph 6.8)

5.0 AUDIT APPROACH AND CRITERIA

5.1 Audit Approach

The audit included interviews with Project representatives at both headquarters and in the field, a review of KESSP policies and other related financial and operational information, an examination of project and sub-project files, testing of supporting documents for sub-project disbursements, and sub-project site visits.

KESSP project and sub-project sample selection for the audit examination phase was based on judgmental sampling using a set of predetermined criteria, including governance structures, project size by budget, country and Investment Programme (IP) coverage, and institution coverage.

Excluded from the examination were areas previously audited during the previous fiduciary review. For MoE at headquarters, all 23 IP projects were subjected to audit review (See paragraph 15.6 for details).

5.2 Audit Criteria

The audit criteria (Appendix 1) are based on the expected key controls as a result of the risk and control assessment, PAD for KESSP, the requirements of the *Treasury Policy on Transfer Payments* and the *Public Procurement Legislation and Regulations*. In addition, some of the criteria are also based on internationally accepted project management principles. The audit criteria through a TOR were discussed with and agreed upon by senior management of the MoE.

6.0 OUTPUTS & REPORTING

As indicated in 1.0 (1.6) above, the final outcome of the audit was to include the following three (3) reports;

6.1 QUANTIFICATION REPORT

This report aimed at quantifying the exact amount of expenditure at risk through ineligibility and suspected fraudulent or corruption transactions across all the 23 investment programmes (IPs) of KESSP.

6.2 FORENSIC INVESTIGATIONS REPORT

This report aimed at identifying incidents of a questionable nature in the form of the original documents and any statements for further investigations by KACC, or any other competent authority. The objective of evidence in this report was to clearly demonstrate how the suspected frauds were perpetuated.

6.3 REPORT ON CONTROL ENVIRONMENT

This report identifies the strengths and weaknesses in the control environment relating to the 23 investment programmes under KESSP. The objective of the recommendations contained there-in is to assist Treasury and MOE in strengthening of governance, transparency and accountability mechanisms surrounding the implementation of KESSP.

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7.0 SUMMARY OF AUDIT FINDINGS

7.1 INELIGIBLE EXPENDITURE – Ksh. 8,173,623,397.25

- (i) The Joint Financing Agreement (JFA) agreed and signed between the GoK and Development Partners (DP's) requires documentary evidence to support any expenditure from the 23 IPs of KESSP.
- (ii) However, the audit teams encountered considerable difficulties in obtaining all the required supporting documents. Apart from restricting the scope of the audit, non submission of documentary evidence resulted in expenditure totalling to Ksh. 8,173,623,397.25 being classified as ineligible as analyzed and reported in the draft report. However this figure came down to Kshs 4,663,003,463.00 after audit review of some the documents that had not been submitted earlier;
- (iii) While this amount may meet the necessary eligibility criteria of the JFA this will require submission and verification of supporting documentary evidence that was not produced at the time of audit.
- (iv) In our view, the limited co-operation by MOE staff particularly those in accounts department reflected a deliberate attempt to limit the potential for the audit to uncover unacceptable accounting operations, unethical behaviour or inappropriate spending which is against the interests of the GoK, DPs and KESSP.

Management Responses

- (i) Although Kenya Education Sector Support projects (KESSP) are administered and implemented in the field under the responsibility of the Project Director in the Ministry of Education Headquarters, project planning and approval remain the responsibility of the Ministry of Education at headquarters. Given that Fund projects have specific structural characteristics comparable with those of traditional bilateral projects, it was expected that the PAD would provide a clear strategic direction for project management and for implementation in the field. This includes, among other things, the project and sub-project goals, objectives and the expected results, the necessary delegations of authority required for the operation of the Fund, the organizational structure with respect to lines of authority and communication, as well as roles and responsibilities of the project team and selection committee;
- (ii) In all 23 projects examined, the Fund project's objectives, scope and expected results were aligned with the Country Education Sector Development Program Framework or the programming strategy and goals;
- (iii) With rare exceptions, information in the PAD was sufficient to allow the approval authority to make an informed decision regarding the project and the investment of KESSP funds;
- (iv) In addition, the programs under review exercised reasonable due diligence in the course of developing the PADs, including consultation at headquarters and in the field. Consideration was also given to proper sectoral analysis, lessons learned and experience shared with previous and similar projects;
- (v) The personnel involved in management of KESSP were aware of authorities delegated to them. The approval of all projects was found to be in compliance with the appropriate authorities;
- (vi) Overall, there is noticeable progress regarding the level of detail and consistency of strategic direction provided in the PAD, and the related project management strategy approved since the publication of the Guidelines.
- (vii) The joint financing agreement between GOK and Development Partners requires documentary evidence to support any expenditure from the 23 IPs of KESSP;
- (viii) The methodology and approach adopted by the audit team did not take cognizance of the protocol existing in Government regarding access to accountable documentation. This was the reason why the auditors encountered difficulties in accessing information that was readily available.

7.1.1 Conclusions

- (i) Whereas there were clear understanding of the requirement of project objectives and implementation procedure by senior management, the same knowledge of requirements was not translated into actual implementation by those charged with management responsibilities, either because some may have come on board after design and partial implementation of the project.

- (ii) The disconnect extended to lack of information by project operation staff that the audit was conducted in accordance with a comprehensive TOR which was approved by the Management before the audit exercise.

7.2 SKE PAYMENTS– KSH.5,129,797,753.00

- (i) These payments which relate to transfers from standard chartered bank, Nairobi are analyzed in **Appendix Schedules No7** and represents 60.70% of the total ineligible expenditure
- (ii) The term 'SKE' is a coding name used by standard chartered bank in respect to transfers to and from the bank
- (iii) No supporting documentation or underlying information was provided to substantiate the SKE payments.

Management Responses

- (i) *The SK Payments were disbursements through commercial banks to various schools which operate accounts with them. The relevant supporting documents, disbursement schedules and bank print outs have been provided in the management response.*
- (ii) *Some of the documentary evidence was with KACC following the outcome of the Fiduciary Audit Review carried earlier by Internal Audit Department.*
- (iii) *Documents relating to SKE payment including payment vouchers, bank disbursement schedules and authority instructions to the Standard Chartered Bank have all been provided except authority No SKE00130B0000190-0002 for Kshs 1,936,000,000.00 which is still missing*

7.2.1 Conclusions

- (i) Failure by the management to respond to specific SKE payments relating to Standard Chartered Bank, and failure to provide the evidence for the entire amount of SKE under query was an indication that record keeping was wanting. As at the time of finalisation of this report, an authorisation letter for Kshs 1,944,950,000.00 could not be produced, and the documentation provided did not address transfer of Kshs 244,412,480 in 2008/09 and the cash withdrawal of Kshs of 234,736,979.00.
- (ii) The management did not attend to the fact that the SKE payment under query and therefore subject to ineligible expenditure could have integrity issues. Therefore, there would still be need to analyse the submitted SKE payments as to rule out any diversion of funds, before removing the figure from the ineligible expenditure category.

7.3 CHEQUE PAYMENTS – KSH.684,818,345.75

- (i) These payments relate to transfers to implementers of IPs which were moved to different ministries after the split of ministries;
- (ii) The accounting staff of MOE were unable to provide supporting documentation for 13 of the 15 cheque payments selected.
- (iii) Disbursement schedules were often missing or the final version was not available. Figures approved by the PS, MOE were noted to have changed. Further, the schools audit unit in MOE had noted numerous duplicate payments to schools from KESSP funding that did not relate to KESSP activities.
- (iv) Consequently, the audit team was unable to ascertain and confirm how the funds were distributed by the MOE. In the absence of any supporting evidence the cheque payments totalling to **Ksh.684,818,345.75 (Appendix Schedule No 8)** have been classified as ineligible expenditure.

Management Responses

- (i) *Payment vouchers indicating the amounts disbursed to various spending units were available for verification;*
- (ii) *The Ministry of Education was still waiting for response from Ministry of Higher Education on the expenditure of TIVET Cheques amounting to Kshs 547,740,000.00;*
- (iii) *Vouchers disbursing funds to KESI for Kshs 57,140,000.00, TSC-Kshs 19,570,000.00 and KNEC-Kshs 17,000,000.00*

7.3.1 Conclusions

- (i) The payment vouchers provided as evidence of disbursement of funds did not disclose how the funds were expended by the recipient as to evaluate and establish whether the expenditures were within the objective and financing agreements of KESSP;
- (ii) There is no mechanism put in place to get feedback on how KESSP funds are utilised by recipient beneficiaries. This a confirmation of lack of adequate internal control;

7.4 MISREPORTING ON THE FINANCIAL MANAGEMENT REPORTS (FMRs) –
KSH.2,274,629,818.00

- (i) The above figure was noted during comparisons between funds provided by GOK to KESSP against the figures reported in the FMRs.
- (ii) The discrepancies could not be supported with appropriate documentary evidence. (Report Paragraph 14.9)
- (iii) However, the misreporting on the FMRs was probably due to use of wrong exchange rates.
- (iv) In the absence of authentic and credible reconciliation to substantiate the figure, it has been classified as ineligible.

Management Responses

- (i) *It was confirmed by Accounts and Finance Sections of the Ministry of Education that the FMRs were prepared using wrong expenditure exchange rates and failure to take into account the receipt exchange rate;*
- (ii) *The anomaly should be shared out with Treasury's ERD Department as the Ministry of Education was not provided with information on the exchange rate used by ERD;*
- (iii) *To correct the error it had been decided that the FMR be reworked again using the appropriate conversion rate;*
- (iv) *The Ministry of Education had requested the World Bank to provide a financial specialist to assist as it lacked the capacity to undertake recasting of the reconciliation required for an acceptable FMR; this had been done through a letter Ref: AC/GEN/29B VolIV (14) of 19th November, 2010.*

7.4.1 Conclusions

- (i) The FMRs were inaccurate as reported in the Internal Audit Forensic Report;
- (ii) The reworked FMRs may establish the same position, a reduced amount or even a higher amount of the ineligible expenditure reported through the inaccurate FMR;
- (iii) The reworked FMRs will establish the corrected final figure to take as the ineligible expenditure. Meanwhile the current amount be retained as the interim figure. This figure excludes the KENAO disallowed sum of Ksh 9,021,357,567.00;

7.5 MANAGEMENT OF IMPRESTS – 292,103,603.50

- (i) The ineligible expenditure of Ksh 8.4 billion included the above amount (Appendix Schedules No, 1, 3, 4 and 5) which was as a result of poor management of imprests

Unsupported imp rests (2009 FY	Ksh.8,199,004.00
Imp rests FY 2009	Ksh.184,414,473.00
Impress FY 2008	Ksh.99,331,756.50
Unsupported imp rests FY 2008	Ksh.158,370.00
Total	Ksh.292,103,603.50

- (ii) Documents relating to imprests to the value of Ksh.285, 746,229.50 were not provided and of those reviewed amounts totalling Ksh 5,357,374.00 were unsupported or ineligible.
- (iii) On average, 12.9% of all imprests reviewed did not comply with the current policies of the MOE and GoK on control of imprests.

Management Responses

In the unsupported imprest of Kshs 8,199,004.00,

- (i) *the Ministry of Education had adopted a system of transport reimbursement to officers/stakeholders who utilise public transport to workshop venues. The reimbursements were in two modes, the first was to reimburse transport cost based on production of inward ticket which was then utilised to reimburse the return journey;*
- (ii) *The second mode was the use of zoning (after the Fiduciary Audit Report) where flat rates for different regions from where participants to workshop were drawn hence no bus tickets were attached to support the rates. This was the procedure adopted due to varying rates lodged by participants in claiming for reimbursement of transport;*
- (iii) *The zoning was an attempt to overcome the challenges of using bus tickets whose prices were inflated. The zoning was therefore using an average cost;*

Regarding 2009 imprest requested but not provided Kshs 184,414,473.00

- (iv) *The imprest surrender vouchers cited in the report have been made available for verification;*

Regarding 2008 imprest requested but not provided Kshs 99,331,756.50

- (v) *The imprest surrender vouchers cited in the report have been made available for verification;*

Regarding 2008 imprest requested but not provided Kshs 158,370.00

- (vi) *Verification of the imprests surrender vouchers have revealed discrepancies;*
- (vii) *The officers be called upon to explain the discrepancies noted in the amounts paid as imprests on a case by case basis.*

7.5.1 Conclusions

- (i) The decision to by the Ministry of Education to adopt a system of transport reimbursement to officers/stakeholders who utilise public transport to workshop venues outside the Government system stipulated under section K.2 and K.5.of the COR required approval of Ministry of State for Public Service. However, evidence to confirm whether this was done has been avoided;
- (ii) The amounts reflected as paid out shall remain ineligible until a decision is made through the consultation with the Ministry of State for Public Service to determine their fairness, justification and whether there was value for money;

7.6 FACILITATION PAYMENTS - KSH 9,868,330.00

- (i) The expenditure related to payments to MOE officials and others outside the ministry for facilitation during seminars/workshops. (Appendix Schedule No 2)
- (ii) The rates of payments to the officials were not in line with GOK approved rates.

Management Responses

- (i) *A number of vouchers have been reviewed an established that a number were not supported by timetables to support the facilitation fees paid. It is recommended that the officers paid such allowances be called upon to justify the facilitation fees paid with regard to the hours claimed and paid;*
- (ii) *It has been noted that Government Circular on payment of facilitation fees is explicit on when a facilitation fees is ineligible. There is therefore need to look at the payments on a case by case basis;*
- (iii) *The difference on the total of Kshs 8,357,374.00 was occasioned by omission of the last page of an appendix. This was provided and difference corrected.*

7.6.1 Conclusions

- (i) The management's establishment that a number of the payments of the facilitation were not appropriately supported confirming lack of adequate internal control to deal with claims, and this require to be addressed in two ways i.e. establishment of reasons to why such vouchers were allowed to pass and how the officers allowed themselves to provide claims which were un supported. Until that is done, the total amount remains as ineligible.

7.7 PROCUREMENT PRICE DIFFERENCES – KSH.31,258,891.00

- (i) The above expenditure was as a result of lack of specified contract documents, Contracts requested for review were not provided, as indicated in the detailed audit report, despite numerous requests. Consequently these payments have been classified as ineligible and subject to recovery. **(Report Paragraph No 17.0)**
- (ii) The ineligible expenditure of **Kshs 533,715.00** which is not part of the above figure resulted from wide variation between the purchase price of goods and the Public Procurement Oversight Authority (PPOA) market rates as indicated in the detailed audit report which suggested collusion or price fixing. **(Report Paragraph No 17.0)**

Management Responses

In response to Kshs 31,258,891.00

(i) *This consisted of payments to: Intra Africa Assurance Co Ltd (25,450,492.00), Tanad Transporters (Kshs not established), Speedbird Travel and Safaris (Kshs not established), Wafa Investments (Kshs 2,132,800), and Lupat Cleaning Services (Kshs 3,141,884.00) were for various services to the Ministry of Education and where paid for out of the normal Ministry operation provision and not from KESSP Funds;*

In relation to Procurement Differences of Kshs 533,715.00

(ii) *A market survey was conducted on 30th November, 2009 to determine the prices of computers, colour printers and flash disks. The result of the market survey was the basis upon which the Ministry procured the items in the report. A look of the prices of the market survey and the purchase prices does not show much difference between the two;*

(iii) *It is important to note that the price of computers and printers is also determined by the specifications given by the user, and hence the difference in prices between the PPOAs prices index and the market survey.*

7.7.1 Conclusions

- (i) The firms were paid from the normal budgetary provision of Ministry's operation provision and not from KESSP Funds. However, scenario was an indication of lack of clear demarcation between and the normal Ministry operation and KESSP Funds and could be a pointer to serious mix up of documentation. The amount of Kshs 31,258,891.00 is removed from the ineligible expenditure;
- (ii) Only a summary of the outcome of the Market Survey was provided, and not the actual Market Survey forms as filled by the respondent firms and outlets, as had been agreed during the evaluation of the draft report. The amount of Kshs 533,715.00 is therefore removed from ineligible expenditure;

- (iii) There was a deliberate bias for certain brands over other brands which is a contradiction of Public Procurement & Disposals Act, 2005 and Regulation 2006

7.8 SCHEDULE No. 1-SCHEDULE OF INELIGIBLE EXPENDITURE-Kshs 8,173,623,397.25

No	Expenditure	Schedule No	Report Paragraph	VALUE
				Kshs
1	Contribution of the Government of Kenya Counterpart Funding unsupported		14.9	2,274,629,818.00
	Procurement price differences		17.0	31,258,891.00
2	Procurement price difference		17.0	533,715.00
3	Unsupported imp rests FY2009	1	18.0	8,199,004.00
4	Facilitation payments FY2009	2	18.2	9,868,330.00
5	Imp rests FY2009 requested and not provided (a)	3	18.0	184,414,473.00
6	Imp rests FY2008 requested and not provided (b)	4	18.0	99,331,756.50
7	Unsupported imp rests FY2008	5	18.0	158,370.00
8	Cheque payments - no evidence	6	16.0 (Fig 10)	684,818,345.75
9	SKE Payments - no evidence	7	16.0	5,129,297,753.00
	Value identified as ineligible entire project			8,422,510,456.25
	Less ineligible expenditure in IAD Fiduciary Review Report of October, 2009			248,887,059.00
	Original Value identified as ineligible			8,173,623,397.25

Note; SKE Payments relate to transfers to and from Standard Chartered Bank

7.9 REVISED SCHEDULE OF INELIGIBLE EXPENDITURE -Kshs 4,663,003,463.00

No	Expenditure Area	ORIGINAL VALUE	AMOUNT REMOVED	BALANCE
		Kshs	Kshs	Kshs
1	Contribution of the Government of Kenya Counterpart Funding unsupported	2,274,629,818.00	0.00	2,274,629,818.00
	Procurement price differences	31,258,891.00	31,258,891.00	0.00
2	Procurement price difference	533,715.00	533,715.00	0.00
3	Unsupported imp rests FY2009	8,199,004.00	0.00	8,199,004.00
4	Facilitation payments FY2009	9,868,330.00	0.00	9,868,330.00
5	Imp rests FY2009 requested and not provided (a)	184,414,473.00	184,414,473.00	0.00
6	Imp rests FY2008 requested and not provided (b)	99,331,756.50	99,331,756.50	0.00
7	Unsupported imp rests FY2008	158,370.00	0.00	158,370.00
8	Cheque payments - no evidence	684,818,345.75	1,783,345.75	683,035,000.00
9	SKE Payments - no evidence	5,129,297,753.00	3,193,297,753.00	1,936,000,000.00
	Value identified as ineligible entire project	8,422,510,456.25	3,510,619,934.25	4,911,890,522.00
	Less ineligible expenditure in IAD Fiduciary Review Report of October, 2009	248,887,059.00	0.00	248,887,059.00
	Value identified as ineligible Forensic Audit	8,173,623,397.25	3,510,619,934.25	4,663,003,463.00

7.10 Statement of Assurance

In our professional judgment, the audit procedures that have been followed are sufficient and appropriate to support the conclusion stated in this report. This conclusion is based on a comparison of the circumstances, as they existed at the time of audit, with pre-established auditing criteria agreed to by management through a comprehensive TOR. This conclusion is applicable only to the subject examined. The evidence was gathered in compliance with the Treasury's internal auditing policy, guidelines, standards, and procedures, and is sufficient to corroborate the findings and conclusions of this internal audit report.

7.11 Audit Conclusion

We conclude that key operational, financial and management controls over KESSP Funds were adequately designed but not consistently applied, particularly in areas such as need identification and selection processes, verification of recipient transmission, risk management, and oversight roles, both at headquarters and beneficiary institutions.

**Internal Auditor General
Internal Audit Department
TREASURY
30th November, 2010**

FINAL REP

7.12 SCHEDULE OF REQUIRED DETAILS OF INELIGIBLE EXPENDITURE

No	Expenditure	Report Para	Schedule No	VALUE Ksh	Reasons given	Information required	Supporting Document
1	Contribution of the Government of Kenya Counterpart Funding unsupported	14.9		2,274,629,818.00	Misreporting on the FMR	Reconciliation of what was actually provided by Gok against what was in the FMRs	<ul style="list-style-type: none"> - Exchequer issues - Bank Statements - Bank Reconciliation - FMRs
		17.0		533,715.00	Purchases	Details of the purchases & price differences	<ul style="list-style-type: none"> - Contracts - MTC Minutes - Tenders - LPO/LSOs - Payment Vouchers
2	Procurement differences	17.0	1	31,258,891.00	Contracts	Details of the contracts & evidence required	<ul style="list-style-type: none"> - Contracts - MTC Minutes
		18.0		8,199,004.00	Unsupported payments	Detailed schedule of the unsupported Imprests & evidence required	<ul style="list-style-type: none"> - Copies of imprest warrants - Imprest Registers - IFMIS Imprest schedules
3	Unsupported imprests FY2009	18.0	2	8,199,004.00	Facilitation payments	The schedule of both the preliminary testing (Kshs 7,057,605.00) and detailed testing (Kshs 2,810,725.00) and the evidence that was lacking & the criteria for declaring the imprest ineligible	<ul style="list-style-type: none"> - Facilitation requisition - PS Approvals - Payment vouchers - Schedule of trainings - Training timetables
4	Facilitation payments FY2009	18.2	3	9,868,330.00	99 imprests whose documentation were not provided	Details of the imprest holders from which the 99 imprests have been drawn & the lacking documentary evidence	<ul style="list-style-type: none"> - Copies of imprest warrants - Imprest Registers - IFMIS Imprest schedules
5	Imprests FY2009 requested and not provided (a)	18.0	4	184,414,473.00	2007/08 imprests details not provided	Detailed schedules of the unsupported imprests & documentary evidence required	<ul style="list-style-type: none"> - Copies of imprest warrants - Imprest Registers - IFMIS Imprest schedules
6	Imprests FY2008 requested and not provided (b)	18.0		99,331,756.50			<ul style="list-style-type: none"> - Copies of imprest warrants - Imprest Registers - IFMIS Imprest schedules

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7.13 FUNDS MANAGEMENT

No suitable funds management process was in place in MOE and funding was mixed, making it challenging to identify the source of funding. The accounting team was unable to identify or clarify if funding related to KESSP or GoK.

8.0 SUMMARY OF RISKS FACING KESSP

The report on internal control environment and this quantified report on ineligible expenditure flag the following risks with regard to implementation of KESSP;

8.1 STRATEGIC & GOVERNANCE RISKS

- (i) **Conflict of interest risk** – top and senior management allowing their personal interests to conflict with those of KESSP strategic objectives.
- (ii) **Decision making risk** – Inappropriate management policy and / or decision making process or indecisive management actions.
- (iii) **Risk Management Framework**-failure to develop and implement a risk management framework on the implementation of KESSP an omission which undermined the identification of risks and putting in place appropriate risk mitigation measures.
- (iv) **Integrity Risk** – Level of oversight provided at the centre was weak as demonstrated by acts of omission by Staff that are considered unethical, fraudulent, or otherwise inappropriate.

8.2 TRANSPARENCY & ACCOUNTABILITY RISKS

- (i) **Transparency & Accountability Risk**– The level of ineligible expenditure on account of lack of supporting documents reflects weak transparency and accountability mechanisms over the management of lack of KESSP.

This resulted in processing and effecting payments which were either not in line with GOK financial rules and regulations or were against the requirements of the JFA.

- (ii) **Budgeting Risk**– Inability to prepare meaningful budgets and forecasts on a timely basis diminished the Ministry's ability to monitor and understand actual financial and operating results, which, in turn, limited the ability to react to

performance gaps and/or modify objectives and performance targets on a timely basis.

- (iii) **Supply Chain Risk** – Failure to effectively manage the supply chain resulted in procurement of goods and services at higher market prices thus undermining delivery of value for money.

8.3 OPERATIONAL RISKS

- (i) **Policies and Procedures Risk**– Lack of compliance with established policies and procedures resulted in unacceptable performance by Staff as demonstrated by the huge figure of ineligible expenditure.
- (ii) **Performance Measurement Risk**– Inability to compile, measure, and analyze operating results in a timely and accurate manner resulted in slow reactions to performance shortfalls or key decisions were based on incomplete or inaccurate information.
- (iii) **Systems Infrastructure Risk**– Lack of an effective information technology infrastructure diminished the MOE's ability to support the current and future information needs of KESSP in an efficient and effective manner.

9.0 RISK MITIGATION MEASURES / WAY FORWARD

The MOE needs to evaluate and following recommendations as a basis of mitigating identified risks going forward;

- (i) The MOE should provide credible supporting evidence to substantiate the expenditure of over **Ksh 8.4billion** which has been classified as ineligible.
- (ii) There is a need to rethink about the design of KESSP which as a SWAP has inherent institutional deficiencies.
- (iii) There is an urgent need to streamline some key department providing support services to KESSP if the programme objectives are to be achieved. In particular the accounts and finance department requires a major overhaul.
- (iv) The level of oversight provided by the headquarters on KESSP through the relevant heads of departments / AIE holders need to be critically re-evaluated and appropriate policies, systems and procedures put in place going forward.
- (v) The monitoring and evaluation of the implementation of KESSP need to be intensified so as to ensure that identified challenges are addressed on a timely and continuous basis.

DETAILED AUDIT REPORT ON KENYA EDUCATION SECTOR SUPPORT PROGRAMME (KESSP)

10.0 BROAD OVERVIEW OF KESSP

10.1 INTRODUCTION

- (i) To put into operation the Sessional Paper No 1 of 2005, the MOE and its stakeholders designed and developed the Kenya Education Sector Support Programme (**KESSP**) based on the Sector-Wide Approach to Planning (SWAP).
- (ii) It was developed through a highly consultative process as the only programme for the sector through which stakeholders would channel their support to education. KESSP is a government investment programme encompassing two Ministries, namely MOE and the Ministry of Higher Education, Science and Technology (MOHEST).
- (iii) Through KESSP, stakeholders and Development Partners mobilise resources for sector development. The first phase of KESSP runs from July 2005 to June 2010. Under this phase, the focus by MOE has mainly been on access, equity, quality, relevance of education as well as strengthening sector management.

10.2 KESSP AS A FIVE (5) YEAR DEVELOPMENT PLAN

- (i) KESSP was launched in July 2005 as a five-year education development plan (2005-2010) organised in to 23 Investment Programmes (IPs).
- (ii) The primary emphasis of the KESSP is on achieving the 2015 Millennium Development Goals (MDGs) and Education for All (EFA) targets, focusing in particular on universal basic education for all Kenyans.
- (iii) KESSP was developed around six thematic areas, which were identified by MOE as essential in order to improve access to, and quality of, education in Kenya.
- (iv) Out of these six thematic areas, the following 23 IPs were identified and developed:
 1. Early Childhood Development and Education (ECDE)
 2. Primary School Infrastructure
 3. Secondary School
 4. Technical, Industrial, Vocational and Entrepreneurship Education (TIVET)
 5. University Education
 6. Special Needs Education
 7. Expanding Educational Opportunities for Arid and Semi Arid Lands (ASALS)
 8. Non Formal Education

9. School Health, Nutrition and Feeding
10. Adult, Basic and Continuing Education
11. Gender and Education
12. Primary School Instructional Materials
13. Capacity Building and Development
14. Teacher Management
15. Pre-Service Primary Teacher Education
16. In-Service Primary Teacher Education
17. In-Service Secondary Teacher Education
18. Quality Assurance and Standards
19. Information and Communication Technology in Education
20. Guidance and Counselling
21. Education Management Information System
22. HIV and AIDS in Education
23. Monitoring and Evaluation

- (v) The GOK-MOE principal and preferred modality of development support to the KESSP is through direct budget support.
- (vi) To support the process, GOK and DPs have set up a joint financing pool to coordinate resource deployment. A Joint Financing Agreement (JFA) provides the organising framework that guides the way GOK and DPs have agreed to work. Poverty reduction is a key priority and there are a number of core poverty programmes, the largest include Free Primary and Secondary Education.

10.3 KESSP TARGETS

The programme has been developed to help the government achieve the targets set out in the Sessional Paper No. 1 of 2005 which include:

- (i) Attainment of FFA by 2015;
- (ii) Achievement of a transition rate of 47 % to 70% from primary to secondary school level, paying special attention to girls' education by 2008;
- (iii) Enhancement of access, equity, and quality in primary and secondary education through capacity building for 45,000 education managers by 2005;
- (iv) Construction/renovation of physical facilities/equipment in public learning institutions in disadvantaged areas, particularly in Arid and Semi-Arid Lands (ASALs) and urban slums;
- (v) Development of a national training strategy for TIVET in 2005 and ensuring that TIVET institutions are appropriately funded and equipped by 2008;

- (vi) Achievement of 50% improvement of levels of adult literacy by 2010; and
- (vii) Expansion of public universities to have a capacity of at least 5,000 students each by 2015 and increase in the proportion of all students studying science-related courses to 50%, with at least one-third of these being women, by the year 2010.

10.4 SECTOR CONCERNS

- (i) As part of the Kenya Country Portfolio Performance Review (CPPR) process, the World Bank, jointly with the GOK, decided to conduct a detailed analytical review on the funds flow processes and fiduciary review of World Bank funded projects as one of the ways of improving Country Final Management Systems.
- (ii) The objective of the January-March 2009 fiduciary audit was to critically review the funds flow process and fiduciary weaknesses for Bank funded projects with a view to identifying the root causes of delays, inefficiencies and uneconomical practices, and to provide appropriate recommendations to ensure that these weaknesses are addressed and resolved once and for all.
- (iii) The scope of the assignment was extended to assess operational, fiduciary, design or other factors that hamper the smooth flow of funds and hinder effective project implementation.
- (iv) A preliminary assessment of 20 primary and secondary schools within the KESSP revealed some integrity issues.
- (v) Based on the findings, an in-depth risk based review was deemed necessary to establish the magnitude of integrity issues raised in the January-March 2009 fiduciary review, as well as other financial management challenges which had negatively impacted the smooth implementation of the Programme. The MOE on 15 May 2009 requested Treasury to conduct an in-depth fiduciary audit of the KESSP.
- (vi) The in-depth review of KESSP was undertaken in August 2009 by the Internal Audit Department (IAD) of the Kenyan Treasury supported by the World Bank. Preliminary findings resulted in the suspension of 31 MOE staff. Donor organisations received a copy of *"A Summary of the Inter Ministerial Report on the Validation of the Findings of the In Depth Risk Based Fiduciary Review of the Kenya Education sector Support Programme (KESSP) – Phase I"* dated 14 December 2009.
- (vii) IAD's preliminary un-validated findings dated 22 September 2009, were subsequently referred to the Kenyan Anti Corruption Commission (KACC) The final validation report dated 9 October 2009 confirmed the following:-

- a) Ksh102,795,291 was lost to fraudulent accounting or direct embezzlement due to systematic fraud and/or abuse of the imprest system at Headquarters;
- b) The approved coordination structures were either not functioning as envisaged, or were sidelined in certain decision making processes
- c) Ksh131,828,000 was paid to the Ministry of State for Special Programme to finance unspecified projects in 117 schools affected by post election violence, some of which were not affected by the violence and who subsequently misappropriated some of the funds;
- d) Losses of Ksh14,253,768.00 and Ksh 9,766,578.00 in primary and secondary schools respectively across all investment programmes.
- (viii) These findings were based on a limited review of 30% of the payments at MOE headquarters for the month of June 2009, which comprised of 48 imprest vouchers of which only 25 were made available to the auditors and physical visits to 96 primary and 68 secondary schools amongst other tests.
- (ix) Based on preliminary findings and referral to the Kenyan Anti-Corruption Commission (KACC), the Forensic Services Unit of the Integrity Vice Presidency of the World Bank, assessed the findings of IAD and proposed that IAD undertake a comprehensive forensic audit covering all 23 IR's and a significant sample of school audits. The suggestion from the DPs was for an expanded audit based on a risk sample for 2007/2008 expenditure and a full sample of 2008/2009 expenditure. In the meantime, the World Bank and other DPs formally suspended disbursements to KESSP.
- (x) The GOK was committed and believed that a forensic audit was necessary to provide a clear picture of the risks facing implementation of KESSP to provide assurance that programme funds had been used for the intended purposes.

11.0 OBJECTIVE OF THE AUDIT

(ii) The Terms of Reference (TORs) jointly agreed on between IAD, Ministry of Education senior staff and DFID consultants included the following key audit objectives:-

- a) To detect all potential transactional irregularities that may have occurred during the period under review. This was to include the identification of the extent of any fraudulent behaviour, quantifying ineligible expenditures and identifying individuals responsible, gather information in a manner consistent with the

evidentiary requirements of the Kenya judicial system and referral to the appropriate investigative agencies (police and/or KACC).

- b) To quantify and report the value of investments that is not compliant with the conditions of the programme expenditure.
- c) To identify areas for improvement in the control environment to ensure that in the future the objectives of the programme expenditure are met and that any identified loopholes are sealed to ensure that the opportunities for misappropriation, fraud and misuse are minimized.

12.0 SCOPE OF THE AUDIT

- (i) The forensic audit covered expenditure from 1 July 2007 to 30 June 2009, included all headquarters expenditure made available to us relating to KESSP for 2008/2009 with a risk focused approach to expenditure made in the previous financial year and 2006/07.
- (ii) The findings in this report are based on the documents and records provided by the MOE and other third parties. Despite verbal and documented requests for the required information to enable the audit to be successfully completed these documents were not readily available. Key documents such as imprest surrender vouchers were not always available for audit review.
- (iii) There is evidence of disbursement schedules that were provided to the audit team that differed from those provided in soft copy or provided to the PS in hard copy. The audit assessment has been based on the document noted as the version approved by the PS.

13.0 LIMITATION OF THE SCOPE

- (i) It is important to note that the audit findings in this report are based on the documents that were made available and not those that audit had specifically requested. This fails the first audit principle.
- (ii) Audit do not believe that full cooperation was provided and actually encountered limited commitment from a number of Staff within the MOE despite obtaining letters of authority to access required documents/information. This lack of cooperation limited access to records, documents, physical assets, IT systems and personnel.
- (iii) Where information has not been provided the related expenditure has been classified as ineligible.

- (iv) Where non-governmental third party information has been sought, such as bank information, the accuracy of that data has been relied upon on the understanding the bank has been required to comply with financial regulations and the soft copy information was a direct extract from the main bank systems.
- (v) The volume of information, availability of staff and some of the techniques used for the audit limited the capabilities to undertake the audit to the standards required.
- (vi) Completeness of the audit task was negatively impacted upon by ongoing investigations and audits; these included KACC and KENAO where similar records were or had been requested and either not returned or were poorly filed making them challenging to trace. Where possible the appropriate agency was contacted for copies or sight of the original document.

14.0 CONDUCT OF THE AUDIT

- (i) The audit commenced at the headquarters with the audit team conducting a desk review in order to establish the allocation of funding for KESSP to the disbursement of funds. Each of the 23 IP's was considered in addition to the general funding. The issues relating to poor internal controls have been noted in the internal control report.
- (ii) Based on the findings at the desk review and related risk assessment, 512 Primary and Secondary Schools were selected for physical on site visit. This figure included random samples, schools of payments of interest to the audit, duplicate payments to schools or bank accounts and other "at risk" areas ensuring an appropriate coverage based on pupil and schools densities across all districts and provinces. Where practically possible any from subjected to the previous forensic audit and KACC work activity was excluded.
- (iii) For the purposes of this report clause 14 (g) GoK responsibilities in the JFA signed on the 16 December 2005 was considered. This clause states that the GoK agree to 'maintain a financial management system that is adequate to reflect the transactions, resources, expenditures, assets and liabilities under the KESSP, and that will ensure that the GOK is able to produce timely, relevant and reliable financial information for planning and implementation of the KESSP.
- (iv) The GOK was to ensure that the financial management system supported monitoring of progress toward KESSP objectives, and allowed the Development Partners to evaluate compliance with agreed procedures.
- (v) Where documents and evidence has not been provided to support the above principle, that expenditure has been classified as ineligible and subject to recovery.

15.0 ACKNOWLEDGEMENTS

We would like to extend our thanks to those staff who provided us with assistance during this work. We would however add that the audit was characterised by repeated requests for information, much of which still remains undelivered not to mention deliberate obstructive actions by MOE staff.

16.0 AUDIT FINDINGS-FUNDING FLOW PROCESS

16.1 FLOW OF FUNDS

- (i) The audit attempted to verify the funding flow process, identifying all bank accounts used in the payment of KESSP funding.
- (ii) This exercise was designed to ensure an understanding of the funds flow and to confirm the contributions made by the DP to GOK. It also was necessary to understand the route that those funds follow until payment to the schools accounts through disbursements, via imprest or any other method.
- (iii) Additionally it provided an understanding of the flow of funds from donor to recipient to identify transactions for further investigation or sample.
- (iv) Based on interviews with Treasury¹, MOE² and MOE³ staff the following diagram at Figure 1 is believed to accurately represent the flow of funding during the financial years 2007/08 and 2008/09

¹ Mr Samuel Onyango Mr Gatimu and Mr Mithau

² Willis Okwacho and John Ogwel (Internal Audit Department Headquarters)

³ George Haya, Rachel N'dungu, Janet and Cornelius Sayi

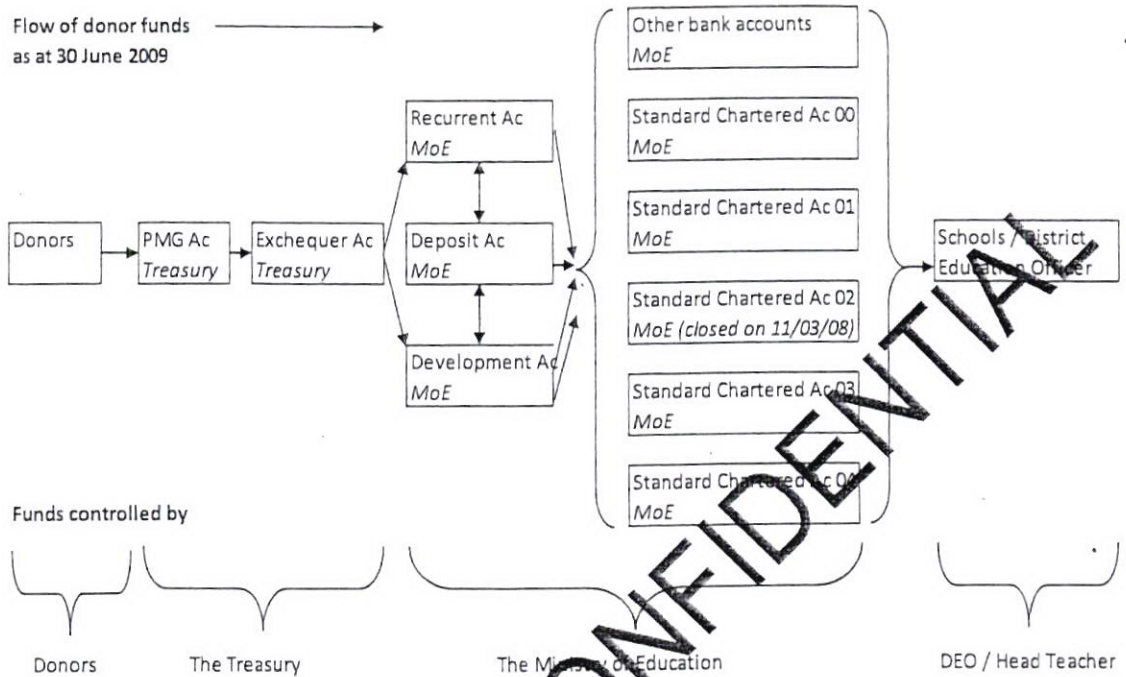


Figure 1

- (iv) We were informed by MOF officials that donor funds are transferred to the PMG Account (PMG Special Deposit Account 01-010-E434) from the donors before they are forwarded to the Exchequer account (100-040-0001). Both of these accounts are managed and controlled by the Treasury.
- (v) Funds are then transferred from the Exchequer Account where, subject to a formal request, they are disbursed to the MOE. Funds are transferred into one of two accounts, these are the Recurrent (R31) or Development (D31) bank accounts in the MOE. An additional Deposit (E31) account is used for internal transfers within the Ministry.
- (vi) Funds are transferred from the Recurrent or Development account to the Deposit Account or to the schools via one of the five Standard Chartered bank accounts or to the District Education Offices. The Standard Chartered Accounts are:

01080-965491-00	M.O.E.S.T Free Primary Education SP / MOE Free Secondary Education Account
01080-965491-01	M.O.E.S.T Free Primary Education SP / MOE Free Secondary Education Account
01080-965491-02	M.O.E.S.T Free Primary Education SP / MOE Free Secondary Education Account Closed on the 11 March 2008
01080-965491-03	M.O.E.S.T Free Primary Education SP / MOE Free Secondary Education Account
01080-965491-04	M.O.E.S.T Free Primary Education SP / MOE Free Secondary Education Account

In addition we identified other bank accounts controlled by the accounts department as follows:
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- (vii) Despite numerous requests for information, bank statements and cash books were not provided as Audit was informed that they were not KESSP related, although their names would suggest that they were.
- (viii) **Conclusion:** From this information Audit is able to conclude that:
 - a) Donor funds are transferred into a bank account controlled by the Treasury before being remitted to the MOE for subsequent disbursement to the schools;
 - b) The MOE operates three main bank accounts, these being the Development, Recurrent and Deposit Accounts; and
 - c) The MOE operates four Standard Chartered bank accounts relating to KESSP

16.2 TRACING FUNDS THROUGH THE TREASURY TO THE MOE

- (i) The DP's provide funds to the GOK via international transfers into a bank account⁴ controlled by the Treasury.
- (ii) The DP's include the International Development Association (World Bank) ("IDA"), EFA Fast Track Initiative (World Bank) ("FTI"), the Department for International Development ("DFID"), the Canadian International Development Agency ("CIDA") and United Nations Children's Fund ("UNICEF") who according to the KESSP financial statements prepared by the MOE have donated the following amounts:

⁴ PMG Special Deposit Account 01-010-E434

Year ended 30 June	2009 Ksh	2008 Ksh
IDA	1,571,364,618	1,241,000,000
FTI	1,901,351,186	3,093,970,000
DFID	1,161,605,200	1,423,013,760
CIDA	475,659,309	450,000,000
UNICEF	19,760,000	31,937,500
	<u>5,129,740,313</u>	<u>6,239,921,260</u>

Source: KESSP Financial statements

- (iii) The aim of the audit work in the Treasury was to confirm that all of the donor funds provided by the DPs had been successfully transferred from the Treasury to the MOE. The ability to undertake this work while gaining complete assurance was hampered by a lack of information provided by the donors in regard to the amounts they had contributed.
- (iv) The individual donors were asked on 19 February 2010 to provide evidence of the amounts and dates on which they transferred funds to the GOK. This information was only provided by DFID. Therefore Audit is unable to confirm in total whether all the funds transferred by the DPs were received into the Treasury's PMG bank account.
- (v) The only information available to confirm the value of external funds that have been provided from the other donors are limited photocopies of bank statements/cash books used by the Treasury and MOE to account for the funds. The cash books are, of course, internally generated documents.
- (vi) Supporting documentation was requested to show that all of the funds provided by the DPs had been successfully transferred from the PMG Account to the Exchequer Account. Information was only received from DFID.
- (vii) A summary of the DFID funds received and paid out of the PMG Account and into the Exchequer Account is shown below:

No.	Date	Fin. Year	Description	Agreed to Exchequer Cash Book	Sterling Equivalent £	Withdrawals Ksh	Deposit Ksh
1	19/09/07	2007/08	VR OC 00000619	N/a			668,460,400.00
2	28/09/07	2007/08	VR OC 00000624	Yes		668,460,400.00	
3	31/03/08	2007/08	VR OC 00000618	N/a			754,110,000.00
4	24/04/08	2007/08	VR OC 00000613	Yes		754,553,360.00	
5	06/05/08	2007/08	VR OC 00161182	N/a			456,411,800.00
6	09/05/08	2007/08	VR OC 00000611	Yes		450,000,000.00	
7	09/01/09	2008/09	VR OC 00000651	N/a			583,730,200.00
8	05/02/09	2008/09	VR OC 00000605	Yes		583,730,200.00	
9	25/02/09	2008/09	VR OC 00169141	N/a			475,659,309.80
10	17/03/09	2008/09	VR OC 00000605	Yes		456,411,000.00	
11	24/03/09	2008/09	VR OC 00000622	N/a			577,801,875.00
12	03/04/09	2008/09	VR OC 00000608	Yes		577,875,000.00	
13	10/06/09	2008/09	VR OC 00000603	Yes		9,248,309.00	
						<u>3,510,278,269.00</u>	<u>3,516,172,784.80</u>

Source: www.oanda.com and bank statements for PMG Account

- (vii) From the analysis of the PMG and Exchequer bank statements, Audit can confirm that all of the funds provided by DFID were transferred from the PMG Account to the Exchequer Account.
- (viii) In further support of this, Audit was provided with a schedule entitled KESSP Disbursements. This document purports to show all of the income transferred by the donors to the Treasury and on into the MOE. All the donors except FTI are displayed on this schedule.
- (ix) As for the previous transfers, Audit requested all of the supporting documentation to show that all of the funds provided by the DPs had been successfully transferred from the Treasury Exchequer Account to the MOE Development Account. Information was only received from DFID.
- (x) A summary of the DFID funds received and paid out of the Exchequer Account and into the Treasury Account is shown below:

No.	Date	Fin. Year	Description	Agreed to Dev. Cash Book	Withdrawals Ksh	Deposit Ksh
1	28/09/07	2007/08	VR OC 00000624	N/a		668,460,400.00
2	02/10/07	2007/08	Transferred as part of Ksh 1,279,900,400	Yes	768,460,400.00	
3	24/04/08	2007/08	VR OC 00000613	N/a		754,553,360.00
4	02/05/08	2007/08	Transferred as part of Ksh 798,683,784	Yes	754,553,360.00	
5	09/05/08	2007/08	VR OC 00000611	N/a		450,000,000.00
6	15/05/08	2007/08	Transferred as part of Ksh 1,000,000,000	Yes	450,000,000.00	
7	05/02/09	2008/09	VR OC 00000605	N/a		583,730,200.00
8	09/02/09	2008/09	Transferred as part of Ksh 1,495,543,000	Yes	583,730,200.00	
9	17/03/09	2008/09	VR OC 00000605	N/a		456,411,000.00
10	20/03/09	2008/09	Transferred as part of Ksh 2,896,656,685	Yes	456,411,000.00	
11	03/04/09	2008/09	VR OC 00000608	N/a		577,875,000.00
12	10/06/09	2008/09	VR OC 00000603	N/a		19,248,309.00
13	15/06/09	2008/09	Transferred as part of Ksh 2,448,780,000	Yes	24,000,000.00	
					<u>3,037,154,960.00</u>	<u>3,510,278,269.00</u>

Source: Bank statements for Exchequer Account, Exchequer Cash Book and Development Cash Book

- (xi) From the audit analysis of the Exchequer and Development Accounts it can be confirmed that all of the DFID funds were transferred from the Exchequer Account to the Development Account, albeit as part of larger payments.
- (xii) This tracing test provided some assurance that the funds provided by DFID in the two financial years under review have been successfully transferred from the Treasury to the MOE. However the same level of assurance cannot be given for the other donors due to the limited information provided by them.
- (xiii) The final stage of the tracing exercise was to follow the transfers through to the Standard Chartered Account. Reviews of the bank statements and cash books indicated that all of the funds had been successfully transferred to the Standard Chartered Bank Accounts.
- (xiv) Once again this tracing exercise was able to provide some assurance that the funds provided by DFID in the two financial years under review have been successfully transferred through the bank accounts controlled by the MOE and into the Standard Chartered Bank Accounts prior to been disbursed to the schools.

- (xv) During the audit field work, breakdowns of the donor income recorded in the financial statements were requested from the Principal Accountant, MOE. This information was never provided although Audit was informed that these figures were based on the transactions that had passed through the Standard Chartered Bank Accounts.
- (xvi) The Standard Chartered Bank Accounts were reviewed but it was noted that a number of receipts for some of the donors were either part of a larger balance or had been broken down into smaller amounts, neither of which Audit had the detailed breakdowns for.
- (xvii) The Development Account bank statements and the supporting cash book were reviewed in an attempt to identify the amounts in the KESSP financial statements. The KESSP Disbursement schedule was also used as this provided an analysis of the breakdown of some of the larger figures. A number of the transactions recorded in the Development bank account were matched with the figures recorded in the financial statements. The results of this matching exercise are depicted in the table below which shows the receipts for the financial year 2007/08:

Year ended 30 June 2008 Receipts	Per financial stats. Ksh	Per bank account Ksh	Difference Ksh
Balance brought forward	58,444,272.45	N/a	N/a
Government Counterpart Funds	7,483,701,793.90	N/a	N/a
IDA	1,241,000,000.00	1,241,000,000.00	-
FTI	3,093,970,000.00	No info	No info
DFID	1,423,013,760.00	1,423,013,760.00	-
CIDA	450,000,000.00	450,000,000.00	-
UNICEF	31,937,500.00	31,937,500.00	-
Other receipts	375,525.00	N/a	N/a
	13,782,442,851.35	3,145,951,260.00	-

- (xviii) The KESSP Disbursement schedule did not contain any information in relation to FTI for either financial year and as such we were unable to agree any of these amounts to the bank statements. From our testing we were able to agree all the amounts recorded in the financial statements for 2007/08 for IDA, DFID, CIDA and UNICEF to receipts recorded in the Development Account. The same exercise was undertaken for the financial year 2008/09. The table showing the differences between the amounts recorded in the financial statements and the bank accounts is shown below:

Year ended 30 June 2009 Receipts	Per financial stats. Ksh	Per bank account Ksh	Difference Ksh
Balance brought forward	109,893,745.30	N/a	N/a
Government Counterpart Funds	18,717,333,816.00	N/a	N/a
IDA	1,571,364,617.65	1,571,364,607.65	10.00
FTI	1,901,351,186.10	N/a	N/a
DFID	1,161,605,200.00	1,161,605,200.00	-
CIDA	475,659,309.00	475,659,309.80	(0.80)
UNICEF	19,760,000.00	19,769,000.00	(9,000.00)
Other receipts	205,303,618.90	N/a	N/a
	24,162,271,492.95	3,228,398,117.45	(8,990.80)

16.3 COMPARISON BETWEEN FINANCIAL STATEMENTS & BANK ACCOUNTS

- (i) Audit has been able to agree the majority of the amounts, with the exception of immaterial differences, recorded in the financial statements for 2008/09 for IDA, DFID, CIDA and UNICEF to receipts recorded in the Development Account.
- (ii) In addition Audit has noted that:
- The KESSP Disbursement schedule indicates DFID provided Ksh 19,248,309 in June 2009 although this has been recorded as donor income from CIDA in the financial statements for 2008/09; and
 - The development cash book, the KESSP Disbursement schedule and the financial statements all record different amounts which were donated by UNICEF for the two financial years. The KESSP Disbursement schedule states Ksh 79,968,500 was provided whereas the financial statements states Ksh 51,697,500. The cash book amount is Ksh 58,804,768 and as such it appears that the amount recorded in the financial statements is under stated.
 - Audit was not provided with all of the records despite repeated requests accompanied by letters from the Permanent Secretary/Treasury and the Internal Auditor General granting Audit access to this information.

16.4 THE RECURRENT, DEVELOPMENT AND DEPOSIT ACCOUNTS – MOE

- (i) We noted that prior to the Recurrent and Development Accounts being operated two other accounts with the same name and numbers were in operation. At the start of 2007/08 the balances were transferred to the new ones. The statements covering the period June to August 2007 indicate that the MOE operated two development and two recurrent accounts simultaneously during this period. We have called the historic accounts the 'old accounts' for the purpose of this report.
- (ii) A summary of the transactions for the "Old Accounts" in this period is shown below:

Period ended 31 August 2008	Payments		Receipts	
	Ksh	%	Ksh	%
Recurrent Account (R31)	2,389,529,266	43.8%	57,305,861	2.0%
Development Account (D31)	3,066,777,382	56.2%	2,863,355,420	98.0%
	<u>5,456,306,648</u>	<u>100.0%</u>	<u>2,920,661,281</u>	<u>100.0%</u>
Sterling equivalent at 31 August 2008	44,567,109		23,855,960	

Source: Bank statements and www.panda.com

- (iii) Reviewing the bank statements for the "old" development accounts noted that the "Old Development Account" has been replaced with the new account with the balance of Ksh 28,745,896.70 transferred to the new account. The balance on the "old" recurrent account shows the last transaction is a payment of Ksh 330,740,796.90 transferred to the new account.
- (iv) The bank statements were analysed to gain an understanding of the quantity and value of funds being paid through the accounts for financial years 2007/08 and 2008/09. A summarisation of the payment and receipts for year 2008/09 is shown at Figure 2 and financial year 2007/08 at Figure 3

Year ended 30 June 2009	Payments		Receipts	
	Ksh	%	Ksh	%
Recurrent Account (R31)	109,798,815,399	93.8%	105,244,533,513	93.7%
Development Account (D31)	7,173,551,682	6.1%	7,047,585,567	6.3%
Deposit Account (E31)	46,141,215	0.0%	69,876,951	0.1%
	<u>117,018,508,296</u>	<u>100.0%</u>	<u>112,361,996,032</u>	<u>100.0%</u>
Sterling equivalent at 30 June 2009	975,154,236		936,349,967	

Source: Bank statements

Figure 2

16.5 KESSP FINANCIAL MONITORING REPORTS (FMRs)

- (i) The KESSP Financial Monitoring Report for the period 1 April 2009 to 30 June 2009 (Quarter 4) was made available to the DFIs. Audit was provided with a draft soft copy version of this FMR and despite attempts to receive a final version, was informed they were unavailable. As no supporting documentation could be provided Audit requested copies from the World Bank and have used these figures in the audit review.
- (ii) KESSP funding passes through the development and recurrent accounts before being paid out into the Standard Chartered Bank accounts. Payments and receipts recorded in the KESSP financial statements for 2008/09 represent 23.3% and 24.6%, respectively of the amounts passing through the these accounts.

Year ended 30 June 2008	Payments		Receipts	
	Ksh	%	Ksh	%
Recurrent Account (R31)	99,093,877,008	93.1%	103,886,635,014	93.2%
Development Account (D31)	7,279,402,044	6.8%	7,531,050,330	6.8%
Deposit Account (E31)	49,578,927	0.0%	62,266,014	0.1%
	<u>106,422,857,979</u>	<u>100.0%</u>	<u>111,479,951,358</u>	<u>100.0%</u>
Sterling equivalent at 30 June 2008	844,304,217		884,424,595	

Source: Bank statements and www.oanda.com

Figure 3

- (iii) This summary shows the payments and receipts in the financial year 2007/08 amounted to Ksh 106,422,857,979 and Ksh 111,479,951,358, respectively⁵. In comparison the payments and receipts recorded in the KESSP financial statements for the same year show amounts to Ksh 13,672,549,106 and Ksh 13,782,442,851, respectively.
- (iv) This summary shows that in the financial years 2007/08 and 2008/09 over 90% of the receipts and payments in the MOE have passed through the recurrent bank account.
- (v) Making an assumption that all of the funds passing through the Development and Deposit Account have been transferred from the Recurrent Account, then, as a percentage of the overall income and expenditure recorded in the three bank accounts, the payments and receipts recorded in the KESSP financial statements represent 14.9% and 14.3%, respectively.
- (vi) Audit believes that additional financial statements are prepared by the MOE to account for the funds not included within the KESSP financial statements. It is expected that these financial statements will include the income and expenditure for the entire Kenyan education system and include other expenses and staff wages/salaries. Audit would expect to see a set of consolidated financial statements which combines the KESSP financial statements with the financial statements for the rest of the Kenyan education programme. Despite numerous requests these have not been provided.

16.6 KESSP ANNUAL FINANCIAL STATEMENTS - 2008/2009

- (i) The income and the associated expenditure relating to KESSP are summarised each year in the KESSP financial statements prepared by the accounts department in the MOE. The FY 2008/2009 statements have been agreed and signed off by Permanent Secretary (MOE) as part of the annual reporting process.
- (ii) The Comptroller and Auditor General reviewed the KESSP Financial Statements to Year ending 30 June 2009 (KE 4242) and noted the following:
- a) "The financial statements show GOK counterpart contribution of Kshs.18,717,333,816.00 during the year. This income includes Kshs.9,021,357,567.00 operational Grants to Secondary and Primary schools which was previously excluded from the project.

⁵ Audit was not provided with the following bank statements; April 2008 for the Recurrent Account, March 2008 for the Development Account and November 2007 to April 2008 for the Deposit Account.

- b) The income is attributed to GOK expenditure under Instructional materials Investment Program. This expenditure does not qualify under the Joint Financing Agreement as expenditure in the category; the statement is therefore overstated by similar amount. No explanations have been availed as to why the expenditure was included in the Instructional Materials IP. The statements may be materially misstated by Kshs.9,021,357,567.00"

For the year ended 30 June		2009	2008
Statement of Receipts and Payments		Ksh	Ksh
Balance brought forward	A	109,893,745	58,744,272
Receipts			
Government Counterpart Funds		18,717,333,816	7,483,701,794
IDA		1,571,364,518	1,241,000,000
FTI		1,831,351,185	3,093,970,000
DFID		1,161,609,200	1,423,013,760
CIDA		475,659,309	450,000,000
Other receipts		205,303,619	375,525
UNICEF		19,760,000	31,937,500
Total receipts	B	24,162,271,493	13,782,442,851
Payments			
Instructional materials		(19,013,052,926)	(9,210,739,928)
Infrastructure		(2,659,290,000)	(3,338,949,512)
Capacity Building		(760,656,392)	(121,046,668)
ECDE		(662,145,787)	(294,351,178)
TIVET		(314,065,731)	(315,428,380)
Grants to disadvantaged groups		(302,227,226)	(271,016,145)
Monitoring and Evaluation		(61,187,223)	(17,125,068)
Adult Basic Education		(58,325,610)	(54,705,000)
EMIS		(20,152,389)	(6,702,435)
Quality Assurance		(15,531,326)	(42,484,792)
Total payments	C	(23,866,634,610)	(13,672,549,106)
Surplus / (deficit) per period	B + C	295,636,883	109,893,745

Source: Financial statements

Figure 4

- (iii) A summary of the expenditure incurred for each IP for the financial years 2007/08 and 2008/09 as recorded in the quarterly Financial Management Reports ("FMRs") issued to the DPs is shown at Figure 5. The FMR's are developed by the KESSP Secretariat to present to the donors on a quarterly basis. These reports are issued to the donors to show the actual expenditure incurred to date in comparison to the forecast. They were used to support decision making by the programme and DP's.

No.	Year ended 30 June Types of Expenditure	2009 KSH (m)	2008 KSH (m)	Total KSH (m)	%
1	Secondary Education	14,977.2	7,636.2	22,613.4	53.2%
2	Primary School Instructional Materials	2,986.6	6,178.6	9,165.2	21.6%
3	Primary School Infrastructure	2,514.2	1,589.8	4,104.0	9.7%
4	University Education	-	1,257.9	1,257.9	3.0%
5	TIVET	428.1	409.3	837.4	2.0%
		20,906.1	17,071.8	37,977.9	89.4%
6	Early Childhood Development & Education	65.2	151.2	818.4	1.9%
7	Health, Nutrition and Feeding	209.5	609.9	810.4	1.9%
8	HIV / AIDs	410.8	240.4	651.2	1.5%
9	Special Needs	215.7	351.3	567.0	1.3%
10	Pre-service Primary Teacher Education	172.7	88.0	260.7	0.6%
11	Capacity Building	117.9	126.2	244.1	0.6%
12	In-Service Primary Teacher Education	170.8	14.7	185.5	0.4%
13	Adult and Basic Education	117.1	58.1	175.2	0.4%
14	Non Formal Schools and Non Formal Education	74.6	61.9	136.5	0.3%
15	Quality Assurance Standards	81.1	51.2	132.3	0.3%
16	Educational Mgmt Information System	71.6	38.9	110.5	0.3%
17	Info & Comm Tech in Education	60.3	41.5	101.8	0.2%
18	Teacher Management	34.0	54.4	88.4	0.2%
19	In-Service of Teachers	37.5	40.5	78.0	0.2%
20	Guidance & Counselling	58.7	9.6	68.3	0.2%
21	Gender and Education	22.4	18.1	40.5	0.1%
22	Expanding Opportunities in ASALs	22.0	13.0	35.0	0.1%
23	Monitoring & Evaluation	2.0	2.9	4.9	0.0%
		2,536.9	1,971.8	4,508.7	10.6%
	Total	23,443.0	19,043.6	42,486.6	100.0%

Figure 5

16.7 SUMMARY OF FINDINGS:

- (i) Overall KESSP expenditure increased by 23% from Ksh 19,043.6m in 2007/08 to Ksh 23,443m in 2008/09;
- (ii) The expenditure incurred under each IP differed considerably with the five highest spending IPs accounting for approximately 90% of the overall KESSP expenditure;
- (iii) The largest IP in terms of annual expenditure was "Secondary Education" which had a combined spend of Ksh 22,613.4m in the financial years 2007/08 and 2008/09. This amount represented approximately 53% of the overall KESSP expenditure in these two financial years and was twice the amount spent on the second largest IP, "Primary School Instructional Materials";
- (iv) The IP with the lowest expenditure was "Monitoring and Evaluation" which accounted for less than 0.01% of the KESSP spend in both financial years.

16.8 PREPARATION OF FINANCIAL STATEMENTS

- (i) To further understand the accounting systems for KESSP at the MOE and to adequately test the operation of the financial systems, the accounts department was asked to explain the process of how the financial statements are prepared. In response a schedule entitled "*KESSP Payment Schedule 2008/09*" containing a breakdown of each of the expenditure amounts displayed in the financial statements and a spreadsheet entitled "*Summary of Expenditure against Actual Expenditure as at 30.06.2009*" were provided.
- (ii) Audit testing identified that neither the FMR spreadsheet nor the schedule agreed to the figures included within the Financial Management Reports. The conflicting explanations and confusion surrounding this issue are detailed in the Internal Control report. This supports the conclusion that these cannot be relied upon as being accurate.

- (iii) The process for entering transactions in the cash book was described and each KESSP related transaction is recorded in either the KESSP or Development cash book. Audit was initially only provided with the KESSP cashbook. Each transaction made by a directorate is recorded in the cash books and all payments should be supported by a payment vouchers. The payment voucher details the purpose of the payment and details of the directorate⁶ that has incurred that expenditure; this is allocated to a vote code that should act in a similar manner to a budget line. For the development cash book, the information is also captured on IFMIS (the accounting software used by the Government across different Ministries to improve GOK financial reporting). The KESSP cashbook is operated manually.
- (iv) Audit requested a trial balance for July 2009 and the MOE was unable to provide it.
- (v) After the transaction is recorded by accounts staff, MOE has a responsibility to prepare a spreadsheet which is used to analyse the cash books and the payment vouchers between the 11 directorates. The only noted adjustments to this spreadsheet relate to the TIVET project which is managed by the MOHEST and operates with a separate bank account.
- (vi) TIVET expenditure per the summary supplied by the Investment Programme Manager agrees to the accounts but does not agree to the sum in the FMR. Further analysis noted TIVET expenditure totalling Ksh 114,000,000 has been double counted. The differences were reviewed and it was noted that the year to date figures did not equal the figures used in the four quarters. It was explained that the error related to accounts capturing only GOK funds (recurring expenditure). However this is not satisfactory and conflicts with later information that GOK counterpart funds are shown in the accounts.
- (vii) Expenditure categories in the KESSP financial statements are based on the 11 directorates and not the 23 IPs shown in the FMRs or the KESSP Programme Manual 2005-2010. The MOE is unable to reconcile the figures relating to the 11 directorates with those of the 23 IP's. This raises significant concerns over the accuracy and completeness of the financial statements and FMRs.
- (viii) Audit noted that the financial statements contain 10 expenditure categories which does not match the 11 directorates that are meant to reflect the KESSP. No explanation could be provided for the discrepancy.

⁶ There are 11 directorates that each hold different responsibilities for KESSP funding. Some directorates hold more responsibilities than other such as Basic Education

- (ix) A review of the financial statements and supporting notes for 2008/09⁷ shows the following:-
- (x) Funding from the DPs totalled Ksh 6,249,296,785 (45.3%⁸) in 2007/08 but decreased to Ksh 5,335,043,932 (22.1%) in 2008/09;
- (xi) In contrast funding from the GOK increased from Ksh 7,483,701,794 (54.3%) in 2007/08 to Ksh 18,717,333,816 (77.5%) in 2008/09;
- (xii) Other receipts totalled Ksh 375,525 in 2008/09 but increased by a factor of 546 to Ksh 205,303,618.90 in 2008/09⁹. The majority of the 2008/09 receipts related to three amounts including a SPRED Project Transfer of Ksh 82,087,640 and a cash book adjustment of Ksh 30,000,000,(no information has been provided relating to either transaction) ;
- (xiii) Annual receipts and payments recorded increased by approximately 75%¹⁰ between 2007/08 and 2008/09;
- (xiv) The largest expenditure category instructional materials, accounted for Ksh 9,210,739,928 (67%) in 2007/08 and Ksh 19,013,052,926 (80%) in 2008/09 of the annual expenditure incurred;
- (xv) The expenditure categories disclosed in the financial statements do not match the Investment Programme ("IP") headings outlined in the KESSP Programme Manual 2005-2010 which are those used in the FMR's;
- (xvi) The financial statements contain reference to a number of instances where funds have been misappropriated. No information has been provided to indicate how and when these funds were or will be recovered or the action being taken against the offender to recover these amounts;
- (xvii) The total receipts in both financial years included the brought forward balances from the previous year¹¹; and

⁷ No supporting notes were provided for the financial statements for 2007/08.

⁸ As a percentage of total annual receipts

⁹ We have traced four amounts totalling Ksh 5,041,285.35 to Standard Chartered Bank Account 04

¹⁰ Ksh 24,162,271,493 ÷ Ksh 13,782,442,851 = 175.3% and Ksh 23,866,634,610 ÷ Ksh 13,672,549,106 = 174.6%

¹¹ The balance of Ksh 24,162,271,493 includes the brought forward balance of Ksh 109,893,745

- (xviii) The statement of receipts and payments (Figure 6) shows a surplus (more funds were received than expenses paid out) was recorded in both financial years. Audit understanding is that this is a result of the financial statements being produced on a cash accounting rather than accruals accounting basis¹².
- (xix) Taking into account the amount of Ksh 9,021, 357, 567.00 identified by KENAO as 'non qualifying expenditure' from Government Counterpart Funds and deducting the same amount from "instructional materials" payments, the GOK Counterpart Contribution reduces to Ksh 9,695,976,249 and "instructional materials" reduces to Ksh 9,991,695,359. The accounts then provide a fairer reflection see Figure

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¹² On a cash accounting basis, income and expenses are recognised when cash is received or paid out. In comparison accruals accounting recognises receivables and payables when a sale or purchase is agreed to, even though no cash has been received or paid out.

For the year ended 30 June	Adjustments		
	2009	2009	2008
Statement of Receipts and Payments	Ksh	Ksh	Ksh
Balance brought forward	A	109,893,745	58,444,272
Receipts			
Government Counterpart Funds	18,717,333,816	7,483,701,794	
Adjustment	<u>(9,021,357,567)</u>		
Adjusted Government Counterpart Funds		9,695,976,249	
IDA		1,571,364,618	1,241,000,000
FTI		1,901,851,186	3,093,970,000
DFID		1,161,605,200	1,423,013,760
CIDA		475,659,309	450,000,000
Other receipts		205,303,619	375,525
UNICEF		19,760,000	31,937,500
Total receipts	B	<u>15,140,913,926</u>	<u>13,782,442,851</u>
Payments			
Instructional materials	(19,013,052,926)		(9,210,739,928)
Adjustment	<u>9,021,357,567</u>		
Adjusted Instructional materials		(9,991,695,359)	
Infrastructure		(2,659,290,000)	(3,338,949,512)
Capacity Building		(760,656,392)	(121,046,668)
ECDE		(662,145,787)	(294,351,178)
TIVET		(314,065,731)	(315,428,380)
Grants to disadvantaged groups		(302,227,226)	(271,016,145)
Monitoring and evaluation		(61,187,223)	(17,125,068)
Adult Basic Education		(58,325,610)	(54,705,000)
BME		(20,152,389)	(6,702,435)
Quality Assurance		(15,531,326)	(42,484,792)
Total payments	C	<u>(14,845,277,043)</u>	<u>(13,672,549,106)</u>
Surplus / (deficit) per period	B + C	295,636,883	109,893,745

Source: Financial statements

Figure 6

16.9 MISREPORTING ON FINANCIAL MANAGEMENT REPORTS (FMRs) –
KSH.2,274,629,818.00

- (i) The MOE has prepared quarterly financial management reports since the beginning of the KESSP Programme. The FMRs are in addition to the annual financial statements.
- (ii) The FMRs are based on a template provided by the DP's and discussed quarterly. It is designed with the intention of providing timely financial information on the actual and budgeted expenditure incurred for the programme to date and year to date for each IP. Early versions of the FMR were supported by the relevant bank statement and payment vouchers. This process of supporting documentation for the FMR ceased in late 2007, early 2008 with donor approval.
- (iii) The FMRs report in US dollars and are issued to the DPs on a quarterly basis. A summary of the four quarterly FMRs when converted using the quarterly exchange rates disclosed on the FMRs for the financial year 2008/09 is provided at Figure 7.

Quarter	Current Quarter Performance			Financial Year to Date		
	Planned Expenditure Ksh	Actual Expenditure Ksh	Variance [under/(over) expenditure] Ksh	Planned Expenditure Ksh	Actual Expenditure Ksh	Variance [under/(over) expenditure] Ksh
Quarter 1	15,452,679,705	3,585,457,535	11,586,812,170	15,452,679,705	3,585,457,535	11,863,962,170
Quarter 2	13,834,046,070	5,243,870,736	8,410,173,466	18,622,397,775	8,689,731,270	9,929,798,505
Quarter 3	11,885,807,147	2,958,200,432	8,747,606,715	23,186,982,012	10,066,148,464	13,113,983,548
Quarter 4	14,443,254,775	14,353,326,109	89,928,666	25,471,684,081	23,443,043,041	2,021,791,040
	55,615,787,697	26,140,854,811	28,834,521,018			

Source: Quarterly FMR's for the year ending 30 June 2009

Figure 7

- (iv) The summary shows the annual actual expenditure per the FMRs of Ksh 26,140,854,811 is greater than the actual expenditure of Ksh 23,866,634,610 recorded in the financial statements giving a difference of Ksh 2,274,220,201. Audit has been unable to identify a suitable explanation for this difference. Staff at the MOE could not provide or reconcile the two sets of figures by MOE accounts staff suggested the difference could have been due to the differences in foreign exchange rates or the FMR being prepared using estimated figures for imprest vouchers and cash payments for expenses. Both explanations were investigated and found to be incorrect.

- (v) The exchange rate used in the FMR were explained as the 'mean' rate for the month end period obtained from the Central Bank of Kenya (CBK); the table below shows the mean rate (the monthly average) for the period supplied by the Central Bank of Kenya and from a commercial website www.oanda.com (for third party verification).
- (vi) The rate used for the first quarter FMR is incorrect. Using the MOE's preferred rate, the CBK mean rate, was 73.2189, and the rate used by MOE was 79.65 (contributing Ksh 289,497,002 to the difference of Ksh2,274,629,818). These figures do not agree to the FMR or conversion to US\$ which has had the result that the FMRs have provided a misleading position of the expenditure to the Donors
- (vii) In order to clarify the position Audit issued a letter to the Permanent Secretary and the Principal Accountant¹³ asking them to support the difference. Their reply indicated that the financial statements only capture donor funds whereas the FMR's includes recurring expenditure which contains GOK expenses. This statement is inaccurate as it is clear that the financial statements include GOK counterpart funds.
- (viii) Audit observes that Ksh2, 274,629,818 has been misreported on the FMR. There is a possibility that the amount may relate to duplicate expenditure captured in the FMRs. However, in the absence of sufficient evidence to substantiate the figure it has been classified as ineligible in accordance with the JFA..

17.0 ACCURACY OF MONTHLY BANK RECONCILIATION STATEMENTS

- (i) Bank reconciliations were tested to gain assurance that the information contained in the quarterly FMRs were accurate and supported by underlying records. Bank reconciliations related to the following accounts

IDA (KESSP) 3688 - 1508
IDA (FTI) 3624 - 9166
MOE Development Account - D31 (Kshs)
MOE Recurrent Account - R31 (Kshs)
MOE Pooled KESSP Account (Ksh)
ADB/ADF
GOK / OPEC A/c
GOK / UNICEF A/c
GOK / USAID A/c
PMG A/c DFID

¹³Mrs Nancy Kinyua

- (ii) Of the 40 expected reconciliations tested, 20 had no supporting evidence with a further 4 having limited supporting evidence in the form of bank statements. Of the remaining 16, only two (2) were found to have no issues. Of the remaining 14, 13 did not balance, of which six used incorrect exchange rates
- (iii) Our testing showed the following:-
- a) No paperwork was provided to support twenty of the bank reconciliations, Incorrect currency exchange rates had been used when converting amounts in foreign bank accounts to Kenyan shillings in six cases;
 - b) It was not possible to trace a number of payments recorded as un-presented in one quarter to either the bank statements or the next quarter's reconciliation;
 - c) Payments were recorded in the cash book but had not been paid out of the bank account by the end of the financial year;
 - d) A receipts and payments that had cleared the bank accounts but were not recorded in the quarterly bank reconciliations;
 - e) The financial information in some of the bank reconciliations did not cross cast and as such the bank reconciliation did not agree to the FMR;
 - f) The bank balance used in one reconciliation did not agree to the bank statement; and
 - g) In some instances no bank statements were provided so it is impossible to test the accuracy of the reconciliation.
- (iv) The bank reconciliations are not performed quarterly or monthly on all bank accounts by the accounts department. Bank reconciliations are not reviewed and approved by senior management as there was no physical evidence of "signing off" occurring on the bank reconciliations provided.

- (v) Deposits made into the bank accounts were not posted to the cash book. Payments posted through the cash book were noted to have not cleared the bank statements or carried forward to the following quarter's reconciliation. A high proportion of bank reconciliations had a significant number of reconciling items making it challenging to track entries in order to identify whether the reconciling item was an error and a forced balanced amount, or was an actual reconciling items.
- (vi) The individuals responsible for preparing the reconciliations were unable to provide any insight into the queries highlighted or denied they were involved in preparing the bank reconciliations.
- (vii) No reliance can be place on the accuracy of the reconciliations of cash books

18.0SKE & CHEQUE PAYMENTS FROM STANDARD CHARTERED BANK ACCOUNTS

- SKE PAYMENTS – KSH.5,129,297,753.00
- CHEQUE PAYMENTS – KSH.684,818,345.75

- (i) Audit understand that the KESSP FMR and financial statements are prepared based on the transactions undertaken in the Standard Chartered Bank Accounts. Five Standard Chartered Bank Accounts are held of which the account number 01080-965491-02 was closed on the 11 March 2008.
- (ii) These accounts have been confirmed as the main KESSP accounts with Standard Chartered Bank who have provided soft copies of the bank transactions and bank statements for the period under review.
- (iii) summary of the receipts and payments made through these accounts for financial year 2009 can be found at Figure 8 and financial year 2008 at Figure 9.

Year ended 30 June 2009 Standard Chartered Bank Accounts	Payments		Receipts	
	Ksh	%	Ksh	%
Account 01080-965491-00	3,284,219,022.55	13.3%	4,784,145,233.55	16.9%
Account 01080-965491-01	1,708,090.90	0.0%	1,521,978.65	0.0%
Account 01080-965491-02	-	0.0%	-	0.0%
Account 01080-965491-03	13,597,976,673.60	54.9%	14,628,135,127.15	51.7%
Account 01080-965491-04	7,883,522,714.15	31.8%	8,861,811,574.50	31.3%
	<u>24,767,426,501.20</u>	<u>100.0%</u>	<u>28,275,613,913.85</u>	<u>100.0%</u>

Source: Financial statements

Figure 8

Year ended 30 June 2008 Standard Chartered Bank Accounts	Payments		Receipts	
	Ksh	%	Ksh	%
Account 01080-965491-00	8,046,914,763.00	28.8%	8,256,704,022.10	27.8%
Account 01080-965491-01	2,015,785,861.80	7.2%	2,016,420,976.45	6.8%
Account 01080-965491-02	313,887,451.90	1.1%	20,451,373.70	0.1%
Account 01080-965491-03	-	0.0%	1,038,800,000.00	3.5%
Account 01080-965491-04	17,518,908,536.90	62.8%	18,391,368,105.60	61.9%
	<u>27,895,491,614.60</u>	<u>100.0%</u>	<u>29,723,744,477.85</u>	<u>100.0%</u>

Source: Financial statements

Notes: Ac 01080-965491-02 was closed on 11/03/08 and the balance transferred to Ac 01080-965491-00

Figure 9

(iv) An extract of all transactions data from the Standard Chartered Bank corporate systems for debit transactions the above accounts relating to school related transactions going via the banks systems for the period 6 June 2008 to 29 June 2009 was obtained. This information has been used for a variety of data analysis and comparison/verification purposes.

(v) During the period 6 June 2008 to 29 June 2009, 65525 debit transactions took place with a value of Ksh 16,249,969,322 and average value of Ksh 247,958.64.

Account	Value	Number of payment	Average
108096549100	KES 1,505,254,013.00	18646	KES 80,727.99
108096549103	KES 11,493,367,631.00	31243	KES 367,870.17
108096549104	KES 3,251,347,678.00	15646	KES 207,806.96
Grand Total	KES 16,249,969,322.00	65535	KES 247,958.64

- (vi) Tests were undertaken to gain assurance on the internal control system of the MOE that allows payments made through the "KESSP" bank accounts to be traced through the accounting system to the financial statements. These tests enabled the documentation supporting these payments to be reviewed and an opinion to be formed on the adequacy of these underlying records.
- (vii) We analysed the bank statements for the Standard Chartered Bank Account 01080-965491-0414 for the financial year 2008/09. Receipts and payments were grouped by transition type, e.g. cheques, deposits and cash withdrawals, before the transactions were selected for verification.
- (viii) The ten highest value amounts and five lower value random amounts for cheques and SKE payments were selected. Tests were prepared in relation to cheques, SKE payments¹⁵, transfers and cash withdrawals. Additional supporting documentation was requested for all the cheque deposits banked into this bank account. These deposits were donor funds and the supporting information would allow Audit to trace the donor funds recorded in the financial statements from the bank accounts.
- (ix) A total of 15 cheque payments with a collective value of Ksh 1,148,988,351.75 (representing 78% of the cheques issued in the financial year 2008/09 from the Standard Chartered Bank Account 01080-965491-04) were selected and supporting information requested for review. Supporting documentation and a breakdown of the amounts paid out were provided for two of the cheque payments.
- (x) In addition to this, Audit was provided with an annotated version of the original list that Audit had issued. A summary of the cheques which supporting documentation was received for and the annotations made are detailed at

¹⁴ M.O.E.S.T. Free Primary Education S.P. / M.O.E. Free Secondary Education Account

¹⁵ We were informed these were payments made by the banks based on disbursement schedules provided by the MOE.

No. Annotations	Cheque No.	Withdrawals Ksh	Supporting Information Received Ksh	Supporting Information Not Received Ksh	
1	Humanitarian Fund (P.E.V. 2007)	000116	242,000,000.00	242,000,000.00	-
2	FSE Disbursement	000179	222,170,006.00	222,170,006.00	-
3	Cheque to M.O.H.E. (Tivet)	000098	200,000,000.00	-	200,000,000.00
4	Cheque to M.O.H.E. (Tivet)	000399	149,340,000.00	-	149,340,000.00
5	Cheque to M.O.H.E. (Tivet)	000196	139,080,000.00	-	139,080,000.00
6	Cheque to M.O.H.E. (Tivet)	000343	59,320,000.00	-	59,320,000.00
7	Kenya Education Staff Institute	000353	57,140,000.00	-	57,140,000.00
8	ABE	000092	41,585,000.00	-	41,585,000.00
9	Teachers Service Commission	000392	19,570,000.00	-	19,570,000.00
10	Kenya National Examination Council	000271	17,000,000.00	-	17,000,000.00
			1,147,205,006.00	464,170,006.00	683,035,000.00
11	Meru County Hotel	000427	955,248.00	-	955,248.00
12	Mombasa Poly (Hotel)	000138	368,307.75	-	368,307.75
13	Kaimoi TTC	000280	298,000.00	-	298,000.00
14	Garissa TTC	000318	100,000.00	-	100,000.00
15	Maraways (air tickets)	000376	61,790.00	-	61,790.00
			1,148,988,351.75	464,170,006.00	684,818,345.75
	Remaining cheque payments	373,442,044.40	Not requested	Not requested	
	Total cheque payments	1,472,430,396.15	464,170,006.00	684,818,345.75	

Figure 10

- (xi) The cheque payments which supporting documentation was provided for were the two highest value cheques identified which together amounted to Ksh 464,170,006 (40.4%) of all the cheques requested. The supporting documentation provided contained disbursement schedules equal to the value of the cheques raised.
- (xii) MOE staff indicated that the banks disburse the funds using the disbursement schedules but only the total amount paid out (the value of the cheque) is shown on the bank statements.
- (xiii) Supporting documentation for 15 SKE payments with a total value of Ksh5,129,297,753 representing 74% of the SKE payments made in the financial year 2008/09 from the Standard Chartered Bank Account 01080-965491-04, were selected. The initial request for this information was made on 6 May 2010 with further requests made throughout the duration of the audit. No information was received during the audit duration.

- (xiv) In the absence of supporting documentation for the SKE payments selected and in line with the JFA, the value of these payments amounting to Ksh 5,129,297,753 is deemed ineligible. It is not possible to confirm if the funds related to the KESSP programme.
- (xv) The audit test was undertaken of Standard Chartered Bank Account 01080-965491-04.34 where separate cash withdrawals amounting to Ksh 234,736,979 were identified in the financial year 2008/09. Supporting documentation for these mounts was requested but Audit was advised these were with the Kenya Anti-Corruption Committee ("KACC"). No evidence was provided to support this claim.
- (xvi) The analysis of the Standard Chartered Bank Account 01080-965491-04 noted that only one transfer had taken place during the financial year 2008/09. This transfer was for Ksh.244,412,480 and the payee recorded in the bank statements was "Loc-Tr-Min of Education". Information to support this transfer was requested from MOE on 6 May 2010 with a request to provide invoices, receipts and any other documentation to show who how these funds were spent.
- (xvii) The KESSP Payment Schedule 2008/09 was also reviewed to see if this amount could be identified and traced through to the expenditure codes recorded in the financial statements. An electronic copy and a print out of the balances making up the transfer amount of Ksh.244,412,480, were provided by the accounts department
- (xviii) These documents indicated the transfer related to a number of disbursements made to schools throughout Kenya. The documents contained payment references, customer reference, debit account numbers, amount paid out as well as the payee's name and bank details for all the balances. The transfer amount did not appear on the KESSP Payment Schedule 2008/09. It was not possible to identify which expenditure code(s) the transfer was included under in the financial statements.
- (xix) The accounts department were unable to confirm how the disbursements were recorded in the financial statements.
- (xx) Supporting documentation was provided for the amount identified as a transfer and two of the payments made by cheque. No information was forthcoming in relation to the SKE payments. Meetings were held with Finance and Accounting Department management to follow up the requests for information and the reasons for testing were explained. To date no supporting documentation or underlying information had been provided.

(xxi) Accordingly, based on the information provided

- a) The SKE payments valued at Ksh 5,129,297,753 are ineligible expenditure.
- b) The cheque payments of Ksh 684,818,345.75 are ineligible expenditure.

(xxii) Additionally, based on the sample information provided by Standard Chartered Bank for all MOHEST accounts held, it was noted that between January 2008 and May 2009 a total of 2,413 disbursement related payments were returned by the bank for the reasons in Figure 11. It has not been possible to confirm if the original intended recipient of these transactions have now received their allocated funding.

(xxiii) The review of the cash books for the bank accounts controlled by the MOE indicates that they do not wholly reflect the transactions that have cleared the bank accounts.

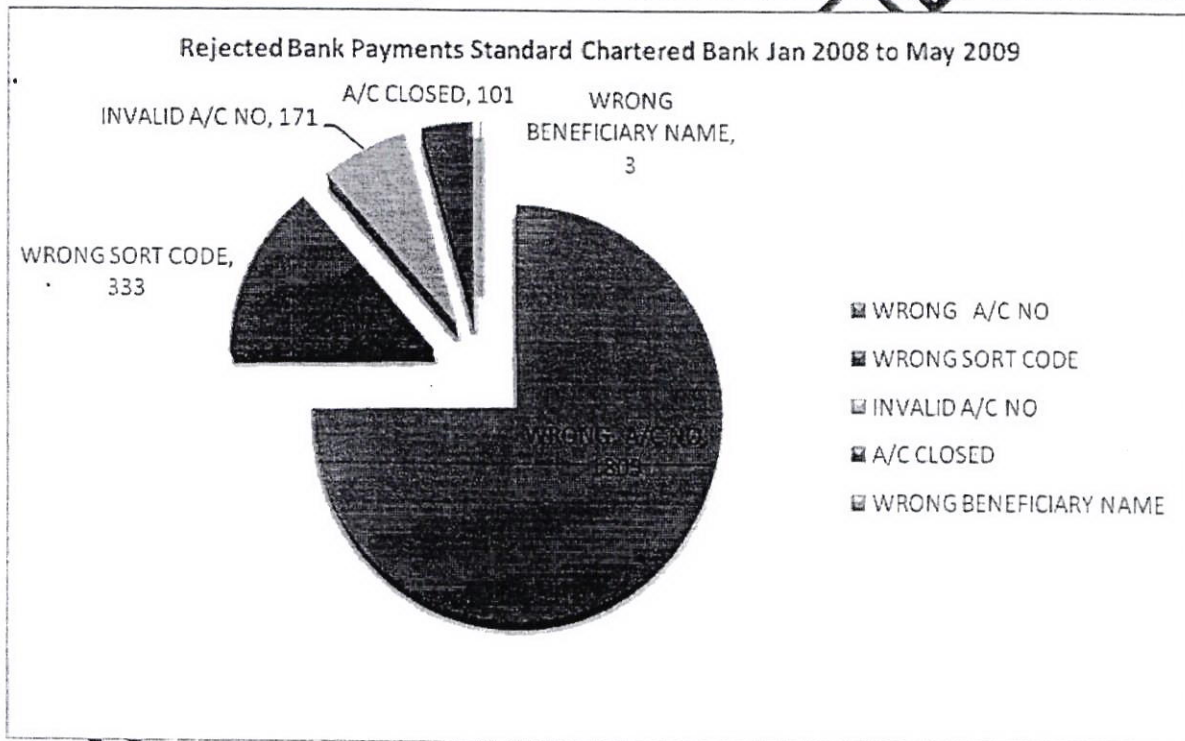


Figure 11

19.0 PROCUREMENTS WITHOUT SUPPORTING DOCUMENTS – KSH.31,258,891.00

- PROCUREMENTS WITH NO SUPPORTING CONTRACT DOCUMENTS –	KSH.30,725,176.00
- PROCUREMENTS WITH PRICE DIFFERENCES	<u>- KSH.....533,715.00</u>
	<u>- KSH.31,258,891.00</u>

- (i) The audit examined a number of procurement files, the details of which can be found in the Internal Control report. The testing identified that there was a general lack of control over the process and a lack of coherent historical documentation to allow an audit to take place.
- (ii) The Public Procurement Oversight Authority (PPOA) issued a draft price schedule in August 2009 and a final price schedule in January 2010, and this states the prices for specified goods, services and works at standard market prices. All Ministries are meant to take this into account when procuring items.
- (iii) Using the audit sample, purchase orders were compared to both price schedules. An additional sample was performed for 2010 purchase orders to distinguish the prices shown on the price schedule to prices shown on the purchase order. The original sample of eight purchase orders showed that prices shown on the purchase order were higher than the price shown on the price schedule so nine procurement files relating to 2010 were also reviewed in the same way. It was again noted that the prices shown on the purchase order do not correlate to the prices shown on the price schedule.
- (iv) Examples of price deviations are at Figure 12:

Description	Amount per PO Ksh	Amount per Sch. Ksh	Difference Ksh	Difference %
Executive Desk	125,000.00	115,143.00	9,857.00	8.6%
Fireproof Cabinets	210,000.00	110,240.00	99,760.00	90.5%
Secretarial Chair	12,050.00	11,786.00	264.00	2.2%
Laptop	145,800.00	55,458.00	90,342.00	162.9%
Flash Disk 4GB	168,000.00	77,640.00	90,360.00	116.4%
HP Desktop	299,400.00	138,450.00	160,950.00	116.3%
Executive High Back Chair	54,200.00	42,821.00	11,379.00	26.6%
	<u>1,014,450.00</u>	<u>551,538.00</u>	<u>462,912.00</u>	

Figure 12

- (v) Further evidence was requested relating to the laptop purchase based on the fact that the difference was so considerable. The supplier information provided was limited; the delivery notes do not provide details of laptop type, specification or serial number only intimating that 3 laptops were provided. There is no way of knowing what and how many items were actually purchased. During the tender process, the three bids were within 3% of each other, which given the difference to the PPOA price would suggest collusion or price fixing. In Audit's view the evidence provided is not adequate to support the reason why goods were procured in excess of the PPOA rates.
- (vi) The wide variation between purchase price and the PPOA rates would suggest further investigation and this has therefore been included in the forensic report. The difference in prices of the following purchases has been classified as ineligible expenditure.

PO Number	Supplier	Detail	A Price per Sch. Ksh	B PPOA Price Ksh	(A - B) Total Ksh
PO 0715632	WAN Agencies	Laptop	37,400	166,374	271,026
PO 0881706	Allenken General Merchant	Flash disk (4G)	168,000	77,640	90,360
PO 0881706	Allenken General Merchant	HP Desktop	299,400	138,450	160,950
PO 881754	Doreck Office Supplies	Back Chair	54,200	42,821	11,379
					533,715

- (vii) Details of the contracts relating to the following companies were requested verbally and followed up by letter on the 6 July 2010, further requesting a range of contract information. Despite attempts to obtain further details, these have not been provided.

Procurement Purchases with no supporting documents

	Ksh
Intra Africa Assurance Company Limited	25,450,492
Tanad Transporters	Value unknown
Speed Bard Travel and Safaries Limited	Value unknown
Wafa Investments Contract	2,132,800
Lupat Cleaning Services Contract	3,141,884
30,725,176	

- (viii) Based on the audit work on procurement Ksh 31,258,891.00 has been classified as ineligible and is therefore recoverable unless adequate evidence can be provided to support these contracts.

Summary of recoverable amounts

	Ksh
Purchases	533,715
Contracts	30,725,176
	31,258,891

20.0 IMPREST WITHOUT SUPPORTING DOCUMENTS – KSH.292,103,603.50

IMPRESTS FY 2009	KSH.8,199,004.00
IMPRESTS FY 2008	KSH.99,331,756.50
IMPRESTS FY 2009	KSH.184,414,477.00
IMPRESTS FY 2008	KSH.158,370.00
TOTAL	KSH.292,103,603.00

20.1 IMPRESTS TESTING

- (i) All the imprests that could be found that were issued by the MOE in relation to KESSP in the financial years 2007/08 and 2008/09 were reviewed by Audit. The objective was to assess the accuracy of the financial records and identify any ineligible or unsupported amounts within these transactions.
- (ii) The testing undertaken fell into two parts; preliminary testing and detailed testing (2008/09 only).
- (iii) The preliminary testing included the following:
- a) A review of the supporting invoices for any amounts or descriptions that appear to have been altered or are considered illegitimate;
 - b) Checking the amounts claimed agree to the total value of the claim and in instances where there is shortfall classifying this amount as ineligible;
 - c) Reviewing the additions and signatures on the claim forms;

- d) Checking if an approved budget or report on the activity undertaken had been submitted to support the claim for expenditure;
- e) Confirming the number of nights which the claimant had claimed per diems; and
- f) Checking if any facilitation payments had been made.
- (iv) The detailed testing involves checking that the Staff receiving the imprests agree to the payroll records and the per diems were charged at the correct grade. Consideration was also given as to whether the facilitations payments made were for activities outside the scope of their day to day work. Where the imprest amount claimed is not supported by third party documentation, or the relevant employment policies had been breached, the payment has been regarded as ineligible.
- (v) A comprehensive list was requested from the MOE accounts department detailing the number and value of all imprests and supporting documentation for the financial years 2007/08 and 2008/09. The KESSP cash book was provided with the explanation that this represented the whole population of imprests relating to the KESSP issued in these two financial years. Supporting receipts for the imprests were filed in the Imprest Room on the 8th floor of the MOE. Audit access to this room was regularly restricted and it was common for the key holder for this room to deny Audit access.
- (vi) Every imprest voucher available in the Imprest room was reviewed. These did not however represent all of the imprests recorded in the KESSP cash book. Interestingly, Imprests that had been seen on our first visit to the imprest room disappeared for the second in what was an attempt to frustrate the audit work.
- (vii) Audit reviewed the KESSP cash book and identified 384 imprests with a combined value of Ksh 283,871,202.10 for the financial year 2008/09. The Standard Chartered Bank Account was reviewed for the same period and 34 separate cash withdrawals amounting to Ksh 234,736,979 were made. The figures show that Ksh 49,134,223.10 more was issued in the form of imprests from the KESSP cash book than was withdrawn from the Standard Chartered Bank Account. Audit believe that this may relate to accounting errors relating to the brought forward amounts, cash balances, returned cash and cash from other bank accounts combined.
- (viii) There is no record of the cash book being agreed to the physical cash amount on a timely basis. Issues within the cash book, such as bank items being recorded in the cash column should have been noted and corrected, they were not.

- (ix) Summary of Imprests per KESSP cash book

Summary of Imprests per KESSP cash book

Financial Year 2008/09

	Ksh	Ksh
Cash withdrawals from SC Bank Account 01080-965491-04		234,736,979.00
	43,909,219.10	
Unidentified difference between imprests raised and cash withdr	5,225,004.00	
Cash repaid with surrender forms		49,134,223.10
Total imprests issued per KESSP Cash Book		<u>283,871,202.10</u>

- (x) A summary of the number and value of the imprests available, not available and with the KACC is shown below. The imprests at KACC have been excluded from the audit testing.

Review of Imprests
Financial Year 2008/09

	Ksh	%	Quantity
Imprests not provided by the MOE	184,414,473.10	65.0%	99
Imprests provided by the MOE	62,000,641.00	21.8%	252
Imprests at the Kenya Anti-Corruption Committee ("KACC")	37,456,088.00	13.2%	33
Total imprests recorded in the donor KESSP cash book	<u>283,871,202.10</u>	<u>100.0%</u>	<u>384</u>

Source: KESSP cash book, imprests received and list from the KACC

- (xi) The MOE have not been able to provide 99 imprests with a combined value of Ksh 184,414,473. These imprests represent 65% of the population recorded in the KESSP cash book and have an average value of Ksh 1,862,000. Without suitable evidence these imprests are classified as ineligible.

- (xii) 252 imprests with a combined value of Ksh 62,000,641 were provided to Audit and preliminary testing on 197 imprests and detailed testing on 55 imprests was carried out.

Testing <i>Financial Year 2008/09</i>	Preliminary Testing Ksh	Detailed Testing Ksh	Total Ksh	%
Expenditure per imprest supported	30,342,500.00	13,590,807.00	43,933,307.00	70.9%
Expenditure per imprest unsupported	4,287,176.00	3,911,828.00	8,199,004.00	13.2%
Facilitation Fees	7,057,605.00	2,810,725.00	9,868,330.00	15.9%
Imprests provided by the MOE	41,687,281.00	20,313,360.00	62,000,641.00	100.0%
Vouchers examined	197	55	252	

- (xiii) Testing revealed that of the Ksh 41,687,281, Ksh 30,342,500 (73%) of the expenditure had supporting documentation and Ksh 7,057,605 (17%) related to facilitation fees. Facilitation payments for government officials conducting activities which fall within their normal daily work remit are ineligible amounts. This is supported by the circular memo by the Office of the President OP/CAB 2/12A 14 August 2006 'Officers called upon to induct, sensitize or disseminate information to staff on areas that form part of their core duties and responsibilities will not be eligible for the payment as Resources Persons'. During the imprest review all individuals who had been identified and who received payments for facilitation were highlighted for further consideration of investigation.
- (xiv) The facilitations were reviewed against the employee summaries to determine whether the authorised objective was completed. The sum of Ksh. 2,810,725 was identified as being paid to MOE Staff, but officers from other Government Ministries could not be identified. As the MOE are unable to distinguish between MOE and others, the whole amount of Ksh 7,057,605 (preliminary testing) and Ksh 2,810,725 (detailed testing), totalling Ksh 9,868,330.00 paid as facilitation payments has been identified as being ineligible.
- (xv) The remainder of the Ksh 41,687,281 totalling Ksh 4,287,176 (10%) related to unsupported expenditure. A breakdown of the different types of unsupported expenditure is shown below:

Unsupported Expenditure <i>Financial Year 2008/09</i>	Ksh	%	Quantity
Travel expenditure	1,681,975.00	39.2%	11
No documentation provided	850,976.00	19.8%	23
Per diems with no evidence to support	798,600.00	18.6%	11
Accommodation, room hire, air time and stationary	552,250.00	12.9%	7
Travel expenditure (Support for outward journey but return fare claim)	241,220.00	5.6%	5
Per diems claimed on a daily basis	186,000.00	4.3%	27
Fuel expenditure	52,700.00	1.2%	2
Per diems claimed at a grade in excess of budget	21,000.00	0.5%	1
Expenditure underclaimed	(97,545.00)	-2.3%	31
	<u>4,287,176.00</u>	<u>100.0%</u>	<u>118</u>

(xvi) The 55 imprests totalling Ksh 20,313,360 were reviewed in further detail. Of this amount Ksh 13,590,807 (67%) of the expenditure had supporting documentation and Ksh 2,810,725 (14%) related to facilitation fees.

(xvii) The remainder total of Ksh 3,911,828 (19%) was unsupported expenditure. A breakdown of the different types of unsupported expenditure is shown below:

Unsupported Expenditure <i>Financial Years 2008/09</i>	Ksh	%	Quantity
No documentation provided	2,496,075.00	63.8%	16
Per diems - to confirm individuals identities	779,200.00	19.9%	14
Per diems claimed at a grade in excess of budget	593,500.00	15.2%	7
Travel expenditure (Support for outward journey but return fare claim)	46,510.00	1.2%	2
Per diems claimed on a daily basis	37,000.00	0.9%	7
Accommodation, room hire, air time and stationary	6,075.00	0.2%	4
Travel expenditure	2,850.00	0.1%	3
Fuel expenditure	500.00	0.0%	1
Expenditure underclaimed	(49,882.00)	-1.3%	14
	<u>3,911,828.00</u>	<u>100.0%</u>	<u>68</u>

(xviii) Prior to reviewing the imprests the KESSP cash book was analysed and the following was noted:

- (xix) 63 imprest surrender vouchers amounting to Ksh 58,052,737 had been recorded in the KESSP cash book however there was no record of the corresponding imprest been issued. Accordingly, the cash and original imprest appear to have been released earlier but not recorded in the KESSP cash book.
- (xx) There were 27 entries amounting to Ksh 8,367,285 in the cash book which do not have a supporting surrender voucher. There should not be a delay in surrendering supporting evidence and this should happen within 48 hours of the exercise that required the funding having been completed. These amounts are therefore classified as ineligible and recoverable.

20.2 INELIGIBLE EXPENDITURE RELATING TO IMPRESTS

- (i) In summary from the total sum of Ksh 20,313,360 relating to 55 imprests, Ksh 13,590,807 was supported and Ksh 3,911,828 unsupported, the sum of Ksh 2,810,725 was paid in facilitation payments. We consider both these amount to be ineligible.
- (ii) The KESSP cash book for 2008/09 contains 384 imprests with a value of Ksh 283,871,202.10. The audit team were provided with lists signed by KACC officials that indicate they have seized 33 imprests with a value of Ksh 37,456,088; accordingly the remaining 351 imprests with a value of Ksh 246,415,114.10 should have been in the MOE. From this number, 252 imprests with a value of Ksh 62,000,641 were provided to the team.
- (iii) Audit review established that from these imprests amounts totalling Ksh 8,199,004 were identified as being unsupported or ineligible, under the current policies of the MOE.
- (iv) Analysis of the imprests listed in the KESSP cash book for 2007-08 identified 456 imprests with a combined value of Ksh 101,956,896 and an average value of Ksh 224,031.16. Audit had been informed that the imprest system was financed by cash withdrawals made from the Standard Chartered Bank Account 01080-965491-04. Review of this bank account shows no cash withdrawals made during this period although the review of the KESSP cash book shows 20 amounts totalling Ksh 71,575,515 recorded as cash withdrawals. The source of these funds remains unknown with no adequate answer.
- (v) A summary of the number and value of the imprests provided and not provided is shown below
-

Review of Imprests <i>Financial Year 2007/08</i>	Ksh	%	Quantity
Imprests not provided by the MOE	99,331,756.50	97.4%	418
Imprests provided by the MOE	2,625,139.50	2.6%	38
Imprests recorded in the KESSP donor cash book	<u>101,956,896.00</u>	<u>100.0%</u>	<u>456</u>

Source: KESSP cash book and imprests received

Figure 13

- (vi) As can be seen from the above the Imprests that were provided represent a very small number of those raised in the year (2.6%); no imprests for this year are held at KACC. As the MOE have provided no suitable evidence as to why these imprests are not available, they must be regarded as ineligible expenditure.
- (vii) The 38 imprests amounting to Ksh 2,625,139.50 which were provided were reviewed along with the documentation to support how they were spent. The results of the testing are shown below:

Testing <i>Financial Year 2007/08</i>	Total Ksh	Total %
Expenditure per imprest supported	2,466,769.50	94.0%
Expenditure per imprest unsupported	158,370.00	6.0%
Imprests provided by the MOE	<u>2,625,139.50</u>	<u>100.0%</u>

Unsupported Expenditure <i>Financial Year 2007/08</i>	Ksh	%	Quantity
Per diems claimed on a daily basis	94,200.00	59.5%	12
Travel expenditure	53,270.00	33.6%	2
Accommodation, room hire, air time and stationary	11,000.00	6.9%	2
No supporting evidence	(100.00)	-0.1%	1
	<u>158,370.00</u>	<u>100.0%</u>	<u>17</u>

- (viii) In relation to the 2007-08 imprests Audit were unable to identify the source of the funds that enabled these imprests to be paid. The KESSP cash book does however show that 20 amounts totalling Ksh 71,575,515 were recorded as cash withdrawals in financial year 2007/08. Of the imprests provided to Audit Ksh 158,370 is either unsupported or ineligible. This amount is therefore considered ineligible.

20.3 LACK OF SUPPORTING DOCUMENTARY EVIDENCE

- (i) The JFA requires supporting evidence of spend within the FMR. Our review work noted high values relating to imprests that could not be supported or provided. We are aware these funds have been expended however no supporting evidence was provided for Ksh 283,746,229.50. to obtain a realistic figure of ineligible expenditure we have extrapolated our imprest review and based on the 12.9% failure rate used Ksh 41,537,724.93 would be ineligible see Figure 14.

Figure
14

Year ended	2009	2008	Total	Total
<i>Extrapolation Calculation</i>	Ksh	Ksh	Ksh	%
Imprests not provided by the MOE	184,414,473.10	99,331,756.00	283,746,229.10	
Imprests provided by the MOE	62,000,641.00	2,625,139.50	64,625,780.50	
Imprests at the Kenyan Anti-Corruption Committee	37,456,088.00	-	37,456,088.00	
Imprests per KESSP Cash Book	<u>283,871,202.10</u>	<u>101,956,895.50</u>	<u>385,828,097.60</u>	
Expenditure per imprest supported	43,933,307.00	2,466,769.50	46,400,076.50	71.8%
Expenditure per imprest unsupported / ineligible	8,199,004.00	158,370.00	8,357,374.00	12.9%
Facilitation fees	9,868,330.00	-	9,868,330.00	15.3%
	<u>62,000,641.00</u>	<u>2,625,139.50</u>	<u>64,625,780.50</u>	<u>100.0%</u>

Total imprests per KESSP Cash Book for 07/08 and 08/09 385,828,097.60

Less imprests reviewed (includes facilitation fees) (64,625,780.50)

Total imprests less those tested and facilitation fees 321,202,317.10

Average unsupported expenditure in imprests reviewed to date 12.9%

Extrapolated unsupported amounts in imprests not provided or at the KAC 41,537,724.93

Total potential error is therefore 41,537,724.93

Expenditure per imprest unsupported / ineligible 8,357,374.00

49,895,098.93

Notes

Extrapolation calculation does not include facilitation figures.

Calculation based upon imprests provided and reviewed to date (456 + 384 = 840 total imprests, we have reviewed 38 + 252 = 290)

Therefore extrapolation calculation is based on review of 290 / 840 = 34.5% of imprests recorded in the KESSP Cash Books.

21.0 RECURRENT CASH BOOK

- (i) 25 transactions were selected from the recurring cash book to test for unusual transactions. The transactions took place between 24/04/2009 and 26/06/2009 with value ranges between Ksh 29,700 and Ksh 2,3745,828. Despite numerous requests 12 of the 25 were not provided accounting for 53.8% or Ksh 37,792,911.45.

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- (ii) Of the 13 payment orders provided, two were supported by incorrect documentation that related to other payment orders and one related to food and accommodation payments where a supporting letter suggested these would be paid by a third party. The majority of the sample relates to overtime payments and meal allowances paid that relate to Ministry staff, including the accounts department. In some cases the number of days initially requested was reduced by approximately 50% by the PS prior to authorisation. The values actually paid following the PS review were altered or doubled from those authorised.
 - (iii) In two cases we noted the purchase order related to a figure that was not supported. The first case involving PO9805 paid Ksh 1,033,850.00. The audit recalculation of the spreadsheet suggests the value paid should have been Ksh 997,850.00 a difference of Ksh 36,000.
 - (iv) The second example relates to PO7817 which was for meal allowances for staff working late. The initial request by Alice Gichu, the Chief Finance Officer, was for Ksh 487,350. The audit recalculation of the spreadsheet suggests this should have been Ksh 422,250, a difference of Ksh 65,100. The PS reduced the number of days that could be claimed and the audit recalculation reduces the claimable amount to Ksh 251,175. The payment order relates to a value of Ksh 487,350, agreed and paid. This is Ksh 236,175 higher than should have been paid and it is being paid to in the Finance, Human Resources and Accounts departments. Even assuming payments made should have doubled for some reason (as would seem to have happened on other PO's) the figures do not add up. Audit finds it of grave concern that the Chief Finance Officer is signing off figures that do not tally.
 - (v) Another example relates to PO7130, again relating to meal allowances for accounting staff signed by Nancy Kinyua, the Principal Accountant. The request was for 32 days meal allowances, which was reduced by the PS to 14 days. Based on the rate shown in the calculation and signed by staff, the audit recalculation for the 14 days would suggest the payment should total Ksh 334,950; the actual final payment voucher was for Ksh 669,900 double the correct amount authorised by the PS.
 - (vi) These amounts are not within the remit of the audit but should be considered for recovery by the MOE.
 - (vii) Overall these findings continue to support the view that little reliance can be placed on the accuracy of the accounting processes, especially where they would suggest alterations are made after PS agrees the spend. Audit also believes that the global figures and advanced requests used would suggest staff members may be receiving payments while on other duties or more than once.

22.0 DISBURSEMENTS

- (i) Bulk payments to the schools are paid via disbursement schedules. These schedules list all the schools to be paid and the value, which can be determined by student numbers, by the location and type of school or a random value as decided by the investment programme based on other selection criteria. Payments are made for a variety of reasons depending on the investment programme. All the disbursement schedules were requested by Audit in order to support the amount in the FMR's. However it should be noted that not all KESSP IP's use disbursements.
- (ii) Disbursement schedules provided were often drafts or where they were approved by the PS alterations had been made. Payments were often made from different vote lines making allocation to KESSP programmes challenging to identify. All IP's were approached for details of the payments they had authorised or made but not all supporting documentation was made available. Where possible Audit worked with the disbursement supported by the payment voucher, however these were not always present. In only 39.2% of disbursements were they supported by a payment voucher, see Figure 15.

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	Ksh	%
Value with supporting PV	12,464,416,919.50	39.2
Value without supporting PV	19,300,064,407.00	60.8
Total disbursement schedules seen	<u>31,764,481,326.50</u>	<u>100</u>

Figure 15

- (iii) Disbursements can be made through electronic banking transactions to the schools. Additionally payments are paid by cheque on the payment vouchers; for electronic banking payments, disbursement schedules are submitted and agreed by the PS before being uploaded onto an encrypted bank submission system to Standard Chartered Bank.
- (iv) The testing of the disbursement schedules was hampered by the Ministry's inability to provide the soft copies of information uploaded onto the encryption system, the last point that would support the validity of the approved payment. These it was suggested are not filed and stored after encryption. Hard copies of the information following encryption were also not provided. Testing was therefore based on the soft and hard copy disbursements provided by the IP's and the data provided by Standard Chartered Bank corporate systems for debit transactions relating to the accounts for the period 6 June 2008 to 29 June 2009

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- (v) During this period we are confident that 65,525 debit transactions took place with a value of Ksh 16,249,969,322 and an average value of Ksh 247,958.64. Of these, 2,413 were returned with incorrect account details. It has not been possible to confirm if 2,413 have remained unpaid or what proportion in value these payments relate to, due to inconsistent data.
- (vi) The standard process for disbursement agreement and authorisation requires the IP to identify the payment recipients based on a range of criteria. The disbursement schedule is issued to the PS to agree accept and authorise payment. A payment voucher is then raised to authorise payments to be made and transferred to the schools. The payment is made by the bank via electronic payment or cheque.
- (vii) Occurrences were found where the value agreed by the PS has been altered following approval. For example, the disbursements for Early Childhood Development and Education ("ECDE") Community Support Grants to phase II ECDE Centre for December 2008 were reviewed. The analysis of the documents provided showed a Ksh 2 difference per child for every child between the amount on the disbursement schedule provided and the bank payment. A total of 3699 Payments cleared Standard Chartered Bank on the 29, 30 and 31 December with a total value of Ksh 299,858,544. Five of the payments were selected for the schools audit test. Audit testing of the school bank statements showed that the payment received matched the payment disbursed.
- (viii) Despite continued requests for all disbursement schedules and supporting evidence this has not been provided despite letters to the Chief Accountant requesting that they confirm that we been provided with all disbursements schedules. Cooperation has been limited and Audit believes there are gaps in the data. The example given supports the audit opinion that limited confidence can be placed in the quality of the information provided.
- (ix) Using all the disbursements provided Audit tried to rebuild the FMR, the results of which exercise can be found at Figure 16.
- (x) There were major differences in the Secondary Education IP. The 4th Quarter FMR suggested expenditure of Ksh 14,977,200,000 whilst the disbursement schedules allocated to the IP amounted to Ksh23, 782,451,643. If the sum of Ksh 9,021,357,567, deemed as ineligible by KENAO, expenditure reduces to Ksh 14,761,094,076. Unfortunately sufficient evidence has not been provided to agree these figures.

- (xi) The fourth quarter FMR shows total KESSP spend by the IPs at Ksh 23,443,000,000. Using the disbursements obtained we have identified a spend of Ksh 22,743,123,759.50 (this figure excludes the KENAO disallowed sum of Ksh 9,021,357,567).

Investment Programme Financial Year 2008/09	Disbursements per 4th quarter FMR Ksh	Known Disbursements Ksh	less KENAO	Expenditure supported by Disbursement
Early Childhood Development and Education ("ECDE")	667,200,000	551,350,407	-	551,350,407
Primary School Infrastructure	2,514,200,000	2,841,986,286	-	2,841,986,286
Primary School Instructional Materials	2,986,600,000	2,573,901,240	-	2,573,901,240
Pre-Service Primary Teacher Education	172,700,000	172,700,000	-	172,700,000
In-Service Primary Teacher Education	170,800,000	88,440,000	-	88,440,000
Expanding Educational Opportunities in Arid and Semi-Arid Lands	22,000,000	38,250,000	-	38,250,000
Non Formal Schools and Non Formal Education	74,600,000	72,091,266	-	72,091,266
Special Needs Education	215,700,000	366,350,985	-	366,350,985
School Health, Nutrition and Feeding	200,500,000	15,215,200	-	15,215,200
HIV / AIDs	410,800,000	350,000,000	-	350,000,000
Adult and Basic Education	117,100,000	68,500,610	-	68,500,610
Capacity Building	117,900,000	-	-	-
Education Management Information System	71,600,000	-	-	-
Information and Communication Technology in Education	60,300,000	-	-	-
Guidance and Counseling	58,700,000	-	-	-
Quality Assurance and Standards	81,100,000	-	-	-
Secondary Education	14,977,200,000	23,782,451,643	9,021,357,567	14,761,094,076
In-Service of Teachers at Secondary in Mathematics and Science	37,500,000	-	-	-
Technical, Industrial, Vocational and Entrepreneurship Education	428,100,000	279,830,000	-	279,830,000
University Education	-	8,590,000	-	8,590,000
Teacher Management	34,000,000	-	-	-
Gender and Education	22,400,000	-	-	-
Monitoring and Evaluation	2,000,000	-	-	-
unknown	-	554,823,690	-	554,823,690
	<u>23,443,000,000</u>	<u>31,209,657,637</u>	<u>9,021,357,567</u>	<u>22,743,123,760</u>

Figure 16

- (xii) The TIVET programme was reviewed to highlight reasons behind high 4th quarter expenditure (73%) in FY2009. The FMR showed expenditure of Ksh 428,100,000 with initial budgeted expenditure of Ksh338, 560,000. On reviewing expenditure Audit noted dual counting of Ksh 114,000,000 and a difference of Ksh 52,908. The supporting disbursements confirmed expenditure of Ksh279, 830,000. Audit was informed the dual counting relates to Government of Kenya Counterpart funding.
- (xiii) Audit testing highlighted an internal memo dated 30 June 2009 from Director Basic Education to the CFO notes movement of funds from the following IPs to Primary Infrastructure Phase Four schools. The note also agrees that the IPs can be compensated by Primary Infrastructure in the following Financial Year if they so desire.

	Ksh
INSET	90,000,100.00
NFE	17,907,800.00
EEOA	3,710,872.00
	111,618,772.00

- (xiv) Audit question the legitimacy of transferring funds across budgets in this manner

22.1 RECOVERABLE AMOUNTS

- (i) Based on the evidence Audit has been provided with and the audit testing undertaken, Audit is of the opinion that the total recoverable amount is Eight billion, one hundred and seventy three million, ten thousand and three hundred and ninety four Shillings, 87 cents (8, 173,010,594.87 KSH), approximately US\$102 Million.
- (ii) A breakdown of this amount is shown below

SCHEDULE OF INELIGIBLE EXPENDITURE

EXPENDITURE ISSUE	Para	VALUE Ksh
Contribution of the Government of Kenya Counterpart Funding unsupported	(viii)	2,274,629,818.00
Procurement differences	(viii)	31,258,891.00
Unsupported imprests FY2009	(iii)	8,199,004.00
Facilitation payments FY2009	(xiv)	9,868,330.00
Imprests FY2009 requested and not provided (a)	(xi)	184,414,473.00

Imprests FY2008 requested and not provided (b)	(vi)	99,331,756.50
Unsupported imprests FY2008	(viii)	158,370.00
Cheque payments - no evidence	b)	684,818,345.75
SKE Payments - no evidence	0	5,129,297,753.00
Value identified as ineligible/no supporting evidence		<u>8,421,887,453.87</u>

Values identified in the November 2009 Internal Audit Report

Fraudulent transactions	102,795,291.00
Ministry for Special Projects	131,828,000.00
Losses in primary and secondary schools	14,253,768.00
	<u>248,877,059.00</u>

Recoverable

KESSP Extended Forensic Audit	8,421,887,453.87
less values identified in the Internal Audit Report	248,877,059.00
	<u>8,173,010,394.87</u>

Notes

(a) and (b) could be removed and replaced with the extrapolated amount of Ksh41,537,724.93 reflective of the values and a 12.9% failure rate based on the testing undertaken see

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23.0 FIXED ASSETS

- (i) Audit reviewed the fixed asset procedures to ensure that proper controls exist and the detailed findings are available in the Internal Control report. The inventory (assets – office equipment etc) are maintained on a manual system by the use of stock ledger cards and there is no fixed asset register available for review.
- (ii) These sheets do not contain any value, or reference to the supporting stock ledger card.
- (iii) It was not possible to obtain a value of the asset to follow items on the inventory sheet back to the stock ledger card.
- (iv) No asset value including purchase asset price is held, no detailed fixed asset register is kept.
- (v) A list of disposals for the 2008/2009 year relating to KESSP could not be provided.
- (vi) A random sample of disposals relating to the transport departments sale of a vehicle in August 2009 noted that control documents were incomplete and poorly managed with supporting documents found in different locations in the department.
- (vii) Audit testing showed that no confidence can be placed in the management of fixed assets and Audit is unable to place a value on assets held or disposed

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24.0 MANAGEMENT ACTION PLAN AND RESPONSE TO THE RECOMMENDATIONS

RECOMMENDATION	MANAGEMENT COMMENT AND ACTION	PERSON RESPONSIBLE FOR IMPLEMENTATION
<p>CONTROL OBJECTIVE 1- MANAGEMENT CONTROL AND GOVERNANCE</p>		
<p>Recommendation 1</p> <p>The PS should accept overall accountability for the correct expenditure of KESSP funds which he/she shall be allowed to delegate responsibility for the day today operational control to education Secretary or Director of Administration. This delegation , in no way detracts from the PS's accountability</p>	<ul style="list-style-type: none"> • Agreed and adopted for implementation 	<ul style="list-style-type: none"> • Permanent Secretary • Staff changes taking place
<p>Recommendation 2</p> <p>PS Treasury should procure consultants to device new and separate management control and accounting systems for KESSP funding in the ministry of education</p>	<ul style="list-style-type: none"> • MoE welcomes any changes in terms of review and strengthening the system in consultation with treasury. 	<ul style="list-style-type: none"> • PS
<p>Recommendation 3</p> <p>All existing finance, accounting and procurement staff at all levels in MoE should be removed from the Ministry. This replacement should take place once the new systems have been agreed</p>	<ul style="list-style-type: none"> • Adopted for implementation. Ministry is addressing this matter in consultation with treasury. 	<p>PS to take action</p>
<p>Recommendation 4</p> <p>All schools should be registered by the MOE and with unique</p>	<ul style="list-style-type: none"> • Software for registration of 	<p>PS</p>

identifying number and held on a central data base.	schools being developed	
Recommendation 5 The system of IPs has identified the main areas in which improvement is required. The Ministry, as matter of urgency has to establish the baseline criteria for each school to achieve in each of these IP areas and then conduct an audit, using DEO and schools audit staff, of the condition of each school in the country against the baseline.	<ul style="list-style-type: none"> • Management is in agreement. PS to take action Adopted for implementation 	
Recommendation 6 & 7 Financial targeting for provision of school Improvement and other grants to be based on guidelines provided by the ministry.	<ul style="list-style-type: none"> • In agreement. • District Education Boards recommend schools to benefit using criteria set by the Ministry e.g. in the Economic Stimulus Package. 	PS to enforce
Recommendation 8 KESSP expenditures be maintained separately to that of GOK general expenditure in the Ministry to provide greater clarity and to show the movement of DP and GOK funds.	<ul style="list-style-type: none"> • In agreement and adopted for implementation • Ministry proposes to have one vote head for all KESSP funds 	PS to take Action
Recommendation 9 Accountants or any other officer should at no time determine expenditure	<ul style="list-style-type: none"> • This is being enforced by the permanent secretary. 	PS
Recommendation 10 Investment Team Leaders be accountable for expenditures of their IPs	<ul style="list-style-type: none"> • To be reviewed in line within the ongoing management 	PS

	reforms of the Ministry	
Recommendation 11 Monthly ad hoc internal audit review of IPs	<ul style="list-style-type: none"> Will be implemented after discussions with various departments 	Internal audit to put in place mechanisms to operationalize them
Recommendation 12 Development of criteria for SNE national assessment	<ul style="list-style-type: none"> The management is in agreement. There is a policy on Special Needs Education (SNE) in place and this guides national disability assessment. Criterion for assessment has already been developed. 	
CONTROL OBJECTIVE2 - INTERNAL FINANCIAL CONTROL		
Recommendation 13 Reconciliations of Financial Monitoring budgets to actual expenditure to be done on monthly basis	<ul style="list-style-type: none"> Management concurs and Adopt for implementation 	Finance, accounts and responsible departments
Recommendation 14 Automation of process of disbursements using unique identifier number	<ul style="list-style-type: none"> Ministry is working with ICT department to come up with modalities on issues of disbursement 	Head of ICT
Recommendation 15,16 and 17 Public disclosure of disbursement	<ul style="list-style-type: none"> In agreement. MoE to put in place 	GAC&RMP

<p>Recommendation 18</p> <p>Accounts department alert IP Leaders on any program payments or disbursements through automated emails</p> <p>Recommendation 19,20,21,22,23 & 24</p> <p>Management of returned /rejected payments</p>	<p>mechanism to operationalise the issue of disclosure of disbursements</p>	<p>Accounts department to take action</p>
<p>Recommendation 25</p> <p>Critical accounts information should be kept confidential.</p>	<p>Adopted for implementation</p> <ul style="list-style-type: none"> In agreement. To be done in consultation with treasury after modalities are worked out. 	<p>PS to initiate</p>
<p>Recommendation 26</p> <p>Disbursement of funds to non school account</p>	<p>Ministry to install a programme to protect critical information in liaison with treasury</p> <ul style="list-style-type: none"> In agreement. There has been change in the system of electronic money transfer to schools Ministry in collaboration with the Banks to review the MOU 	<p>MOE/ Treasury</p>
<p>Recommendation 27</p> <p>Reforms in handling of returned /rejected funds by the banks.</p>	<ul style="list-style-type: none"> In agreement Ministry shall open a specific account for the returned funds 	

<p><i>Recommendation 28</i></p> <p>Officer in charge of imprest should be removed from the office</p>	<ul style="list-style-type: none"> • This will be considered in liaison with treasury 	<p>MoE/Treasury</p>
<p><i>Recommendation 29,30,31&32</i></p> <p>Management and Security of imprest documents and storages to be enhanced</p>	<ul style="list-style-type: none"> • In agreement and adopted for implementation • Fire proof cabinets and suitable space has been provided. 	
<p><i>Recommendation 33</i></p> <p>Imprest system be reviewed by internal audit for the next two years until the system improves</p>	<ul style="list-style-type: none"> • This is done regularly • A memo dated September 2010 issued to enforce the same 	<p>PS</p>
<p><i>Recommendation 34</i></p> <p>Imprests documents be kept away from accounts office to ensure their security and safety.</p>	<ul style="list-style-type: none"> • In agreement and is being enforced • Circular no. MoE Gen./PS September 20th 2010 on cash office operations 	<p>PS</p>
<p><i>Recommendation 35</i></p> <p>PS to remind accountants of their responsibility</p>	<ul style="list-style-type: none"> • Agreed and adopted for implementation 	<p>PS</p>
<p><i>Recommendation 36</i></p>	<ul style="list-style-type: none"> • The ministry confirms that the 	

Non involvement of Internal Audit officers in authorizing payments.	internal audit department in MoE is not involved in authorizing imprests or any other payments	
Recommendation 37 <i>There be limitations on Payment of imprests or any other payment by cash</i>	<ul style="list-style-type: none"> • Management concurs • Adopted for implementation 	PS
Recommendation 38 Ministry to ensure recording and reconciliation of imprests payments with work plans by IPs.	<ul style="list-style-type: none"> • Management concurs 	Accounts department to take action
Recommendation 39 Transparency of reporting on the FMRs to be enforced	<ul style="list-style-type: none"> • Adopted for implementation • Ministry in the process of procuring technical assistance to help recast the FMRs 	Director policy/finance department to take action.
Recommendation 40 Figure on Budget expenditure for IPs to remain the same in the financial year and in every quarter when preparing FMRs	<ul style="list-style-type: none"> • Adopted and will be looked into in line with existing budgeting and accounting procedures 	PS to enforce
Recommendation 41 Carry out bank reconciliations every month	<ul style="list-style-type: none"> • Agreed and will be done on regular basis 	Ps to enforce through a circular
Recommendation 42 Coding imprests, expense claims and disbursements by use of IFMIS	<ul style="list-style-type: none"> • The management concurs. • This will be reviewed in the context of overall government 	PS/ Treasury

<p>Recommendation 43-46</p> <p>Proper management of assets</p>	<p>accounting in liaison with treasury</p>	<p>Procurement department</p>
<p>Recommendation 47-49</p> <p>Head teachers Handing over and taking over to be within five days .DEO to ensure books of accounts are given to the new head.</p> <p>DEO to issue the new head teacher with audit certificate</p> <p>Recommendation 50</p> <p>MoE releases guidelines before funds are disbursed to schools</p>	<ul style="list-style-type: none"> • In agreement. • The ministry will continue maintaining an inventory /asset register in line with public procurement and disposal act(2005) and the subsequent regulations <p>Adopted for implementation and guidelines to be issued</p>	<p>PS to take action</p>
<p>Recommendation51</p> <p>Training of community leaders and head teachers on accounting in school</p>	<ul style="list-style-type: none"> • Management is in agreement. MoE will continue to enforce issue guidelines on FPE, FSDE and other disbursed grants 	<p>PS to enforce</p>
<p>Recommendation 52</p> <p>MoE to issue a simplified accounting system for schools</p>	<ul style="list-style-type: none"> • In agreement. This is currently being carried out by KESI • Management concurs. 	<p>PS to enforce</p> <p>MoE/DPs</p>

	<ul style="list-style-type: none"> Ministry in consultation with partners is currently reviewing financial and procurement manuals 	
<p>Recommendation. 53</p> <p>Monitoring accuracy of classroom roll figures for schools by DEOs</p>	<ul style="list-style-type: none"> In agreement, ministry has intensified monitoring of schools by the District education officers Enhance EMIS data collection instrument. 	
CONTROL OBJECTIVE 3 - PROCUREMENT		
<p>Recommendation 54, 55, 56</p> <p>Adhering to procurement plans</p>	<ul style="list-style-type: none"> Agreed and Ministry is streamlining procurement management for purposes of effective budget execution. MoE has consolidated procurement plan 	PS to enforce.
<p>Recommendation. 57</p> <p>Procurement training for IP staff</p>	<ul style="list-style-type: none"> The management concurs Adopted for implementation and is being considered in the ongoing capacity development priorities 	PS to take action
Recommendation 58, 59		

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<p>Use of purchase order register and quotation register books</p>	<ul style="list-style-type: none"> Management agrees. The registers are a requirement of the public procurement and disposal Act (2005) and procurement regulations(2006) 	<p>Procurement department to explore</p>
<p><i>Recommendation 60</i></p> <p>Instituting proper filing system in the procurement department 2010/2011</p>	<ul style="list-style-type: none"> Agreed and the ministry is initiating proper targeting system in procurement department. The filing system in the procurement department be continuously improved 	<p>Procurement department to take action</p>
<p><i>Recommendation 61</i></p> <p>Members of evaluation committee to be given a copy of PPOA price guide to benchmark the supplier prices</p>	<ul style="list-style-type: none"> Agreed and adopted for implementation. 	<p>PS to issue a circular</p>
<p><i>Recommendation 62&63</i></p> <p>Separation of duties for the person raising the LPO/LSO and the one processing payment</p>	<ul style="list-style-type: none"> MoE in agreement and is enforcing this. 	<p>Accounts department to take action</p>
<p><i>Recommendation. 64</i></p> <p>Annual declaration of interests</p>	<ul style="list-style-type: none"> Agreed and will be enforced in accordance with the Public 	<p>PS</p>

<p>CONTROL OBJECTIVE 4 - PROGRAMME MANAGEMENT</p> <p><i>Recommendation 65</i></p> <p>KESSP programme manager ensures that a programme methodology is applied to the programme</p>	<p>officers and Ethics act(2003)</p>	<ul style="list-style-type: none"> Agreed and will be taken into account in the development of KESSP II 	<p>Directorate of policy and partnership & EAC</p>
<p><i>Recommendation 66</i></p> <p>Development of a simplified programme management methodology document</p>	<ul style="list-style-type: none"> Agreed and will be taken into account in the development of KESSP II 	<p>Directorate of policy and partnership & EAC</p>	
<p><i>Recommendation.67</i></p> <p>Baseline survey for detailed information on targets</p>	<p>Management concurs.</p> <ul style="list-style-type: none"> KESSP Secretariat maintains results framework and continues to update it 	<p>KESSP Secretariat</p>	
<p><i>Recommendation 68</i></p> <p>Business change manager</p>	<ul style="list-style-type: none"> MoE has adopted a horizontal organization structure in line with ministry's Performance Contract 		
<p><i>Recommendation 69</i></p> <p>Review of organization structure requirements for IPs</p> <p><i>Recommendation 70</i></p>	<p>Adopted for implementation</p>	<p>Directorates to take action</p>	

<p>KESSP program manager establishes a risk strategy</p>	<ul style="list-style-type: none"> • Adopted for implementation • Detection of risks is done through M&E reporting which are identifies specific actions to be taken and person responsible 	
<p><i>Recommendation 71</i></p> <p>Establishment of risk logs by KESSP program manager</p>	<ul style="list-style-type: none"> • Adopted and being implemented in SAC & RMP 	<p>KESSP secretariat</p>
<p><i>Recommendation 72</i></p> <p>Program manager should review current reporting procedures and develop sound strategies</p>	<ul style="list-style-type: none"> • Agreed. This is being addressed in the development of KESSP II 	<p>Policy, Partnerships & EAC</p>
<p><i>Recommendation 73</i></p> <p>Programme manager should put in place a communication strategy</p>	<ul style="list-style-type: none"> • The management agrees and is being addressed in the development of KESSP II 	
<p><i>Recommendation 74</i></p> <p>Programme manager to ensure robust information/document management</p>	<ul style="list-style-type: none"> • This has been adopted for implementation. An officer will be deployed to KESSP secretariat to be in -charge of documentation 	<p>Personnel department</p>
<p><i>Recommendation 75</i></p> <p>Programme manager should review IPs to ensure they have comprehensive review points</p>	<ul style="list-style-type: none"> • Agreed and done. The Mid Term Review has been 	<p>MoE/DPs</p>

<p>Recommendation 76</p> <p>programme manager should ensure a mature benefit realization plan is integrated into KESSP</p>	<p>completed</p> <ul style="list-style-type: none"> • Agreed • Under KESSP II, IPs have developed clear logframes • Zero draft of KESSP II available. 	<p>Investment Team Leaders</p>
<p>Recommendation 77</p> <p>Programme manager should ensure that all IPs have programme implementation documents(PID)</p>	<ul style="list-style-type: none"> • The management is in agreement and this is being done enforced through work plans, budgets and programme plans 	
<p>Recommendation 78</p> <p>Programme manager to establish robust M& E programme</p>	<ul style="list-style-type: none"> • Agreed and adopted for implementation • M& E strategy in place 	<p>M&E manager</p>
<p>Recommendation 79</p> <p>programme manager should ensure appropriate framework for managing and monitoring risks</p>	<ul style="list-style-type: none"> • Agreed and adopted for implementation • The GAC is being strengthened 	<p>MoE.</p>

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25.0 SCHEDULES OF DETAILS OF INELIGIBLE EXPENDITURES

25.1 SCHEDULE 1- UNSUPPORTED IMPRESTS FY 2009-KSHS 8,199,004.00

Imprest Holder	Ksh Total	Voucher Number	Ksh Unsupported
Travel			
SALIM MUNGAI	172,000.00	45	8,100.00
BEATRICE A.ASYAGO	1,517,000.00	622	113,400.00
ALBERT ODHIAMBO	302,000.00	628	500.00
JAMES WALALA SAWEGA	790,500.00	647	331,725.00
ISAAC KABOLA MWANGI	69,750.00	666	50.00
SAMMY L NYANGUKU	48,200.00	742	19,200.00
MOSES K GITAU	81,800.00	768	8,400.00
TIMOTHY O ODHIAMBO	994,054.00	780	457,500.00
FAITH KINYANJUI	200,000.00	788	72,000.00
KINYUA MWANGI	909,300.00	833	561,500.00
Joshua kimocho m'mers	221,500.00	908	109,600.00
Sub Total			1,681,975.00
Travel - Only support for outward journey			
George Were	221,842.00	4	45,340.00
SALIM MUNGAI	172,000.00	45	32,280.00
BENSON ABWAO	2,946,820.00	107	74,705.00
SIMION LIMBERA	347,000.00	569	44,000.00
ELIZABETH OKELLO OLOO	209,150.00	654	44,895.00
Sub Total			241,220.00
Fuel			
PETER GATHECHA	12,700.00	108	2,700.00
PASCHAL MAKITE	397,494.00	222	50,000.00
			52,700.00
Accommodation, room hire, air time & stationary			
Tabitha I Masinjila	219,500.00	3	5,000.00
Davis O. O. O. O.	1,113,300.00	5	80,000.00
C.A. ONDIEKI	1,972,700.00	35	148,650.00
CHARLES A LAFTE	781,800.00	765	69,400.00
TIMOTHY O ODHIAMBO	994,054.00	780	215,000.00
N J GHEID	67,000.00	902	27,000.00
Joshua kimocho m'mers	221,500.00	908	7,200.00
Sub Total			552,250.00
No evidence			
Tabitha I Masinjila	219,500.00	3	53,955.00
C.A. ONDIEKI	1,972,700.00	35	135,200.00
HARON. MIRARA	934,110.00	68	28,400.00

CHARLES O OBIERO	162,500.00	581	8,500.00
N.M.SIFINA	1,584,400.00	594	10,389.00
BEATRICE A.ASYAGO	1,517,000.00	622	85,400.00
JACKSON MUSUNGU	350,834.00	749	27,420.00
LYDIAH NJOKI MUCHEMI	280,360.00	752	1,500.00
BONIFACE L LENTOINAGA	128,100.00	754	20,300.00
JUSTUS M. KERUNGO	103,000.00	756	33,900.00
CHARLES A LAFTE	781,800.00	765	62,874.00
BONIFACE OUKO	30,000.00	771	14,700.00
CHARLES O TONGI	164,200.00	774	200.00
JULIUS NKARICHA	541,800.00	785	9,200.00
W.M.GAICIS*	1,137,610.00	786	21,520.00
ANNE KIILIS*	1,013,800.00	789	15,143.00
GIDIEON MURITI MUGUNA	74,000.00	825	490.00
HARARD M WANJAU	612,000.00	851	203,460.00
ARCHANGELOM KANGI	1,128,000.00	852	104,650.00
KINYUA MWANGI	909,300.00	853	8,165.00
RONNEY KANGETHA	101,000.00	885	2,000.00
JOEL K MUTISO	76,725.00	887	100.00
BENSON M MUASYA	292,500.00	910	3,510.00
Sub Total			850,976.00
Underclaims			
EDWIN OLOO	52,000.00	911	(800.00)
RAPHEAL D WARO	182,000.00	912	(1,180.00)
POLLY WAIRIMU KURU	157,500.00	886	(600.00)
MARY M MASINDE	275,717.00	779	(1,846.00)
TIMOTHY O ODHIAMBO	994,054.00	780	(10,500.00)
TABITHA I MASINGILA	53,500.00	773	(4,000.00)
S M KATHUO	68,000.00	758	(3,400.00)
J K WAMOCHO	96,500.00	755	(3,700.00)
MARGARET C KOSKEI	70,000.00	753	(4,150.00)
OMAR K MASUMBA	85,500.00	750	(1,530.00)
IRENE GATWILI MUTUSA	67,500.00	747	(230.00)
ANGELO GITONGA	180,151.00	627	(180.00)
ALBERT ODHIAMBO	302,000.00	628	(2.00)
ELIZABETH OKULLO BLOO	209,150.00	654	(140.00)
ISAAC KABOLAM WANGI	69,750.00	666	(240.00)
GILBERT OLOO	453,000.00	667	(4,400.00)
MARGARET OKEMO	62,000.00	670	(236.00)
GEORGE OITHONGORI	151,000.00	687	(750.00)
FAITH MACHARIA	254,000.00	726	(396.00)
JAMES O ARANI	152,500.00	740	(26.00)
BRIGET WAMBUA	633,983.00	743	(1,189.00)
FLORENCE MWENDA MUTUNGA	115,000.00	597	(8,594.00)
JAMES M. GACHUNGI	90,000.00	69	(190.00)
BENSON ABWAO	1,946,820.00	107	(30,430.00)
SHELMTH W WANJIHI	331,100.00	221	(4,915.00)
PASCHAL MAKITE	397,494.00	222	(6.00)

DANIEL N. NDUNGU	120,000.00	567	(305.00)
STEPHEN A SIBENA	172,400.00	571	(2,400.00)
LILIAN AYAKO	109,000.00	46	(960.00)
OTINI R. JOEL	1,867,021.00	59	(8,590.00)
JAMES M.KIBURI	1,938,645.00	67	(1,660.00)
			(97,545.00)
Per Diems with no evidence to support			
JAMES M.KIBURI	1,938,645.00	67	70,000.00
KENNETH C KABETU	25,000.00	589	5,000.00
FLORENCE MWENDA MUTUNGA	115,000.00	597	7,000.00
JAMES WALALA SAWEGA	790,500.00	647	210,000.00
MAURICE O JAYORO	289,065.00	680	24,000.00
JAMES O ARANI	152,500.00	740	42,500.00
PATRICK MANDERE	62,500.00	752	62,500.00
LYDIAH NJOKI MUCHEMI	280,360.00	752	42,500.00
JUSTUS M. KERUNGO	103,000.00	756	36,500.00
MARY M MASINDE	275,717.00	779	123,000.00
POLLY WAIRIMU KURU	157,500.00	886	107,600.00
Sub total			798,600.00
Per Diems claimed on a daily basis			
TIMOTHY O ODHIAMBO	94,054.00	780	1,000.00
JOSEPH WANJOHI	77,500.00	900	1,500.00
GILBERT OLOO	453,000.00	667	2,000.00
JAMES O KURIA	16,000.00	675	2,000.00
JOSEPH KAMOTHO	16,000.00	683	2,000.00
MARGARET C KOSKEI	70,000.00	753	2,000.00
DOMINIC MUTUVI	36,000.00	758	2,000.00
PETER K KIMANI	42,000.00	772	2,000.00
GIDIEON MURITI MUGUNA	74,000.00	825	2,000.00
AGNETA R NANDI	72,500.00	884	2,000.00
EDITH W KARIUKI	30,750.00	665	2,500.00
JANE A OMOGI	20,000.00	679	2,500.00
KENNEDY ONDIURU	90,500.00	710	2,500.00
JAMES O ARANI	152,500.00	740	2,500.00
IRENE GATWILI MUTUSIA	67,500.00	747	2,500.00
FIDELIS J NAKHISLO	96,123.00	824	3,500.00
FRANCIS MWARUCHA	152,500.00	883	3,700.00
S M KATHUO	68,000.00	758	4,000.00
CHARLES M KATAKA	72,000.00	784	4,000.00
ALICE GICHU	90,000.00	598	5,000.00
ABRAHAM KIARIE	37,200.00	564	6,800.00
ALBERT ODHIAMBO	302,000.00	628	8,000.00
MARGARET NDANYI	106,500.00	110	9,500.00
MARGRET O.OKEMO	100,000.00	51	10,500.00
STEPHEN A SIBENA	172,400.00	571	11,500.00
PASCHAL MAKITE	397,494.00	222	18,500.00

OWEN MWANIKI	1,903,670.00	58	70,000.00
Sub Total			186,000.00
Per diems claimed at a grade in excess of budget			
FELISTAS KIARE	63,000.00	748	21,000.00
			21,000.00
			4,287,176.00
This is the more detailed testing			
Total	20,313,360		
Supported	13,590,807		
Facilitation	2,810,725		
Unsupported	3,911,828		
Travel	2,850		
Travel - Only support for outward journey	46,510		
Fuel	500		
Accommodation, room hire, air time & stationary	6,075		
No evidence	2,196,075		
Underclaims	-49882		
Per Diems - to confirm individuals identities	779,200		
Per Diems claimed on a daily basis	37,000		
Per diems claimed at incorrect grade / no support	593,500		
	3,911,828		
Imprest Holder	Ksh Total	Voucher Number	Ksh Unsupported
Travel			
FRANKLIN M SAMUEL	153,000	738	300.00
CHARLES M KANGA	1,172,756	799	1,600.00
ESTER W KIBIKI	56,250	832	950.00
Sub total			2,850.00
Travel - Only support for outward journey			
SAMUEL K GICHERU	131,000	601	22,510.00
MAINA MACHARIA	198,225	769	24,000.00
Sub Total			46,510.00
Fuel			
ZACHARIA KABIRU		736	500.00

	50,000		
			500.00
Accommodation, room hire, air time & stationary			
TRUPHENA ODUOL	1,888,045	70	3,000.00
ESTER W KARIUKI	56,250	832	2,250.00
MARTIN ONYANGO	810,375	850	75.00
RICHARD OBONYO	71,000	895	750.00
			6,075.00
No evidence			
KERIAH WANDERA	262,995	572	40.00
ROSE K SAGARA	897,200	619	50,079.00
JAPHETH SHITUBI	1,613,600	620	111,978.00
ANTONY M MAKORI	657,000	621	421,100.00
DANIEL MOSBEI	818,264	744	50,000.00
JOSEPH B.O OCHARO	290,375	754	166,000.00
AGNES A ODAWA	179,430	763	35,000.00
KINYHA MWANGI	385,000	793	385,000.00
AGNES A ODAWA	240,000	793	240,000.00
CHARLES M KANJA	1,172,756	799	369,630.00
DAVID NJUNGUNA KARUIKI	1,133,328	838	51,500.00
MARTIN ONYANGO	810,375	850	538,325.00
MIRIAM W NG'ANG'A	158,092	891	12,400.00
ESTHER W NDUNGU	94,000	894	500.00
TERESIA W GATHIRWA	48,000	896	48,000.00
P K MUTISYA	72,000	695	16,523.00
Sub Total			2,496,075.00
Underclaims			
TRUPHENA ODUOL	1,888,045	70	(1,750.00)
FLORENCE MWANIKI	811,710	590	(29,600.00)
WILLIAM O NYANG'NE	115,000	595	(400.00)
JANE NGUGI	416,500	596	(9.00)
ROSELINE S ANSORI	292,220	629	(1.00)
MWANDIKI DAVID ESEMERE	670,800	681	(78.00)
MOSES MAKORI	714,200	826	(56.00)
WANJIKU SAMMY INYA GI	126,000	831	(813.00)
ESTER W KARIUKI	56,250	832	(140.00)
ZIPHORAH M MANTHI	48,000	833	(400.00)
MARGRET MURAGE	213,000	839	(210.00)
BERNARD MWANGI	73,000	843	(100.00)
FRIDA GIBENDI CHAHALE	84,000	890	(2,500.00)
KIMOSOP YANO	649,600	899	(13,825.00)
Sub Total			(49,882.00)
Per Diems - to confirm individuals identities			

EDITA MUGERA	326,350	570	42,000.00
EVELYNE JEBET KEITANY	68,000	577	60,000.00
JANE NGUGI	416,500	596	14,400.00
SARAH N MAKUYU	44,000	632	40,000.00
WINFLED M MUNYAO	65,000	636	60,000.00
LOISE K MARIITA	24,750	663	24,000.00
CHRISTINE MUCHEMI	33,000	697	30,000.00
FRANCIS MWASHURI	75,000	755	65,000.00
ALLAN WANJA KAMAU	154,890	774	60,000.00
THOMAS MUKABI	151,000	778	36,000.00
MARCELLINA A ANDURO	83,000	798	75,000.00
DAVID NJUNGUNA KARUIKI	1,133,398	838	85,000.00
GEORGE ORWA	163,540	841	16,800.00
KIMOSOP YANO	649,600	899	168,000.00
Sub Total			779,200.00
Per Diems claimed on a daily basis			
ESTER AKINYI	197,380	573	14,000.00
WILLIAM O NYANG'NE	115,000	595	8,000.00
KENNETH W NDUNGU	12,000	594	1,000.00
ZACHARIA KABIRU	50,000	736	2,500.00
ESTER W KARIUKI	56,250	832	2,000.00
RICHARD OBONYO	71,000	895	2,500.00
MARY W KANGETHE	41,250	898	7,000.00
			37,000.00
Per diems claimed at incorrect pay grade / no support			
WILLIAM O NYANG'NE	115,000	595	5000
JANE NGUGI	416,500	596	6000
MAINA MACHARIA	198,225	769	14000
HAROUN N.MIRARA	105,250	785	5500
CHARLES M KANJA	1,172,756	799	468500
MARTIN ONYANGO	810,375	850	85000
ESTHER W NDUNGU	94,000	894	9500
			593,500.00
			3,911,828.00
Grand Total			8,199,004.00

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25.2 SCHEDULE NO: 2-FACILITATION PAYMENT FY 2009-KSHS 9,868,330.00

Number	Imprest Holder	Amount Ksh	Voucher Number	TYPE	Supported	Travel	Fuel	Accommodation / Room Hire, Lunches, Air time and Stationary	Per Diem	Unsupported Travel	Only supporting invoices for on way of journey	Facilitation payments
4	George Were	224,842.00	4	CASH	144,502.00	45,340.00		21,162.00	78,000.00	0.00	45,340.00	35,000.00
5	Davis Onsumis	1,113,300.00	5	CASH	777,300.00	453,800.00		308,500.00	5,000.00	336,000.00		256,000.00
35	C.A.ONDIEKI	1,972,700.00	35	CASH	728,850.00	362,850.00		366,000.00		1,243,850.00		960,000.00
45	SALIM MUNGAI	172,000.00	45	CASH	110,620.00	32,280.00		10,840.00	67,000.00	61,380.00	32,280.00	21,000.00
58	OWEN MWAMIKI	1,903,670.00	58	CASH	843,670.00	404,000.00		159,500.00	80,000.00	1,060,000.00		990,000.00
59	OTINI R. JOEL	1,867,021.00	59	CASH	885,611.00	333,000.00		287,600.00	275,000.00	981,410.00		990,000.00
67	JAMES M.KIBURI	1,938,645.00	67	CASH	910,305.00	400,200.00	51,790.00	195,800.00	262,500.00	1,028,340.00		960,000.00
68	HARON. MIRARA	934,110.00	68	CASH	329,710.00	240,000.00		89,710.00		604,400.00		576,000.00
107	BENSON ABWAO	1,946,820.00	107	CASH	1,614,545.00	104,545.00			1,510,000.00	332,275.00	74,705.00	288,000.00
204	MARAGRET NDANYI	115,000.00	204	CASH	74,000.00			74,000.00		41,000.00		41,000.00
221	SHELMITH W WANJIHI	331,100.00	221	CASH	264,015.00	133,460.00		27,555.00	103,000.00	67,085.00		72,000.00
223	AGNES A. ODAWA	213,700.00	223	CASH	59,700.00	7,900.00		51,800.00		154,000.00		154,000.00
324	GRACE W NGACA	80,000.00	323	CASH						80,000.00		80,000.00
570	KAKUU KIMANDO	210,000.00	568	CASH	174,000.00	57,600.00			86,400.00	36,000.00		36,000.00
571	SIMION LIMBERA	347,000.00	569	CASH	263,000.00	144,000.00	10,000.00		209,000.00	84,000.00	44,000.00	40,000.00
573	STEPHEN A SIBENA	172,400.00	571	CASH	131,300.00	56,000.00	10,000.00		65,000.00	41,100.00		32,000.00
596	N.M.SIFINA	1,584,400.00	594	CASH	1,466,411.00	302,800.00	103,400.00	786,611.00	73,200.00	118,389.00		108,000.00
624	BEATRICE A.ASYAGO	1,517,000.00	622	CASH	1,009,900.00	385,400.00	101,090.00	651,410.00	72,000.00	307,100.00	113,400.00	108,300.00
649	JAMES WALALA SAWEGA	790,500.00	647	CASH	527,700.00	89,775.00		63,000.00		637,725.00		96,000.00
656	ELIZABETH OKELLO OLOO	209,150.00	654	CASH	180,395.00	44,895.00		236,500.00	79,500.00	84,755.00	44,895.00	40,000.00
669	GILBERT OLOO	453,000.00	667	CASH	420,400.00	113,000.00	48,900.00		22,000.00	32,600.00		35,000.00
682	MAURICE O JAYORO	289,065.00	680	CASH	240,065.00	82,939.00	37,626.00	119,500.00		49,000.00		25,000.00
711	FRANKLIN M SAMUEL	145,000.00	708	CASH	106,000.00	45,000.00	10,000.00		51,000.00	39,000.00		39,000.00
729	MARTHA M KIRIAGO	319,540.00	727	CASH	279,540.00	140,540.00	7,000.00		132,000.00	40,000.00		40,000.00
748	SAMMY L NYANGUKU	48,200.00	742	CASH	5,000.00		5,000.00			43,200.00	19,200.00	24,000.00
763	JACKSON MUSUNGU	350,830.00	749	CASH	317,414.00	96,704.00		66,710.00	154,000.00	33,420.00		6,000.00
795	CHARLES A LAFFE	781,800.00	765	CASH	577,526.00	214,500.00	21,500.00	305,526.00	36,000.00	204,274.00		72,000.00
801	MOSES K GITAU	81,800.00	768	CASH	24,600.00	5,000.00		19,600.00		57,200.00	8,400.00	48,800.00

Number	Imprest Holder	Nominal Code	Amount Ksh	Voucher Number	Supported	Travel	Fuel	Accommodation / Room Hire, Lunches, Air time and Stationary	Per Diem	Unsupported	Travel	Only supporting invoices for on way of journey	Facilitation payments
814	CHARLES O TONGI	164,200.00	774	CASH	85,000.00	55,000.00	10,000.00	20,000.00	54,000.00	79,200.00	457,500.00		79,000.00
825	TIMOTHY O ODHIAMBO	994,054.00	780	CASH	252,054.00		64,954.00	133,100.00		742,000.00			79,000.00
836	JULIUS NKARICHA	541,800.00	785	CASH	349,600.00	143,200.00	59,300.00	133,100.00	14,000.00	194,200.00			183,000.00
838	W.M.GAICIS*	1,137,610.00	786	CASH	978,090.00	293,500.00	63,230.00	585,360.00	36,000.00	159,520.00			138,000.00
841	FAITH KINYANJUI	200,000.00	788	CASH	88,000.00	90,000.00	100,027.00	677,630.00	39,500.00	114,000.00	72,000.00		40,000.00
844	ANNE KILUS*	1,013,800.00	789	CASH	907,157.00	90,000.00	28,863.00	15,255.00	38,000.00	106,643.00			91,500.00
892	FIDELIS J NAKHISLO	96,123.00	824	CASH	82,618.00	19,200.00	16,800.00			13,505.00			10,005.00
908	WILLIAM O NYANG'NE	140,000.00	840	CASH	36,000.00	42,000.00	60,000.00	172,540.00	84,000.00	104,000.00			104,000.00
919	HARARD M WANJAU	612,000.00	851	CASH	355,540.00	298,400.00	28,600.00	584,550.00	84,000.00	256,460.00			53,000.00
920	ARCHANGELOM KANGI	1,128,000.00	852	CASH	916,350.00	298,400.00	28,600.00	584,550.00	84,000.00	211,650.00			107,000.00
			38		16,285,163.00	5,265,474.00	939,784.00	6,153,452.80	3,926,900.00	9,855,021.00	1,010,325.00	241,220.00	7,057,605.00
					26,140,184.00								

Number	Imprest Holder	Nominal Code	Amount Ksh	Voucher Number	Supported	Travel	Fuel	Accommodation / Room Hire, Lunches, Air time and Stationary	Per Diem	Unsupported	Travel	Only supporting invoices for on way of journey	Facilitation payments
70	TRUPHENA ODUOL	1-844-0061-311109	1,888,045.00	70	836,795.00	388,900.00		242,895.00	240,000.00	1,051,250.00			1,050,000.00
572	EDITA MUGERA	Assume 844	326,350.00	570	204,350.00	14,350.00			60,000.00	122,000.00			80,000.00
592	FLORENCE MWANIKI	1-844-0061-311109	811,710.00	590	591,810.00	241,700.00	32,905.00	45,935.00	271,200.00	219,900.00			249,500.00
597	WILLIAM O NYANG'NE	1-844-0061-311109	115,000.00	595	83,400.00	26,400.00	10,000.00		42,000.00	36,600.00			24,000.00
603	SAMUEL K GICHERU	1-844-0061-311109	131,000.00	601	79,490.00	22,510.00	10,000.00	960.00	51,020.00	46,510.00		22,510.00	24,000.00
605	LUCA CHERET	1-844-0061-311109	668,800.00	603	619,800.00	171,500.00	62,500.00	349,800.00	28,000.00	57,000.00			57,000.00
621	ROSE K SAGARA	1-844-0061-311109	897,200.00	619	786,321.00	205,400.00	79,920.00	477,001.00	24,000.00	110,879.00			60,800.00
622	JAPHETH SHITUBI	1-844-0061-311109	1,613,600.00	620	1,395,622.00	650,000.00	112,560.00	543,062.00	90,000.00	217,978.00			106,000.00
631	ROSELINE S ALUSORA	1-844-0061-311109	292,720.00	629	270,221.00	89,360.00	22,360.00	10,001.00	148,500.00	21,999.00			22,000.00
657	JANET N KAWEWA	1-844-0061-311109	326,900.00	655	286,900.00	169,900.00			117,000.00	40,000.00			40,000.00
683	MWANDIHI DAVID ESEMERE	1-844-0061-311109	670,800.00	681	608,878.00	360,000.00	56,810.00	192,068.00		61,922.00			62,000.00
684	AUGUSTINE N KITHEKA	1-844-0061-253201	932,600.00	682	864,600.00	475,100.00	61,325.00	277,175.00	51,000.00	68,000.00			68,000.00

686	MARGARET MUTHONI IRUNGU	1-844-0061-3111109	531,615.00	684	459,615.00	390,970.00	16,645.00	2,000.00	50,000.00	72,000.00			72,000.00
740	FRANKLIN M SAMUEL	1-844-0061-3111109	153,000.00	738	112,700.00	23,000.00	15,000.00	74,700.00		300.00			40,000.00
753	DANIEL MOSBEI	1-844-0061-3111109	818,264.00	744	641,264.00	217,000.00	34,500.00	135,764.00	254,000.00	177,500.00			127,000.00
804	MAINA MACHARIA	1-844-0061-2630201	198,225.00	769	136,225.00	24,000.00	30,400.00	45,325.00	36,500.00	62,000.00	24,000.00	24,000.00	24,000.00
842	MILTON M NZIOKA	1-844-0061-2630201	704,400.00	788	620,400.00	154,000.00	63,000.00	379,400.00	24,000.00	84,000.00			84,000.00
894	MOSES MAKORI	1-844-0061-3111109	714,200.00	826	622,256.00	348,000.00	69,520.00	168,736.00	5,000.00	91,944.00			97,000.00
906	DAVID NIUNGUNA KARUKI	1-844-0061-3111109	1,133,398.00	838	739,898.00	440,000.00	50,500.00	249,398.00		393,500.00			254,000.00
909	GEORGE ORWA	1-844-0061-3111109	163,540.00	841	122,740.00	42,840.00	10,000.00	15,000.00	44,900.00	40,800.00			24,000.00
967	KIMOSOP YANO	1-844-0061-2630201	649,600.00	899	245,000.00	270,000.00		25,000.00		404,600.00			250,425.00
			13,740,467.00	21	10,320,285.00	4,770,000.00	737,945.00	3,211,200.00	1,578,120.00	3,420,182.00	300.00	46,510.00	2,810,725.00

Summary

No	Schedule No	Amount
1	One	7,057,605.00
2	Two	2,810,725.00
	TOTAL	9,868,330.00

25.3 SCHEDULE 3-IMPREST FY 2009 REQUESTED AND NOT PROVIDED-KSHS 184,414,473.00

Year end	Imprest Holder	Nominal Code	Non issue code 799	Cash gone out matched to imprest	Amount Ksh
2008/09	CHRISTINE CHACHA	1-844-0061-311109	Y	M	89,443.00
2008/09	PATRICK AGHAN	1-844-0061-311109	Y	M	1,790,256.00
2008/09	S O MISHIRA	1-844-0061-311109	Y	M	4,568,337.10
2008/09	DAVID G AMUGA	1-844-0061-311109	Y	M	2,414,700.00
2008/09	KENNETH C KABETU	1-844-0061-311109	Y	M	3,025,786.00
2008/09	FRANKLIN MUSTANI	1-844-0061-311109	Y	M	496,630.00
2008/09	MARY W KANGETHE	1-844-0061-311109	Y	M	100,000.00
2008/09	FAITH KINYANJUI	Assume 844	Y	M	58,500.00
2008/09	BENSON KAHARA	1-844-0061-311109	Y	M	48,000.00
2008/09	DANIEL SIMUYU BARASA	Assumed 844	Y	M	6,677,200.00
2008/09	FRANCIS KIMOSOP	Assume 844	Y	M	7,230,065.00
2008/09	DAVID N KABUKI	Assume 844	Y	M	8,630,200.00
2008/09	S O MISHIRA	Assume 844	Y	M	10,868,684.00
2008/09	FREDRICK O OLOO	1-844-0061-2630201	Y	NS	1,028,000.00
2008/09	GEORGE OGONDO	1-844-0061-311109	Y	NS	870,600.00
2008/09	NYAKOTH OBONGO	1-844-0061-311109	Y	M	132,500.00
2008/09	PROF G.I.GODIA	1-844-0061-311109	Y	M	108,000.00
2008/09	IRAM NJOROGE	1-844-0061-311109	Y	M	53,900.00
2008/09	DAVID K THENGELE	1-844-0061-311109	Y	M	179,000.00
2008/09	JOHN KINYUA MWANGI	1-844-0061-311109	Y	M	385,000.00
2008/09	PAMELA MUGO	1-844-0061-311109	Y	NS	1,030,800.00
2008/09	JOHNSON K IKUGU	1-844-0061-311109	Y	M	84,700.00
2008/09	RICHARD K LANGAT	1-844-0061-311109	Y	M	24,500.00
2008/09	SUSAN W GACHUKI	1-844-0061-311109	Y	M	70,000.00
2008/09	JANE NGUGI	1-844-0061-311109	Y	M	8,371,200.00
2008/09	ROBERT MAINA	1-844-0061-311109	Y	M	4,566,151.00
2008/09	JOHN OUMA OWINGO	1-844-0061-311109	Y	NS	758,400.00
2008/09	ANN SHIUNDU	1-844-0061-311109	Y	NS	1,850,000.00

2008/09	EMMA NGUTE	1-844-0061-3111109	Y	M	66,500.00
2008/09	MONICAH MWIHAKI MUNYAO	1-844-0061-3111109	Y	M	70,000.00
2008/09	SUSAN WANJIKU MUCHANGA	1-844-0061-3111109	Y	M	44,000.00
2008/09	JANE B ONYANGO	1-844-0061-3111109	Y	M	68,000.00
2008/09	ANNIE WANGUI THUO	1-844-0061-3111109	Y	M	162,500.00
2008/09	JANE K NDEGE	1-844-0061-3111109	Y	M	87,500.00
2008/09	SARAH N KABAUKU	1-844-0061-3111109	Y	M	63,410.00
2008/09	BICKER LUNYAGI	1-844-0061-3111109	Y	NS	683,200.00
2008/09	SALOME WENYAA	1-844-0061-2630201	Y	M	31,000.00
2008/09	FRANCIS KIMOSOP	1-844-0061-3111109	Y	M	9,732,000.00
2008/09	SAMUEL K GICHERU	1-844-0061-2630201	Y	M	78,400.00
2008/09	PAULINE M MURINGE	1-844-0061-3111109	Y	M	69,500.00
2008/09	SAMUEL M MULI	1-844-0061-3111109	Y	M	105,000.00
2008/09	REBECCA BUTALANYI	1-844-0061-3111109	Y	NS	361,200.00
2008/09	P K MUTISYA	1-844-0061-2630201	Y	M	36,000.00
2008/09	GEORGE OCHIENG	1-844-0061-2630201		M	31,500.00
2008/09	ELIZABETH NGUGI	1-844-0061-2630201		M	31,000.00
2008/09	MARGARET NDANYI	1-844-0061-2630201	Y	NS	8,549,642.00
2008/09	CHARLES KANJA	1-844-0061-3111109	Y	M	224,200.00
2008/09	JOHN WACHIRA CHIURI	1-844-0061-3111109	Y	NS	785,000.00
2008/09	SAMUEL K GICHERU	1-844-0061-3111109	Y	M	182,400.00
2008/09	AGNES A ODAWA	1-844-0061-3111109	Y	M	1,800,000.00
2008/09	JAMES MWITA	1-844-0061-3111109	Y	NS	762,200.00
2008/09	MICHAEL BAJIO	1-844-0061-2630201	Y	M	25,000.00
2008/09	GARISE B OMARA	1-844-0061-3111109	Y	M	944,800.00
2008/09	SALOME MAINA	1-844-0061-3111109	Y	M	1,053,170.00
2008/09	JOHN GICHAMBA	1-844-0061-3111109	Y	M	29,000.00
2008/09	PETER M. MWAURA	1-844-0061-3111109	Y	M	1,370,000.00
2008/09	JOSEPH B.O OCHAGO	1-844-0061-2630201	Y	M	21,400.00
2008/09	PATRICK AGHAN	1-844-0061-2630201	Y	M	3,161,000.00
2008/09	KALIDAS NYAKONDO	1-844-0061-2630201	Y	M	55,000.00

2008/09	JACKSON RONO	1-844-0061-2630201	Y	M	21,200.00
2008/09	CICILIA KIHEMBE	1-844-0061-2630201	Y	M	57,000.00
2008/09	MUTWARU G MUSIKANDA	1-844-0061-2630201	Y	M	2,936,000.00
2008/09	SALOME K YATICH	1-844-0061-2630201	Y	M	2,936,000.00
2008/09	CATHERINE RINTARI	1-844-0061-3111109	Y	M	160,000.00
2008/09	THOMSA OMUGA	1-844-0061-2630201	Y	M	2,936,000.00
2008/09	MAGWA M NDUNGU	1-844-0061-3111109	Y	M	1,557,700.00
2008/09	FRANKLIN MUSTANI	1-844-0061-3111109	Y	M	52,000.00
2008/09	FREDRICK ODHIAMBO	1-844-0061-3111109	Y	M	3,083,737.00
2008/09	TRUPHENA KIRONGO	1-844-0061-3111109	Y	M	53,000.00
2008/09	STEPHEN WAMBUA K	1-844-0061-2630201	Y	M	63,000.00
2008/09	MARTIN ORWA	1-844-0061-2630201	Y	M	1,470,789.00
2008/09	L. N. NJERU	1-844-0061-3111109	Y	M	1,173,000.00
2008/09	BEATRICE K KYULE	1-844-0061-3111109	Y	M	3,951,218.00
2008/09	LILIAN AYAKO	1-844-0061-3111109	Y	M	3,163,050.00
2008/09	STEPHEN MBOGUA	1-844-0061-2630201	Y	M	3,446,362.00
2008/09	BENSON KAHARA	1-844-0061-3111109	Y	M	1,170,000.00
2008/09	BARNETT WALEMA	1-844-0061-3111109	Y	M	1,147,066.00
2008/09	ISAAC G GITOGO	1-844-0061-3111109	Y	NS	1,264,200.00
2008/09	CHRISANTUS OKANGE	1-844-0061-2630201	Y	M	2,921,000.00
2008/09	TONY O OMUSONGA	1-844-0061-3111109	Y	M	2,787,862.00
2008/09	JOHN KANANI	1-844-0061-3111109	Y	M	1,513,000.00
2008/09	KARAGO DOROTHY WAMBUI	1-844-0061-2630201	Y	NS	2,009,690.00
2008/09	DANIEL SIMUYU BARASA	1-844-0061-3111109	Y	M	8,782,000.00
2008/09	JAMES WALALA SAWEGA	1-844-0061-2630201	Y	M	413,000.00
2008/09	ELIZABETH KALOKI	1-844-0061-3111109	Y	M	4,942,000.00
2008/09	DAVID ONSOMO O	1-844-0061-2630201	Y	M	2,632,000.00
2008/09	ROBERT MAINA	1-844-0061-3111109	Y	M	5,757,600.00
2008/09	DAVID N KABUKI	1-844-0061-3111109	Y	M	5,956,230.00
2008/09	LIVINGSTONE NYAKA MURITHI	1-844-0061-3111109	Y	M	1,649,424.00
2008/09	CHRISTOPHER YEGON	1-844-0061-2630201	Y	M	14,000.00

2008/09	ONESMUS KIMIZA	1-844-0061-3111109	Y	M	34,500.00
2008/09	JOHN N MBONGO	1-844-0061-2630201	Y	M	3,666,178.00
2008/09	PAUL ODHIAMBO	1-844-0061-2630201	Y	M	1,604,158.00
2008/09	C.A.ONDIEKI	1-844-0061-2630201	Y	M	5,500,300.00
2008/09	MARGARET MWANDALE	1-884-0061-3111109	Y	M	985,030.00
2008/09	CHRISTINE W CHACHA	1-844-0061-3111109	Y	M	3,334,600.00
2008/09	DOROTHY NDIA	1-884-0061-2630201	Y	M	1,067,447.00
2008/09	PETTY M KIMWELI (KINYA)	1-844-0061-2630201	Y	M	1,199,200.00
2008/09	MARTHA EKIRAPA	1-844-0061-2630201	Y	M	15,160.00
					184,414,473.10

25.4 SCHEDULE NO: 4- IMPRESTS-FY 2009 REQUESTED AND NOT PROVIDED KSHS 99,331,756.50

Imprests assumed to be all those amounts where the narrative is a name.

List only contains amounts listed on the payment pages.

List is based on KESSP cash book

No.	Payment Page No.	Payee	Voucher Number	Amount Ksh	Reviewed Y/N
1	16	Rebecca Chelimo	0028	1,244,600.00	
2	16	Jane Ngugi	0032	120,000.00	
3	16	Samuel D Michira	0033	4,827,300.00	
5	18	David G Amunga	0044	1,832,000.00	
6	18	Rachel N'dungu	0049	1,524,000.00	
7	18	Rachel N'dungu	0050	800,000.00	
8	18	Miyele MN	0051	394,100.00	
9	19	Kennedy Oogah	0174	424,000.00	
10	19	Elijack Mungah	0075	94,000.00	
11	19	Fredrick Iraya	0076	25,200.00	

12	19	Benston Muasya	0077	34,500.00
13	19	Daniel Ndungu	0078	57,000.00
14	19	Agnes O Kinyanyi	0079	28,000.00
15	19	Christine N Kungu	0080	25,200.00
16	19	Keitany Francis	0081	25,200.00
17	19	James K Kairu	0082	34,500.00
18	19	Samuel M Gichuhi	0083	34,500.00
19	19	Martha Ekirada	0084	34,500.00
20	19	Fred Oanda	0085	85,400.00
21	19	Francis Kimosop	0086	65,000.00
22	19	Everlyne Vitagwa	0087	89,000.00
23	19	John K Mwangi	0088	20,000.00
24	19	Lydia N Muchemi	0089	20,000.00
25	19	Cecilia Kihembe	0090	28,000.00
26	19	Friday G Chahale	0091	28,000.00
27	19	Peris Mugo	0092	14,000.00
28	19	Kenneth B Orina	0093	33,000.00
29	19	David Onsomu	0094	183,000.00
30	19	Allan Maina	0095	13,800.00
31	19	Kenneth C Kabetv	0096	105,000.00
32	19	Tacome W Maina	0097	45,000.00
33	19	Edwin Oloo	0098	57,000.00
34	19	Robert M Omosa	0099	218,000.00
35	19	Jane E N Thevri	00100	49,000.00
36	19	Alex T. Majani	00101	34,500.00
37	19	Eunice N Gikuyu	00102	37,000.00
38	19	Patricia Mainere	00103	27,200.00
39	19	Dominic Mutuu	00104	40,000.00
40	19	Rehab Niebo	00105	20,700.00
41	19	Iraji W Jdroge	00106	37,000.00
42	19	James Karungu	00107	137,500.00
43	20	SK Murungi	00108	37,000.00
44	20	Peter K Gachathi	0010	38,000.00
45	20	Joologe Grace	0011	38,000.00
46	20	Enord K Orina	0012	52,000.00

47	20	Smark Musili	0013	38,000.00
48	20	Ameza O Owiti	0014	65,500.00
49	20	Robert Maina	0015	2,691,000.00
50	20	John M Kiunjuri	0016	52,000.00
51	20	George Ogodo	0017	38,000.00
52	20	Rius W Wanjaca	0018	65,500.00
53	20	Samuel Githigia	0019	34,000.00
54	20	Lydia Gikunju	0020	40,000.00
55	20	Essee K Mwangi	0021	31,000.00
56	20	Wangari	0022	39,000.00
57	20	Maingi Inoti	0023	49,000.00
58	20	Rose W Wanjohi	0024	65,500.00
59	20	Nduguti F.G.	0025	48,500.00
60	20	Terry's Otieno	0026	65,500.00
61	20	Ojoo L Anyango	0027	52,000.00
62	20	George O Chiang	0028	38,000.00
63	20	Paul Mwangi	0029	55,000.00
64	20	Moses O Oluoch	0030	48,500.00
65	20	Nenyaa Salome	0031	55,000.00
66	20	Mrime Alphoncer	0032	65,500.00
67	20	Ziki Wandera	0033	59,500.00
68	21	Gwiyo M Komoza	0034	74,500.00
69	21	Martha Odundo	0035	55,000.00
70	21	Jane Ngugi	0036	2,811,600.00
71	21	Jacinta N Mbugwa	0037	31,000.00
72	21	Tabitha N Mumbi	0038	45,500.00
73	21	Shamsa Adell	0039	65,500.00
74	21	Fidela J Nakhulo	0040	66,500.00
75	21	Makori W	0041	49,000.00
76	21	Anna U W Nsenga	0042	59,500.00
77	21	Shiraya L Kumbu	0043	75,000.00
78	21	E Nguono	0044	38,000.00
79	21	Okiya John	0045	66,500.00
80	21	Elijah Mwaniki	0046	49,000.00
81	21	Paul Jura Okungu	0047	19,000.00

82	21	Christopher Yegon	0048	49,000.00
83	21	Peter K Mbuthia	0049	1,384,600.00
84	21	Nganga David	0050	55,000.00
85	21	Daniel O Odidi	0051	55,000.00
86	21	James K Mibei	0052	55,000.00
87	21	Duncan G Njoroge	0053	55,000.00
88	21	Peace Agufana	0054	48,500.00
89	21	John M Mwangi	0055	38,000.00
90	22	Noel Eunice Murungu	0056	32,500.00
91	22	Daniel S Barasa	0057	32,500.00
92	22	George K Kwenya	0058	32,500.00
93	22	Miriam Maganga	0059	28,000.00
94	22	Lkioko Maingi	0060	39,000.00
95	22	Susan Munume	0061	28,000.00
96	22	Samuel Ngaroiya	0062	39,000.00
97	22	Boazj Adungu	0063	35,000.00
98	22	Hebu K Gichohi	0064	32,500.00
99	22	Peter N Wamuri	0065	26,000.00
100	22	Hellen K Kimathi	0066	52,000.00
101	22	zgai P Kamau	0067	43,000.00
102	22	Caroline Wanyama	0068	250,500.00
103	22	Susan Mburn	0069	269,500.00
104	22	Mohammed Abdullah	0070	52,000.00
105	22	Adan S Abdullahi	0071	267,000.00
106	22	Haisan Ahmeda	0072	56,000.00
107	22	Timothy K Kwenjo	0073	39,000.00
108	22	Susan Kaduha	0074	56,000.00
109	22	Daniel N Ndungu	0075	20,000.00
110	22	Pius K Mutiyya	0076	59,500.00
111	22	K W Ngugi	0077	56,000.00
112	22	John Mumu	0078	510,500.00
113	22	Lucy W Murage	0079	105,400.00
114	22	Kamwenjett	0080	395,100.00
115	22	Elizabeth Ohello	0081	174,800.00
116	22	Martha M Kiriago	0082	317,600.00

117	22	Janet N Kanewa	0083	362,000.00
118	22	Edita Mugeru	0084	630,350.00
119	22	Simon Limbera	0085	171,000.00
120	22	Kakuu Kimandi	0087	275,100.00
121	23	Jared Nyamwegi	0089	261,600.00
122	23	Alex Tom Masani	0097	34,500.00
123	24	Daniel S Barasa	0098	2,715,600.00
124	24	Joseph Wamocho	0099	135,500.00
125	24	Franklin Mutani	0100	2,632,600.00
126	24	Francis Kimosop	0101	2,453,200.00
127	24	Allan Maina	0102	4,800.00
128	24	Patricia Mandere	0103	8,000.00
129	24	Dominic Mutuui	0104	10,000.00
130	24	David Onsomu	0105	16,000.00
131	24	Salome Maina	0106	27,000.00
132	24	Mary W Kangethe	0107	352,500.00
133	24	Lilyann Oyugi	0108	0,000.00
134	24	Onsesmus Kiminca	0109	3,701,600.00
135	24	Pamela Mugo	0110	30,000.00
136	24	Geoffrey Wangu	0111	31,000.00
137	24	Agnes W Gatere	0112	16,000.00
138	24	Jennifer Mbuti	0113	323,800.00
139	24	George Were	0114	225,000.00
140	24	Sagim Mungh	0115	172,000.00
141	24	Agnesik Odawa	0116	138,800.00
142	24	Shelmith Wansohi	0117	331,100.00
143	24	Lucy Mbae	0118	18,000.00
144	24	Samuel Ngaroiya	0119	107,300.00
145	24	Moturi Thomas	0120	22,500.00
146	24	Jacob Chesumo	0121	22,500.00
147	24	Thutha IG	0122	31,500.00
148	24	Bohiface Lentoimagi	0123	107,300.00
149	24	Stephen Mugo	0124	18,000.00
150	24	Jane N Kamau	0125	18,000.00
151	24	Catherine W Wachira	0126	27,000.00

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152	24	Margaret Thuo	0127	18,000.00
153	24	K N Lagat	0128	125,600.00
154	24	Mary M Karanja	0129	27,000.00
155	24	Musa Wambua	0130	116,300.00
156	25	Everlyn Owoko	0131	36,000.00
157	25	Tom Alex Majani	0133	65,500.00
158	25	Tom Amolo	0134	45,000.00
159	25	Edwin Oloo	0135	55,500.00
160	25	Muturru Gitonga	0136	48,500.00
161	25	Mary Ndiangui	0137	48,500.00
162	25	Anne Musalia	0138	108,500.00
163	25	Thomas Omuga	0139	118,500.00
164	25	Eunice Wando	0140	108,500.00
165	25	Josephine Kasera	0141	115,500.00
166	25	Bibiana Chege	0142	48,500.00
167	25	Boniface Wanyama	0143	24,000.00
168	25	Tabitha I masusila	0144	219,500.00
169	25	Bengolle Owado	0145	37,500.00
170	25	Joe B Alaroembura	0146	75,000.00
171	25	Eunice A Wandera	0147	45,000.00
172	25	Enos Magwa	0148	182,000.00
173	25	Lina Ayako	0149	45,000.00
174	25	Jane Bosibon	0150	37,500.00
175	25	Alice Kimondiu	0151	37,500.00
176	25	Nancy W Mwangi	0152	60,000.00
177	25	Daniel Ndungu	0153	37,500.00
178	25	James M Kiburi	0154	45,000.00
179	25	James M Kiburi	0155	197,000.00
180	25	Rose G Kurni	0156	21,875.00
181	25	Jane W ngari	0157	27,250.00
182	25	Haroun N Murara	0158	45,000.00
183	25	Haroun N Murara	0159	60,000.00
184	26	Elizabeth W Theiri	0160	45,000.00
185	25	Lilian Nanjira	0161	18,000.00
186	26	Catherine N Kioko	0162	35,000.00

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187	26	Moinca W Ernest	0163	26,000.00
188	26	Elizabeth N Njuguna	0164	45,000.00
189	26	Lilian M Sammy	0165	30,000.00
190	26	Onuanlo Jaquiline	0166	37,500.00
191	26	Edith A Oyiengo	0167	35,000.00
192	26	Job Simiyu	0168	37,500.00
193	26	Milk M Omulo	0169	45,000.00
194	26	Janet A Odero	0170	37,500.00
195	26	Mike Oloo	0171	45,000.00
196	26	Jane Thbury	0172	42,500.00
197	26	George Ochieng	0173	42,500.00
198	26	Fred Oanda	0174	60,000.00
199	26	George Ogodo	0175	42,500.00
200	26	Albert Eingati	0176	50,000.00
201	26	Peter Owoko	0177	30,000.00
202	26	Paul Odhiambo	0178	2,021,000.00
203	26	Maryanns Wambui	0179	150,000.00
204	26	Daniel O Odidi	0180	60,000.00
205	26	Bernard Were	0181	37,500.00
206	26	Samuel Boto	0182	251,390.00
207	26	James M Gachungi	0183	33,000.00
208	26	Jason T Miriti	0184	18,000.00
209	26	Muni Karwri	0185	174,500.00
210	26	Peris Mugo	0186	159,500.00
211	26	Aghan Patrick	0188	518,000.00
212	26	David S Masafu	0189	50,000.00
213	26	Kennedy C Kabetv	0190	633,800.00
214	26	Elijah K Mungai	0191	385,000.00
215	26	Caucella Ondiel	0192	538,000.00
216	27	S Musyoka Nyampa	0193	50,000.00
217	27	Jane Mumo	0196	534,420.00
218	27	Truphene Oduul	0197	338,445.00
219	27	Antony Mbasi	0198	75,000.00
220	27	Albert Ekirapa	0199	173,000.00
221	27	Robert M Omosa	0200	30,000.00

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222	27	Caroline Wanyama	0201	30,000.00
223	27	Samuel Gichuhi	0202	485,910.00
224	27	David Onsomu	0204	1,148,300.00
225	28	Owen Mwaniki	0098	440,500.00
226	28	Paschal M Mauite	0099	397,500.00
227	28	Paul K Mwongera	0100	417,500.00
228	28	Jane M Kiarie	0101	422,500.00
229	28	Anne W Muya	0102	402,500.00
230	28	Apollo Aduko	0103	417,500.00
232	28	Daniel O Odidi	0105	55,000.00
237	28	Patrick Mandere	0110	27,200.00
242	28	Jane Mumo	0115	509,390.00
244	28	Peter N Wamuri	0117	26,000.00
245	28	Prof George Godia	0118	80,000.00
246	28	Jane Ewtheuri	0122	47,400.00
247	28	Kenneth Kabetu	0123	103,000.00
248	28	Karuu Kimanda	0124	155,300.00
249	28	Friday G Chahale	0125	28,000.00
250	28	Benson M Adqas	0126	34,500.00
251	28	Pius K Mutisya	0127	59,500.00
252	28	Peris Mugo	0128	147,000.00
253	28	Francis Kimosop	0129	65,000.00
254	28	Ken B Orina	0130	73,000.00
255	28	Everlyne Vitagwa	0131	89,000.00
256	28	Janet N Kanewa	0132	317,600.00
257	28	Edwin Oloo	0133	56,710.00
258	29	S K Murunga	0134	35,500.00
259	29	Eunice Nyokabi	0135	37,000.00
260	29	Martha Ekiinda	0136	34,500.00
261	29	Lydia Oikunju	0137	40,000.00
262	29	Samuel Githigia	0138	34,000.00
263	29	Isaac Thuita	0139	29,000.00
264	29	Musa Wambua	0140	58,809.00
265	29	Allan Maina	0141	13,800.00
266	29	James Karukuru	0142	137,500.00

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267	29	Samuel Gichuhi	0143	34,500.00
268	29	Rahab Njehia	0144	20,700.00
269	29	James K Mibei	0145	55,000.00
270	29	John K Mwangi	0146	20,000.00
271	29	Agnes Odawa	0147	28,000.00
272	29	Sacome Maina	0148	26,500.00
273	29	Sacome Maina	0149	43,500.00
274	29	Lydia Njogi	0150	20,000.00
275	29	Lucy W Murage	0151	105,400.00
276	29	Fred Oanda	0154	77,750.00
277	29	Edita Mugeru	0155	345,962.00
278	29	Z W Andera	0156	59,500.00
279	29	James Kairu	0157	34,500.00
280	29	David G Amunga	0158	1,831,900.00
281	30	Betty M Kinyua	0159	87,200.00
282	30	Adan Abdullahi	0163	253,98.00
284	30	Hellen U Gicith	0165	2,500.00
285	30	Daniel N Ndungu	0166	20,000.00
287	30	Hassan Ahmed	0168	56,000.00
288	30	Susan Kadule	0169	56,000.00
292	30	Hellen K Kimathi	0173	52,000.00
293	30	Susan W Mburu	0174	268,495.00
294	30	Jane Ngugi	0175	2,696,250.00
295	30	Patrick Mandere	0177	8,000.00
296	30	Caroline Wanyama	0178	250,500.00
297	30	E Nguono	0179	38,000.00
299	31	Dominic Mutui	0185	3,000.00
300	31	Dominic Mutui	0185	40,000.00
301	31	Simon Mbera	0188	630,350.00
302	31	Shahsa Mohamed	0189	65,500.00
303	31	Jared Nyamwegi	0190	200,227.00
304	31	Elizabeth Ohello	0191	337,060.00
305	31	Christopher Yegon	0192	49,000.00
306	31	Margaret Thuo	0193	18,000.00
307	31	Catherine W Wachira	0194	27,000.00

308	31	Elijah K Mungai	0195	379,680.00	
309	31	Mrima Aldphonce	0196	65,500.00	
310	31	Peace Agufana	0197	48,500.00	
311	31	Anne W Njenga	0198	59,500.00	
312	31	K N Lagat	0199	56,000.00	
313	31	Daniel N Ndungu	0206	57,000.00	
314	31	Keitany Francis	0207	25,200.00	
315	32	Daniel N Ndungu	0268	37,500.00	
316	32	John K Mwangi	0269	36,200.00	
317	32	Peter K Mbuthia	0270	1,350,000.00	
318	32	Tabiithan N Munusi	0271	45,500.00	
319	32	Susan Wangari	0272	37,000.00	
320	32	Allan Maina	0273	48,000.00	
321	32	David Onsomu	0274	183,000.00	
322	32	Jacintan Mbuoma	0275	29,000.00	
323	32	Moses O Oluoch	0276	48,500.00	
324	32	Lilyann Ndanu	0277	10,000.00	
325	32	David Onsomu	0278	16,000.00	
326	32	Robert Maina	0279	2,686,840.00	
327	32	S O Michira	0280	2,160,000.00	
328	32	Mihngi Inoti	0281	49,000.00	
329	32	Pamela Mugo	0282	17,050.00	
330	32	Benard Orina	0283	52,000.00	
331	32	Martha Odundo	0284	55,000.00	
332	32	Paul Odhiambo	0285	1,921,300.00	
333	32	Boazj Adungu	0286	39,000.00	
334	32	Nerry J Otieno	0287	48,000.00	
336	32	Alaryann Wambui	0291	4,000.00	
337	32	Maryam S Wambui	0291	150,000.00	Two 291s
338	32	Christine Otiend	0292	54,000.00	
339	32	Edvan Oloo	0293	55,500.00	
340	32	Samuel Boto	0294	251,390.00	
341	32	George Mwenya	0295	32,500.00	
342	32	Samuel Gichuhi	0296	159,055.00	
343	32	Petty Mumbik	0297	387,200.00	

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344	32	Tom Alex Majani	0298	64,500.00
345	32	Fred Oanda	0299	60,000.00
346	32	Alice Kimondiu	0300	37,500.00
347	32	Rachel N'dungu	0301	2,324,000.00
348	32	Rose W Gikurn	0302	8,125.00
349	32	Rose W Gikurn	0302	21,875.00
352	33	Pamela Owich	0308	65,500.00
353	33	Mary N Karanja	0309	27,000.00
354	33	Stephen Mugo	0310	18,000.00
355	33	Jane N Kamau	0311	18,000.00
356	33	Jacob Chesumo	0312	22,500.00
357	33	Bernadette Owade	0314	37,500.00
358	33	James M Gachungi	0315	12,000.00
359	33	James M Gachungi	0315	27,000.00
360	33	Jane Wangari	0316	10,250.00
361	33	Jane Wangari	0316	27,000.00
362	33	Peter Owoko	0317	2,600.00
363	33	Peter Owoko	0317	30,000.00
364	33	Albert K Kirapa	0318	13,000.00
365	33	Albert K Kirapa	0318	173,000.00
366	33	Carolyne Wantome	0319	30,000.00
367	33	Timothy G Ndungu	0320	48,500.00
368	33	Mary W Kangethe	0321	315,300.00
369	33	Mwele Magdaleny	0322	278,875.00
370	33	Jennifer Mbuti	0323	323,800.00
371	33	Miriam Magigaga	0324	26,000.00
372	33	Boniface Lemuimagi	0325	74,730.00
373	33	E W Wanjala	0326	65,500.00
374	33	Luke Sikoya	0327	75,000.00
377	33	Daguing Njoroge	0330	55,000.00
379	33	Hariki Muni	0332	174,500.00
380	33	Elizabeth N Njuguna	0333	4,500.00
381	33	Jason T Miriti	0334	18,000.00
382	33	Lilian Nanjira	0335	18,000.00
383	34	Bibiana Chege	0336	48,500.00

384	34	Daniel Simiyu	0337	32,500.00
385	34	Ayago Linrh	0338	45,000.00
386	34	Evenyn Owoko	0339	36,000.00
387	34	Janet Odero	0348	37,500.00
388	34	Thomas Moturi	0349	22,500.00
389	34	Ends Mariwa	0350	18,200.00
390	34	Job Simiyu	0351	37,500.00
391	34	Daniel Owiti	0352	60,000.00
392	34	James Mwanegi	0353	23,275.00
393	34	Robert Omosa	0354	30,000.00
394	34	Edith A Oyiengo	0355	35,000.00
395	34	Kenneth Kabetu	0356	627,000.00
396	34	Jane Theuri	0357	42,500.00
397	34	Joe Ocharo	0358	75,000.00
398	34	Martha M Kiriago	0359	74,800.00
399	34	Mikra M Omolo	0360	45,000.00
400	34	Nancy W Mwangi	0361	30,000.00
401	34	Catherine N Kioko	0362	35,000.00
402	34	Kenn Odogah	0363	342,360.00
403	34	Monica W Ernest	0364	26,000.00
404	34	Lilian M Sammy	0365	30,000.00
405	34	Robert M Omosa	0366	218,000.00
406	35	Franklin Mutani	0367	2,632,120.00
407	35	James M Kiburi	0368	169,952.00
408	35	Elijah Mwaniki	0369	49,000.00
409	35	Jesse K Mwangi	0370	30,000.00
410	35	Agnes W Gathire	0371	16,000.00
411	35	Peter K Gachathi	0372	38,000.00
413	35	Paul Mwangi	0374	55,000.00
414	35	Daniel Karasa	0379	2,715,600.00
415	35	John Mugo	0380	135,468.00
419	35	Abollo Aduko	0384	417,500.00
420	35	K C Kaben	0385	21,435.00
421	35	Jane Mumo	0386	532,630.00
422	35	Haroun Ndroge	0387	75,460.00

423	35	Prof George Godia	0388	66,000.00	
424	35	Michael Oloo	0389	45,000.00	
425	35	K N Lagat	0390	124,625.00	
426	35	Rose W Wanjohi	0391	65,500.00	
427	35	Boniface Wanyama	0392	222,357.00	
428	35	Mary Diangui	0393	48,500.00	
429	35	George Ochieng	0394	42,500.00	
430	35	George Ogodo	0395	42,500.00	
431	35	S Musyoka Nyampa	0396	50,000.00	
432	35	Anthony Mbasi	0397	75,000.00	
433	35	Concelia Ondiek	0398	509,250.00	
434	35	Agnes K Odawa	0399	115,006.00	
435	35	Otini R Joel	0400	537,930.00	
436	35	Aghan Patrick	0401	518,000.00	
437	35	Susan Munume	0402	112,660.00	
438	35	Ann Muya	0403	402,500.00	
439	35	Bernard Were	0404	37,500.00	
440	36	Eunice Wando	0405	89,000.00	
441	36	Albert E Ingati	0406	50,000.00	
442	36	Jane Bosi bori	0407	37,500.00	
443	36	Jacklyne Onyango	0408	37,500.00	
444	36	Eunice Wandera	0409	45,000.00	
445	36	Samuel Ngaroiya	0410	92,857.00	
446	36	Francis Kimosop	0411	2,272,240.00	
447	36	Joseph Wamochi	0430	135,500.00	
448	36	Justus J Malleri	0431	49,000.00	
449	36	David S Masau	0432	50,000.00	
450	36	Akiya John	0433	66,500.00	
451	36	Mutuari Gitonga	0434	40,950.00	
452	36	Ongemus Kiminla	0435	3,701,165.00	
453	36	Evelyn A Ondongu	0436	205,610.00	
454	36	Truphene Oduul	0437	338,445.00	
455	36	Josephine Kasera	0441	115,500.00	
					99,643,071.00
Amounts in					

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detailed testing not in overall list summary *						
	Mary Wambui	2	9,000.00			
	Mary Abom	3	18,000.00			
	Bore Kibet	4	64,500.00			
	Dr Felicta Mjuguna	116	74,814.50			
	Newton Okuatsa	127	18,000.00			
	Charles D Khayna	135	24,000.00			
	Jane W Muchai	141	18,000.00			
	Salome W Maine	155	15,000.00			
	Concellia Omunga	172	24,000.00			
	Silas M Muuna	209	28,000.00			
	Peter Owoko	270	18,000.00			
			(311,314.50)			
			99,331,756.50			

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25.5 SCHEDULE NO: 5-UNSUPPORTED IMPREST FY 2008-KSHS 158,370

Number	Year end	Date per imprest	Page per cash book	Payee	Description as per imprest	Amount Ksh	Voucher Number	Supported	Travel	Fuel	Lunch	Per Diem	Unsupported	Travel	Per Diem over claimed on daily rate rather than per night
3	2007/08	18/10/2007		MARY ABOM	1-799-320-6780570	18,000.00	3	16,800.00				16,800.00	1,200.00		1,200.00
4	2007/08	14/11/2007	11	BORE KIBET	1-799-320-6780507	64,500.00	4	62,500.00				62,500.00	2,000.00		2,000.00
104	2007/08	19/06/2008	28	GEORGE OGODO	1-799-0320-6780101	36,000.00	104	33,500.00	1,000.00			32,500.00	2,500.00		2,500.00
106	2007/08	19/06/2008	28	GEORGE OCHIENG	1-799-0320-6780121	38,000.00	106	36,000.00	1,000.00			35,000.00	2,000.00		2,000.00
108	2007/08	19/06/2008	28	ELIJAH MUNGAI	1-799-0320-6780101	94,000.00	108	54,000.00	1,000.00			45,000.00	40,000.00		40,000.00
109	2007/08	19/06/2008	28	CECILIAH KIHEMBE	1-799-0320-6780101	28,000.00	109	14,000.00	1,000.00			14,000.00	14,000.00		14,000.00
116	2007/08	19/06/2008	28	IRAM NJOROGE	1-799-8820-6780101	37,000.00	116	35,000.00	1,000.00			34,500.00	2,500.00		2,500.00
270	2007/08			PETER OWOKO	1-799-320-6780570	18,000.00	270	16,800.00				16,800.00	1,200.00		1,200.00
288	2007/08	27/06/2008		LUCY OJIO ANYANGO	0-799-0370-6780101	52,000.00	288	47,500.00	2,000.00			45,500.00	4,500.00	1,000.00	3,500.00
306	2007/08	27/06/2008		FREDRICK E INAYA	1-799-0320-6780101	25,200.00	306	22,200.00			1,200.00	21,000.00	3,000.00		3,000.00
329	2007/08	28/06/2008		Dominic Mutuhi		10,000.00	329	7,500.00				7,500.00	2,500.00		2,500.00
381	2007/08	30/06/2008		OWEN MWANIKI	1-799-320-6780101	440,000.00	381	420,700.00	175,000.00	35,900.00	175,000.00	34,800.00	19,800.00		19,800.00
						865,200.00	12	766,000.00	188,000.00	35,900.00		365,900.00	95,200.00	1,000.00	94,200.00

Number	Year end	Date per imprest	Page per cash book	Payee	Description as per imprest	Amount Ksh	Voucher Number	TYPE	Imprest warrant signed	Supported	Travel	Per Diem	Unsupported	Travel
38	2007/08	22/04/2008	17	JANE M NGUGI	1-799-320-6780574	100,540.00	38	CASH	N	46,270.00	46,270.00		54,270.00	52,270.00
288	2007/08	27/06/2008		LUCY OJIO ANYANGO	0-799-0370-6780101	52,000.00	288	CASH	N	47,500.00	2,000.00	45,500.00	4,500.00	1,000.00

152,540.00 2 93,770.00 48,270.00 45,500.00 58,770.00 53,270.00

Number	Year end	Date per imprest	Page per cash book	Payee	Description as per imprest	Amount Ksh	Voucher Number	TYPE	Imprest warrant signed	Supported	Travel	Unsupported	Travel	Total
2	2007/08	18/10/2007	11	MARY WAMBUI	1-799-320-6780570	9,000.00	2	CASH	N			9,000.00		
38	2007/08	22/04/2008	17	JANE M NGUGI	1-799-320-6780574	100,540.00	38	CASH	N	46,270.00	46,270.00	54,270.00	52,270.00	11,000.00
						109,540.00	2			46,270.00	63,270.00	52,270.00		

Number	Year end	Date per imprest	Payee	Amount Ksh	Voucher Number	TYPE	Imprest warrant signed	Imprest returned within 48hrs	Supported	Travel	Per Diem	Unsupported	Travel
328	2007/08	28/06/2008	WENYAA SALOME	55,000.00	328	CASH							
							N		55,100.00	7,600.00	47,500.00	(100.00)	
						55,000.00	1		55,100.00	7,600.00	47,500.00	(100.00)	

Unsupported Expenditure Financial Year 2007/08	Ksh	%	Quantity
Per diems claimed on a daily basis	94,200.00	59.5%	12
Travel expenditure	53,270.00	33.6%	2
Accommodation, room hire, air time and stationary	11,000.00	6.9%	2
No supporting evidence	(100.00)	-0.1%	1
	198,370.00	100.0%	17

25.6 SCHEDULE NO: 6-CHEQUE PAYMENT-NO EVIDENCE KSHS 684,818,345.75

No.	Annotations	Cheque No.	Withdrawals Ksh	Supporting Information Received Ksh	Supporting Information Not Received Ksh
1	Humanitarian Fund (P.E.V. 2007)	000116	242,000,000.00	242,000,000.00	-
2	FSE Disbursement	000179	222,170,006.00	222,170,006.00	-
3	Cheque to M.O.H.E. (Tivet)	000098	200,000,000.00	-	200,000,000.00
4	Cheque to M.O.H.E. (Tivet)	000399	149,340,000.00	-	149,340,000.00
5	Cheque to M.O.H.E. (Tivet)	000196	139,080,000.00	-	139,080,000.00
6	Cheque to M.O.H.E. (Tivet)	000343	59,320,000.00	-	59,320,000.00
7	Kenya Education Staff Institute	000353	57,140,000.00	-	57,140,000.00
8	ABE	000092	41,585,000.00	-	41,585,000.00
9	Teachers Service Commission	000392	19,570,000.00	-	19,570,000.00
10	Kenya National Examination Council	000271	17,000,000.00	-	17,000,000.00
			1,147,295,006.00	464,170,006.00	683,035,000.00
11	Merry Count	000427	955,248.00	-	955,248.00
12	Mombasa Poly (Hotel)	000138	368,307.75	-	368,307.75
13	Kaimoi TTC	000280	298,000.00	-	298,000.00
14	Garissa TTC	000318	100,000.00	-	100,000.00
15	Maraways (air tickets)	000376	61,790.00	-	61,790.00
			1,148,988,351.75	464,170,006.00	684,818,345.75
	Remaining cheque payments		323,442,044.40	Not requested	Not requested
	Total cheque payments		472,430,396.15	464,170,006.00	684,818,345.75

25.7 SCHEDULE NO: 7-SKE PAYMENTS-NO EVIDENCE KSHS 5,129,297,753.00

No.	Date Day	Date Month	Description	Withdrawals KSH	%
1	10/07/2008	Jul-08	SKE00130B0000190-00002	1,936,000,000.00	28.1%
2	29/12/2008	Dec-08	SKE00130B0000255-00001	706,750,000.00	10.3%
3	29/12/2008	Dec-08	SKE00130B0000250-00001	460,800,000.00	6.7%
4	24/03/2009	Mar-09	SKE00130B0000295-00001	394,223,360.00	5.7%
5	31/12/2008	Dec-08	SKE00130B0000265-00001	357,502,156.00	5.2%
6	20/03/2009	Mar-09	SKE00130B0000289-00001	306,152,960.00	4.4%
7	24/03/2009	Mar-09	SKE00130B0000301-00001	266,574,400.00	3.9%
8	24/03/2009	Mar-09	SKE00130B0000293-00001	242,681,600.00	3.5%
9	24/03/2009	Mar-09	SKE00130B0000296-00001	238,902,400.00	3.5%
10	24/03/2009	Mar-09	SKE00130B0000299-00002	216,525,120.00	3.1%
				5,126,111,996.00	74.4%
11	09/07/2008	Jul-08	SKE00130B0000191-00002	1,383,200.00	0.0%
12	24/03/2009	Mar-09	SKE00130B0000300-00001	947,200.00	0.0%
13	20/02/2009	Feb-09	SKE00130B0000282-00003	559,470.00	0.0%
14	25/07/2008	Jul-08	SKE00130B0000198-00003	264,383.00	0.0%
15	10/07/2008	Jul-08	SKE00130B0000189-00003	31,504.00	0.0%
				5,129,297,753.00	74.4%
	Remaining SKE payments			1,760,920,759.00	25.6%
	Total SKE payments			6,890,218,512.00	100.0%

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