



ETHICS AND ANTI-CORRUPTION COMMISSION

ANNUAL REPORT

2012/2013

Prepared and issued in accordance with Section 27 of the
Ethics and Anti-Corruption Commission Act, 2011



Ethics and Anti-Corruption Commission

**Report of Activities
and
Financial Statements
for the
Financial Year 2012/2013**

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Ethics and Anti-Corruption Commission Act, 2011.**

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LIST OF ABBREVIATIONS AND ACRONYMS

ACECA	- Anti -Corruption and Economic Crimes Act	Kshs	- Kenya Shilling
AfDB	- African Development Bank	KACC	- Kenya Anti-Corruption Commission
AJEA	- Annual Journalism Excellence Awards	KAA	- Kenya Airports Authority
APSEA	- Association of Professional Societies in East Africa	KEBS	- Kenya Bureau of Standards
AG	- Attorney General	KIE	- Kenya Industrial Estates
BVI	- Biometric Voter Identification	KESAP	- Kenya Society of Agricultural Professionals
CAJ	- Commission on Administrative Justice	KENAO	- Kenya National Audit Office
CJPC	- Catholic Justice and Peace Commission	KRA	- Kenya Revenue Authority
CCN	- City Council of Nairobi	KeRRA	- Kenya Rural Roads Authority
CDF	- Constituency Development Fund	LATF	- Local Authority Transfer Fund
CTDLT	- Catering & Tourist Development Levy Trustee	LASDAP	- Local Authority Service Delivery Action Plan
CONAC	- Commission Nationale Anti-Corruption	MoE	- Ministry of Education
CRAMP	- Corruption Risk Assessment and Management Plans	NACC	- National Aids Control Council
CPC	- Corruption Prevention Committees	NBI	- Nairobi
DCEC	- Directorate on Corruption and Economic Crime	NCPB	- National Cereals and Produce Board
DFID	- Department for International Development	NACP	- National Anti-Corruption Plan
DPP	- Director of Public Prosecutions	NCCG	- Nairobi City County Government
EACC	- Ethics and Anti-Corruption Commission	NSSF	- National Social Security Fund
FPE	- Free Primary Education	NSCE	- National Survey on Corruption and Ethics
FY	- Financial Year	OLAF	- European Anti Fraud Office
GOK	- Government of Kenya	PC	- Performance Contracts

HCCC	- High Court Civil Case	PPDA	- Public Procurement and Disposal Act
HC JR	- High Court Judicial Review	PPDR	- Public Procurement and Disposal Regulations
IAO	- Integrity Assurance Officer	PPOA	- Public Procurement Oversight Authority
IEC	- Information, Education and Communication	PSIP	- Public Service Integrity Programme
IEBC	- Independent Electoral and Boundaries Commission	REDD+	- Reducing Emissions from Deforestation and Forest Degradation
IPOA	- Independent Police Oversight Authority	SACCO	- Savings and Credit Co-operative
ITP	- Integrity Testing Programme	SAFAC	- Southern African Forum against Corruption
ICT	- Information and Communication Technology	StAR	- Stolen Asset Recovery
IPCRM	- Integrated Complaints Reporting Mechanism	TSC	- Teachers' Service Commission
IPPD	- Integrated Personnel Payroll Database	UK	- United Kingdom
JSSR	- Judicial Service Staff Regulations	UNCAC	- United Nations Convention against Corruption
KEWI	- Kenya Water Institute	UNODC	- United Nations Office on Drugs and Crime
KPLC	- Kenya Power and Lighting Company	UNDP	- United Nations Development Programme
KEPSHA	- Kenya Primary Schools Heads Association		
KICD	- Kenya Institute for Curriculum Development		
KIF	- Kenya Integrity Forum		
KISE	- Kenya Institute of Special Education		
KTN	- Kenya Television Network		
NCIC	- National Cohesion and Integration Commission		
KNHCR	- Kenya National Commission on Human Rights		
KNEC	- Kenya National Examinations Council		



MISSION STATEMENT

OUR MANDATE

To combat corruption and economic crime in Kenya through law enforcement, prevention and public education as stipulated in the Anti-Corruption and Economic Crimes Act, 2003.

VISION

To be a world class institution fostering zero tolerance to corruption in Kenya.

MISSION

To combat corruption and economic crime through law enforcement, prevention and public education.

CORE VALUES

Courage
Integrity
Teamwork
Professionalism
Fidelity to the law
Excellence in service

MEMBERS OF THE ETHICS AND ANTI-CORRUPTION COMMISSION



Mr. Mumo Matemu, MBS
Chairperson



Commissioner Irene C. Keino, MBS
Vice Chairperson



Commissioner (Prof.) Jane K. Onsongo, PhD



Mr. Halakhe D. Waqo, ACI Arb
Commission Secretary/ Chief Executive Officer



MESSAGE FROM THE CHAIRPERSON



Following the promulgation of the Constitution of Kenya 2010, the war against corruption got a boost through Article 79 and 80 which provided for the establishment of Ethics and Anti-Corruption Commission (EACC) as an independent body charged with the mandate of enforcing the Leadership and Integrity Chapter of the Constitution. The passing of the EACC Act, 2011 stipulated a framework for the delivery of the Commission's mandate of combating corruption and economic crime through education, prevention, law enforcement among others.

Unlike the predecessor KACC, the EACC has full time Commission members and a Secretariat. The Commission is comprised of a Chairperson and two Members who are responsible for policy direction. The Secretariat is headed by the Secretary who also serves as the Chief Executive Officer who is responsible for implementing decisions of the Commission.

Over the reporting period, the Commission initiated various reform measures to facilitate smooth transition from KACC to the EACC and to align its operations so as to enable the discharge of its mandate. The Commission successfully vetted all the staff of the former Commission as a requirement for transiting into EACC in fulfillment of the legal requirement. Further, the Commission undertook a job evaluation exercise that was aimed at developing an appropriate organizational structure, determining the optimal staffing levels, developing career progression guidelines for the staff with a view to attracting and retaining qualified staff.

With all these legal and institutional reforms, the Commission is in a better position to fight corruption, economic crimes and unethical conduct in the country. However, any meaningful achievement in this front can only be realized when all the stakeholders play their role. I therefore call on all Kenyans and our development partners to join hands in this endeavor.

Thank you,

A handwritten signature in black ink, appearing to read 'Mumo Matemu'. The signature is fluid and cursive, written over a white background.

**MUMO MATEMU, MBS
CHAIRPERSON**

MESSAGE FROM THE SECRETARY/CHIEF EXECUTIVE OFFICER



This Annual Report for the Financial Year 2012-2013 has been published on the second anniversary since the establishment of the Ethics and Anti-Corruption Commission in September 2011. This is the same year that Kenya marked a historical event where the first election under the new Constitutional dispensation was held. The Commission's mandate of fostering zero tolerance to corruption continued to resonate to the citizenry's expectations of equality and equity in service delivery. Without doubt, the Commission has made great strides in combating and preventing corruption and economic crime as stipulated in the Ethics and Anti-Corruption Commission Act of 2011.

We recognize that the journey of improvement never stops. It is through this realization that the Commission has continued to intensify its operations in prevention, public education and law enforcement towards the realization of Vision 2030 and the achievement of Millennium Development Goals, 2015.

The reporting year was a very active one, with major changes and developments taking place in the Commission. The Commission successfully completed vetting its entire staff in accordance with Section 34 of the EACC Act 2011. The objective of the exercise was to ensure that the men and women serving at the Commission are people of integrity and suitable given the critical role the Commission plays in implementing Chapter 6 of the Constitution on Leadership and Integrity and ensure a country founded on integrity, high ethical and moral values and the rule of law. Out of the 251 officers vetted, 236 officers were cleared; 21 had their contracts not renewed or terminated.

In the spirit of determining the relative value of jobs within the Commission, a systematic study and detailed analysis of job duties, relationships and requirements was conducted. The exercise was carried out in partnership with the Directorate of Public Service Management under the Ministry of Planning and Devolution. The exercise culminated in to the development of the EACC Organization and Staffing Guidelines, Career Progression Guidelines for Staff, and Staff Rules and Regulations among others.

In the same period, the Commission embarked on the development of its 3rd Strategic Plan (2013-2018) which defines the strategic direction and focus of the Commission for the next five years. The Strategic Plan will align the Commission's goals, strategic objectives and strategies with the Constitution of Kenya, the Kenya Vision 2030 and the 2nd Medium Term Plan (2013-2017).

Much of the achievements of the Commission are contained in the body of this report. However, allow me to highlight some of key outputs during this reporting period:



Law Enforcement

The Commission received and analyzed a total of **3,355** reports at its headquarters and its five Regional Offices. Out of these, **1,423** were within the Commission's mandate which represents **46 percent** of the total reports received. The number of reports received dropped by **36 percent** from **5,230** in 2011/2012 to **3,355** in the reporting period. The drop in the reports may be attributed to recent reforms in government which have created institutions with mandates that compliment the work of the Commission. Bribery incidences took the larger share of the reported complaints at **26 percent**, followed by abuse of office at **25 percent**, embezzlement of public funds at **18 percent**, public procurement irregularities at **8 percent** and **10 percent** coming from fraudulent acquisition and disposal of public property.

During the year under review, a total of **1,688** investigation cases continued to be carried out/were opened. **55** investigations were completed and the files forwarded to the Office of the Director of Public Prosecution (DPP) for action. Out of these files, the Commission recommended **32** for prosecution, **8** for administrative action and **15** for closure due to lack of evidence. Out of the **32** recommendations to prosecute, **28** cases were taken to court following the recommendation of the DPP. During the same period, the Commission continued to support the prosecution of **121** ongoing cases taken to court in previous years.

The Commission completed **27** asset-tracing inquiries worth **Kshs.16.38 Billion** in respect of public assets that had been illegally acquired. Recovery processes for these assets are ongoing. Assets valued at approximately **Kshs. 567,408,217.00** were recovered through court proceedings and out of court settlements. Among these were; L.R. Nos. 2116/41/VII, 2116/42/VII and 2116/30/VII belonging to Ministry of Health valued at **145 million** and Eldoret Municipality/Block 3/28 belonging to Uasin Gishu County valued at **80 million**. The Commission also conducted corruption disruption activities that averted the loss of approximately **Kshs.55 Billion**.

Preventive Services

The Commission continued with the implementation of corruption prevention programmes by offering advisory services; building partnerships and coalitions against corruption; enhancing integrity in the public service; providing public education and creating awareness; promoting standards and best practices; and undertaking research on corruption on governance related issues.

The Commission conducted examinations into the systems, policies, procedures and practices of three (3) public institutions. The examinations focused on areas of Payroll Management System, Financial, Supply Chain and Human Resources Management.

The Commission continued to forge partnerships and collaborations with the public and private sector players in the fight against corruption. Among the key outputs of the collaborations were; the development of Anti-Corruption Policies and Codes of Conduct for 19 ministries, development of Institutional Corruption Eradication sub-indicators among others.

In the year under review, the Commission conducted several trainings of Integrity Assurance Officers and Corruption Prevention Committees. A total of five hundred and six (506) Integrity Assurance Officers and nine hundred and fifty two (952) Corruption Prevention Committees (CPC) members from various institutions within the country were trained.

The Commission continued to implement education, awareness and training programs in order to enlist the public in the promotion of integrity and corruption intolerance. During the year under review, the Commission conducted regional anti-corruption outreach clinics in five Counties namely; Uasin-Gishu, Kericho, Marsabit, Makueni and Isiolo.

The Commission continued to conduct research in order to determine the nature, extent and magnitude of corruption and unethical conduct in Kenya. Two national surveys; National Survey on Corruption and Ethics, 2012 and Ethics and Corruption Baseline Survey were conducted. A thematic study on Perspectives on Corruption in the Judiciary was also conducted.

Challenges

The challenge of transition continued to affect operations of the Commission. Despite approval by Parliament and appointment by the President, the Chairperson and members of the Commission were not able to take Oath of Office and assume office immediately due to a court case challenging the appointment of the Commission's Chairperson. This exposed the Commission to legal challenges being raised in court about its constitution and the authority of the acting Chief Executive.

The efforts in the fight against corruption by EACC and other relevant institutions remain uncoordinated and varied due to the absence of National Anti-Corruption Policy to guide the process. This has affected investigation and asset recovery by EACC particularly in areas which require an integrated approach among all institutions which may be involved in the matter. Thereby, EACC's capacity to deliver on its mandate is affected.

Despite the on-going reforms taking place in the Judiciary, the judicial process and the adjudication of cases is still slow. EACC continue being affected by adverse judicial decisions which stopped investigations or prosecution of cases.

The Commission has been faced with constraints on its human resource capacity, which has been occasioned by the expansion of its services country wide, in tandem with the devolved system of government.

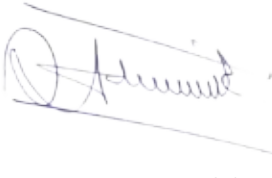
Going Forward

Despite the challenging conditions before us, the Commission's commitment and dedication to the fight against corruption remain ambitious. Looking ahead, we will build on the positive momentum so far and continue to enlist support in the war against corruption working with many stakeholders throughout the country. The success of the work of the Commission hangs on public recognition of the challenge of corruption in Kenya and the mobilization of support towards its eradication. Nevertheless, we remain confident we can meet and exceed our



goals, recognizing that opportunities for risk management are practically limitless, provided we harness the power of collaboration. If the achievements of the reporting year are any indication, we are moving in the right direction. To succeed we must aggressively deal with the challenges ahead.

Finally, I am confident that the resilience of our strategic operations, combined with the capacity of our management team and the selfless dedication of our staff, will help us sustain our frontline position in the fight against corruption

A handwritten signature in blue ink, appearing to read 'Halakhe D. Waqo', is written over a horizontal line that extends across the page.

HALAKHE D. WAQO, ACI Arb
SECRETARY/CHIEF EXECUTIVE OFFICER

1.1 Introduction

The Ethics and Anti-Corruption Commission (EACC) is a statutory body established under the Ethics and Anti-Corruption Act, 2011. Its mandate is to combat corruption and economic crime through education, prevention, and law enforcement. Although the Commission is empowered to conduct mediation, conciliation and negotiation, a distinction ought to be made between a power and a function.

This Annual Report is prepared pursuant to the provisions of Section 27 of the Anti-Corruption and Economic Crimes Act, 2003. The Report contains the financial statements of the Commission; details of the activities undertaken and the achievements made; other statistical information the Commission considers appropriate; recommendations made to the state departments; impact of its mandate or function; any impediments to the achievements of the objectives and functions under the Constitution and any other information relating to its functions.

1.2 Functions and Structure of EACC

1.2.1 Functions

The Commission derives its mandate from the provisions of Articles 79, 80 and 252 of the Constitution of Kenya, the Ethics and Anti-Corruption Commission Act, 2011, the Anti-Corruption and Economic Crimes Act, 2003 and the Leadership and Integrity Act, 2012.

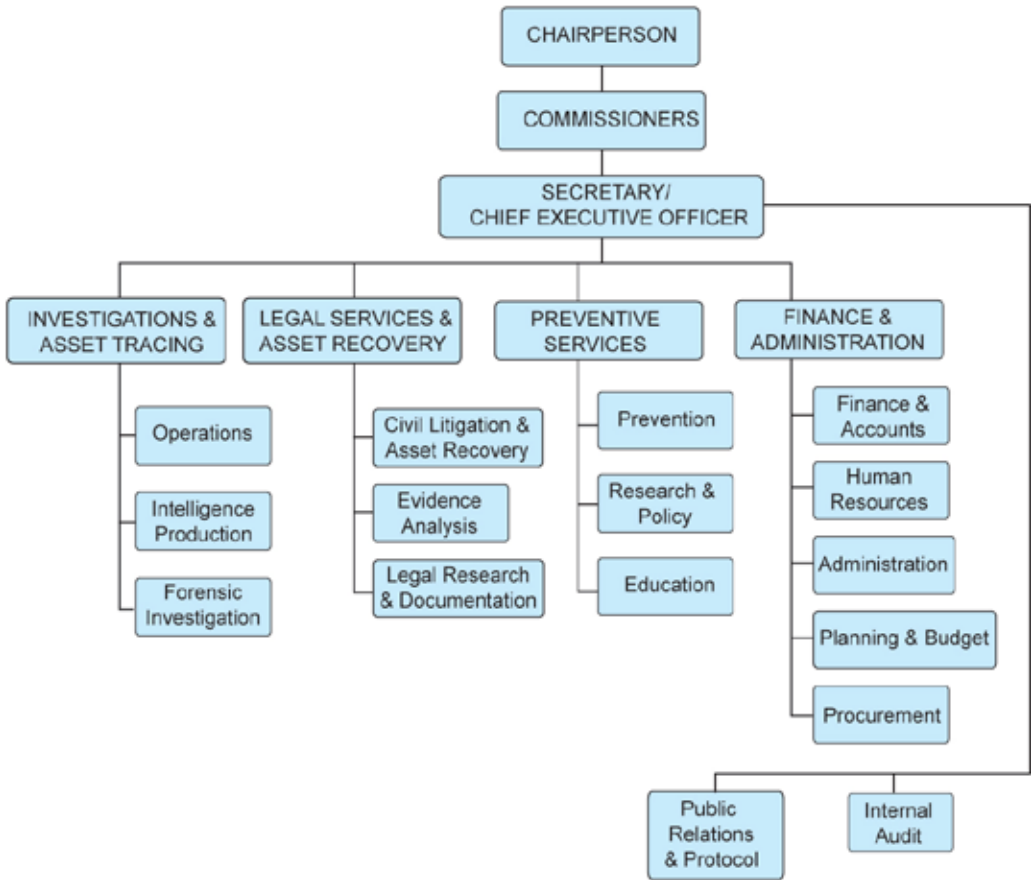
The functions of the Commission are:

- a) To investigate and recommend to the Director of Public Prosecutions the prosecution of any acts of corruption.
- b) Tracing of public assets and instituting court action towards recovery and/or protection of such assets
- c) Court proceedings towards freezing or confiscation of proceeds of corruption or related to corruption, payment of compensation, or other punitive or disciplinary measures, and for forfeiture of unexplained assets
- d) Prevention, public education and public awareness
- e) Conciliation, mediation and negotiation
- f) Advisory services to other institutions on matters within its mandate
- g) Enforcement of ethics and integrity laws under Chapter Six of the Constitution
- h) Partnerships with state and public officers to promote ethics and integrity
- i) Developing and promoting standards and best practices in integrity
- j) Developing codes of conduct
- k) Overseeing enforcement of codes of ethics for public officers
- l) Investigating and recommending prosecution for violation of codes of ethics
- m) Monitoring the practices and procedures of public bodies to detect corruption and secure revision of methods of work.



1.2.2 Structure

Figure 1: Organization Structure of EACC



Chapter 2 INVESTIGATION AND ASSET TRACING

2.1 Introduction

The Ethics and Anti-Corruption Commission (EACC) is a public body established by Section 3 of the Ethics and Anti-Corruption Commission Act No. 22 of 2011 which was enacted pursuant to Article 79 of the Constitution. The Commission is also the lead agency in the implementation of Chapter Six of the Constitution and the Leadership and Integrity Act, 2012. It is mandated to combat and prevent corruption and economic crimes through enforcement of the laws; educating the public and enlisting them in the fight against corruption; and providing preventive services through promotion of best practices. The Commission is mandated to investigate acts of corruption and violation of codes of ethics and make recommendations to the Director of Public Prosecutions (DPP) for prosecution. It is also mandated to trace and recover illegally acquired public assets.

In the reporting period, the Commission continued to undertake its law enforcement mandate by conducting investigations, tracing of illegally acquired public assets and disruption of corruption networks. In carrying out the investigations, the Commission filed applications and obtained warrants to investigate 87 bank accounts.

2.2 Reports Received

The Commission received and analyzed a total of 3,355 reports as indicated in Table 1.

Table 1: Number of reports received

No.	Station	Reports Received
1.	Nairobi (Headquarters)	2,044
2.	Kisumu Regional Office	659
3.	Mombasa Regional Office	320
4.	Eldoret Regional Office	227
5.	Nyeri Regional Office	79
6.	Garissa Regional Office	26
Total		3,355

The number of reports received dropped by 36 percent from 5,230 in 2011/2012 to 3,355 in the reporting period. The drop in the reports may be attributed to recent reforms in government which have created institutions with mandates that compliment the work of the Commission. For example, the creation of the Commission on Administrative Justice (CAJ) and the Independent Police Oversight Authority (IPOA) has given the general public in Kenya avenues for reporting acts of maladministration which ordinarily do not fall under the Commission's mandate.



2.2.1 Action on Reports

During the reporting period, the Commission acted on the 3,355 reports as follows:-

Table 2: Summary on action taken.

No.	Action taken	Number of reports
1.	Reports taken by EACC for investigations	1,423
2.	Reports referred to other investigative agencies for action	111
3.	Reports referred to Public Service Organizations for administrative action	506
4.	Reports awaiting additional Information from informants	18
5.	Reports where complainants were advised on the right authority where to report	1,170
6.	Incomplete reports marked for no further action by EACC	127
Total		3,355

As indicated in the table above, 1,423 reports were received which fell within the Commission’s mandate. This was 42% of the total reports received by the Commission.

2.2.2 Reports by Nature of Allegation Taken up for Investigation

The majority of complaints which were taken up for investigations involved allegations of bribery, this accounted for 26% of the total complaints acted on. Other reports comprised: abuse of office 25%, embezzlement of public funds 18%, public procurement irregularities 8%, fraudulent acquisition and disposal of public property 10% as shown in Figure 2.

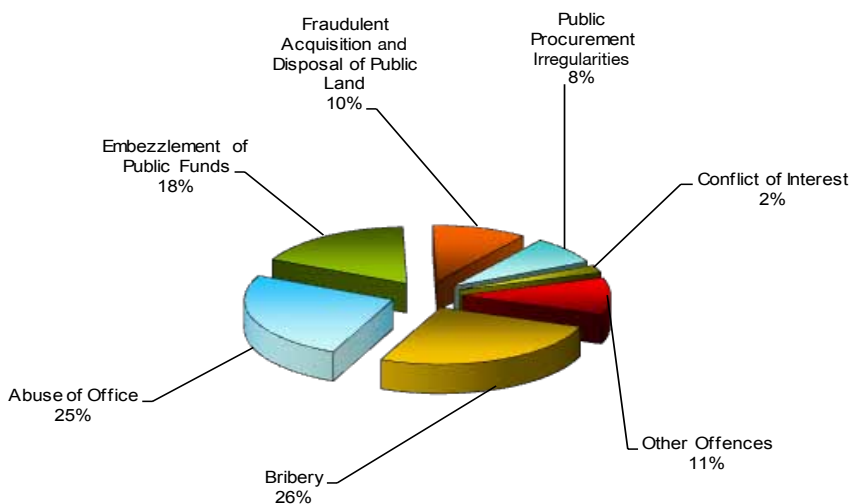


Figure 2: Nature of Reports Taken up for Investigation

2.3 Processing of Clearance Requests

During the reporting period, the Commission processed a total of 27,306 clearance requests. 18,601 of the clearance requests were received from individuals seeking elective positions, 8,590 from persons seeking clearance for employment, 67 from firms seeking clearance to participate in Government tenders and 48 from institutions seeking clearance under the Performance Contracting Framework as shown in Table 3 below:

Table 3: Processing of Clearance Requests

No.	Purpose of Request	Number of Requests
1.	Individuals seeking clearance for election	18,601
2.	Individuals seeking employment	8,590
3.	Firms participating in Government tenders	67
4.	Institutions under Performance Contracting	48
Total		27,306

2.4 Investigations

During the reporting period, 56 investigations were completed and the files forwarded to the Office of the Director of Public Prosecutions for advice and further action. Table 4 provides the highlights of some of these investigations:

Table 4: Highlights of Completed Investigations

No.	Public Institution	Nature of Inquiry	Amounts Involved (KES)
1.	Catering & Tourist Development Levy Trustee (CTDLT)	KACC/FI/INQ/14 /2011:- Inquiry into allegations of bid-rigging against CTDLT Tender Committee members in the procurement of promotional materials from a private company in 2010-2011.	11,203,450
2.	Kaloleni CDF	KACC/FI/INQ/71 /2010:- Inquiry into allegations that the CDF Committee wrongfully paid a contractor of the Mulungu wa Rero Water Project a sum of Kshs. 3,841,250 for sub-standard work.	3,841,250
3.	Ministry of Higher Education, Science & Technology	KACC/FI/INQ/29/2011:- Inquiry into allegations of embezzlement of public funds amounting to Kshs. 12, 980,000.00 through fraudulent and irregular cash book adjustments by a cashier at the Ministry of Higher Education, Science & Technology.	12, 980,000



No.	Public Institution	Nature of Inquiry	Amounts Involved (KES)
4.	Ministry of Special Programme	KACC/FI/INQ/160/2009:- Inquiry into allegations of embezzlement of Kshs. 2,657,000 by the Finance Assistant from the World Bank Financed Western Kenya Community Driven Development & Flood Mitigation Project.	2,657,000
5.	Ministry of Education	KACC/FI/INQ/68/2011:-Inquiry into allegation of misappropriation of Kshs. 1,005,400 by an Assistant Director, Quality Assurance and Standards.	1,005,400
6.	Municipal Council of Eldoret	KACC/AT/INQ/65/2008:- Inquiry into allegations of irregular alienation of public land (Block 8/87) within Municipal Council of Eldoret next to Eldoret State Lodge.	Not valued
7.	Kisumu Municipality	KACC/AT/INQ/36/2009 (F):- Inquiry into allegations of fraudulent disposal of public property within Kisumu Municipality – Kisumu Block 8/148.	Not valued
8.	Pumwani Maternity Hospital	KACC/FI/INQ/34/2011:- Inquiry into allegations of conflict of interest against the Procurement Officer.	1,674,000
9.	Ministry of Works	EACC/FI/INQ/31/2012:- Inquiry into allegations of unlawful acquisition of 2,172 reams of photocopying paper at Central Store by a Ministry official.	650,000
10.	CDF Eldoret South	KACC/KSM/FI/INQ/06/2011:- Inquiry into allegations of misappropriation of funds allocated to Saroiyot Bridge.	490,000
11.	Ministry of Foreign Affairs	KACC/FI/INQ/29/2011;- Inquiry into allegations of irregularities in the procurement of a Chancery and Ambassador's residence for the Kenyan Embassy in Tokyo, Japan.	700,000,000
12.	Ministry of Education	KACC/FI/INQ/33/2011:- Inquiry into allegations of embezzlement of public funds by a cashier at the Ministry of Higher Education, Science and Technology.	17, 800,000

2.4.1 On-going Investigations

During the year under review, the Commission instituted 1,688 investigations. These investigations were still going on at the close of the Financial Year. Table 5 highlights some of these investigations:-

Table 5: Highlights of On-going Investigations

No.	Public Institution	Nature of Inquiry	Amounts Involved (Kshs)
1.	Ministry of Local Government	KACC/FI/INQ/ 51/2011:- Inquiry into allegations of irregular contract variation by the Ministry of Local Government from Kshs. 42 million to Kshs. 77 million, Garissa Mapping Project.	77,000,000
2.	Ministry of Roads	EACC/FI/INQ/10/2013:- Inquiry into allegations of lack of accountability of Contractor's retention money in the Ministry of Roads.	800,000,000
3.	Kitutu Chache CDF	KACC/FI/INQ/023/2011:- Inquiry into allegations that the immediate former MP Kitutu Chache purchased sugar worth Kshs. 137 million from Chemelil Sugar Company using CDF Funds and failed to remit the requisite VAT.	137,000,000
4.	Shinyalu CDF	EACC/KSM/INQ/FI/02/2013:-Inquiry into allegations that the Shinyalu CDF Committee misappropriated funds meant for rehabilitation of roads within the constituency.	20,000,000
5.	Ministry of Health.	EACC/KSM/FI/INQ/03/2013:- Inquiry into allegations that officials of Nyamache District Hospital made irregular procurement of contractor for the construction of Hospital Theatre Phase III and septic tank.	18,000,000
6.	Bomachoge CDF	EACC/KSM/INQ/FI/05/2013:- Inquiry into allegations of misappropriation and embezzlement of funds meant for Bomachoge CDF by the then MP, CDF Funds Manager and CDF Committee members by way of approving and paying out fictitious/ghost projects and other procurement irregularities.	372,000,000
7.	Khwisero CDF	Inquiry into allegations that the Khwisero CDF Committee misappropriated funds meant for various projects and rehabilitation of roads within the constituency.	20,000,000
8.	Ministry of Roads	EACC/FI/INQ/1/2013:- Inquiry into allegations of embezzlement of funds by the Contractor, Resident Engineer and other public servants in the ongoing construction of Kamukuiywa - Kaptama – Kapsokwony – Kimilili Road leading to loss of over Kshs. 300 million.	300,000,000



No.	Public Institution	Nature of Inquiry	Amounts Involved (Kshs)
9.	Tigania West CDF	EACC/FI/INQ/2/2013:- Inquiry into allegations of embezzlement of over Kshs. 70 million meant for Tigania West Constituency CDF Funds by the then MP, during the Financial Years (FY) 2007/8, 2008/9 and 009/2010.	70,000,000
10.	IEBC	EACC/FI/INQNO.33/2013:- An Inquiry into allegations that the Independent Electoral and Boundaries Commission (IEBC) irregularly awarded the tender for supply of Biometric Voter Identification (BVI/ EVID) Kits and Accessories for the General Elections during the 2012/2013 Financial Year.	1,400,000,000
11.	Tigania CDF	EACC/FI/INQ/3/2013:- Inquiry into allegations of embezzlement of over Kshs. 20 Million by former MP Tigania West meant for Tigania West Water Project.	20,000,000
12.	Maua Municipal Council	An inquiry into alleged irregularities in the allocation of the stalls at the Maua Bus Park.	42,000,000
13.	Ministry of Public Works	KACC/FI/INQ/33/2012:- Inquiry into allegations of irregular termination of the original contract of Ksh 197 million and subsequent variation of the contract to Ksh 383m for construction of the Vice-President's House in Karen - Nairobi.	383,000,000
14.	Kenya Power and Lighting Company (KPLC)	KACC/AT/INQ/02/2007:-Inquiry into allegations that a company in Jersey attributed/owned by former MD of Kenya Power and Lighting Company was acquired/ established exclusively as a money laundering venture of proceeds accruing from award of contracts between KPLC and foreign based companies.	2,000,000,000
15.	Kenya Water Institute (KEWI)	EACC/FI/INQ/24/13:- Inquiry into allegations of procurement irregularities in the tendering for construction of Kitui and Kisumu campuses	20,000,000
16.	Kenya Rural Roads Authority	EACC/FI/INQ/10/2013:- Inquiry into allegations of fraudulent diversion of Kshs 89 million to an account of a contractor who never offered any services.	89,000,000
17.	Catering and Levy Trustees	KACC/FI/INQ/100/09:- Inquiry into allegations of irregular procurement of consultancy services by CDTLT.	31,000,000

No.	Public Institution	Nature of Inquiry	Amounts Involved (Kshs)
18.	Ministry of Education	KACC/FI/INQ/62/2010:- Inquiry into allegations of misuse of infrastructure funds by the Ministry of Education.	1,900,000,000
19.	Northern Water Services Board	EACC/GSA/PI/INQ/11/2011:- Inquiry into corruption allegations in an incomplete water project at Modogashe of Lagdera District.	96,000,000
20.	National Social Security Fund (NSSF)	EACC/FI/INQ/32/2012:- Inquiry into allegations of irregular termination of tender awarded to Micro City Computers Ltd by the NSSF Management - Tender No 04/2010-2011.	244,825,708
21.	Kenya Industrial Estates (KIE)	KACC/MSA/FI/INQ/13/10:- Inquiry into allegations that two parcels of government land, numbers MN/VI/4001 and MN/VI/4017 within the compound of Kenya Industrial Estates (KIE) in Changamwe were irregularly acquired by a company.	52,000,000
22.	Kenya Bureau of Standards	KACC/MSA/FI/INQ/08/12:- Inquiry into allegations that Kenya Bureau of Standards (KEBS) may have lost around Kshs. 60 million through irregular release of imports at Kilindini Port without payment of inspection fees.	60,000,000
23.	City Council of Nairobi	EACC/FI/INQ/13/2012:- Inquiry into allegations of irregular payment of Kshs. 321,445,748 by the City Council of Nairobi as premium for Staff Medical Cover.	321,445,748
24.	Harambee Sacco	Inquiry into allegations of embezzlement of about Ksh 50 Million by Sacco officials.	50,000,000
25.	Nzoia Sugar Company	EACC/ELD/FI/INQ/03/13:- Inquiry into allegations of abuse of office and misappropriation of Kshs.600 million belonging to Nzoia Sugar Company Reserve Account and unauthorized sale of sugar that resulted in the loss of Kshs.28.2 million by the former Managing Director during FY 2007/2008 and FY2008/2009.	600,000,000
26.	Kenya Rural Roads Authority – KeRRA Kitale	Inquiry into allegations of misappropriation and embezzlement of public funds at Kenya Rural Roads Authority – KeRRA, Trans Nzoia Region meant for roads maintenance.	30,000,000
27.	Municipal Council of Bungoma	Inquiry into allegations of misappropriation of LATF & LASDAP funds for FY 2010/2011 and 2011/2012 by officials of Municipal Council of Bungoma.	50,000,000



2.4.2 Cases before Court

During the reporting period, a total of 28 criminal cases were taken to court on the recommendations of the DPP. Table 6 contains highlights of some of the cases.

Table 6: Highlights of Cases Taken to Court

No.	Case no.	Particulars of offence	Persons charged	Amount (KES)
1.	ACC 6/2012 CR 032/28/2007	Corruptly soliciting and receiving of a benefit; contrary to Section 39(3) (a) of the ACECA 2003.	1. Kennedy Chandai 2. Edward Ambenge	1,000
2.	ACC 4/2012 CR 921/825/09	Corruptly soliciting and receiving of a benefit; contrary to Section 39(3) (a) of the ACECA 2003	Maurice Ronald Oyugi	5,000
3.	ACC8/2012 CR 627/673/12	Corruptly soliciting and receiving of a benefit contrary to section 39(3) (a) of ACECA No. 3 of 2003.	Milton Owade Kasera	10,000
4.	ACC 11/2012/Msa	Corruptly soliciting and receiving a benefit contrary to 39 (3) (a) of ACECA 2003.	Alice Omwanja – Branch Manager Kenya Industrial Estate	30,000
5.	ACC 14/2012/Mld	Corruptly soliciting and receiving a benefit contrary to 39 (3) (a) of ACECA 2003.	Solomon Salu- Inspector of Police	5,000
6.	ACC. 17/2012/ Msa.	Corruptly soliciting and receiving a benefit contrary to 39 (3) (a) of ACECA 2003.	Cornelius Mumba- Clerk Teachers Service Commission	30,000
7.	ACC 1/2013 Mrkn.	Corruptly soliciting and receiving a benefit contrary to 39 (3) (a) of ACECA 2003.	Fredrick Ndonye- Court Clerk	2,000
8.	ACC 7/2012 Msa	Corruptly soliciting and receiving a benefit contrary to 39 (3) (a) of ACECA 2003.	Saumu Mwanakombo- Public Health Officer	2,000
9.	ACC 9/2012 Msa	Corruptly soliciting and receiving a benefit contrary to 39 (3) (a) of ACECA 2003.	Yusuf Dimba - Inspector with Kenya Drugs & Poison Board	15,000
10.	ACC 16/2012	Submitting misleading information contrary to Section 29 of the Public Officer Ethics Act 2003.	Gabriel Mbiti Mulei- Divisional Police Traffic Commandant	N/A

No.	Case no.	Particulars of offence	Persons charged	Amount (KES)
11.	ACC 1/2013 NKR	Corruptly soliciting and receiving a benefit contrary to 39 (3) (a) of ACECA 2003.	Malik Baraza	50,000
12.	CR. 764/243/2013 ACC 3/2013	Corruptly soliciting and receiving a benefit contrary to 39 (3) (a) of the ACECA 2003.	Anthony Karisa Maitha	20,000
13.	CR. 464/527/2012 ACC 2/2012	Corruptly soliciting and receiving a benefit contrary to 39 (3) (a) of ACECA 2003.	Joyce Karimi Mbogori	150,000
14.	CR.141/40/2013 ACC. 1/2013	Corruptly soliciting and receiving a benefit contrary to 39 (3) (a) of ACECA 2003.	Stan Musyoka Manthi	50,000
15.	CR. 152/69/2012 CF 2303/2013	Corruptly soliciting and receiving a benefit contrary to 39 (3) (a) of ACECA 2003.	Janice Karimi Mbijiwe Elijah Yatich Cherogony	350,000
16.	CR. 437/434/2012 ACC 7/2012	Corruptly soliciting and receiving a benefit contrary to 39 (3) (a) of ACECA 2003	Jackline Barita Masese	60,000
17.	CR No. 141/868/2011 CF No. 465/2012	Uttering a false document Contrary to section 353 of the Penal Code among others.	1. David Kamunya Runo 2. Zipporah Wangithi Runo 3. Kawafalls Ltd	-
18.	CR 141/247/2012- ACC.NO.08/2012	Knowingly using a false document to one's principal contrary to section 41 (1) as read with section 48(1) of ACECA.	1. Ruth Muganda 2. Rose Rukwaro 3. Peter Kamwere	-
19.	CR 141/248/2012- ACC No. 8/2012	Willful failure to comply with procurement regulations contrary to section 45(2) (b) as read with section 48(1) of ACECA	1.Ruth Muganda 2.Rose Rukwaro 3.Peter Kamwere	-
20.	CR 627/29/2013- ACC 01/2013	Willful failure to comply with the law relating to disposal of public property contrary to section 45(2) (b) as read with section 48 (1) of ACECA.	1. Rashid Hamisi Mwakiwiwi 2. Paul Odalo Mak'ojwando Abor	-



No.	Case no.	Particulars of offence	Persons charged	Amount (KES)
21.	CR627/30/2013-ACC No. 02/2013	Conspiracy to commit an offence of corruption contrary to section 47a (3) as read with section 48 of ACECA.	<ol style="list-style-type: none"> 1. Rashid Hamisi Mwakiwiwi 2. Jane Peter Odhiambo 3. Erick Omariba 4. James Odongo 	-

During the same period, the Commission continued to support the prosecution of 121 ongoing criminal cases.

2.5 Illegally Acquired and Unexplained Assets

During the reporting period, the Commission completed 27 asset-tracing inquiries in respect of public assets that had been illegally acquired. These assets included land, houses, cash and irregular payments made pursuant to claims from pending bills. The total estimated value of these assets is **Kshs.16.38 Billion**. Recovery proceedings have been instituted in respect of some of these public assets.

2.6 Proactive Investigations

During the reporting period, the Commission averted loss of **approximately Kshs.55 Billion** worth of public funds through various interventions. Relevant particulars are set out in Table 7 below: -

Table 7: Proactive Disruptions Undertaken

No.	Institution	Brief description of the corrupt activity
1.	Kenya Airports Authority	Failure to comply with the provisions of Public Procurement and Disposal Act, 2005 and Regulations 2006, together with other statutory legal provisions by the Management of Kenya Airports Authority (KAA) in the procurement of Greenfield Terminal Project estimated at 55 Billion.
2.	Eldoret South CDF	The Commission stopped the payment (in progress) of Kshs. 15,000,000 for non-existent projects within the constituency during Financial Year 2012/2013.
3.	Ministry of Transport	The Commission in collaboration with other government agencies intercepted 15 overloaded trucks plying between Nairobi and Malaba. They were arraigned in court and paid fine of Kshs. 1,500,000.

2.7 Integrity Testing Programme

During the period under review, 283 Integrity Testing Programme (ITP) tests were carried out as illustrated in Table 8 on page 13.

Table 8: Summary of Integrity Tests Executed

Type of Results	No. of Tests	Action Taken				
		Administrative	Referred to other agencies	Court action	Further Tests	Closed
Pass	107	0	0	0	0	107
Fail	127	97	23	0	7	0
Inconclusive	40	8	0	0	28	4
Attempt	9	0	0	0	6	3
Total	283	105	23	0	41	114

Key:

1. **Pass:** The target responds to the planned scenario and takes proper action.
2. **Fail:** The target responds to the planned scenario and commits criminal act or other administrative violation.
3. **Inconclusive:** The target responds but does not fully engage in the testing scenario.
4. **Attempt:** Scenario is set but nobody responds to it.

From the results of the tests conducted, various corrective measures were recommended that included administrative action by the responsible institutions where the tests were carried out. Other tests were referred to other government agencies with mandate to deal with the identified breaches and recommendation for further tests in circumstances where the various Integrity Testing Oversight Committees made such observations.

2.8 Statutory Reports to the Director of Public Prosecutions

Following completion of investigations on corruption and violation of Codes of Conduct, the Commission forwarded Quarterly Reports to the DPP during the period under review.

2.8.1 Reports to the Director of Public Prosecutions

The Commission prepared and published in the Kenya Gazette four Quarterly Reports as required. A total of **55 investigation** reports were forwarded to the DPP, representing a decrease from the previous year's total of **89** files.

Out of these reports, the Commission recommended prosecution in 32 files, administrative action in 8 files and the closure of 15 files for lack of evidence, as shown in Table 9.



Table 9: Action Taken by the Director of Public Prosecutions

Action	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total
Recommendation to prosecute					
Accepted	7	7	5	7	26
Not accepted	1	1	0	0	2
Recommendation for administrative action					
Accepted	2	0	2	1	5
Not accepted	0	0	0	2	2
Recommendation for closure					
Accepted	5	4	1	3	13
Not accepted	0	0	0	1	1
Files returned for further investigations	1	3	2	2	8

2.8.2 Criminal Cases Presented before Court

A total of 28 criminal cases were filed in court as shown in Table 10.

Table 10: Criminal Cases Presented before Court

Particulars of charge	No. of cases
Soliciting and receiving of a benefit	17
Abuse of office	2
Misappropriation of public funds	2
Unlawful/fraudulent acquisition of public properties	1
Willful/careless failure to comply with procurement procedures	2
Conspiracy to defraud/commit an offence of corruption	1
False accounting by a public officer/Deceiving principal	3
Total	28

LITIGATION AND RECOVERY OF ILLEGALLY ACQUIRED PUBLIC AND UNEXPLAINED ASSETS

This section covers particulars of civil proceedings instituted by the Commission for preservation and recovery of illegally acquired public assets, unexplained assets, restored assets and cases filed against the Commission during the year under review.

3.1 Recovery of Illegally Acquired Public Assets

Assets valued at approximately Kshs.567,408,217.00 were recovered through court proceedings and out of court settlements as shown in Table 11 below:

Table 11: Recovered Public Assets

No.	Asset	Institution recovered for	Recovered From	Estimated Value Kshs.
1.	Kakamega Town Block III/275	Ministry of Housing-Kakamega	Pamela Oresia Eboyi	3,000,000
2.	Kakamega Town Block III/277	Ministry of Housing-Kakamega	Caroline Rotich	3,000,000
3.	Eldoret Municipality/Block 3/28	Uasin Gishu County	Kipsirgoi Investments Ltd	80,000,000
4.	MN/I/5905, 1066 & 1067 located in Mombasa	Public Road, Mombasa County	African Safari Club Ltd. & Zumzum Investments Ltd.	60,000,000
5.	Parcel Kisumu/East/Dago/700 (8 acres)	County Council of Kisumu and reserved for SOS Children's Home.	Rawson Felix Macharia Magawa	16,000,000
6.	L. R. NO. 1763/1	County Council of Nandi	Ezekiel Ruto & Mr. Simon Rotich	2,000,000
7.	Kisumu Municipality Block 7/240 (Taifa Park-1.6 acres)	Municipal Council of Kisumu	Odal Mark Ojwando Abuor	10,000,000
8.	Plot 10815 Malindi situated on marine reserve.	Kenya Wildlife Services	Francis Paul Tarsia	7,000,000
9.	Kwale/ Diani Beach Block numbers 1366 - 1377	Kenya Airports Authority	Succo Enterprises Ltd & 2 Others	40,000,000
10.	L.R. Nos. 2116/41/ VII, 2116/42/VII AND 2116/30/VII	Ministry of Health	Mt. Elgon Hospital Limited	145,000,000
11.	Cash	Kisumu Municipal Council	Victor Onyango Ogutah of Lix Tax Consultants	1,408,217



No.	Asset	Institution recovered for	Recovered From	Estimated Value Kshs.
12.	Mombasa Island/ Block XXVI/916 & 917	Judiciary	Super Nova Limited and Nova Limited	200,000,000



Demolition of the Safari Club Hotel built on a road reserve in Shanzu, Mombasa on 27th June 2013.

3.2 Suits and Preservation Applications Filed

During the year under review, the Commission filed 32 suits for recovery of illegally acquired public assets and 5 applications for preservation of property and obtained preservation orders to secure the assets. Highlights of some of the civil suits and applications filed are presented in Table 12.

Table 12: Highlights of Civil Recovery Suits and Preservation Applications Filed

No.	Case Number	Parties	Nature of Claim	Current Status
1.	Nairobi High Court Misc. No. 281 of 2012.	EACC vs. Beryl Akinyi Muganda & Another	Application seeking preservation of moneys suspected to have been illegally paid out of Ministry of Medical Services Accounts by employees of the Ministry.	Funds preserved pending investigations.

No.	Case Number	Parties	Nature of Claim	Current Status
2.	Nairobi H.C.C.C No. 400 of 2012	EACC vs. Alphonse Mutinda	Recovery of Kshs.25,900,000 fraudulently obtained from the City Council of Nairobi in a land transaction for the purchase of Machakos L.R. No. 14759/2 for use as a public cemetery.	Suit for the recovery of the amount has been filed. Pleadings have closed. To obtain a date for case conference.
3.	Nairobi H.C.C.C. No. 401 of 2012	EACC vs. Paul Chapia Onduso	Recovery of Kshs.9,600,000 fraudulently obtained from the City Council of Nairobi in a land transaction for the purchase of Machakos L.R. No. 14759/2 for use as a public cemetery.	Suit for the recovery of the amount has been filed. Pleadings have closed. To obtain a date for case conference.
4.	Nairobi H.C.C.C. No. 402 of 2012	EACC vs. Stephen Githinji Kamau	Recovery of Kshs.8,000,000.00 fraudulently obtained from the City Council of Nairobi in a land transaction for the purchase of Machakos L.R. No. 14759/2 for use as a public cemetery.	Suit for the recovery of the amount has been filed. Pleadings have closed. To obtain a date for case conference.
5.	Nairobi H.C.C.C. No. 403 of 2012	EACC vs. Naen Rech Limited & Maina Chege	Recovery of Kshs.9,450,000.00 fraudulently obtained from the City Council of Nairobi in a land transaction for the purchase of Machakos L.R. No. 14759/2 for use as a public cemetery.	Suit for the recovery of the amount has been filed. Pleadings have closed. To obtain a date for case conference.
6.	Nairobi H.C.C.C. No. 404 of 2012	EACC vs. Herman Stevens Chavera & Boniface Okerosi Misera	Recovery of Kshs.8,600,000.00 fraudulently obtained from the City Council of Nairobi in a land transaction for the purchase of Machakos L.R. No. 14759/2 for use as a public cemetery.	Suit for the recovery of the amount has been filed. Pleadings have closed. To obtain a date for case conference.



No.	Case Number	Parties	Nature of Claim	Current Status
7.	Nairobi H.C.C.C. No. 244 of 2013	EACC vs. Mary Ngechi Ngethe	Recovery of Kshs.3,000,000.00 fraudulently obtained from the City Council of Nairobi in a land transaction for the purchase of Machakos L.R. No. 14759/2 for use as a public cemetery.	Suit for recovery of the amount has been filed. Pleadings have closed. To obtain a date for case conference.
8.	Nairobi H.C.C.C. No. 245 of 2013	EACC vs. Joseph Owino Kojwando	Recovery of Kshs.10,000,000 fraudulently obtained from the City Council of Nairobi in a land transaction for the purchase of Machakos L.R. No. 14759/2 for use as a public cemetery.	Suit for recovery of the amount has been filed. Pleadings have closed. To obtain a date for case conference.
9.	Nakuru HC ELC Civil Case No. 195 of 2013	EACC v. Midlands Limited and Lillian Wangiri Njenga	Recovery of L.R. No. Nyandarua/ Njabini/6087, 6088, 6089, 6090, 6091 and 6092 excised from Nyandarua/ Njabini/ 530 reserved for Njabini Farmers Training Center under the Ministry of Agriculture.	Suit for recovery has been filed. The Defendants have since entered appearance. Pleadings have not yet closed.
10.	Nyeri HC ELC Civil Case No. 52 of 2013	EACC v. Johnson Muriuki Ruthuthi and Wilson Gachanja	Karatina Municipality/ Block II/ 379 reserved for Karatina Police Station.	Suit for recovery has been filed. The 2 nd defendant has entered appearance. Pleadings have not yet closed.
11.	Nyeri HC ELC Civil Case No. 92 of 2013	EACC vs Joseph Mithamo Wachira, Peter Thinwa Ngari, Johnson Muriuki Ruthuthi and Wilson Gachanja	Karatina Municipality/ Block II/ 383 reserved for Karatina Police Station.	Suit for recovery has been filed. The 4 th defendant has entered appearance. Pleadings have not yet closed.

No.	Case Number	Parties	Nature of Claim	Current Status
12.	Nyeri HC ELC Civil Case No. 123 of 2013	EACC vs Marion Muthoni, Jack Kanja Ngatia, Johnson Muriuki Ruthuthi and Wilson Gachanja	Karatina Municipality/ Block II/ 381 reserved for Karatina Police Station.	Suit for recovery has been filed and summons to enter appearance have been served. The defendants are yet to enter appearance.
13.	Nyeri HC ELC Civil Case No. 124 Of 2013	EACC v. Ephraim Kabethi, Peterson Mwangi Njoroge, Johnson Muriuki Ruthuthi and Wilson Gachanja	Karatina Municipality/ Block II/ 378 reserved for Karatina Police Station.	Suit for recovery has been filed. The 1 st and 4 th Defendants have entered appearance and filed their Defences. Replies to their Defences have been filed. The 2 nd and 3 rd Defendants are yet to enter appearance.
14.	Kisumu HC. 78/2013	EACC vs. Justin Kimutai Sirma & 2 others	Recovery suit in respect of Kisumu Municipality Block 12/124 which was reserved for the staff housing for the new Nyanza General Hospital.	The matter is coming up for hearing on 2 nd October 2013 of an application for the consolidation of this suit with Kisumu HC, Petition No. 30/2012 where the commission has been enjoined as an interested party.
15.	Kisumu HC MISC. Appli. No. 110/2012	EACC vs. Anne Catherine Wangui	An application seeking preservative orders for six months in regard to Kisumu Municipality Block 8/176 reserved for use by the Ministry of Housing.	Preservative Orders obtained.



No.	Case Number	Parties	Nature of Claim	Current Status
16.	Kisumu HC Misc. Appl No.111/2012	EACC vs. Charles W. Kariuki	An application seeking preservative orders for six months in regard to Kisumu Municipality Block 8/177 reserved for use by the Ministry of Housing.	Preservative Orders obtained
17.	Kisumu H.C.C.C No.158 of 2013	EACC vs. Dominicus Kimani, Sospeter Mucuriku Kimani & Charles W. Kariuki	Recovery of Kisumu Municipality/Block 8/177 reserved for use by the Ministry of Housing.	Suit for recovery has been filed. The 2 nd and 3 rd Defendants have entered appearance and filed their Defences. An application is to be filed seeking leave to serve the 1 st Defendant by way of substituted service.
18.	Kisumu H.C.C.C. No. 159 of 2013	EACC vs. Joycamp Supplies Limited, Sospeter Mucuriku Kimani & Ann Catherine Wangui Mborra	Recovery of Kisumu Municipality/ Block 8/176 reserved for use by Ministry of Housing.	Suit for recovery has been filed. . The 2 nd and 3 rd Defendants are yet to enter appearance and file their defences. An application is to be filed seeking leave to serve the 1 st Defendant by way of substituted service.
19.	Kakamega High Court Misc. Appl. No.82 of 2012.	EACC vs. Pan African Network Ltd	Recovery of Kakamega Municipality Block III/301 Belonging to the Ministry of Housing.	Obtained preservation orders on the 5 th October 2012 pending full investigation and filing of recovery suit.

No.	Case Number	Parties	Nature of Claim	Current Status
20.	Kakamega High Court Misc. Appl. No.96 of 2012.	EACC vs. Benedette Waswa Sabuni	Application seeking preservation of Kakamega Municipality Block III/250 belonging to the Ministry of Housing.	Preservation orders obtained on the 29 th October 2012 pending full investigation and filing of recovery suit.
21.	Voi CMCC 40 of 2012	EACC vs. Mwikamba & 2 Others	Recovery of KES. 910,000 misappropriated from CDF Funds.	Partial recovery of Kshs. 126,000/= . Hearing on 1 st November 2013
22.	Mombasa H.C Misc. Application No. 27 of 2012	EACC vs. James Nyamori & Fanuel Wapwoko	Application seeking preservation of MSA/ Block IX/ 286 belonging to the Ministry of Housing.	Preservation orders obtained.
23.	Mombasa HC ELC suit No. 123 of 2013	EACC vs. James Nyamori, Fanuel Wapwoko	Suit for recovery of MSA/ Block IX/ 286 belonging to the Ministry of Housing.	Suit for recovery of the property filed on 6 th June 2013. Service being effected on parties.
24.	Mombasa HC ELC No. 223 of 2012	EACC vs. Shariff Ali Shekue and Amarnath Gupta	Suit for recovery of a road reserve now referred to as MSA/ Block XVIII/ 556.	At pre-trial stage. Hearing date on 28 th August 2013.
25.	Mombasa HCCC No. 229 of 2012	EACC vs. Shariff Shekue & General Tyre Sales Limited	Suit for recovery of a road reserve now referred to as Mombasa Block XX/349.	Pleadings have closed. Hearing on 7 th October 2013.
26.	Mombasa HC ELC suit No. 85 of 2013	EACC vs. Shaibu Hamisi Mgandi, Sheik Ali Taib and Commissioner of Lands.	Suit for recovery of a road reserve, now being referred to as MN/1/9816 located in Nyali area.	Summons to enter appearance issued. The Defendants are yet to enter appearance.
27.	Mombasa HC ELC 53 of 2013	EACC vs. Victor Oceanic Viewers Ltd, Nova Holdings Ltd, Kalliste Ltd & the Commissioner of Lands	Suit for recovery of MI/XVII/1547 which is an existing government housing estate in Hobley Estate.	Pleadings closed. Date to be taken for pre-trial conference.



No.	Case Number	Parties	Nature of Claim	Current Status
28.	Mombasa HC ELC 54 of 2013	EACC vs. Victor Oceanic Viewers Ltd, Nova Holdings Ltd, Kalliste Ltd & the Commissioner of Lands	Suit for recovery of MI/XVII/1548 which is an existing government housing estate in Hobley Estate.	Pleadings closed. Date to be taken for pre-trial conference.
29.	Mombasa HC ELC 55 of 2013	EACC vs. Victor Oceanic Viewers Ltd, Nova Holdings Ltd, Kalliste Ltd & the Commissioner of Lands	Suit for recovery of MI/XVII/1549 which is an existing government housing estate in Hobley Estate.	Pleadings closed. Date to be taken for pre-trial conference.
30.	Mombasa HC ELC 44 of 2013	EACC vs. Apollo & Others	Suit for recovery of MN/VI/4001 & 4017 reserved for Kenya Industrial Estates in Changamwe.	Pleadings closed. Date to be taken for pre-trial conference.
31.	Mombasa HC ELC 32 of 2013	EACC vs. Safrosh Ltd & 3 Others	Suit for recovery of MN/XXVI/1093-1098 reserved for Kenya Railways in Kizingo.	Injunction application taken out of cause list for 26.6.2013. New hearing date to be fixed.
32.	Mombasa HC ELC 81 of 2013	EACC vs. Kizingo Apartments Ltd & 3 Others	Suit for recovery of MN/XXVI/1137 reserved for Kenya Railways in Kizingo.	Injunction granted. Hearing 11.9.2013
33.	Mombasa HC ELC 99 of 2013	EACC vs. Alcop Ltd & 3 Others	Suit for recovery of MN/XXVI/687 reserved for Kenya Railways in Kizingo.	EACC to file Affidavit in support of claim for recovery.
34.	Mombasa HC ELC 123 of 2013	EACC vs. Apollo & Others	Suit for recovery of illegally alienated public land in Makande MI/IX/286.	Pleadings closed. Date to be taken for pre-trial conference.

No.	Case Number	Parties	Nature of Claim	Current Status
35.	Mombasa HC ELC 131 of 2013	EACC vs. Yelan Investments Ltd, Alcop Ltd, Rothman's Holdings Ltd and Wilson Gacanja.	Suit for recovery of MI/XXVI/681 reserved for Kenya Railways in Kizingo.	Pleadings closed. Date to be taken for pre-trial conference.
36.	Mombasa HC Misc 136 of 2013	EACC vs. Kilaveri	Application for preservation of MI/ XLVIII/145 & 146 reserved for Africa Marine in Kibarani.	Preservation Orders granted.
37.	Mombasa HCCC 60 of 2012	EACC vs. Safeway Ltd, Municipal Council of Mombasa and Land Registrar, Mombasa.	Suit for Recovery in respect of MI/I/258 reserved for Kenya Meat Commission processing plant in Shimanzi.	Pre-trial conference on 14 th October 2013.
38.	Mombasa HCCC 193 of 2012	EACC vs. Business Liaison Co. Ltd and the Commissioner of Lands	Suit for Recovery in respect of MN/I/5902 reserved for Shanzu Beach which is a Riparian reserve.	Parties to file and serve their submissions. Matter to be mentioned on 30 th October 2013 to confirm compliance.



3.3 Constitutional References, Judicial Review Applications and Other Cases Filed against the Commission

During the period under review, the Commission defended various Constitutional References, Judicial Review Applications and other civil cases filed against it. Some of these cases are highlighted in Table 13.

Table 13: Constitutional References, Judicial Review Applications and Other Cases

No.	Case Number	Parties	Relief Sought	Status
Constitutional References				
1.	Nyeri HC Pet. No. 3 of 2012	James Makura M'abira vs. Hon. AG,DPP and EACC	Petition seeking compensation for breach of the Petitioner's constitutional rights and fundamental freedoms by EACC and an orders seeking to quash the entire proceedings against the Petitioner in Embu Chief Magistrate Court AC No. 3 of 2012, R. vs. James Makura M'abira	Concluded. Petitioner awarded compensation of KES. 100,000.00. An Appeal has been filed before the Court of Appeal at Nyeri.
2.	Nairobi HC Petition No. 299 of 2012.	Engineer Isaac Wanjohi & 2 Others vs. AG & 2 Others.	The Petitioners filed the Petition seeking the removal of a caveat in respect of property that EACC was investigating.	Directions issued on December, 2012. Awaiting the Petitioner to invite parties to fix a hearing date.
3.	Nairobi HC Petition No. 221 of 2013	Engineer Charles Mwanda vs. EACC & 3 Others.	Petition seeking to stop prosecution of the Petitioner in Anti-Corruption Case No 4 of 2013, R vs. Engineer Charles Mwanda.	Directions issued on 13 th May, 2013. Petition will be heard on 28 th October, 2013.

No.	Case Number	Parties	Relief Sought	Status
4.	Nairobi H.C. Petition No.317 of 2012	Dennis Edmond Akaa & 2 Others vs. EACC & The Director of Public Prosecutions	The Petitioner had alleged through his Petition filed on 25 th July 2012 that his fundamental rights to a fair trial under Article 50 of the Constitution had been violated by the Respondents in Nairobi Anti-Corruption Court Criminal Case No.37 of 2011.	Petition dismissed on 2 nd November 2012.
5.	Nairobi H.C. Petition No. 153 of 2013	Thuita Mwangi vs. EACC & Three Others	Conservatory orders sought restraining the Respondents from arraigning the Petitioner in court for plea taking pending the hearing of the Petition.	Parties have filed their submissions. Pending highlighting of submissions.
6.	Nairobi High Court Petition No. 332 Of 2012	Davy Koech vs. EACC & 6 Others.	Petition seeking to stop the Petitioners prosecution in ACCC NO. 1 of 2010 & 22 of 2009. The Petitioner also seeks to stop the Commission from proceeding with asset recovery proceedings in NBI HCCC No's 280 of 2010 & 316 of 2010.	Application moved to the criminal division of the High Court. The Petitioner has not fixed the Petition for hearing.



No.	Case Number	Parties	Relief Sought	Status
7.	Eldoret Petition No. 3/12	Shachille M. Laban & 2 Others vs. EACC & AG	Petition seeking inter-alia declarations that several provisions of the constitution were allegedly contravened by the EACC & AG action of instituting criminal proceedings against the Petitioners.	Petition dismissed.
8.	Eldoret Petition No. 8 of 2013	Benjamin Kipkurui Kobetbet & 2 Others vs. EACC & Others	Petitioners were seeking declaratory orders against the Respondents for alleged contravention of the Constitution. They were alleging that the process and the manner in which the interested parties were appointed to the County Government of Baringo was unconstitutional, illegal hence null and void.	The petition was withdrawn.
9.	Eldoret Petition No. 2/2013	Job Kipkemei Kilach –vs- EACC and 2 Others	The Petitioner is seeking to have the Notice issued to him under Section 26 of ACECA requiring him to furnish a list of his properties be dismissed and the notice issued to him be declared unconstitutional.	Parties to file and serve their submissions and take a date for judgment.

No.	Case Number	Parties	Relief Sought	Status
10.	Mombasa HC Petition 37 of 2011	Raia A. Mkungu & Others	Petition challenging EACC's investigation of suspected fraud over Kwale/Diani Beach Block/151.	Petition overtaken by events as the Petitioner prosecuted in Anti-Corruption case No. 5 of 2012.
11.	Mombasa HC Petition 72 of 2012	Raia A. Mkungu & Others	Petition challenging prosecution in Msa ACC 5 of 2012 for suspected fraud over Kwale/Diani Beach Block/151 as unconstitutional.	Petition overtaken by events as the Petitioner prosecuted in Anti-Corruption case No. 5 of 2012.
12.	Mombasa HC Petition 10 of 2011	Yuasa Motors & Others	Petition seeking declaration that bar on importation of second-hand vehicles over 8 years unlawful.	Notice of Appeal filed. Pending Hearing of the Appeal.
13.	Mombasa HC Petition No 61/2012	Jackson N. Ngamau	Petition challenging the constitutional mandate of EACC.	Preliminary Objection and Grounds of Opposition filed. Hearing on 29 th October 2013.
14.	Mombasa HC Petition No. 22 of 2012	Omar T.S.S	Petition challenging cancellation of title to KCAA land MN/I/2411.	Ruling delivered on 11 th April 2013 with orders that the Petition be heard before the Environment & Land Court.
15.	Mombasa HC Petition No. 6 of 2013	Fredrick Ndongye	Petition challenging charges in Anti-Corruption case Number 2 of 2013 as unconstitutional.	Overtaken by events after Applicant took plea.
16.	Mombasa HC Petition 25 of 2013	Gabriel Mbiti Mulei	Petition challenging charges in Anti-Corruption case 16 of 2012 as unconstitutional.	Ruling on EACC's Preliminary Objection on 6 th November 2013.



No.	Case Number	Parties	Relief Sought	Status
17.	Mombasa HC Petition 110 of 2012	Gabriel Mbiti Mulei	Petition challenging charges in Anti-Corruption case 16 of 2012 as unconstitutional.	Concluded. Petitioner directed to take plea.
18.	Mombasa HC Petition 100 of 2013	Joseph M. Munyao	Petition challenging charges in Anti-Corruption case 8 of 2010 as unconstitutional.	Replying Affidavit to be filed. No stay orders granted.
19.	Mombasa HC Petition No, 63 of 2012	Frann Investments	Petition alleging violation of Constitutional Rights to property Parcel number MN/I/293.	Adjourned on 15 th February 2013. No new date taken for hearing.
20.	Malindi HC Petition 17 of 2011	Chacha –v- DPP, EACC & Others	Petition for declarations and JR orders seeking to bar prosecution of Petitioner.	Concluded. Applications dismissed.
21.	Malindi HC Petition 11 of 2012	Denman Properties	Petition challenging issuance of two parallel titles of the same parcels of land.	Matter mentioned for Directions on 25 th June 2013 whereby the judge disqualified himself. File referred to Mombasa.
22.	Nakuru High Court Constitutional Petition. No.24 of 2013	Joseph Kipkurui Bett –Vs- IEBC and EACC	Petition seeking to quash nomination of certain persons in the County Government of Nakuru and orders directing EACC to conduct investigations into allegations of corruption to influence the nomination process.	An application to have the matter proceed without the participation of the 1 st Interested Party allowed. No further processes to be served upon the 1 st Interested Party unless adverse orders are being sought or such direction is given by the court.

No.	Case Number	Parties	Relief Sought	Status
23.	Nakuru High Court Const. Petition. No. 27 of 2013.	Bernard Kipkoech – Vs- County Government of Nakuru and 11 others.	Petition seeking to quash nomination of certain persons in the County Government of Nakuru and orders directing EACC to conduct investigations into allegations of corruption to influence the nomination process.	Matter scheduled for hearing on 11 th July 2013 of 2 applications seeking to lift injunctive orders.
24.	Machakos High Court Petition No 12 of 2013	Lydia Lubanga vs. Inspector General Of Police & 3 Others.	The Petitioner seeks orders preventing the Respondents from executing Police Case No. 731/58/2013 (Now Nakuru ACCC No. 2 of 2013: R VS Lydia Lubanga). The Petitioner had been charged in the lower court with soliciting and receiving a benefit but she failed to attend court to take a plea.	The matter comes up for hearing for the applicant to join the lower Court as a respondent on 30-07-2013.
Judicial Review Applications				
1.	Nairobi H.C. Miscellaneous Application No.288 of 2012	Republic vs. The Director of Public Prosecutions & EACC, Ex-parte Ruth Muganda	Application filed on 24th May 2012 by way of Originating Notice of Motion alleging the contravention of the provisions of Article 49 of the Constitution of Kenya in the investigations giving rise to the charges brought against the accused persons in Nairobi Anti-Corruption Court Criminal Case Nos. 8 & 9 of 2012.	The Constitutional Application was dismissed with costs to the Respondents on 29 th November 2012.



No.	Case Number	Parties	Relief Sought	Status
2.	Nairobi High Court JR Appl. No.185 of 2013.	Sammy Kingoo Mutiso vs. Philip Kivuva Nzioka and 3 Others.	JR application seeking, inter alia, to compel the EACC to deliver a report of investigations undertaken by the predecessor Commission.	Matter to be mentioned on 10 th July 2013 to confirm whether the Commission shall supply a report of investigations without the necessity of further court proceedings.
3.	Nairobi JR Misc. No. 133/2013	Republic vs. The DPP & EACC ex-parte Mary Ndirangu	Judicial Review application challenging the decision of EACC and the DPP to charge the Applicant.	The Petitioner and the 2 nd Respondent have filed their submissions in respect to the Notice of Motion application. Awaiting the filing of submissions by the 1 st Respondent.
4.	Nairobi JR. No. 151 of 2012.	Republic vs. City Council of Nairobi & EACC ex-parte Shital Bhandari.	Judicial Review application seeking to quash EACC's decision to institute legal proceedings against the Applicant.	Parties have filed their submissions and list of authorities. Submissions to be highlighted on 1 st July 2013.
5.	Nairobi JR. No. 232 of 2012	Republic vs. The President and others ex-parte Dr.Wilfrida Itoondo & 5 others	Judicial Review application seeking to quash the re-appointment of the Vice-Chancellor of Kenyatta University. EACC was joined as an interested party in this matter.	Parties have filed their submissions. Submissions to be highlighted on 7 th November 2013 before Justice Odunga.
6.	Malindi HC Misc 8 of 2011	Republic vs. EACC ex-parte Francis Paul Tarsia	Judicial Review application challenging allocation of plot 10815 Malindi situated on marine reserve.	Concluded. Application dismissed.

No.	Case Number	Parties	Relief Sought	Status
7.	Mombasa HC Misc 46 of 2012	Republic vs. EACC ex-parte Raia A. Mkungu, Omar Zonga, Said Kabangi & Hilmi Ahmed	Judicial Review challenging prosecution in Msa ACC 5 of 2012 for suspected fraud over Kwale/Diani Beach Block/151	Overtaken by events after suspects took plea and are being prosecuted in Anti-Corruption Case 5 of 2012.
8.	Mombasa HC Misc 54 of 2012	Republic vs. Senior Principal Magistrate Mombasa & EACC ex-parte Jotham Kilimo Chea	Judicial Review application challenging prosecution in Msa ACC 5 of 2012 for suspected fraud over Kwale/Diani Beach Block/151	Overtaken by events after suspect took plea and is being prosecuted in Anti-Corruption Case 5 of 2012.
9.	Mombasa HC Misc Application No 28 of 2011	Republic vs. Registrar of Titles ex Parte Sajun Limited	Judicial Review seeking to quash the cancellation of title to Mombasa Block XXV/165 on the basis that it is Public property.	Date to be taken for hearing.
10.	Mombasa HC Misc Application No 16/2011	Republic vs. Registrar of Titles ex Parte Alladina Properties Limited	Judicial Review Application challenging cancellation of title MN/XXVI/867 on the basis that it is Public property.	Hearing 23 rd September 2013
11.	Mombasa HC Misc. Cr. Appl No. 37 of 2012	Republic vs. Registrar of Titles, KRA and EACC ex-parte Frann Investments	Judicial review challenging revocation of title to parcel number MN/II/293.	Date to be taken for hearing.
12.	Mombasa J.R No. 30 of 2012	Republic vs. Registrar of Titles and Samu Limited	Judicial review challenging revocation of title to parcel number MI/Block XVIII/1469 in Buxton.	Date to be taken for hearing.
13.	Mombasa CM's Misc. Criminal Application Nos. 37 and 39 of 2012	Republic vs. EACC and Tribatyre Company Ltd	Warrants to investigate accounts challenged as unconstitutional.	Hearing on 2 nd September 2013.



No.	Case Number	Parties	Relief Sought	Status
14.	Mombasa HC Misc Application 78 of 2011 (JR).	R vs. Registrar of Titles ex Parte Queenie Ltd.	Application to quash Registrar of Title's decision to revoke title to land Parcel no. MN/XXVI/792 irregularly hived off from Mombasa Primary School.	Application struck out with costs to EACC.
Other Cases				
1.	Nairobi HCCC No. 356 Of 2011	Douglas Kipchumba Rutto vs. KACC & 8 Others.	The Plaintiff has sued the Commission, the A.G & others for malicious prosecution.	At pre-trial stage. Mention on 4 th November 2013 for further directions.
2.	Nairobi CA Application 171 of 2012	Jotham Kilimo Chea	Application to stay proceedings in Msa ACC 5 of 2012 pending Appeal against Ruling in Msa HC Misc 54 of 2012	Matter Withdrawn. Costs awarded to EACC.
3.	Nairobi Industrial Court Cause No. 1168 of 2012,	Pravin Bowry vs. EACC	Claim for compensation against EACC for termination of contract.	Hearing concluded on 11 th June 2013. Parties have filed written submissions to be highlighted on 26 th September, 2013.
4.	Nairobi Industrial Court Cause No. 518 of 2013	Dr. John Permenas Mutonyi vs. EACC	Claim for compensation against EACC for termination of contract.	Pleadings closed. Matter scheduled for hearing on 11th November 2013.

4.1 Introduction

The Commission continued with the implementation of corruption prevention programmes by offering advisory services; building partnerships and coalitions against corruption; enhancing integrity in the public service; providing public education and creating awareness; promoting standards and best practices; and undertaking research on corruption and governance related issues.

4.2 Advisory Services

4.2.1 Systems Review

a) Examination into the Payroll Management System of the Judiciary

The Commission conducted an Examination of the Payroll Management System of the Judiciary between September and October 2012. Table 14 contains a summary of the findings and recommendations made in the report.

Table 14: Summary of Findings and Recommendations made in the Examination Report of the Payroll Management System of the Judiciary

No.	Finding	Recommendation
1.	Lack of a documented organizational structure leading to unclear reporting lines in the HR and Administration Directorate.	Fast-track the preparation and adoption of the envisaged organizational structure.
2.	Lack of procedures manual and clearly documented policies in processing salaries and other remunerative allowances.	Prepare and operationalize a Policies and Procedures Manual.
3.	Shortage of trained personnel on Integrated Personnel Payroll Database (IPPD) system.	Train all employees in the Payroll Section on IPPD system to enable them carry out assigned duties appropriately.
4.	Failure to ensure adequate internal controls and supervision of the payroll.	Ensure adequate reviews and supervision of the payroll.
5.	Lack of systems audit of the IPPD system.	Institute periodic audit of the IPPD system
6.	Numerous cases of over payment on salaries and allowances were noted.	Undertake comprehensive review of computation and payment of arrears. Ensure investigations into all unauthorized payments are carried out and recovery and disciplinary action instituted against culprits.



7.	Irregular approvals of overtime allowances.	Ensure that the provisions of Judicial Service Staff Regulation (JSSR) on payment of overtime allowances are enforced.
8.	Irregular payment of leave allowances.	Ensure that provisions of Judicial Service Staff Regulation (JSSR) are properly enforced and recovery of all irregular payment of leave allowances.
9.	Presence of relatives working in the Judiciary some of whom share bank accounts.	Formulate a policy on the kind of bank accounts to be used for receiving salaries, recommend recruitment policy and enforce compliance.
10.	Failure to prepare monthly payroll reconciliation statements.	Institutionalize monthly payroll reconciliations preparations.

b) Examination into Kenya Institute of Curriculum Development (KICD)

The examination into the systems, policies, procedures and practices of the Kenya Institute of Curriculum Development focusing on Financial, Supply Chain and Human Resources Management was launched in June 2012 and undertaken in October 2012. However, the report of the Examination had not been presented for adoption by the close of the reporting period.

c) Examination into the Free Primary Education (FPE) Fund

The Commission conducted an examination into the systems, policies, procedures and practices applied in the disbursement and utilization of Free Primary Education (FPE) Funds between October 2012 and March 2013. The exercise covered the Head Office and eleven (11) Counties. The report was being compiled by the end of the reporting period.

d) Implementation Progress on Systems Reviews

During the period under review, the Commission received briefs on the implementation status of systems reviews conducted at the National Cereals and Produce Board (NCPB), National Aids Control Council (NACC), Teachers Service Commission (TSC) and Nairobi City County Government (NCCG). The reports for the examination into the systems of NCPB was completed and submitted to the Board in 2012. NACC was completed and submitted in 2009, while that of the NCCG and TSC were completed and submitted in 2007.

By the close of the reporting period, the Commission had not conducted an independent assessment of the implementation status of the recommendations in the four institutions.

4.2.2 Partnerships and Coalitions

The Commission continued to forge partnerships and collaborations with public and private sector players in the fight against corruption. Tables 15 and 16 highlights the partnerships forged during the period under review

Table 15: Public Sector Programmes

Nature of Partnership	Stakeholders	Implementation Status	Outcome/Output
Enhancement of integrity and ethics in public sector institutions	Ministry of Planning and Devolution (Directorate of Public Service Management - Performance Contracting Division)	Developed 2012/13 Corruption Eradication Guidelines.	Guidelines developed.
		Vetted Performance Contracts (PC) for 244 institutions.	Institutional Corruption Eradication sub-indicators aligned to 2012/13 Guidelines.
		Analyzed 311 reports on corruption eradication.	Feedback reports provided.
		Undertook an Assessment of the program in 31 institutions.	Institutions assessed and advised.
	Other Ministries	Facilitated the development of Anti-Corruption Policies and Codes of Conduct for 19 ministries	Anti-Corruption Policies and Codes of Conduct developed.
		Provided advisories to 31 Ministries on implementation of the Corruption Eradication sub-indicators	Advisories provided.
	State Corporations	Provided advisory and technical support to 27 institutions to undertake Corruption Risk Assessment and Management Plans (CRAMP)	Corruption Risk Assessments and Management Plans developed.
		Provided advisories to 149 institutions on corruption eradication indicators and the development of Anti-Corruption Policies and Codes of Conduct	Policies and codes developed and advisories provided.
	Tertiary Institutions	Provided advisory and technical support to 22 institutions to undertake CRAMP and development of Anti-Corruption Policies and Codes of Conduct.	CRAMPs, policies and codes developed and at various levels of implementation.
	Local Authorities	Reviewed Codes of Conduct and facilitated the Development of Anti-Corruption Policies for 17 Local Authorities.	Codes of Conduct and Anti-Corruption Policies developed.



Nature of Partnership	Stakeholders	Implementation Status	Outcome/Output
Mainstreaming integrity in the National Strategy for Reducing Emissions from Deforestation and Forest Degradation (REDD+)	Ministry of Environment, Water and Natural Resources	Provided advisory on strategies to enhance integrity under the REDD+ Country Framework.	Advisories developed.
	Kenya Forest Services	Participated in the REDD+ governance scoping assessment	Enhanced awareness on issues of integrity in the environmental and extractive sectors.
Addressing corruption in public procurement	Public Procurement Oversight Authority (PPOA)	Finalized the development of a Memorandum of Understanding.	Memorandum between EACC and PPOA developed.

Table 16: Professional/Partnership Programmes

Nature of Partnership	Stakeholders	Implementation Status	Outcome/Output
Enlist the private sector to enhance integrity.	Kenya Private Sector Alliance and affiliate institutions; and Kenya Association of Manufactures and affiliate institutions.	Two integrity surveys undertaken; to identify manifestations of corruption at the levels of private sector themselves and areas of interface between Private and public sector institutions.	Two integrity survey undertaken. One survey report published and disseminated. A draft National Integrity Pact developed.

Nature of Partnership	Stakeholders	Implementation Status	Outcome/Output
Enlist professional sector to promote ethics and integrity.	Association of Professional societies in Eastern Africa (APSEA) and affiliate professional associations	Held five forums with Professional associations to develop Codes.	Forums held with five professional Associations.
		Provided advisories and technical support 6 Associations i.e. Kenya Institute of Supplies Management, Institute of Quantity of Surveyors of Kenya, KESAP (Kenya Society of Agricultural Professionals, Kenya Metrological Society, Insurance Institute of Kenya and Kenya Institute of Bankers on the development of Codes of Conduct and Ethics.	Advisories on the development Codes of conduct provided. Codes developed and launched.

4.2 Capacity Building

In the year under review, a total of five hundred and six (506) Integrity Assurance Officers and nine hundred and fifty two (952) Corruption Prevention Committees (CPC) members from various institutions were trained. The training was conducted in various regions namely; Rift Valley, Mombasa, Nairobi, Central and Eastern and Nyanza.

4.3 Public Education, Training and Awareness Creation

During the reporting period, the Commission continued to implement education, awareness and training programs in order to enlist the public in the promotion of integrity and corruption intolerance. The programs undertaken included Anti-Corruption Outreach Programs, and Regional Outreach Clinics.

4.3.1 Anti-Corruption Outreach Programs and Regional Outreach Clinics

The regional anti-corruption outreach clinics were conducted in five Counties namely; Uasin-Gishu, Kericho, Marsabit, Makueni and Isiolo. Apart from awareness creation, these clinics also served as forums for advisory services, corruption reporting and dissemination of IEC materials. Forty eight thousand six hundred and thirty one (48,631) IEC materials were disseminated and a total of 163 corruption related reports received.





The Vice Chairperson of the Commission, Ms. Irene C. Keino, Commissioner (Prof.) Jane K. Onsongo and the Deputy CEO of the Commission, Mr. Michael Mubea flagging off an outreach caravan in Uasin – Gishu County which also marked the opening of the Eldoret Regional Office on 1st February 2013.



EACC official distributing IEC materials to the public during the outreach programme in Uasin – Gishu County on 1st February 2013.



A member of the public reads a poster on the dangers of corruption distributed by EACC officials during the outreach programme in Uasin –Gishu County on 1st February 2013

4.3.2 Schools and Education Sector Outreach Programmes

Following a directive of the Ministry of Education for schools to establish Integrity Clubs, the Commission sensitized 21,426 pupils, teachers and non teaching staff on ethics, integrity, governance and their role as youth in the fight against corruption. The sensitization was aimed at inculcating values among the youth and developing an attitude of intolerance to corruption. The program was also extended to seven tertiary institutions reaching 446 students and encouraging them to form Integrity Clubs. In addition, the Commission convened three experience sharing forums which brought together 202 club officials and patrons from schools in Kwale, Mombasa and Kisumu Counties.

In other sectors of education, the Commission trained thirty two (32) Deans of Students from public and private universities in Kenya and one hundred and twenty (120) Curriculum Developers who comprised of officers from Kenya Institute of Curriculum Development (KICD), Kenya Institute of Special Education (KISE), Kenya National Examinations Council (KNEC) and Ministry of Education (MoE). The curriculum developers agreed to infuse issues of anti-corruption, ethics, and integrity in the primary, secondary and colleges' curricula. The Commission also sensitized and trained fifty (50) Education Officers as well as six thousand (6,000) delegates of Kenya Primary Schools Heads Association (KEPSHA).





Members of Integrity Club of Egoji Teachers Training College with staff of the Commission for during a visit to EACC at the Kenya Integrity Forum Offices on 12th July 2013.

4.3.3 Mainstreaming Anti-Corruption, Ethics and Integrity

The Commission sensitized 2,519 persons drawn from the public, private and civil society sectors on their role in the fight against corruption and the promotion of good governance as shown in Table 17 below:

Table 17: Anti-Corruption Sensitization in Sectors

Sector	Number Trained	Proportion of total
Public sector	1,521	60%
Private sector and professional associations	878	35%
Civil society sector	120	5%
Total	2,519	100%

In the reporting period, the Commission scripted 12 episodes of faiths radio programmes based on Integrity: a Weapon against Corruption, a Bible Study Guide previously developed by the Commission. The Commission also trained 84 members, pastors and elders of the Seventh Day Adventist and their affiliated bodies in Nakuru, Kisumu and Eldoret in order to strengthen ethics and integrity and corruption intolerance in the country. Additionally, the Commission trained 46 managers of the Catholic Justice and Peace Commission (CJPC) and continues to engage members of the public to disrupt corruption.

4.3.4 Development and Revision of IEC Materials

The Commission revised four (4) brochures, two (2) simplified versions of anti-corruption laws, one Bible Study Guide and ten (10) different types of posters with

anti-corruption messages. In addition, the Commission developed three (3) new anti-corruption manuals and T-shirts with messages on integrity as presented in Table 18.

Table 18: IEC Materials Revised, Developed and Printed in the Reporting Period

No.	Material	Number	Status
1.	Revised: Four brochures: Values for Life, Integrity Starts with Me, Your Character Counts and Kenya My Country	26,000	Printed
2.	Revised: Simplified Public Officer Ethics Act, 2003	-	Not printed
3.	Revised: Simplified Anti-Corruption and Economic Crimes Act, 2003	-	Not printed
4.	Revised: Bible Study Guide	-	Not printed
5.	Revised: Ten (10) Assorted Anti-Corruption Posters	-	Not printed
6.	Developed: Manual for the Establishment of Integrity Clubs	2,000	Printed
7.	Developed: Simplified Ethics and Anti-Corruption Commission Act, 2011	-	Not printed
8.	Developed: Simplified Leadership and Integrity Act, 2012	-	Not printed
9.	Developed: Integrity Club T-shirts	1,500	Printed

4.4 Research on Corruption and Ethics

During the period under review, the Commission continued to conduct research in order to determine the nature, extent and magnitude of corruption and unethical conduct in Kenya. These included two (2) national surveys on ethics and corruption and two (2) thematic studies.

4.4.1 National Survey on Corruption and Ethics, 2012

The Commission conducted a National Survey on Corruption and Ethics (NSCE) with the objective of monitoring the progress in the fight against corruption and unethical conduct. The following are the highlights of the survey findings:

- i. According to 67.7 percent of the respondents the level of corruption in Kenya is perceived as high, 21.7 percent consider it as moderate and 8.3 percent rate it to be low as shown in Figure 3 on page 42.



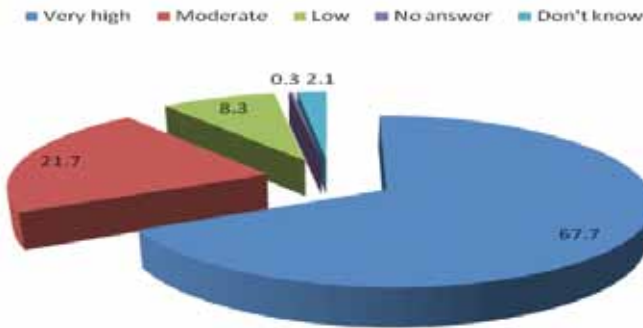


Figure 3: Perception of the Level of Corruption in Kenya by Percentage

- ii. The Government's commitment to fight corruption and promote sound ethical behavior in the public service: According to 50.8 percent of the respondents, the Kenya Government was perceived to be committed while 45.2 percent perceived the government as not committed.
- iii. Thirty five percent of the respondents cited greed as the leading cause of corruption in Kenya while 12 percent cited poor remuneration, culture (12%), poverty (11%) and the tendency for taking shortcuts in seeking government services (6%).
- iv. Nineteen percent of the respondents cited economic underdevelopment as the main effect of corruption followed by poverty (18%), poor service delivery (14%), slow economic growth (13%), lack of justice (10%), income inequality (8%) and high inflation (3%).
- v. Sixty percent of the respondents indicated that service seekers were more likely to experience corruption in the Ministry of Internal Security and Provincial Administration followed by Ministry of Lands (28%), Ministry of Public Health (19%), Ministry of Local Government (19%), Ministry of Immigration and Registration of Persons (18%) and Ministry of Education (13%).
- vi. Sixty seven percent of the respondents perceived the Kenya Police as the most corrupt in the country followed by Government Hospitals (16%), Local Authorities (15%), Registrar of Persons (13%) and Provincial Administration (10%).

4.4.2 Ethics and Corruption Baseline Survey

The Commission conducted the Ethics and Corruption Baseline Survey in the reporting period to establish a baseline on corruption and ethics indicators which would serve as benchmarks for monitoring and evaluating effectiveness of its interventions in future.

4.4.3 Perspectives on Corruption in the Judiciary

The Commission conducted a study on Corruption and Ethics in the Judiciary whose objective was to assess the nature of corruption and the effects it had on service delivery. The target respondents of the study included judicial staff and court users.

The highlights of study findings are as follows:-

- a) Fifty eight percent (58%) of the respondents perceived the level of corruption within the judiciary to have reduced followed by 16% who perceived the level to have remained the same while 10% perceived the level to have increased.
- b) The three main forms of corruption within the Judiciary as reported by judicial staff were hiding of files, abuse of office and bribing of judicial staff. This was as reported by 35%, 24% and 19% of the judicial staff respondents respectively. Moreover, absenteeism, bribery and favoritism were cited as the three main forms of corruption by the court users. This was reported by 41%, 36% and 34% of the respondents respectively.
- c) Seventy three per cent (73%) of the court users reported laxity as the main form of unethical behavior within the Judiciary; followed by discourtesy (39%), greed (28%), lateness (19%), rudeness (19%) and indifference (11%). The judicial staff on the other hand cited bribery, laxity and nepotism as the three most prevalent types of misconduct within the judiciary. This was reported by 22%, 19% and 17% of the respondents respectively.
- d) The four main effects of corruption in the Judiciary were delays in delivery of judgments, disappearance of evidence and documents pertaining to cases, variances in sentencing and prolonged stay by court staff in a station. This was as reported by 80%, 37%, 20% and 17% of the respondents respectively.



The Commission continued to efficiently utilize its financial human and physical resources in order to execute its mandate. This section outlines activities undertaken in the reporting period.

5.1 Financial Resources

During the reporting period, the Commission was allocated a total of Kenya Shillings 1,812,748,800 in the Printed Estimates to finance its operations. The allocation comprised Kshs. 1,590,748,800 and Kshs. 222,000,000, which were factored in the Recurrent and Development Votes respectively. These allocations were later revised in the Supplementary Estimates to Kshs 1,431,673,920 and Kshs 124,500,000 in the Recurrent and Development Votes respectively.

a) GOK Recurrent Funds

All finances for Recurrent Expenditure for the reporting period were funded by the Government. From an allocation of Kshs 1,431,673,920 in the Supplementary Estimates for 2012/13, the Commission spent a total of Kshs 1,346,369,233, which comprised Kshs 1,256,317,560 and Kshs 90,051,673 of actual expenditure and commitments respectively.

b) GOK Development Funds

Government funding for Commission's Development Expenditure stood at Kshs. 97,500,000 in the Supplementary Estimates for 2012/13. Of the allocation, the Commission spent Kshs. 6,060,535, which comprised Kshs 5,810,535 and Kshs 250,000 of actual expenditure and commitments respectively.

c) Donor Funds

The Commission and the United Nations Development Programme (UNDP) continued to implement the three year partnership on the Wealth Declaration Project. In the reporting period, UNDP contributed Kshs.22 Million while the GOK (EACC) contributed Kshs. 5 Million as counterpart funds towards the Project. These funds were utilized in the execution of the Project.

5.2 Human Resource Management

The Commission continued to enhance its human resource capacity during the year under review.

5.2.1 Staff Compliment

At the commencement of the period under review, the Commission had a staff compliment of 282 against an establishment of 366. However, by the close of the Financial Year, staff compliment stood at 232.

5.2.2 Vetting of Staff

During the reporting period the Commission vetted 253 members of staff in compliance with the Ethics and Anti-Corruption Commission Act, 2011.

5.2.3 Job Evaluation

During the period under review, the Commission sought the services of the Ministry of State for Public Service to undertake a Job Evaluation for the Commission and recommend an appropriate organizational structure.

5.2.4 Training

The Commission continued to train its staff locally and abroad during the reporting period in areas of corruption investigations, prevention, good governance, financial management and other competencies as shown in Tables 19 and 20.

Table 19: Staff Training Abroad

Name	Host Organization, Theme, Date and Venue	Objectives
Felix Onjoma Eric Ngumbi Grace Chumba	Advanced Program on Prevention, Analysis and Detection of Corporate Fraud (ESAMI), Arusha, Tanzania, 27 th May – 14 th June 2013.	Increase skills in the prevention of corruption.
Prof. Jane K. Onsongo	Developing Effective Policy, London, United Kingdom, 24 th -28 th June 2013.	Topic: Analysis and use of Evidence.
Abigael Mbagaya	International Visitors Leadership Programme (IVLP), Washington DC, USA, 22 nd March – 13 th April 2013	Topic: Accountability in Government.
Enoch Nguthu Gideon Mokaya Kevin Njuguna	Training of Trainers in Forensic Auditing and Detecting Fraud in Procurement and Supply Chain, by EAAACA, Kampala, Uganda, 8 th -19 th March 2013	To equip participants with necessary tools to engage in forensic auditing and fraud detection in procurement.
Joseph Olum	Public Sector Financial Management (MFMA & PFMA) by Intelligent Africa Marketing and Training, South Africa, 26 th -30 th November 2012	Public Sector Financial Management Training.
Arthur Opili	Training Programme with African partners by OLAF, Brussels, Belgium, 19 th -23 rd November 2013	Training Programme with African Partners.
Petronilla K. Kyengo	Training on Reward Management by Eastern and Southern Africa Management Institute, Durban, South Africa, 29 th Oct. – 9 th Nov. 2012.	Reward Management



Pascal K. Mweu	15 th UNCAC Training programme on Effective Legal and Practical Measures Against Corruption by JICA, Tokyo, Japan, 8 th Oct.-14 th Nov. 2012	Training programme on Effective Legal and Practical Measures against Corruption
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Table 20: Staff Training Locally

Name	Host Organization, Theme, Date and Venue
Elijah Njiruh Allan Mola Judith Shamalla Martin Ngati Faith Ngethe	Train in Trainers in Trial Advocacy in Complex Crimes Program (US Department of Justice's Office of Overseas Prosecutorial Development and Training, 1 st -2 nd August 2013, Nairobi.
Janet Bett Farida Kokita	Monitoring & Evaluation (AMREF), 1 st – 26 th July 2013, Nairobi
Gladys Amutavy Martha Maina Alfred Mwachugha Lilian Barasa Samuel Murage Patrick Owiny Daniel Ogot Michael Nteere	Integrated Public Complaints Reporting and Referral Mechanism (IPCRM), 20 th -24 th May 2013, Nairobi.
John Lolkoloi Gideon Mokaya Evah Wachuka Beatrice Marusoi Elizabeth Ngigi	ICPAK Annual Seminar. Theme - Investments Realities Opportunities and Challenges, 28 th May – 1 st June 2013, Mombasa.
Enock Otiko David Kangara	Continuous Professional Development Seminar (BORAQS). Topic - Building professionals in the new dispensation, 24 th May 2013, Nairobi.
Elijah Njiruh	Professional Mediation Training, 20 th -25 th May 2013, Nairobi.
Gichuru Riria Jackson Mue	IT Security Workshop, 28 th May -31 st May 2013, Mombasa.
Newton Kipkoskei	29 th ICPAK Annual Seminar, 29 th May -1 st June 2013, Mombasa.
Ronald Wanyama	29 th ICPAK Annual Seminar – CLE, 29 th -30 th May 2013, Mombasa.
Christine Natome George Oira	Procurement Laws & Practices –CLE, 15 th – 18 th May 2013, Nakuru.
Godfrey Owino Oyugi Martin Obuo	Legislative Drafting Course –CLE, 20 th – 24 th May 2013, Nairobi
Edwin Mugo	Annual Governance and Ethics Conference (ICPAK) - CLE, 9 th – 13 th April 2013, Mombasa

Name	Host Organization, Theme, Date and Venue
Martin Machira Ngati	Entry Course in Arbitration and Alternative Dispute Resolution (Chartered Institute of Arbitrators (CIArb))-CLE, 24 th – 25 th April 2013, Nairobi.
Caroline Okoola	Supplier and Customer Relationship Management (Kenya Institute of Supplies Management-CLE, 3 rd – 5 th April 2013, Nairobi
Abdulhamid F. Low William Sang	Computer Forensics, Cyber Realm Investigations and Wireless LAN Networks and Best Practices workshop-CLE, 25 th – 30 th March 2013, Mombasa.
Christine Natome George Oira	New Land Laws Seminar-CLE, 21 st -22 nd March 2013, Eldoret
Diana Ogula Faith Ng'ethe	New Land Laws Seminar-CLE, 21 st -22 nd February 2013, Nyeri.
Robert Bett	Certified Information Systems Auditor Training (CISA) –Kenya College of Accountancy, Nairobi-CLE, 9 th -8 th June 2013.
Njeri Gatabaki Bowen Kanda	Practical use of 1999 FIDIC Conditions of Contract –Module 1-CLE, 18 th – 19 th February 2013, Nairobi.
Martin Obuo Tom Amoro	Tactical Analysis and Dissemination Workshop, 28 th - 31 st January 2013, Nairobi
Fredrick Chabari	Procurement leadership Workshop(Kenya Institute of Supplies Management-CLE, 5 th – 7 th December 2012, Mombasa
Julius Muraya Humphrey Mahiva Rogers Akaki Evah W. Thigini Kanda Bowen	Second Interpol Global Programme on Anti-Corruption and Asset Recovery, 17 th – 21 st December 2012, Kenya Monetary Studies-Nairobi
Catherine Wachira Nicholas Simani	2012 Training Summit, Gala Night and Awards for Excellence (Public Relations Society of Kenya) –CLE, 5 th -6 th December 2012, Nairobi
Regina Muriuki David Too	CLE Course on the Electoral Process Laws & Practices – CLE, 11 th January 2013, Nairobi
Prof. Jane Onsongo	Good Corporate Governance for Ethical Effective, Productive and Sustainable Organizations, 21 st -25 th January 2013, Mombasa
Philip Kagucia	Continuing Legal Education Seminar on International Law, 6 th -7 th December 2012, Malindi.
John Lolkoloi	Inaugural Forensic Audit Conference(ICPAK), 3 rd -5 th October 2012 Mombasa
Jane Muthaura	Year 2012 Fellows Forum –ICPSK, 15 th - 17 th November 2012, Naivasha.



Name	Host Organization, Theme, Date and Venue
James Olola Regina Muriuki David Kaboro Martin Obuo Elijah Njiruh Judith Shamalla Anthony Ongondi Abdi Mohamud Henry Mwithia Patrick Owiny Nicholas Simani Newton Kiplagat Rose Iringo James Isoe Gilbert Lukhoba Sophia Mwai	Workshop on Enforcement of the Leadership and integrity provisions under the constitution of Kenya, 7 th – 9 th November 2012, Mombasa.
Pius Maithya	Seminar on the New Land Laws, 30 th October 2012, Nairobi
Godfrey Oyugi	Workshop on Illegal Exploitation Natural Resources, 11 th -12 th October 2012, Nairobi.
Kennedy Bosire Henry Mwithia Kipsang Sambai Gerald Munyiri Kevin Njuguna	Capital Markets workshop for members of the Judiciary, DPP, and the Police, 30 th October 2012, Nairobi.
Enock Otiko David Kangara	Seminar CPD: Changing trends in the construction Industry, 17 th September 2012, Nairobi.
Boaz Wanjala Johnstone T. Chekwony	Stores and Stock Control by Kenya Institute of Supplies Management, 11 th -18 th November 2012, Nakuru.
Galgallo Gorai Miriam Cherutich Joyce Itotia Francis Kamwara Petronilla Kyengo Guyo Galgalo Grace Chumba Juma Ochula Jeremy Bundi	Basic to Advanced MS Excel 2007 Course: MultiMedia University College of Kenya, 16 th April-27 th April 2012.
Dianah Mwangi Gilbert Lukhoba Rose Ego John Agar Eric Ngumbi Jackson Sokoine Michael Babu Stella Mbelle Daniel Oirere Anne Jemutai	Basic to Advanced MS Excel 2007 Course: MultiMedia University College of Kenya, 20 th March -2 nd April 2012.
Dedan Okwama	ICT Records Management Officers (ESAMI), 7 th October -3 rd November 2012.

Name	Host Organization, Theme, Date and Venue
George K. Njamwitha Allan Mola Philip Kagucia Julius Muraya	Law Society of Kenya workshop, CLE: The Frontiers of Environmental Laws, Regimes and Procedures, 5 th October 2012, Nairobi.
Samuel Wanjere	10 th Annual Advanced PR & Customer service workshop for East Africa 2012. Mastering Essential Tools and Concepts of PR and customer service, 14 th -16 th November 2012, Mombasa
Dorothy Kisombe	Management Development Programme for Executive Assistants II (Advanced) by Eastern and Southern African Management Institute (ESAMI), Mombasa, Kenya, 22 nd Oct. – 16 th Nov. 2012
John Lolkoloi	Inaugural Forensic Audit Conference(ICPAK), 2 nd -6 th October 2012, Mombasa
Faith Ng'ethe George Njamwitha Elijah Njiruh George M. Oira	EAC International Laws and Treaties, 19 th -21 st September 2012, Nakuru.
David Kang'ara Enoch Otiko	Architects and Quantity Surveyors Seminar. CLE: Emerging project delivery models and professional practice, 19 th -20 th September 2012, Nairobi



Name	Host Organization, Theme, Date and Venue
Rose Iringo Selasio Kinyua Phillip Kagucia Stanely Miriti George M. Oira Samuel Murage Edwin Mugo Fredrick Chabari Daniel Waweru Josephine Makokha Anthony Ongondi Thomas Maiyo Edwin Waudu Godfrey Oyugi Kossy Bor Kennedy Bosire Francis Mwaniki Kipsang Sambai Wilfred Mutiga Simeon Cherpka Njeri Gatabaki John Lolkoloi Gerald Munyiri Benard Twala Danel Ogot Nyaga Mutembe Jackson Sokoine Charles Rasugu Adulhamid Low Ibrahim Abdi Fred Lolkurum George Ojowi John Nyagara Mohamed Doo Ben Murei Martin Obuo Martin Ngati Dedan Okwama Judith Shamalla Regina Muriuki James Olola Arthur Opili Taabu Lwanga Pius Maithya Isaac Nyambati Pascal Mweu Gideon Mokaya Khalid Isaac Zachary Mwangi Robert Karani Wyclife Sirengo Josphat Ndwiga Rosemary Otuoma	Basic Financial Investigations and Asset Recovery-sponsored by UNDP, 20 th -25 th August 2012, Nakuru.

Name	Host Organization, Theme, Date and Venue
Edward Rinkanya Kimwele Muneeni James Sitenei	Law Society Of Kenya Annual Conference, 15 th – 19 th August 2012
Bowen Kanda	Practical Use of 1999 FIDIC Conditions of Contracts. Theme: Practical Use of 1999 FIDIC Conditions of Contract & Multilateral Development Banks' Harmonized Conditions of Contract, 2006, Edition, 6 th -7 th August 2012, Laico Regency, Nairobi
Jane Muthaura	16 th ICPSK Annual International Conference, Governance Perspectives in Harnessing Natural Resources for development, Mombasa, Kenya, 8 th -10 th August 2012.
Abdi Mohamud Victor Muthanga Francis Mwaniki Anthony Kahiga	International Financing and Money Laundering Training. Investigating and prosecuting domestic and international terrorism, financial fraud, and money laundering cases, CID, 16 th -20 th July 2012.



EACC Change Management Program at KCB Leadership Center in Karen on 14th June, 2013.

5.3 Information Communication Technology

During the year under review, the Commission continued to upgrade and modernize its ICT infrastructure and systems in line with technological needs and rapidly changing global technological environment.

The Commission continued participation in implementation of Integrated Complaints Reporting Mechanism (IPCRM) by undertaking hosting and administration of the e-IPCRM component of the initiative whose objective is to



establish unified complaints reporting centres for four investigative agencies i.e. EACC, Kenya National Commission on Human Rights (KNHCR), National Cohesion and Integration Commission (NCIC) and Commission on Administrative Justice (CAJ).

5.4 Corporate Communications

5.4.1 Media relations

During the reporting period, the Commission continued to work closely with the mass media through press releases/press conferences; responding to media enquiries; informal meetings with editors to keep them abreast and sustain relationships; and media interviews.

5.4.2 Website and Social Media

During the reporting period, the Commission continued to interact with the public through its website and social media which support corruption reporting, and dissemination of information.

NATIONAL AND INTERNATIONAL ENGAGEMENTS

During the period under review, the Commission continued to engage with other stakeholders to share best practices and experiences.

6.1 National Engagements

6.1.1 Implementation of the National Anti-Corruption Plan

The Commission continued to implement its programmes under the National Anti-Corruption Plan and to support the operations of the Kenya Integrity Forum (KIF) Secretariat. The Commission NACP Progress Report was presented to the public during various regional integrity review forums.

i). National Leadership and Integrity Conference

The Commission in partnership with the 14 NACP sectors organized the National Leadership and Integrity Conference that was held at the Kenya School of Monetary Studies on 12th June 2013. The main purpose of the conference was to discuss the current and emerging governance issues in the country. Specific objectives of the conference were to: bring leadership of the country together to discuss governance as a key issue in the development of the country; highlight the multi-sectoral initiative (National Anti-Corruption Plan) to the Government; discuss ways and strategies of strengthening the fight against corruption nationally and in devolved Government; and seek support and commitment of the Government.

The theme of the conference was “Revitalizing the war against corruption through partnerships in a new political dispensation”. The Conference was graced by His Excellency the President of the Republic of Kenya, Hon., Uhuru M. Kenyatta and His Excellency the Deputy President, Hon., William S. Ruto. Several other leaders including Cabinet Secretaries, Permanent Secretaries, Senators and Governors attended the conference. The Conference was a success and was attended by 361 delegates from the 14 NACP Sectors.





His Excellency Hon. Uhuru Kenyatta, C.G.H., President and Commander- In-Chief of the Defence Forces of the Republic of Kenya; His Excellency Hon. William Ruto Deputy President, Cabinet Secretaries and other Senior Government and Private Sector leaders.

ii) Regional Leadership and Integrity Review Forums

The Commission in partnership with the 14 NACP sectors organized 8 Regional Leadership and Integrity Review Forums in Kitui, Baringo, Kajiado, Nanyuki, Muranga, Kilifi, Machakos and Kirinyaga. The objectives of the Forums were to: present NACP Progress Implementation reports; discuss topical governance issues; engage regional KIF stakeholders and the public on governance issues; visit and share experiences on implementation of stakeholders' projects; disseminate IEC materials from stakeholders; and gather data on the review of NACP. The forums were successful and the public fully engaged KIF stakeholders. The forums attendance was as shown in Table 21.

Table 21: Regional Leadership and Integrity Review Forums

County	Attendance
1. Kitui	225
2. Baringo	237
3. Kajiado	159
4. Nanyuki	176
5. Muranga	126
6. Kilifi	135
7. Machakos	251
8. Kirinyaga	390
Total	1,699



The EACC Secretary/CEO, Mr. Halakhe D. Waqo attending the Regional Leadership and Integrity Forum in Muranga County on 31st January 2013.



A participant asking a question during the Regional Leadership and Integrity Forum in Muranga County on 31st January 2013.





Commemoration of the International Anti-Corruption Day in Nyeri on 7th December 2012

6.1.2 Task Force on the Development of a Government Policy on National Values

The Commission participated in the Taskforce on Policy Legislation and Institutional Framework for National Values aimed at advancing the values and principles of good governance in Kenya.

6.1.3 Media Awards

The Media Council of Kenya held the Regional Journalists' Convention and the 2nd Annual Journalism Excellence Awards (AJEA) on 3rd May 2013, where EACC sponsored the Good Governance Reporting Award category with an amount of KShs. 200,000. Representatives from the Commission presented the award to winners who included journalists from Daily Nation, The East African and Business Daily from the print media, as well as Kenya Television Network (KTN) and Kiss TV from broadcast television.

6.1.4 Corporate Guests

During the reporting period, the Commission hosted a delegation from the Directorate on Corruption and Economic Crime (DCEC) of Botswana between the 10th and 14th of September 2012 and also a delegation from the Commission Nationale Anti-Corruption (CONAC) of Cameroon from 5th to 7th of February 2013. Their visits were aimed at learning and sharing of experiences in the fight against corruption.

The Commission hosted African Development Bank (AfDB) Operations Evaluation Mission with a view to assessing the assistance to the Commission under the Institutional Support for Good Governance.

The Commission also hosted the Romanian Ambassador to Kenya, UK High Commissioner, GIZ Good Governance Programme Manager, representatives from the World Bank, DFID and FIDA.

6.1.5 Corporate Social Responsibility

The Commission sponsored the 2013 Mater Heart Run with an amount of KShs. 250,000.00, under the **Gold Sponsor** category. During the event, the Commission disseminated IEC materials.

6.2 International Engagements

6.2.1 International Anti-Corruption Day

The Commission sponsored the 2012 International Anti-Corruption Day commemoration that was held at the Dedan Kimathi Gardens, Nyeri on December 7, 2012 whose theme was "Promoting Good Leadership and Integrity: My Role as a Citizen". The Day is commemorated on 9th December every year to observe local and global level efforts in the fight against corruption. The Commission organized a three-day anti-corruption outreach caravan, which covered Nyeri County to sensitize the public and disseminate IEC materials. The commemoration was graced by key leaders from the Nyeri County and national level. A number of Government officials and representatives from different sectors also attended the event.

6.2.2 Seminars, Workshops and Conferences

The Commission continued to participate in seminars and conferences nationally and internationally to share experiences and best practices. Table 22 provides highlights of some of the Commission's engagements at the regional and international levels:

Table 22: Participation in International Seminars, Workshops and Conferences

Name	Host Organization, Date And Venue	Objectives
Judith Mwanzia-Shamalla Edwin Waudu	18 th Commonwealth Law Conference 'Common Challenges-Common Solutions: Commonwealth, Commerce and Ubuntu', Cape Town, South Africa, 13 th -19 th April, 2013.	Theme: Exchange of information on legal, socio-economic and commercial challenges faced by the legal profession in Commonwealth jurisdiction.



Name	Host Organization, Date And Venue	Objectives
Halakhe D. Waqo David Kaboro Lucy Kinuthia	3 rd Commonwealth Regional Conference for Heads of Anti-Corruption Agencies in Africa, 12 th -18 th May 2013, Mauritius	Technical Committee Meeting to finalize the AACACA Draft Constitution
Vincent O. Okong'o Regina Muriuki David Kaboro	4th Session of the Implementation Review Group of the Convention Against Corruption (UNCAC), Vienna, Austria, May 2013	Share experiences with state parties to UNCAC on the Review of the Implementation of the UNCAC. Drawing of lots for selection of state parties to carry out review of UNCAC. Kenya was selected to be reviewed in the cycle.
Abd iMohamud	Workshop on Anti-Money Laundering, Arusha, Tanzania, 15 th -18 th April 2013.	Theme: Combating Corruption.
Catherine W. Wachira	UNODC International Expert Group meeting, 10 th – 12 th April 2013, Vienna, Austria.	Theme: Promoting Responsible and Professional Reporting on Corruption.
Josephat Ndwiga	Technical Workshop on Development of Financial Forensic Manual, Accra, Ghana, 17 th – 19 th March 2013.	Theme: Development of financial forensic investigation training and reference manual for anti-corruption practitioners.
Irene Keino Halakhe D. Waqo	Best Practices in Leading and Managing Exceptional State owned Enterprises/ Parastatals & Government Agencies Boards, Africa 2013 FNB Conference, Johannesburg, South Africa, 18-19 th April 2013	Theme: Promoting an agenda based on ethics, transparency and accountability.

Name	Host Organization, Date And Venue	Objectives
Regina Muriuki David Kaboro	Conference on UN Convention Against Corruption: Review of Malaysia, Kuala Lumpur, Malaysia, 2 nd – 9 th February 2013,	Theme: A review Group of Malaysia's implementation of UNCAC on Criminalization and Law Enforcement (Chapter III) and International Co-operation (Chapter IV).
Sophie Muturi	5 th East African Public Procurement Forum, Bujumbura, Burundi 4 th -8 th December 2012.	Topic: The contribution of Inspection/Verification Organs on Ethics and Transparency in Public Procurement.
Emily Chege Vincent O. Okongo Gilbert Lukhoba	The Regional Meeting Of Anti-Corruption Agencies from Eastern and Southern Africa, Maseru - Lesotho, 3 rd – 7 th December 2012	The Regional Meeting Of Anti-Corruption Agencies from Eastern and Southern Africa.
Joseph Waka	Anti-Corruption Week, Kigali, Rwanda, 5 th -9 th December 2012	Theme: Promote Corruption Free Africa.
Prof. Jane K. Onsongo David Kaboro	Meeting on Technical Committee to Finalize the AACACA Draft Constitution, Lusaka, Zambia, 18 th -22 nd November 2012.	Theme: AACACA Constitution Finalization Meeting.
Jane W. Muthaura	17 th Executive Retreat (ICPAK), Cairo, Egypt, 21 st -23 rd November 2012.	Theme: People Centric Leadership.
Gideon K. Rukaria	Expert Group Meeting on Corruption and the Smuggling of Migrants, Vienna, Austria, 20 th – 24 th November 2012.	Topic: Role of Corruption in the Smuggling of Migrants.
Edwin Waudo	Resumed Third Session of the Implementation Review Group by United Nations Office on Drugs and Crime Secretariat (UNODC), Vienna, Austria, 14 th -16 th November 2012.	Resumed Third Session of the Implementation Review Group



Name	Host Organization, Date And Venue	Objectives
Irene C.Keino, Prof. Jane K. Onsongo Kennedy Bosire James Sitienei Farida Kokita Catherine Wambui George Ojowi Faith Ng'ethe	EAAACA 6 th Annual General Meeting by EAAACA Secretariat, Mwanza, Tanzania, 19 th – 21 st November 2012.	To attend 4 th Executive Committee Meeting and 5 th EAAACA Annual General Meeting.
Prof. Jane K. Onsongo John Lolkoloi	14 th International Summit on Transnational Crime and Homeland & Global Security Forum by Crans Montana., Geneva, Switzerland, 17 th -20 th October 2012.	To attend 4 th International Summit on Transactional Crime Homeland & Global Security Forum.
James Sitienei Regina Muriuki	Meeting of Legislative Drafters and Anti-Corruption Experts by East Africa Community Secretariat, Arusha, Tanzania, 2 nd -4 th October 2012.	Legal Drafting of the Draft EAC Protocol on Preventing and Combating Corruption.
Edward M. Rinkanya Hassan M. Khalid	6 th International Association of Anti-Corruption Authorities (IAACA), Kuala Lumpur, Malaysia, 4-7 th October, 2012.	Theme of UNCAC Chapter VI. Technical Assistance and Information Exchange.
Jane W. Muthaura David Ruto Too Ignatius Wekesa	International Association of Prosecutors, 2 nd Regional IAP Conference for the Africa-Indian Ocean Region, Mauritius, 25 th Aug. 1 st Sept. 2012.	Corroboration between countries in the region in advancing the rule of law.
Japheth Baithalu Soita Wasike	International Symposium on Economic Crimes, Jesus College Cambridge, UK, 2 nd – 9 th Sept. 2012.	Intensive training for investigators and Attorneys in economic crimes.
Ronald Wanyama Nancy Namenge Jesse Wachanga	3 RD Open Minded Intergovernmental Working Group on the Prevention of Corruption, Vienna, Austria, 27 th – 29 th August, 2012.	Deliberate on Resolution 4/3 on the Marrakech Declaration on the Prevention of Corruption.

Name	Host Organization, Date And Venue	Objectives
Mrs. Olga Sewe Mr. Benson K. Murei	4 th IAACA Conference, Dalian China 23 rd June – 1 st July 2012.	Promote and support the implementation of the United Nations Convention Against Corruption (UNCAC), fostering constructive collaboration among its members in prevention, asset recovery and international cooperation.
John K. Isoe Kossy Bor Henry Mwithia	Third Global Focal Point Conference, Amman, Jordan, 16 th -18 th July, 2012	Provide law enforcement entities vested with anti-corruption responsibilities with a secure network for timely exchange of sensitive information.



7.1 Challenges

During the reporting period, the Commission was faced with various challenges including constraints on its human resource capacity, challenges associated with the transition to EACC, inadequate financial resources to fully support the designed programmes, inadequate presence in all regions of Kenya and a slow adjudication of some its cases before court.

7.1.1 Transitional Challenges

In the period under review, the challenge of transition continued to affect operations of the Commission. Despite approval by Parliament and appointment by the President, the Chairperson and members of the Commission were not able to take Oath of Office and assume office immediately due to a court case challenging the appointment of the Commission Chairperson. This exposed the Commission to legal challenges being raised in court about its constitution and the authority of the acting Chief Executive.

7.1.2 Policy and Legal Framework

In the absence of a national anti-corruption policy to guide the fight against corruption, the efforts in the fight against corruption by EACC and other relevant institutions remain uncoordinated and varied. This has affected investigation and asset recovery by EACC particularly in areas which require an integrated approach among all institutions which may be involved in the matter. Thereby, EACC's capacity to deliver on its mandate is affected.

7.1.3 Slow Judicial Process and Adverse Court Decisions

Despite the on-going reforms taking place in the Judiciary, the judicial process and the adjudication of cases is still slow. EACC was affected by adverse judicial decisions which stopped investigations or prosecution of cases.

7.1.4 Inadequate Capacity

As EACC started to expand its services country wide, it faced acute shortage of human resource. To enable it expand its services and have countrywide presence in tandem with the devolved system of governance, EACC will require appropriate human resource capacity.

7.2 Way Forward

The Commission has continued to enlist support in the war against corruption working with many stakeholders throughout the country. The success of the work of the Commission hangs on public recognition of the challenge of corruption in Kenya and the mobilization of support towards its eradication. The Commission vetted its staff in the reporting period and will continue to establish its institutional capacity, forging networks with the public and other partners to fight corruption in Kenya more robustly.

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR ETHICS AND ANTI-CORRUPTION COMMISSION FOR THE YEAR ENDED 30TH JUNE 2013

8.1 CORPORATE INFORMATION FOR THE YEAR ENDED 30TH JUNE 2013

Commission Members

The members of the Commission who served during the year were:

Ms. Irene Keino	Member
Prof. Jane Kerubo Onsongo	Member
Mr. Halakhe Dida Waqo	Secretary

The Chairperson, Mr. Mumo Matemu, assumed office on 5th August 2013.

Principal Place of Business

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

Auditors

Auditor General
Kenya National Audit Office
P.O. Box 30084-00100
Nairobi

Principal Bankers

Kenya Commercial Bank
Milimani Branch
P.O. Box 69695-00400
Nairobi

Advocates

Various
A list is available at the Commission



8.2 REPORT OF THE CHIEF EXECUTIVE OFFICER FOR THE YEAR ENDED 30TH JUNE 2013

The Chief Executive Officer presents the report together with the audited financial statements for the year ended 30th June 2013.

Activities

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

Results


The results for the year are set out on page 63 to 83.

Members of the Commission

The members of the Commission who served during the year are listed on page 63.

Auditor

The auditor of the Commission for the year ended was the Auditor General in line with the Public Audit Act, 2003 and the Ethics and Anti-Corruption Commission Act, 2011. The auditor for the Commission continues to be the Auditor General.



Mr. Halakhe Dida Waqo
Chief Executive Officer

23rd September 2013

8.3 STATEMENT OF THE COMMISSION'S RESPONSIBILITIES

The Ethics and Anti-Corruption Commission Act 2011, requires the Commission to cause to be prepared financial statements for each financial year, which give a true and fair view of the financial affairs of the Commission as at the end of the financial year, and of the operating results for that year.

The Commission is also responsible for keeping proper accounting records which disclose, with reasonable accuracy, the financial position of the Commission, in addition to ensuring that the assets are safeguarded.

The Commission accepts responsibility for the annual report together with the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards and with the requirements of the Public Audit Act, 2003. The Commission is of the opinion that the annual report together with financial statements give a true and fair view of the state of the financial affairs of the Commission and of its operating results. The Commission further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of the internal financial control.

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

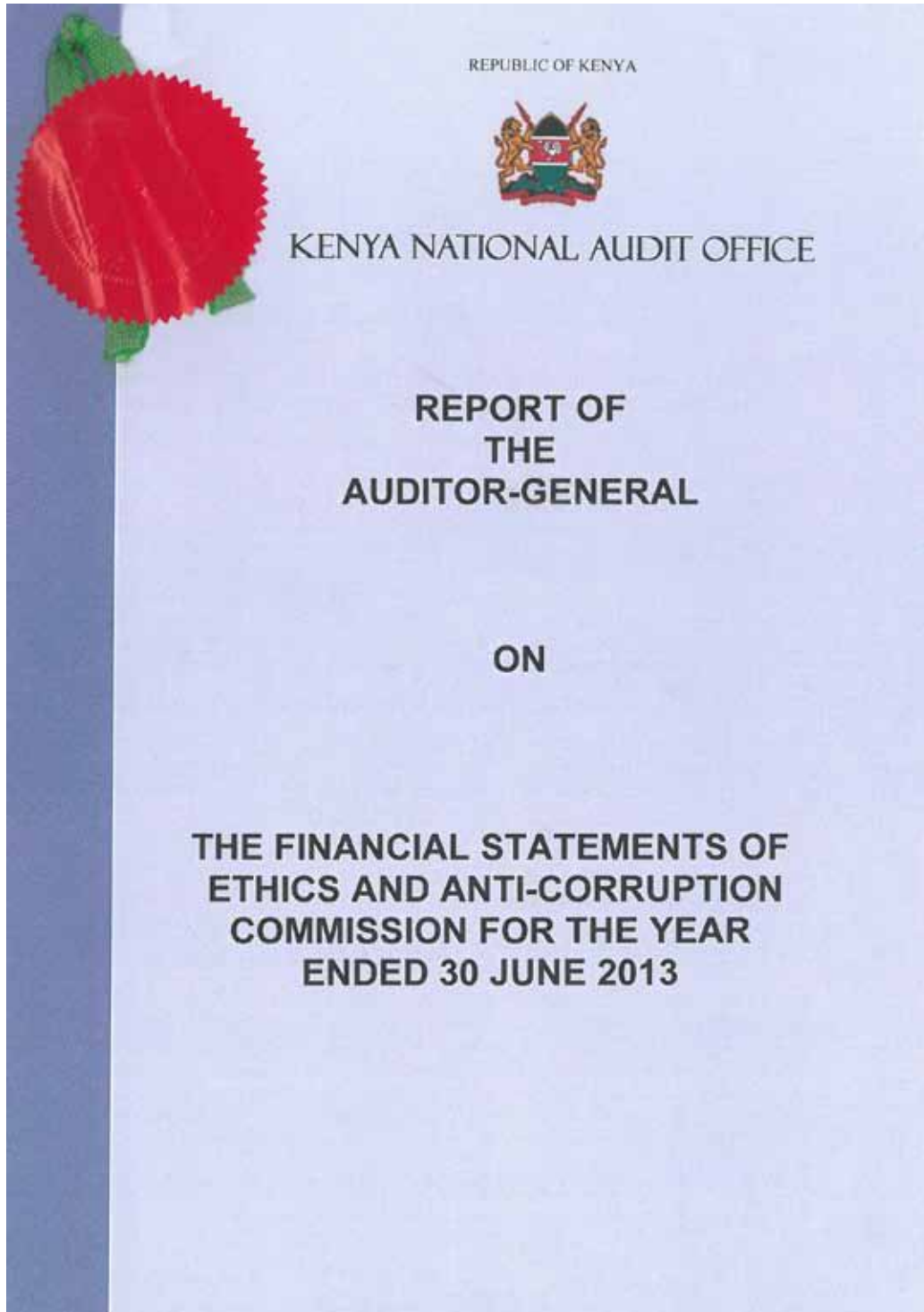


Mr. Mumo Matemu
Chairperson,
Ethics and Anti-Corruption Commission

23rd September 2013



8.4 REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE ETHICS AND ANTI-CORRUPTION COMMISSION FOR THE YEAR ENDED 30TH JUNE 2013



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REPUBLIC OF KENYA



P.O. Box 30084-00100
NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON ETHICS AND ANTI-CORRUPTION COMMISSION FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Ethics and Anti-Corruption Commission set out on page 6 to 17, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of its financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit qualified opinion.

Basis for Qualified Opinion

1. Irregular Personal Allowances

Included in administration expenses of Kshs.840,876,055.00 for the year ended 30 June 2013 is acting allowance amounting to Kshs.1,773,000.00 which was paid to the immediate former Chief Executive Officer between July 2012 and September 2012 contrary to Circular No. OP/CAB/55/1 dated 1 February 2012. Similarly, the Commission had paid acting allowance of Kshs.4,669,323.00 in the year 2011/2012 to the same officer against an entitlement of Kshs.579,427.00 over the entire period. The Commission's efforts have so far not yielded any results to recover the excess allowance of Kshs.5,862,895.90 as at 30 June 2013.

2. Loss of Consumable Stock

The statement of financial position reflects inventory of Kshs.15,204,367.00 as at 30 June 2013. However, 400 tonners valued at Kshs.2,929,820.00 which were ordered on October 2010 from five suppliers and 10 tonners of Kshs.94,100.00 ordered on 10 February 2011 and supplied by one supplier could not be accounted for. The 410 tonners worth Kshs.2,923,920.00 were lost under unclear circumstances and the Commission has made a loss provision in Note 6 to the financial statements. The Commission has not made any recovery of the amount lost through collusion of its former staff.

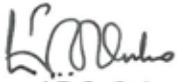
3. Wealth Declaration Management Project

The Commission through the United Nations Development Programme (UNDP) funding of USD 400,000 with Government of Kenya counterpart funding of USD 54,250 was to develop a Wealth Declaration Management System starting 01 March 2011 and be completed in March 2013. However, Kshs.20,457,206.00 had been incurred on the project as at 30 June 2013

without fully attaining the desired deliverables and goals as spelt out in the project's financing agreement signed on 5 April 2011.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Commission as at 30 June 2013, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Ethics and Anti-Corruption Commission Act, 2011.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

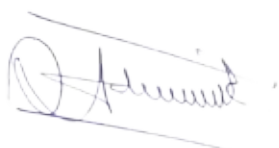
6 December 2013



8.5 STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2013

ASSETS	Note	2013 Kshs.	2012 Kshs.
Non Current Assets			
Property, plant and Equipment	2	301,696,457	256,038,862
Intangible Assets	3	9,376,315	14,063,769
Gratuity Fund Investment	4	131,965,661	177,779,913
Asset Recovery Account	5	94,096,958	87,813,831
		537,135,391	535,696,374
Current Assets			
Inventories	6	15,204,367	13,168,013
Receivables and Prepayments	7	10,769,595	5,462,462
Cash and Cash Equivalents	8	127,224,342	169,136,061
		153,198,304	187,766,536
Total Assets		690,333,695	723,462,911
EQUITY AND LIABILITIES			
Accumulated Fund	14	192,330,372	192,330,372
Revenue Reserves	15	258,656,292	264,585,766
		450,986,664	456,916,138
Non Current Liabilities			
Gratuity Fund	4	128,035,752	177,779,913
Asset Recovery Account	5	94,096,958	87,813,831
		222,132,710	265,593,743
Current Liabilities			
Trade and Other Payables	9	16,614,321	253,030
Accrued Liabilities and Charges	10	600,000	700,000
		17,214,321	953,030
Total Equity and Liabilities		690,333,695	723,462,911

The Financial Statements on Pages 63 to 83 were approved on 23rd September 2013 and signed on behalf of the Commission by:



Mr. Halakhe D. Waqo
Secretary/Chief Executive Officer



Mumo Matemu
Chairperson

8.6 STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2013

REVENUE	Note	2013 Kshs.	2012 Kshs.
Government Grants (GOK)	11	1,220,000,000	1,292,148,522
Development Partners/ Donor Support	12	14,662,375	13,873,437
Other Income	13	2,807,783	478,015
Total Revenue		1,237,470,158	1,306,499,974
EXPENDITURE			
Administration Expenses	19	840,876,055	965,040,882
Operating and Maintenance	24	404,773,605	342,067,668
Total Expenditure		1,245,649,659	1,307,108,550
Operation Loss for the Year		(8,179,501)	(608,576)
Profit on disposal of assets	14	2,250,027	1,406,536
Surplus/ (Loss) for the Year		(5,929,474)	797,960



8.7 STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE 2013

Particulars	2013 Kshs.	2012 Kshs.
From Operating Activities		
Surplus/ (Loss) from operations	(5,929,474)	797,960
Add back non-cash payment (Depreciation)	52,796,497	37,772,147
Add back non-cash payment (Amortization)	4,687,454	7,030,830
Profit on disposal of Assets	(2,250,027)	(1,406,536)
Income from Operations	49,304,450	44,194,400
(Increase)/Decrease in inventories	(2,036,354)	2,252,861
(Increase)/Decrease in receivables & Prepayments	(3,289,991)	2,659,699
Increase/(Decrease) in payables	16,261,291	(1,621,143)
Net cash from operating activities	60,239,396	47,485,818
From Investing Activities		
Purchase of property, plant and equipment	(100,000,276)	(7,802,998)
Purchase of Intangible Assets		(497,768)
Proceeds from disposal of plant, property and equipment	3,796,210	2,497,500
Net cash utilized in investing activities	(96,204,066)	(5,803,265)
From Financing Activities		
Funds held in Gratuity Funds – Main Account	(3,929,908)	-
Refund of Surplus to the Treasury	-	(42,916,809)
Net cash used in Financing activities	(3,929,908)	(42,916,809)
Net increase in cash and cash equivalents	(39,894,577)	(1,234,256)
Bank and Cash equivalents at beginning of year	169,136,061	170,370,317
Bank and cash equivalent at end of year	129,241,484	169,136,061

8.8 STATEMENT OF CHANGES IN EQUITY AS AT 30TH JUNE 2013

Particulars	Accumulated Fund (Kshs.)	Revenue Reserve (Kshs.)	Total (Kshs.)
As at 1 July 2011	192,330,372	306,704,615	499,034,987
Refund of Surplus funds (FY 2009/10) to the Treasury	-	(42,916,809)	(42,916,809)
Surplus for the Year	-	797,960	797,960
Balance as at 30 June 2012	192,330,372	264,585,766	456,916,138
As at 1 July 2012	192,330,372	264,585,766	456,916,138
Surplus for the Year	-	(5,929,474)	(5,929,474)
Balance as at 30 June 2013	192,330,372	258,656,292	450,986,664

The Accumulated Fund represents the surplus for the year and capital transfer of inventory, plant and equipment inherited from the defunct Anti-Corruption Police Unit (ACPU), Investigation Software and motor vehicles received as grants.



8.9 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

(i) Basis of preparation and form of presentation

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRSs). The financial statements are presented in functional currency, Kenya shillings (Kshs), which is the prevailing currency within the primary economic environment, and prepared in accordance with the measurement bases prescribed by IFRSs.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Commission's policies.

The financial statements are prepared in accordance with and comply with the International Financial Reporting Standards (IFRS).

(ii) Revenue Recognition

Income is recognized in the period in which it is received. Government and donor funding is only recognized on receipt. Income is not accrued if its recoverability is considered doubtful.

Interest income is recognized on a time proportion basis using the effective interest rate method.

(iii) Revenue

The revenue constitutes all funds accruing to the Commission in the form of exchequer allocations, funds from development partners and other income arising from investment and sale of tenders including proceeds of disposal of assets.

(iv) Grants

Grants related to assets, including non monetary grants at fair value, are recognized when there is reasonable assurance that the grant will be received and the Commission will comply with the conditions attaching to them.

(v) Property, Plant and Equipment

All categories of property, plant and equipment are initially recorded at cost.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Commission and the cost can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus reserve in accumulated funds. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to the profit and loss account. Each year the difference between depreciation charged based on the revalued carrying amount of the asset (the depreciation charged to the profit and loss account) and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings. Leasehold land is not depreciated

Depreciation is calculated on a reducing balance basis at rates designed to write down the assets to their estimated residual values over their estimated useful lives using the following annual rates:

	Rate per annum (%)
Computers & Software	33.33
Motor vehicles	25.00
Plant and equipment	12.50
Surveillance Equipment	12.50
Furniture, Fixtures & Fittings	12.50

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. An impairment loss is recognized in the income statement, whenever the carrying amount of an asset exceeds its recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and taken into account when determining the surplus of the year.

(vi) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a first- in- first- out basis.

(vii) Trade and other receivables

Trade and other receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(viii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; bank balances; demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash and cash equivalents that are not readily accessible are classified under deferred assets. For the purposes of the cash flow statement, cash and cash equivalents consist of cash on hand and deposits in banks, and short term highly liquid investments.



(ix) Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Commission.

(x) Provisions and accruals

Provisions are recognized when the Commission has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits.

(xi) Employee benefits

The Commission sets aside on monthly basis the gratuity for its employees. This is managed separately as sinking fund in accordance with section 24(2)(b) of the Ethics and Anti- Corruption Commission Act, 2011.

The Commission also contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions are determined by local statute. Any contributions made to the NSSF in respect of current service are charged against income in the year of contribution.

(xii) Income taxes

The Commission being a non trading entity is not subject to taxation. No tax is therefore provided in these accounts.

2. Property, plant and equipment

	Land	Plant and Equipment	Security Equipment	Furniture, Fixtures & Fittings	Motor Vehicles	Computer Equipment	TOTAL
Cost/Valuation	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
As at 1 July 2012	120,416,497	38,270,957	43,408,460	20,116,487	191,262,411	79,160,772	492,635,584
Additions	-	2,144,557	-	1,488,600	95,193,143	1,173,976	100,000,276
Disposals	-	(180,000)	-	(7,000)	(14,532,400)	(84,000)	(14,803,400)
At 30 June 2013	120,416,497	40,235,514	43,408,460	21,598,087	271,923,154	80,250,748	577,832,460
DEPRECIATION							
As at 1 July 2012	-	17,621,232	19,642,228	8,804,608	130,453,575	60,075,079	236,596,722
Charge for the year	-	2,839,187	2,970,779	1,599,667	38,636,775	6,750,089	52,796,497
Disposals	-	(99,217)	-	(3,858)	(13,077,519)	(76,623)	(13,257,218)
At 30 June 2013	-	20,361,203	22,613,007	10,400,417	156,012,830	66,748,544	276,136,002
NET BOOK VALUE							
At 30 June 2013	120,416,497	19,874,312	20,795,453	11,197,670	115,910,323	13,502,203	301,696,457
At 30 June 2012	120,416,497	20,649,725	23,766,232	11,311,879	60,808,836	19,085,694	256,038,862



3. Intangible Assets

Cost/Valuation	2013 (Kshs.)	2012 (Kshs.)
At start of the year -1.7.2012		
Additions	97,649,415	97,151,647
Total	-	497,768
	97,649,415	97,649,415
Amortization		
At start of the year – 1.7.2012		
Charge for the year	83,585,646	76,554,816
	4,687,454	7,030,830
At end of the year – 30.6.2013	88,273,100	83,585,646
Net Book Value	9,376,315	14,063,769

Intangible assets consist of computer software development costs and licenses. These are amortized on reducing balance basis to write them down to their estimated residual value over their estimated useful lives at the rate of 33.33% per annum

4. Gratuity Fund Investment

The gratuity fund constitutes a proportion of basic salary set aside on monthly basis as a sinking fund to cater for benefits payable to employees when due.

	2013 (Kshs.)	2012 (Kshs.)
Balance brought forward	177,779,913	164,068,629
Additions	139,682,537	161,500,784
Payments	(185,496,789)	(147,789,501)
Total	131,965,661	177,779,913

5. Asset Recovery Account

The asset recovery account comprises of funds received from recovery of corruptly acquired assets on behalf of public organizations.

6. Inventories

	2013 Kshs.	2012 Kshs.
Consumables	9,011,770	6,966,427
Less: Provision for loss of inventories	(2,923,920)	(2,914,931)
Library books	9,116,517	9,116,517
Total	15,204,367	13,168,013

7. Deposits and Staff Receivables

	2013 Kshs.	2012 Kshs.
Imprest Debtors	3,563,562	873,954
Staff Advances	2,943,333	149,984
Deposits	4,242,700	4,438,124
Prepayments & other receivables	20,000	400
Total	10,769,595	5,462,462

8. Cash and cash equivalents

	2013 Kshs	2012 Kshs.
Recurrent Bank Account	68,822,205	107,722,948
Development Account	54,708,011	49,492,924
Kenya Commercial Bank –UNDP Project	1,356,510	7,151,340
Kenya Commercial Bank – Mombasa office	256,954	1,000,000
Kenya Commercial Bank – Kisumu office	73,524	500,000
Kenya Commercial Bank – Garissa office	156,653	500,000
Kenya Commercial Bank – Nyeri office	146,702	500,000
Kenya Commercial Bank – Eldoret office	79,096	500,000
Cash on hand	1,624,686	1,768,848
Total	127,224,342	169,136,061

9. Trade and other payables

	2013 (Kshs.)	2012 (Kshs.)
Other payables	16,614,321	253,030
Total	16,614,321	253,030



10. Accrued liabilities and charges

	2013 Kshs.	2012 Kshs.
Audit fees	600,000	700,000
Total	600,000	700,000

11. Government Grants (GOK)

Government grants represent recurrent and development exchequer receipts received during the financial year.

	2013 Kshs.	2012 Kshs.
Recurrent Exchequer receipts	1,210,000,000	1,292,148,522
Development Exchequer receipts	10,000,000	-
Total	1,220,000,000	1,292,148,522

12. Development Partners/Donor Support

	2013 (Kshs.)	2012 (Kshs.)
UNDP/ADB Grants	14,662,375	13,105,150
Government Grants (GOK)		768,287
Total	14,662,375	13,873,437

13. Other Income

	2013 (Kshs.)	2012 (Kshs.)
Sale of tender documents	1,133,000	478,015
Sale of non-assets and boarded materials documents	320,838	-
Interest income	1,353,945	-
Total	2,807,783	478,015

14. Profit on Disposal

The Commission disposed off assets whose total cost or valuation was Ksh.14,803,400 with an accumulated depreciation of Ksh.13,257,217 and a net book value of Ksh.1,546,183. A total of Ksh.3,796,210 was collected as sale proceeds, thereby realizing a profit on disposal of the assets of Ksh.2,250,027

15. Accumulated Fund

	2013 (Kshs.)	2012 (Kshs.)
Balance brought forward	192,330,372	192,330,372
Total	192,330,372	192,330,372

16. Revenue Reserve

	2013 (Kshs.)	2012 (Kshs.)
Balance brought forward	264,585,766	306,704,615
Refund of surplus	-	(42,916,809)
Surplus for the year	(5,929,474)	797,960
Total	258,656,292	264,585,766

17. Contingencies Liabilities

The Commission has given no guarantees to third parties. In the ordinary course of business, the Commission has been sued in various cases with potential exposure estimated at Kshs.273 million.

The Commission is a defendant or co-defendant in various litigations and claims. The outcomes of these litigations and claims are yet to be determined; hence the Commission has not made any provisions in these accounts towards contingent liabilities.

18. Operating and maintenance

Included in the operating and maintenance expenditure is an amount of Kshs.24,953,680 described as security expenses.

19. Administration Expenses

	2013 Kshs	2012 Kshs.
Basic salaries	435,233,782	523,171,192
Basic wages paid- Temporary employees	-	860,000
Personal Allowances	179,880,374	201,711,363
Employer Contribution to NSSF	627,600	686,600
Government Pension & Retirement Benefits	133,119,019	154,399,160
Insurance costs	71,601,543	54,926,387
Hospitality, Supplies and Services	20,085,412	29,286,181
Ex-gratia payments	328,325	-
Total	840,876,055	965,040,882



20. Key management personnel costs

Included in the Administration expenses of Kshs.839,813,629 is an amount of Kshs.9,492,580 being the monthly salaries and allowances paid to key management personnel comprising of the Secretary and Deputy Secretary.

	2013 Kshs.	2012 Kshs.
Basic salaries and benefits for the Secretary and Deputy Secretary/Director, Deputy Director and Assistant Directors	9,492,580	15,632,500
Total	9,492,580	15,632,500

21. Capital Commitments

The Commission had commitments totaling Ksh.82,582,126, for which goods and services were to be rendered in the subsequent financial year.

22. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

23. Reporting Currency

The financial statements are reported in Kenya Shillings.

24. Operating and Maintenance

	2013 Kshs.	2012 Kshs.
Utilities, supplies and service	9,590,892	10,475,083
Communication, supplies and services	14,537,516	12,416,820
Domestic travel, subsistence & other transport costs	49,455,641	46,169,766
Foreign travel, subsistence & other transport costs	18,563,604	14,259,914
Printing, advertising, information supplies & services	29,758,165	21,416,579
Rentals of produced assets	75,569,820	69,863,833
Training expenses (including capacity building)	27,845,313	24,588,078
Specialized materials and supplies	3,699,177	3,149,347
Office and general supplies & services	7,189,940	8,784,161
Fuel, oils and lubricants	16,240,413	18,087,318
Other operating expenses (Note 24)	38,726,752	30,992,052
Routine maintenance-Vehicle & other transport equipment	11,495,484	12,687,702
Routine maintenance-other assets	9,611,429	6,134,369

Other miscellaneous, current transfers, grants & subsidies	-	1,153,173
Acquisition of wealth declaration system	20,457,206	5,953,810
Refurbishment of buildings	4,757,608	705,108
Research, feasibility studies, project preparation and design	9,790,693	10,427,579
Amortization expense	4,687,454	7,030,830
Depreciation expenses	52,796,497	37,772,147
Total	404,773,605	342,067,668

25. Other Operating Expenses

	2013 (Kshs.)	2012 (Kshs.)
Bank charges on recurrent account	706,223	794,852
Bank charges on development account	5,700	
Contracted guards and cleaning services	1,436,454	1,713,670
Contracted guards & cleaning materials-development a/c	541,024	
Memberships fees, dues and subscriptions	2,218,567	2,602,933
Legal dues, arbitration and compensation	801,814	946,176
Security expenses	24,953,680	22,839,000
Contracted professional services	3,040,170	418,500
Contracted professional services - development	3,484,545	
Witness allowances	48,424	-
Witness expenses	890,152	976,921
Audit fees	600,000	700,000
Total	38,726,752	30,992,052



