



ETHICS AND ANTI-CORRUPTION COMMISSION

**REPORT OF ACTIVITIES
AND FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR 2014/2015 FOR
THE ETHICS AND ANTI-CORRUPTION COMMISSION (EACC)**

**Prepared and issued in accordance with Section 27 of the Ethics and Anti-Corruption Act, 2011
and Section 45 of the Leadership and Integrity Act, 2012.**



©2015 Ethics and Anti-Corruption Commission

**Prepared and issued in accordance with Section 27 of the Ethics and Anti-Corruption Act, 2011
and Section 45 of the Leadership and Integrity Act, 2012.**



TABLE OF CONTENTS

TABLE OF CONTENTS.....	i
LIST OF TABLES.....	iv
LIST OF FIGURES.....	v
LIST OF ABBREVIATIONS AND ACRONYMS.....	vi
MISSION STATEMENT	viii
MEMBERS OF THE ETHICS AND ANTI-CORRUPTION COMMISSION	ix
MESSAGE FROM THE SECRETARY/CHIEF EXECUTIVE OFFICER.....	x
CHAPTER 1: BACKGROUND	12
1.1 INTRODUCTION	12
1.2 FUNCTIONS AND STRUCTURE OF EACC	12
1.2.1 Functions	12
1.2.2 Structure.....	13
CHAPTER 2: INVESTIGATIONS	14
2.1 INTRODUCTION	14
2.2 REPORTS RECEIVED.....	14
2.2.1 Action on Reports Received	15
2.2.2 Trend Analysis of Reports within the Commission's Mandate.....	16
2.2.3 Categorization of Reports Received.....	16
2.3 INVESTIGATION OF ACTS OF CORRUPTION.....	17
2.3.1 Preliminary Investigations	17
2.3.2 Forensic Investigations	18
2.3.3 Trap and Sting Operations.....	31
2.3.4 Illegally Acquired and Unexplained Assets Traced	35
2.3.5 Proactive Investigations	37
2.4 STATUTORY REPORTS TO THE DIRECTOR OF PUBLIC PROSECUTIONS	40
2.5 CRIMINAL CASES PRESENTED BEFORE COURT.....	40
CHAPTER 3: LITIGATION AND RECOVERY OF ILLEGALLY ACQUIRED PUBLIC AND UNEXPLAINED ASSETS	41
3.1 INTRODUCTION	41
3.2 RECOVERY OF ILLEGALLY ACQUIRED PUBLIC ASSETS.....	41
3.3 SUITS AND PRESERVATION APPLICATIONS FILED	41
3.4 CONSTITUTIONAL REFERENCES, JUDICIAL REVIEW APPLICATIONS AND OTHER CASES FILED AGAINST THE COMMISSION	43
3.5 INVESTIGATORY APPLICATIONS	48
3.6 RECOMMENDATIONS FOR POLICY, LEGISLATIVE AND INSTITUTIONAL REFORMS	48
CHAPTER 4: CORRUPTION PREVENTION	50
4.1 SYSTEM REVIEWS.....	50
4.1.1 EXAMINATIONS	50
4.1.2 CORRUPTION RISK ASSESSMENTS.....	50
4.2 ADVISORY SERVICES	51
4.3 EDUCATION, TRAINING, AND PUBLIC AWARENESS	52



4.4	RESEARCH AND TRANSFORMATION	58
4.4.1	<i>Corruption and Ethics Survey 2014</i>	58
4.4.2	<i>An Assessment of Compliance to Declaration of Income, Assets and Liabilities (DIALs) by Public Officers for the Years 2011 and 2013</i>	59
CHAPTER 5: ETHICS AND LEADERSHIP		60
5.1	INTRODUCTION	60
5.2	KEY STRATEGIES	60
5.3	ETHICS MONITORING AND COMPLIANCE	60
5.4	ETHICS AND LEADERSHIP DEVELOPMENT	63
CHAPTER 6: PARTNERSHIPS, NETWORKS AND COALITIONS AGAINST CORRUPTION		67
6.1	INTRODUCTION	67
6.2	KENYA LEADERSHIP AND INTEGRITY FORUM	67
6.3	OTHER FORMS OF PARTNERSHIPS	68
CHAPTER 7: INSTITUTIONAL CAPACITY BUILDING		69
7.1	INTRODUCTION	69
7.2	FINANCIAL RESOURCES	69
7.3	HUMAN RESOURCE MANAGEMENT	69
7.3.1	<i>Staff Complement</i>	69
7.3.2	<i>New Performance Management System</i>	70
7.3.3	<i>Transition to New Terms of Employment for Staff</i>	70
7.3.4	<i>Skills and Competency Development</i>	70
7.4	INFORMATION COMMUNICATION TECHNOLOGY	70
7.5	CORPORATE COMMUNICATIONS	71
7.5.1	<i>Media Relations</i>	71
7.5.2	<i>Website</i>	71
7.5.3	<i>Branding</i>	71
7.6	SUPPLY CHAIN MANAGEMENT	71
7.7	ADMINISTRATION	71
CHAPTER 8: NATIONAL AND INTERNATIONAL ENGAGEMENTS		72
8.1	INTRODUCTION	72
8.2	INTERNATIONAL ENGAGEMENTS	72
8.2.1	<i>8th Annual General Meeting of the East African Association of Anti-Corruption Authorities (EAAACA)</i>	72
8.2.2	<i>Commonwealth Regional Conference for Heads of Anti-Corruption Agencies in Africa</i>	72
8.2.3	<i>13th United Nations Congress on Crime Prevention and Criminal Justice</i>	73
8.2.4	<i>Drafting of the East African Community Protocol on Good Governance</i>	73
8.3	NATIONAL ENGAGEMENTS	73
8.3.1	<i>Stakeholder Engagement</i>	73
8.3.2	<i>Input into the Report on Fulfilment of International Obligations of the Republic</i>	73
8.3.3	<i>Corporate Guests</i>	73
8.3.4	<i>Corporate Social Responsibility</i>	74
CHAPTER 9: CHALLENGES		75
9.1	INTRODUCTION	75
9.2	INSTITUTIONAL, POLICY AND LEGAL FRAMEWORK	75
9.3	SLOW JUDICIAL PROCESS AND ADVERSE COURT DECISIONS	75
9.4	INADEQUATE CAPACITY	75



CHAPTER 10: REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR ETHICS AND ANTI-CORRUPTION COMMISSION FOR THE YEAR END 30TH JUNE 2015 76

10.1 KEY ENTITY INFORMATION AND MANAGEMENT	76
10.2 REPORT OF THE CHIEF EXECUTIVE OFFICER	78
10.3 CORPORATE GOVERNANCE STATEMENT	80
10.4 CORPORATE SOCIAL RESPONSIBILITY STATEMENT	80
10.5 REPORT OF THE COMMISSION	80
10.6 STATEMENT OF MANAGEMENT RESPONSIBILITIES	81
10.7 REPORT OF THE INDEPENDENT AUDITORS ON THE COMMISSION	82
10.8 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015	84
10.9 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015	85
10.10 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2015	86
10.11 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015	87
10.12 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	88
10.13 NOTES TO THE FINANCIAL STATEMENTS	89
10.14 PROGRESS ON FOLLOW-UP OF AUDITOR RECOMMENDATIONS	99

LIST OF TABLES

Table 1: Number of Reports Received	14
Table 2: Highlights of Ongoing Preliminary Investigations	17
Table 3: Highlights of Completed Preliminary Investigations	17
Table 4: Status of Forensic Investigations Cases.....	18
Table 5: Highlights of Active Forensic Investigations Cases	19
Table 6: Highlights of Completed Forensic Investigations	24
Table 7: Highlights of Cases Pending before Court	25
Table 8: Summary of Trap and Sting Operations	31
Table 9: Highlights of Trap and Sting Operations Cases before Court	32
Table 10: Highlights of Cases under Inquiry Arising from Sting Operations	34
Table 11: Highlights of Properties Traced (Nairobi Office).....	35
Table 12: Highlights of Properties Traced in Some Regional Offices	35
Table 13: Highlights of Ongoing Asset Tracing Cases	36
Table 14: Highlights of Asset Tracing Cases Pending before Court	37
Table 15: Summary of Proactive Investigations.....	37
Table 16: Highlights of Major Disruptions	38
Table 17: Highlights of Intelligence Probes Conducted.....	38
Table 18: Highlights of Surveillance Operations Conducted	38
Table 19: Integrity Testing Results from Various Public Entities	39
Table 20: Action Taken by the Director of Public Prosecutions	40
Table 21: Criminal Cases Presented before Court.....	40
Table 22: Recovered Public Assets	41
Table 23: Recovery Suits and Preservation Applications Filed.....	41
Table 24: Constitutional References, Judicial Review Applications and Other Cases	43
Table 25: Summary of the Assessment Findings and Recommendations at the Kenya National Bureau of Statistics	50
Table 26: Summary of the Assessment Findings and Recommendations at the National Youth Service (NYS).....	51
Table 27: Summary of the Assessment Findings and Recommendations in County Govern- ments	51
Table 28: Number of Students and Schools Reached.....	54
Table 29: Summary of Education Managers Trained.....	55
Table 30: IAO Training Implemented	56
Table 31: CPC Training Programmes Conducted	56
Table 32: Number of MCAs and County Staff Trained	56
Table 33: IEC Materials Disseminated.....	57
Table 34: Training on Leadership and Integrity	58
Table 35: Investigations on Ethical Breaches.....	60
Table 36: Highlights of Cases Forwarded to the Director of Public Prosecutions	61
Table 37: Integrity Clearance / Vetting for Appointment to Public Office	61
Table 38: Summary on Enforcement of the Act.....	62
Table 39: Status of Compliance with Section 37 of LIA.....	63
Table 40: Memoranda of Understanding between EACC and Other Institutions.....	68
Table 41: Staff Training and Development Programs	70



LIST OF FIGURES

Figure 1: Organization Structure of EACC	13
Figure 2: Reports Received Analyzed by Level of Public Officers Involved.....	15
Figure 3: Breakdown of Action Taken on the Reports Received	15
Figure 4: Trend Analysis of Reports within the Commission's Mandate.....	16
Figure 5: Categorization of Reports Received.....	16
Figure 6: Analysis of Forensic Investigation Cases.....	19
Figure 7: Status of Compliance with Section 37 of LIA by Public Entities (Percentage)	64
Figure 8: Status of Compliance with Section 37 of LIA by Public Entities (Institutions).....	65





LIST OF ABBREVIATIONS AND ACRONYMS

AACACA	Association of Anti-Corruption Authorities in Commonwealth Africa
AIE	Authority to Incur Expenditure
APSEA	Association of Professional Societies in East Africa
AUCPCC	African Union Convention on Combating and Preventing Corruption
CAACC	Commonwealth Africa Anti-Corruption Centre
CAJ	Commission of Administrative Justice
CAK	Competition Authority of Kenya
CBAM	Community Based Anti-Corruption Monitors
CDE	County Director of Education
CDF	Community Development Fund
CEC	County Executive Committee
CLE	Council for Legal Education
CMA	Capital Markets Authority
CPC	Corruption Prevention Committee
CRA	Corruption Risk Assessment
EAAACA	East African Association of Anti-Corruption Authorities
EAC	East African Community
EACC	Ethics and Anti-Corruption Commission
ECJP	Ecumenical Centre for Justice and Peace
GDC	Geothermal Development Company
GSU	General Service Unit
HELB	Higher Education
IAO	Integrity Assurance Officer
ICPSK	Institute of Certified Public Secretaries of Kenya
IEC	Information and Education Materials
IPCRM	Integrated Public Complaints Referral Mechanism
JKUAT	Jomo Kenyatta University of Agriculture and Technology
LIA	Leadership and Integrity Act
CAA	Kenya Airport Authority
KBC	Kenya Broadcasting Corporation
KDF	Kenya Defence Forces
KCAA	Kenya Civil Aviation Authority
KEBS	Kenya Bureau of Standards
KEMI	Kenya Education Management Institute
KENGEN	Kenya Electricity Generating Company
KeNHA	Kenya National Highways Authority
KEPHIS	Kenya Plant Health Inspectorate Service
KEPSHA	Kenya Primary School Head Teachers Association
KESSULO	Kenya South Sudan Liaison Office
KETRACO	Kenya Electricity Transmission Company Limited
KEWI	Kenya Water Institute
KICD	Kenya Institute of Curriculum Development
KIP	Kenya Integrity Plan
KLIF	Kenya Leadership and Integrity Forum
KMFRI	Kenya Marine and Fisheries Research Institute
KNBS	Kenya National Bureau of Statistics
KNCHR	Kenya National Commission on Human Rights



KNEC	Kenya National Examinations Council
KNH	Kenyatta National Hospital
KeRRA	Kenya Rural Roads Authority
KPA	Kenya Ports Authority
KRA	Kenya Revenue Authority
KSG	Kenya School of Government
KTRF	Kenya Tea Research Foundation
MDAs	Ministries, Departments and Agencies
MDP	Ministry of Devolution and Planning
MLA	Mutual Legal Assistance
MOA	Matatu Owners Association
MoE	Ministry of Education Science and Technology
MoU	Memorandum of Understanding
NACADA	National Campaign against Drug Abuse Authority
NACP	National Anti-Corruption Plan
NACSC	National Anti-Corruption Campaign Steering Committee
NIB	National Irrigation Board
NCC	National Coordinating Committee
NCCG	Nairobi City County Government
NCIC	National Cohesion and Integration Commission
NDMA	National Drought Management Authority
NEAP	National Ethics and Anti-Corruption Policy
NIB	National Irrigation Board
NSSF	National Social Security Fund
NYS	National Youth Service
PBC	Pending Before Court
PC	Performance Contract
PI	Preliminary Investigations
PPDA	Public Procurement and Disposals Act, 2012
PPOA	Public Procurement Oversight Authority
RRI	Rapid Results Initiative
RUC	Rongo University College
SDA	Seventh Day Adventist
SEKU	South Eastern Kenya University
SSACC	South Sudan Anti-Corruption Commission
TI	Transparency International
ToT	Training of Trainers
TTC	Teachers' Training College
UNCAC	United Nations Convention against Corruption
UNES	University of Nairobi Enterprises and Services
WDGA	Workforce Development Global Alliance WDGA



MISSION STATEMENT

MANDATE

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

MISSION

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

VISION

A Corruption free Kenyan society that upholds integrity and the rule of law

CORE VALUES

Integrity
Professionalism
Fidelity to the law
Courage
Teamwork
Innovation

MEMBERS OF THE ETHICS AND ANTI-CORRUPTION COMMISSION



Mr. Mumo Matemu, MBS
Commission Chairperson



Commissioner Irene C. Keino, MBS
Vice Chairperson



Prof. Jane K. Onsongo, PhD
Commissioner



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

MESSAGE FROM THE SECRETARY/ CHIEF EXECUTIVE OFFICER

In the Financial Year 2014/2015, the Commission intensified implementation of its mandate in line with the priorities set out in the Strategic Plan 2013-2018. The year saw remarkable progress in the fight against corruption and promotion of ethics in the country. Highlights of key achievements are presented hereunder.

Law Enforcement

The Commission received and analyzed a total of 5,660 reports during the year. Of these, 2,747 reports were within the Commission's mandate compared to 1,950 in 2013/2014. This is attributed to massive outreach clinics and awareness campaigns undertaken by the Commission. The Commission investigated and completed 117 cases and forwarded investigation files to the Director of Public Prosecutions with various recommendations. This represents an increase of 57.4 percent from the previous year.

In addition, a total of 27 Asset-Tracing investigations of illegally acquired assets estimated at Kshs. 3.861 billion were undertaken and assets valued at approximately Kshs.140, 280,426.70 were recovered through court proceedings and out of court settlements. Proactive investigations were carried out in 8 cases resulting in averting a possible loss of public funds amounting to about Kshs.1.6 billion.

Corruption Prevention

The Commission conducted examinations into policies, procedures and practices of work in the Parliamentary Service Commission and select Ports of Entry in Kenya to identify corruption loopholes and recommend measures to seal them. In addition, institutional Corruption Risk Assessments (CRA) were conducted at the Kenya National Bureau of Statistics and the National Youth Service. CRAs were also conducted in 7 County Governments and 5 County Assemblies to identify corruption risks and to provide mitigation measures. Under the performance contracting framework, the Commission advised 365 public institutions on the implementation of the corruption eradication indicator.

Public Education

The Commission trained 534 Integrity Assurance Officers (IAOs) and 1,203 members of Corruption Prevention Committees (CPCs) within the framework of performance contracting in the public service. In addition, 1,979 persons drawn from the public and private sectors were trained and sensitized on ethics and leadership. Under the Public Outreach Programme, the Commission sensitized over 2,412,749 people in Nandi, Migori, Isiolo and Kilifi Counties under the County Anti-Corruption Week.

To support the anti-corruption sensitization and awareness programme, the Commission developed and disseminated over 125,000 Information, Education and Communication (IEC) materials. In the Schools Programme, a total of 58,445 learners and members of staff from 92 primary and secondary schools in 11 counties were sensitized. In addition, 441 managers in the education sector were trained on ethical leadership and 125 Integrity Club Patrons from 125 primary and secondary schools were trained. Besides, in order to encourage inculcation of positive values, the Commission sponsored the anti-corruption category for the 2014 National Music Festival held from 3rd-17th August, 2014 in Mombasa and awarded 9 trophies to winners in that category.

Ethics and Leadership

A total of 221 reports on ethical breaches involving both State and Public Officers were received during the period under review. Of these, 108 were referred to other public entities as well as Departments within the Commission for action, 65 are undergoing investigations and 48 were recommended for no further action because they were not within the Commission's mandate and the complainants have subsequently been advised. A total of 9 investigations were completed in the year under review. Out of these, 4 were forwarded to the Director of Public Prosecutions (DPP) and the other 5 files completed with various recommendations including administrative action. A total of 9,294 clearance requests were processed for background checks on integrity.

The Leadership and Integrity Regulations developed pursuant to Section 54 of the Leadership and Integrity Act were published in the Kenya Gazette and forwarded to the National Assembly for consideration.

In addition, the Commission reviewed a total of 39 public institutions on the status of compliance with Section 37 of the Leadership and Integrity Act which requires all public entities with State Officers to develop Specific Leadership and Integrity Codes. Out of these, 59 percent had fully complied, 18 percent had partially complied and 23 percent had not complied and were issued with notices. The Commission received 450 applications from Public Officers to open or continue to operate bank accounts outside Kenya. Out of these, 304 were approved.

Institutional Capacity

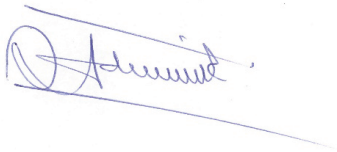
In the 2014/2015 FY, the Commission was allocated Kshs. 1,746,000,000 to finance its operations. In the same period, the Commission recruited additional 173 staff members. At the end of the year, the staff establishment stood at 436. The Commission continued to modernize its operational environment through automation to enhance efficiency and effectiveness. In addition, the Commission adopted Integrated Financial Management Information System (IFMIS) and e-procurement platforms in line with Government financial management, procedures and policies.

Challenges

The Commission faced a number of challenges in the implementation of its mandate. These included human resource constraints, inadequate policy and legal framework, slow judicial processes and limited reach across the country for anti-corruption services among others. During the last quarter of the financial year, the Commission experienced the exit of all its three Commissioners.

Going forward, the Commission will continue with its expansion strategy in order to enhance its reach and meet the demands of service delivery. Stakeholder engagement will be intensified within the framework of county anti-corruption week and public education. With the anti-corruption reforms that have been instituted by the Government, the Commission stands on a firm foundation in the fight against corruption and promotion of integrity and ethics.

Finally, I wish to thank all Kenyans for their support and involvement in the fight against corruption. Further, I appreciate the support and commitment of the Government and all the partners. Equally, I appreciate the support, dedication and commitment of the EACC staff in discharging the Commission's mandate.



HALAKHE D. WAQO, ACIArb
SECRETARY/CHIEF EXECUTIVE OFFICER

CHAPTER 1:

BACKGROUND

1.1 Introduction

The Ethics and Anti-Corruption Commission (EACC) is a statutory body established under the Ethics and Anti-Corruption Act, 2011 pursuant to Article 79 of the Constitution. Its mandate is to combat and prevent corruption and economic crime in Kenya through law enforcement, preventive measures, public education and promotion of standards and practices of integrity, ethics and anti-corruption.

Further, the mandate of the Commission on Ethics and Leadership is derived from Chapter Six and Article 252 of the Constitution; the Leadership and Integrity Act No. 19 of 2012; the Anti-Corruption and Economic Crimes Act, 2003; and Section 11 of the Ethics and Anti-Corruption Commission Act No. 22 of 2011.

This Annual Report is prepared pursuant to the provisions of Section 27 of the Ethics and Anti-Corruption Act, 2011. The Report contains the financial statement of the Commission; details of activities undertaken and achievements realized; requisite statistical information; and challenges encountered in the review period. In addition, Section 45(1) of the Leadership and Integrity Act (LIA) 2012 requires the Commission to prepare an annual report containing all the information relevant to the enforcement of and compliance with the provisions of LIA, to the President and Parliament.

The mandate is implemented through its Strategic Plan (2013-2018).

1.2 Functions and Structure of EACC

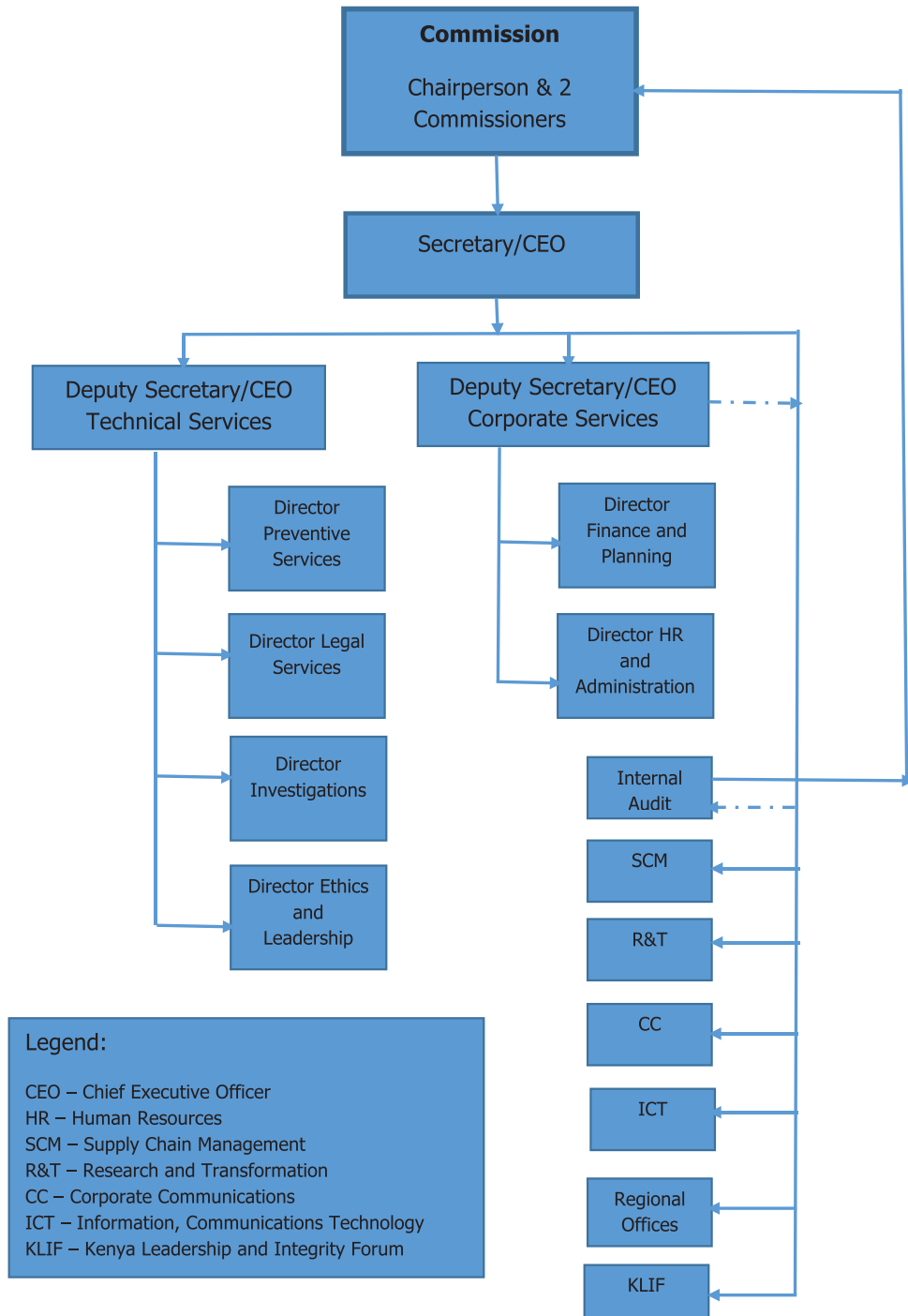
1.2.1 Functions

The functions of the Commission are:

- a) To investigate and recommend to the Director of Public Prosecutions the prosecution of any acts of corruption and violation of codes of ethics;
- b) Tracing of public assets and instituting court action towards recovery and/or protection of such assets;
- c) Initiate 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 asset;
- 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; and
- l) 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:

INVESTIGATIONS

2.1 Introduction

As part of the investigation mandate, the Commission investigates and forwards files to the DPP for direction. It traces illegally acquired public assets for recovery, freezing or confiscation of proceeds of corruption by instituting civil proceedings in court. This function involves receiving reports, investigating acts of corruption, tracing and/or recovery of illegally acquired public assets and disrupting corruption networks.

2.2 Reports Received

The Commission received and analyzed a total of 5,660 reports which represents an increase of 41% from the previous year as shown in Table 1 below.

Table 1: Number of Reports Received

S/No.	Office	No. of Reports
1.	Nairobi	3727
2.	Kisumu	536
3.	Mombasa	323
4.	Eldoret	294
5.	Nyeri	151
6.	Garissa	127
7.	Isiolo	132
8.	Machakos	29
9.	Malindi	104
10.	Nakuru	54
11.	Huduma Centre - GPO	62
12.	Huduma Centre - Kajiado	4
13.	Huduma Centre - Kakamega	8
14.	Huduma Centre - Kisii	26
15.	Huduma Centre - Makadara	4
16.	Huduma Centre - Mombasa	1
17.	Satellite Office - JKIA	22
18.	Satellite Office - Malaba	2
19.	EACC Mobile Office	54
Total		5,660

50% of the 5,660 cases received involve middle level officers such as Inspectors, and Procurement Officers, 37% involve lower level officers such as chiefs, assistant chiefs, clerical officers, and council askaris. High ranking

public officials such as Principal Secretaries, Accounting Officers, and Chief Executive Officers account for 13% of the reports as illustrated in Figure 2.

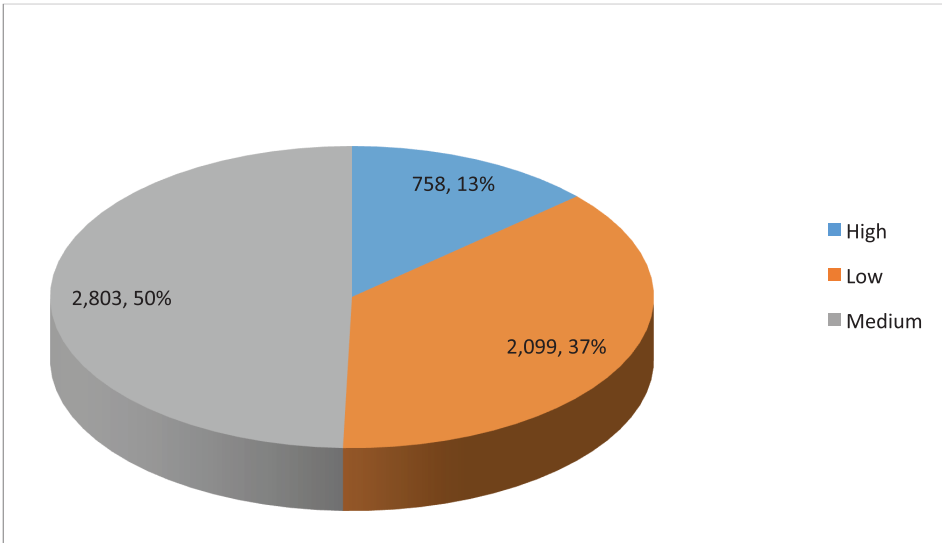


Figure 2: Reports Received Analyzed by Level of Public Officers Involved

2.2.1 Action on Reports Received

Figure 3 illustrates action taken on reports received.

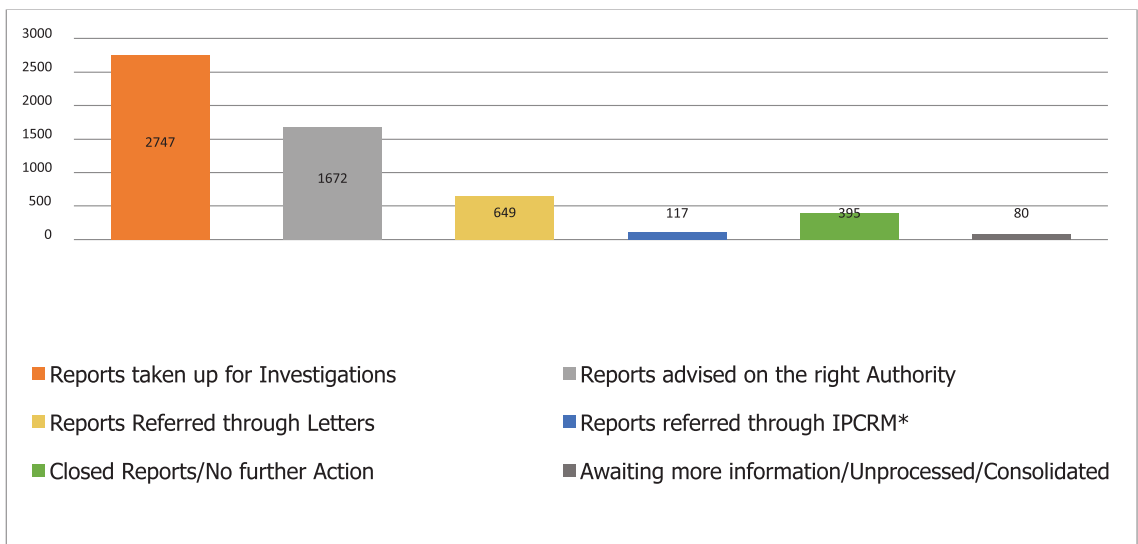


Figure 3: Breakdown of Action Taken on the Reports Received

**IPCRM- Integrated Public Complaints Referral Mechanism*

2.2.2 Trend Analysis of Reports within the Commission's Mandate

Figure 4 shows the trend analysis of reports within the Commission's mandate in the last seven years. This increase is attributed to, amongst others, increased awareness of the public on the mandate of the Commission.

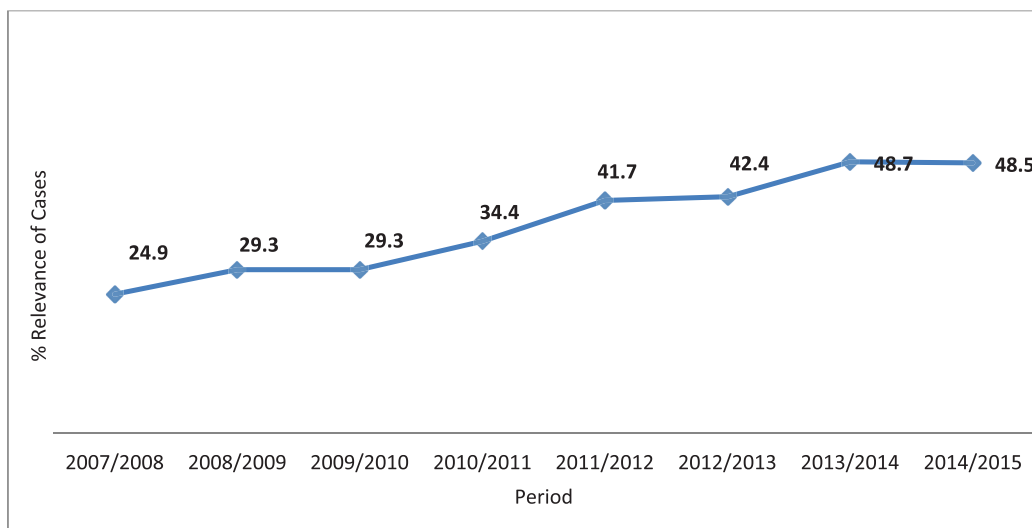


Figure 4: Trend Analysis of Reports within the Commission's Mandate

2.2.3 Categorization of Reports Received

Figure 5 categorizes the reports received.

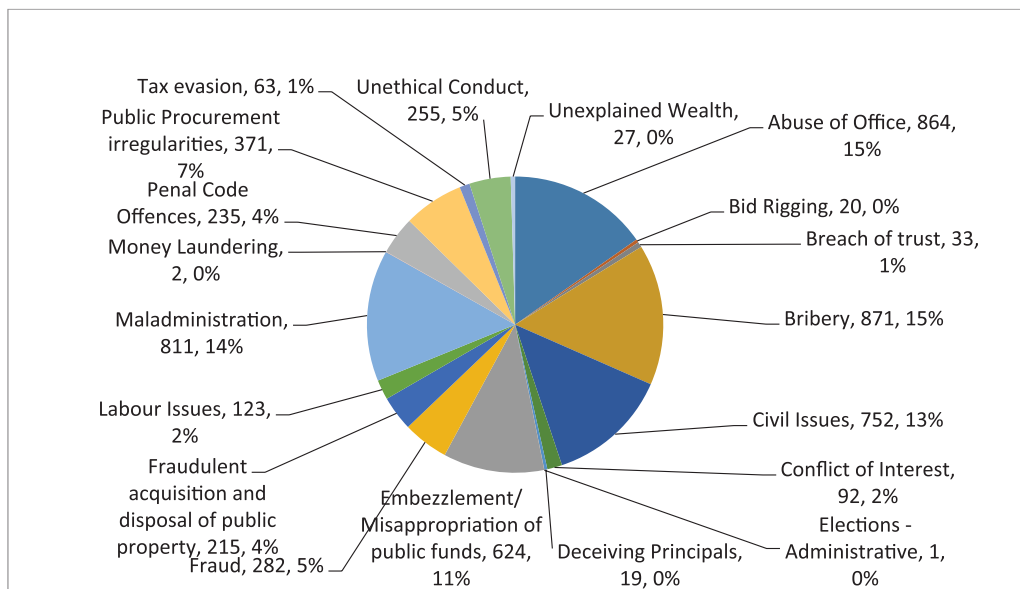


Figure 5: Categorization of Reports Received



2.3 Investigation of Acts of Corruption

2.3.1 Preliminary Investigations

The Commission took up 513 cases for Preliminary Investigations. Tables 2 and 3 provide highlights of ongoing and completed preliminary investigations respectively.

Table 2: Highlights of Ongoing Preliminary Investigations

S/No.	Summary	Institution	Value (Kshs.)
Nairobi Head Office			
1.	EACC/PI/INQ/048/2015 Inquiry into allegations of bribery and conflict of interest at Industrial and Commercial Development Corporation (ICDC) in an award of a contract.	ICDC	8,600,000
2.	EACC/PI/INQ/048/2014 Inquiry into allegations of bribery of Kenya Revenue Authority officials by proprietors of the Safari Park Hotel to evade tax.	Safari Park Hotel	800,000,000
3.	EACC/PI/INQ/001/2015 Inquiry into allegations of embezzlement and nepotism against the Embakasi Constituency Development Fund (CDF) Manager.	Embakasi CDF	3,000,000
Isiolo Regional Office			
1.	EACC/ISL/PI/INQ. 28/2015 Allegations of bribe demand by a Physical Planner.	Isiolo County Government	90,000
2.	EACC/ISL/PI/INQ.33/2015 Allegations of misappropriation of funds by County Officials.	Tharaka Nithi County Government	495,000,000
Machakos Regional Office			
1.	EACC/MKS/PI/INQ/01/2015 Allegation of sale of free Government medication and demand of illegal fees for maternity services.	Matuu District Hospital	Not yet established
2.	EACC/MKS/PI/INQ/05/2015 Allegation of misappropriation of funds for the construction of Kyanzoia Dam.	Ministry of Agriculture	Not yet established
3.	EACC/MKS/PI/INQ/06/2015 Allegation of encroachment on a public access road.	Jet View Primary School	Not yet established

Table 3: Highlights of Completed Preliminary Investigations

S/No.	Summary	Institution	Value (Kshs.)
Nairobi Head Office			
1.	EACC/PI/INQ/44/2014 Inquiry into allegations of plans by Kenya Pipeline Company (KPC) to acquire a parcel of land at an inflated price.	KPC	600,000,000
2.	EACC/PI/INQ/132/2014 Inquiry into allegations of irregular advance of money to a service provider.	Kenya Cooperative Creameries (KCC)	8,000,000
3.	EACC/PI/INQ/002/2015 Allegations of irregular award of tender for provision of consultancy services.	Water Service Trust Fund	30,000,000
4.	EACC/PI/INQ/024/2014 Inquiry into allegations of irregular issuance of work permits.	Department of Immigration	Not specified

S/No.	Summary	Institution	Value (Kshs.)
Mombasa Regional Office			
1.	EACC/MSA/PI/001/14 Inquiry into allegations of a bribe demand to reinstate a license.	NEMA	2,000,000
2.	EACC/MSA/PI/020/14 Allegation of un-procedural disposal of public land.	Kenya Marine and Fisheries Research Institute (KMFRI)	15,000,000
3.	EACC/MSA/PI/017/14 Allegation of irregular allocation of land to private persons.	Mombasa Lands Office	Not specified
4.	EACC/MSA/PI/INQ/001/15 Inquiry into allegations of payment for goods not supplied.	County Assembly of Mombasa	870,000.00
5.	EACC/MSA/PI/INQ/002/15 Inquiry into allegation of irregular alienation of public land.	Private individuals	15,000,000
6.	EACC/MSA/PI/005/15 Inquiry into allegations of conspiracy to defraud the Government on Waitiki farm.	Ministry of Land, Housing and Urban Development	110,000,000
7.	EACC/MSA/PI/INQ/004/15 Inquiry into allegations of Conflict of Interest in award of contract.	Taita Taveta County Assembly	2,000,000
8.	EACC / MSA / AT/ INQ / 009 / 2015 Allegation into irregular disposal of public land.	Tourism Trust Fund	700,000,000

2.3.2 Forensic Investigations

Table 4 and Figure 6 show the status and analysis of forensic investigations cases respectively.

Table 4: Status of Forensic Investigations Cases

Office	Active	Closed	Completed	Pending before Court
Nairobi	60	12	26	81
Mombasa	6	-	19	18
Kisumu	31	-	13	7
Nyeri	8	-	5	7
Garissa	10	-	9	5
Eldoret	30	1	4	4
Isiolo	17	-	-	-
Malindi	14	-	2	-
Machakos	7	-	1	-
JKIA	4	-	-	-
Nakuru	5	-	4	-
Preliminary Investigations	11	1	2	1
Malaba	-	-	-	-
Total	203	14	85	123

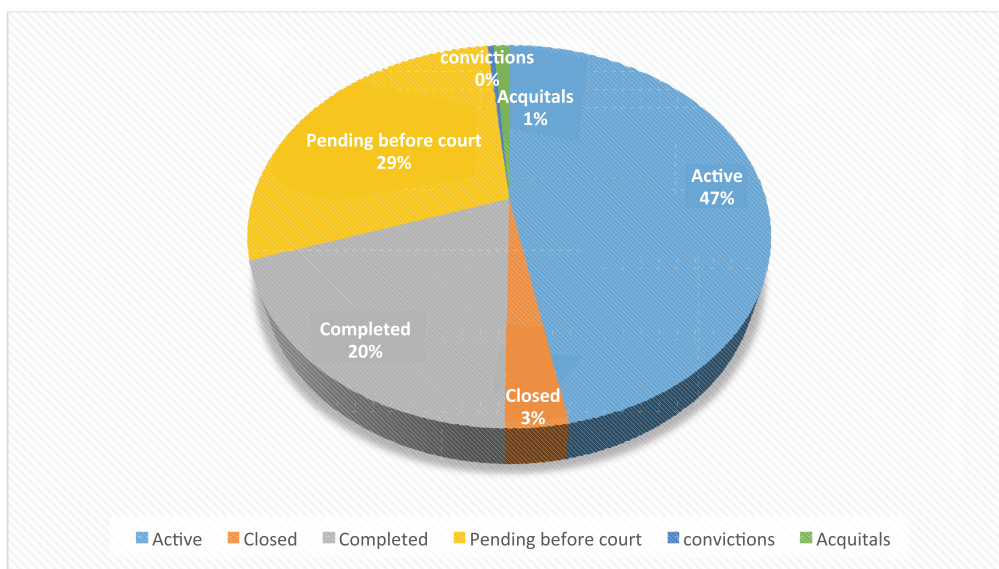


Figure 6: Analysis of Forensic Investigation Cases

Table 5: Highlights of Active Forensic Investigations Cases

S/No.	Inquiry No.	Nature of Inquiry/Allegation	Institution	Amount Involved (Kshs.)
Nairobi (Headquarters)				
1.	EACC/FI/INQ/112/2014	Allegations of irregularities in the tendering process of leasing motor vehicles for the National Police Service.	National Treasury	3,400,000,000
2.	KACC/FI/INQ/25/2005	Allegation of irregular award of a contract for modernization of Police equipment and accessories.	National Treasury	4,240,000,000
3.	KACC/FI/INQ/33/2005	Allegation of irregular award of contract for supply and installation of multi-channel security system for the Administration Police.	National Treasury	5,362,900,000
4.	EACC/FI/INQ/23/2014	Allegations of irregular receipt of sitting allowances.	Judiciary	2,560,000
5.	EACC/FI/INQ/11/14	Allegation of mismanagement of public funds.	Water Resources Management Authority (WARMA)	Not yet established
6.	EACC/FI/INQ/2/2015	Allegations of fraudulent activities.	Makueni County Assembly	48,000,000
7.	EACC/FI/INQ/57/2013	Allegation of irregularities in the administration and transfers of funds.	Kenya Medical Research Institute (KEMRI)	250,000,000
8.	EACC/FI/INQ/16/2014	Allegations of double payment of rent.	Judiciary	44,000,000

S/No.	Inquiry No.	Nature of Inquiry/Allegation	Institution	Amount Involved (Kshs.)
9.	EACC/FI/INQ/32/2014	Allegations of irregular procurement of training services.	Cabinet Office	57,000,000
10.	EACC/FI/INQ/65/2013	Allegations of corrupt conduct in respect of supply of drugs to Thika District Level Five Hospital.	Kiambu County	100,000,000
11.	EACC/FI/INQ/109/2014	An allegation of embezzlement of funds.	Nursing Council of Kenya	69,000,000
12.	EACC/FI/INQ/09/013	An inquiry into allegations of misappropriation of funds.	Commission of Higher Education	18,570,000
13.	EACC/FI/INQ/46/2014	Inquiry into allegations of irregular procurement of works.	Machakos County Assembly	29,000,000
14.	EACC/FI/INQ/32/2012	Allegations of irregular termination of tender.	NSSF	244,800,000
15.	EACC/FI/INQ/107/014	Inquiry into allegations of irregular acquisition of land and building for a referral hospital.	Trans Nzoia County Government	500,000,000
16.	EACC/FI/INQ/90/2014	Allegations of bribery against officials of the defunct Interim Independent Electoral Commission of Kenya (IIEC) and Independent Electoral and Boundaries Commission (IEBC).	IIEC & IEBC	45,000,000
17.	EACC/FI/INQ.89/2013	Allegations of bribery against officials of the Kenya National Examination Council (KNEC).	KNEC	Not yet established
18.	EACC/FI/INQ/70/2015	Allegations of double payments made for the renovation of the Deputy President's Karen Residence.	Office of the Deputy President	154,000,000
19.	EACC/FI/INQ/74/2014	Allegation of loss of public funds in Kiambu County.	Kiambu County Assembly	45,000,000
20.	EACC/FI/INQ/35/2015	Inquiry into bribery allegations against members of the Public Accounts Committee.	Office of the President	1,700,000
21.	EACC/FI/INQ/116/14	Inquiry into allegations of irregular award of contract.	Siaya County Government	22,500,000
22.	EACC/FI/INQ/24/2015	Allegations of irregular procurement in the tendering process.	Geothermal Development Corporation (GDC)	3,000,000,000
Preliminary Division (Headquarters)				
1.	EACC/FI/INQ/44/15	Alleged irregular payment of legal fees.	Mumias Sugar Company Ltd.	300,000,000
2.	EACC/FI/INQ/60/15	Allegations of misappropriation of funds.	National Water Conservation and Pipeline Corporation (NWCP)	413,000,000
3.	EACC/FI/INQ/67/15	Allegations of procurement	Nairobi City	4,600,000,000



S/No.	Inquiry No.	Nature of Inquiry/Allegation	Institution	Amount Involved (Kshs.)
		irregularities and abuse of office.	County	
4.	EACC/FI/INQ/68/15	Allegation of collusion to defraud.	Kenya Pipeline Company	130,000,000
5.	EACC/FI/INQ/73/15	Allegations of misappropriation of funds.	NWCPC	175,000,000
Eldoret Regional Office				
1.	EACC/ELD/FI/INQ/5/12	Allegations of misappropriation & embezzlement of funds.	Kenya Rural Roads Authority (KeRRA) – Trans-Nzioa	30,000,000
2.	EACC/ELD/FI/INQ/03/2012	Allegation of misappropriation of funds.	Eldoret South CDF	13,000,000
3.	EACC/ELD/FI/INQ/6/2012	Allegation of irregular procurement of two spinning machines.	Moi University - Rivatex, Eldoret	93,000,000
4.	EACC/ELD/FI/INQ/02/2014	Allegations of embezzlement of funds.	Moi Teaching Referral Hospital (MTRH)	10,000,000
5.	EACC/ELD/FI/INQ/03/2014	Allegations of embezzlement of funds.	Nandi County Works Office	22,000,000
6.	EACC/ELD/FI/INQ/6/2014	Allegations of irregular allocation of public land.	County Government of Uasin Gishu	Not yet established
7.	EACC/ELD/FI/INQ/7/2014	Allegations of fraud.	County Government of Uasin Gishu	Not yet established
8.	EACC/ELD/FI/INQ/05/13	Allegations of embezzlement of funds.	Turkana Central CDF	1,600,000
9.	EACC/ELD/FI/INQ 18/2015	Allegations of embezzlement of funds.	St. John Lutungu Secondary School in Bungoma County	1,000,000
10.	EACC/ELD/FI/INQ 25/2015	Alleged un-procedural payment of civil works.	County Government of Turkana	14,000,000
11.	EACC/ELD/FI/INQ 27/2015	Alleged irregular conferring of benefit.	County Government of Turkana	2,388,210
12.	EACC/ELD/FI/INQ4/2014	Alleged Irregular conferring of benefit.	Elgeyo Marakwet County Assembly	Not yet established
13.	EACC/ELD/FI/INQ/10/2014	Allegations of embezzlement of funds.	Nandi County Government	17,000,000
Nyeri Regional Office				
1.	EACC/NYR/FI/INQ/08/2014	Allegations of procurement irregularities.	Isiolo County Government	12,000,000
2.	EACC/NYR/FI/INQ/05/2014	Allegations of procurement irregularities.	Isiolo County Government	32,000,000
3.	EACC/NYR/FI/INQ/03/2014	Allegations of procurement	Nyeri County	25,000,000

S/No.	Inquiry No.	Nature of Inquiry/Allegation	Institution	Amount Involved (Kshs.)
		irregularities.	Assembly	
4.	EACC/NYR/FI/INQ/07/2015	Allegations of procurement irregularities.	Nyandarua County Government	50,000,000
Garissa Regional Office				
1.	EACC/GSA/FI/INQ/04/2015	Allegations of procurement irregularities.	Garissa County Government	50,000,000
2.	EACC/GSA/FI/INQ/05/2015	Allegations of embezzlement of public funds.	Garissa County Government	72,000,000
3.	EACC/GSA/FI/INQ/3/2015	Allegations of procurement irregularities.	Garissa Water & Sewerage Company	75,000,000
4.	EACC/GSA/PI/08/2013	Allegations of procurement irregularities.	Tana River County Government	5,000,000
5.	EACC/GSA/FI/INQ/01/2014	Allegations of embezzlement of public funds.	Mandera County Government	Not specified
Mombasa Regional Office				
1.	EACC/MSA/FI/04/15	Allegations of embezzlement of public funds.	Kwale Water and Sewerage Company	104,000,000
2.	EACC/MSA/FI/INQ/19 /14	Allegations of tax evasion.	Pwani Oil Products	300,000,000
Kisumu Regional Office				
1.	EACC/KSM/INQ/FI/05/2014	Allegations of procurement irregularities.	Homa Bay County Government	17,000,000
2.	EACC/KSM/INQ/FI/10/14	Allegations of procurement irregularities.	Migori County Government	20,000,000
3.	EACC/KSM/INQ/FI/05/13	Allegations of procurement irregularities.	Vihiga county Assembly	1,100,000
4.	EACC/KSM/INQ/FI/06/13	Allegations of abuse of office and procurement irregularities	Vihiga county Assembly	15,000,000
5.	EACC/KSM/INQ/FI/08/14	Allegations of procurement irregularities.	Maseno university	13,000,000
6.	EACC/KSM/INQ/FI/29/15	Allegations of financial irregularities.	Migori County Government.	147,906,559
7.	EACC/KSM/INQ/FI/27/15	Allegations of procurement irregularities.	Migori County Government	15,368,216
8.	EACC/KSM/INQ/18/15	Allegations of procurement irregularities.	Bungoma County Government	192,000,000
9.	EACC/KSM/INQ/FI/11/13	Allegations of misappropriation and embezzlement of funds	Bonchari CDF	15,000,000
10.	EACC/PI/INQ/92/11	Allegations of procurement irregularities.	Kibos Sugar Company	110,000,000
Machakos Regional Office				
1.	EACC/MKS/INQ/FI/06/2015	Allegations of misappropriation of public funds	Kangundo CDF	57,000,000



S/No.	Inquiry No.	Nature of Inquiry/Allegation	Institution	Amount Involved (Kshs.)
2.	EACC/MKS/INQ/FI/07/2015	Allegations of misappropriation of public funds.	Kitui County Government	22,026,510,000
Isiolo Regional Office				
1.	EACC/ISL/FI/INQ.03/2015	Allegation of fraud.	Isiolo County Government	5,211,072,849
2.	EACC/FI/INQ./NYR/07/2015	An allegation into abuse of office and procurement irregularities.	Marsabit County Government	117,000,000
3.	EACC/ISL/FI/INQ.17/2015	Allegations of irregularities in recruitment of staff and procurement.	Meru County Government	28,000,000
4.	EACC/ISL/FI/INQ.20/2015	Allegations of misappropriation of public funds.	Isiolo County Government	14,000,000
5.	EACC/ISL/FI/INQ.21/2015	Allegations into misappropriation of public funds.	Isiolo County Government	30,000,000
Malindi Regional Office				
1.	MLD/INQ/FI/07/15	Allegations of irregular procurement.	Kilifi North CDF	4,000,000
2.	MLD/INQ/FI/8/15	Allegations of irregular procurement.	MP Lamu West	13,000,000
3.	MLD/INQ/FI/15/15	Allegations of misappropriation of public funds and procurement irregularities.	Tana River County Government	666,800,000
4.	MLD/INQ/FI/16/15	Allegations of irregular procurement.	Kilifi County Government	21,000,000
Nakuru Regional Office				
1.	EACC/NKR/FI/INQ/22/2015	Allegations of embezzlement of public funds.	Bomet County Government	24,000,000
2.	EACC/NKR/FI/INQ/23/2015	Allegations of embezzlement of public funds.	Bomet County Assembly	11,000,000
3.	EACC/NKR/FI/INQ/61/2015	Allegations of misappropriation of public funds.	Maji Mazuri RC Primary School.	900,000
4.	EACC/NKR/FI/INQ/63/2015	Allegations of embezzlement of public funds.	Rombe Primary School.	1,800,000
5.	EACC/NKR/FI/INQ/65/2015	Allegations of embezzlement of public funds.	Nakuru County Assembly	1,000,000
JKIA Satellite Office				
1.	EACC-JKIA/FI/INQ/02/2015	Allegations of procurement irregularities.	KAA	10,000,000 p.m.
2.	EACC-JKIA/FI/INQ/03/2015	Allegations of bribery.	Port Health	1,500
3.	EACC-JKIA/FI/INQ/04/2015	Allegations of procurement irregularities.	KAA	N/A
4.	EACC-JKIA/FI/INQ/01/2015	Allegations of bribery.	Port Health	25,000

Table 6: Highlights of Completed Forensic Investigations

S/No.	Case/Inquiry No.	Nature of Inquiry	Institution	Amount Involved (Kshs.)
Nairobi (Headquarters)				
1.	EACC-OPS INQUIRY FILE 11/2013	Allegations of misappropriation of funds.	National Police Service Commission (NPSC)	168,000,000
2.	EACC/ FI/INQNO. 51/ 2014	Allegations of procurement irregularities.	Machakos County Government of	32,000,000
3.	EACC/FI/INQ/141/2014	Allegations of procurement irregularities.	Trans-Nzoia County Government	25,000,000
4.	EACC/FI/INQ/57 /2014	Alleged Conflict of Interest.	Kenya Pipeline Corporation	108,659,757
5.	EACC/INQNO.44/2013	Allegations of embezzlement of public funds.	Kenya Meat Commission	15,600,000
6.	EACC/FI/INQ/08/2014	Allegations of procurement irregularities.	NSSF	5,053,520,321
7.	EACC/FI/INQ/39/2015	Allegations of procurement irregularities.	Catering levy	800,000,000
8.	KACC/FI/INQ/04/2013	Allegations of procurement irregularities.	Kenya Institute of Education (KIE)	86,000,000
Preliminary Division (Headquarters)				
1.	EACC/FI/INQ/063/15	Allegations of abuse of office and procurement irregularities.	Kenya Veterinary Vaccines Production Institute (KEVEVAPI)	Not specified
Eldoret Regional Office				
1.	EACC/ELD/FI/INQ/9/2014	Allegations of procurement irregularities	Uasin Gishu County Government	79,900,000
2.	EACC/ELD/FI/INQ/6/2014	Allegations of irregular allocation of public land	Ministry of Lands	40,000,000
Machakos Regional Office				
1.	EACC/MKS/FI/INQ/01/2015	Allegations of fraud and embezzlement of public funds	Mwala Constituency Uwezo Fund	100,000
Garissa Regional Office				
1.	EACC/GSA/FI/INQ/05/2012:	Allegations of abuse of office and irregular payments	Ministry of Transport and Infrastructure	738,000,000
2.	EACC/GSA/FI/INQ/01/2015	Allegations of procurement irregularities	Garissa County Government	70,000,000
3.	EACC/GSA/FI/INQ/11/2014	Allegations of procurement irregularities	Wajir County Government	7,700,000



S/No.	Case/Inquiry No.	Nature of Inquiry	Institution	Amount Involved (Kshs.)
Mombasa Regional Office				
1.	EACC/MSA/FI/INQ/09/14	Allegations of fraud	Ministry of Education	1,185,305
2.	EACC/MSA/FI/INQ/08/2014	Allegations of embezzlement of public funds.	County Government of Mombasa	4,200,000
3.	EACC/MSA/FI/INQ/012/2014	Allegations of procurement irregularities	Taita- Taveta County Government	6,900,000
4.	EACC/MSA/FI/INQ/15	Allegation of bribery	Kenya Revenue Authority	1,000,000
5.	EACC/MSA/FI/INQ/03/14	Allegations of procurement irregularities	Kilifi County Government	168,000,000
6.	EACC/MSA/FI/INQ/18/14	Allegations of procurement irregularities	Ganze CDF	45,000,000
Kisumu Regional Office				
1.	EACC/KSM/INQ/FI/04/2014.	Allegations of procurement irregularities	Nyamira County Assembly	30,000,000
2.	EACC/KSM/INQ/FI/06/2014.	Allegations of fraud	Lake Victoria South Water Services Board	12,000,000
3.	EACC/KSM/AT/INQ/OI/2013.	Allegations of misappropriation of public funds.	Lake Victoria South Water Services Board	44,196,723
4.	EACC/KSM/INQ/FI/09/2015.	Allegations of procurement irregularities	Migori County Government	7,000,000
5.	EACC/KSM/INQ/FI/07/2015.	Allegations of procurement irregularities	Busia County Government	174,500,000
Malindi Regional Office				
1.	MLD/INQ/FI/01/15	Allegations of procurement irregularities	Kilifi County Assembly	5,500,000

Table 7: Highlights of Cases Pending before Court

S/No.	Inquiry No./ CR/CF. No.	Accused & Particulars of Offence	Institution	Amount Involved (Kshs.)
Nairobi (Headquarters)				
1.	ACC 03/08	Joel Mwalalo & others Abuse of Office contrary to Sec 46 of ACECA	Youth Enterprise Fund	6,000,000
2.	ACC 03/2009	Dr. Davis Koech Fraudulent acquisition of public property contrary to sec 45(1) of ACECA	KEMRI	500,000,000
3.	ACC 30/2011	Patrick Aghan Abuse of Office contrary to Sec 46 of ACECA	Ministry of Education	936,000
4.	ACC 06/09	Jackson Githaka Abuse of Office contrary to Sec 46 of ACECA	Ministry of Education	7,260,000
5.	ACC 13/2010	David Kimosop Abuse of Office contrary to Sec 46 of	Ministry of Education	7,200,000

S/No.	Inquiry No./ CR/CF. No.	Accused & Particulars of Offence	Institution	Amount Involved (Kshs.)
		ACECA		
6.	ACC 2/2015	1.David Mwiraria 2.Dave Munya Mwangi 3.Joseph Mbui Magari 4. David Onyonka 5. Deepak Kamani 6. Rashmi Kamani 7. Chamanlal Kamani 8. Brian Mills 9. Sound Day Corporation 10. Apex Finance Corporation Conspiracy to commit an economic crime	Ministry of Finance	4,640,000,000 (40 million euros)
7.	ACC 4/2015	1) David Onyonka 2) Deepak Kamani 3) Rashmi Kamani 4) Infotalent Conspiracy to commit an economic crime	Office of the President	6,923,832,200 (59,688,200.00 Euros)
8.	ACC 9/2015	Ibrahim Haji Isaak and five others Abuse of Office contrary to Sec 46 of ACECA	KMC	11,500,000
9.	EACC/FI/INQ/117/2014	1. Tioko Logiron 2. Lawrence Lai 3.Rhoda Ekaes 4.Nadome Construction Company Limited Willful failure to comply with the law relating to the procurement contrary to section 45(2) (b) as read with section 48 of the Anti-Corruption and Economic Crimes Act, 2003	Turkana County Government	12,800,000
10.	ACC 11/2015	1) Michael Mwaura Kamau 2) Mwangi Maingi 3) Nicholas Ndungu Nganga 4) Philip Onyango Sika 5) Gilbert Mongare Arasa 6) Raphael Weche Okubo 7) Sylus Wachira Gitau 8) Charles Oike Mubweka 9) Kata Matemu Kithyo Willful failure to comply with the law relating to the procurement contrary to Section 45(2) (b) as read with Section 48 of the Anti-Corruption and Economic Crimes Act, 2003	Ministry of Roads & Infrastructure	33,000,000
11.	ACC.05/2010 KACC/FI/INQ/2006	Joshua Kulei & Seven Others Conspiracy to defraud	Kenya Pipeline Company	65,000,000



S/No.	Inquiry No./ CR/CF. No.	Accused & Particulars of Offence	Institution	Amount Involved (Kshs.)
12.	ACC .02/2014 KACC/FI/INQ/ 023/2011 CR 627/19/2014	Hon. Richard M. Onyonka, MP Kitutu Chache & George James Siro Conspiracy to defraud the public & tax evasion	Kitutu Chache CDF	21,000,000
13.	ACC.01/2010 KACC/FI/INQ/21/09	Javan Ombaso Sagero (Deceased) & Another Fraudulent acquisition of public property	Ministry of State for Special Programmes (WKCDD/FM)	10,000,000
14.	ACC13/2015 EACC/FI/INQ/110/2014	Charity Kaluki Ngilu and eight others Conspiracy to commit an offence of corruption and Obstructing persons acting under the Ethics and Anti-Corruption and Economic Crimes Act	Ministry of Lands	8,000,000,000
15.	CR.141/501/2013 ACC.16/2013 EACC/FI/NQ.33/2012	James Humphrey Oswago & 3 Others Abuse of Office contrary to Section 46 of ACECA and count II Willful failure to comply with the law relating to procurement C/Sec 45 (2)b of ACECA in respect of Electronic voter identification devices	IEBC	1,300,000,000
16.	KACC/FI/INQ/2011 CR 141/541/2012 ACC. 15/2012	Perminus Njorge Kamau Unlawful acquisition of public property contrary to section 45(1) (a) as read with Section 48(1) of ACECA	Ministry of Higher Education, Science and Technology	12,980,000
17.	CR.141/07/2010 ACC 1/2010	Dr. Davy Koech and others: Fraudulent acquisition of public property contrary to Section 45(1)(a) of ACECA Abuse of Office contrary to Section 46 of ACECA	KEMRI	536,000,000
18.	CR 141/445/2013 CF 12/2013 KACC/FI/INQ 18/2012	Richard Kerich; Marwa Fadhili Chacha; David Kipruto Chingi; Meridian Medical Centre Conspiracy to defraud contrary to Sec 317 of Penal Code in respect of public servants medical scheme	NHIF	116,900,000
19.	ACC 15/2010	Francis Moturi Zuriels and 8 Others: Fraudulent Acquisition, Conspiracy to defraud Kshs. 1.6 Billion of NSSF Funds by Discount Securities Limited and Deceiving Principal against former Investment Manager of NSSF in respect of purchase of shares	NSSF	1,600,000,000
20.	EACC/FI/INQ/26/2013 CR 141/520/3013 ACC 19/2013	1. Adan Katello Adano 2. Kennedy Gaunye Ochae 3. Abdi Elema Ali 4. Gabriel Ngonyo Mutunga 5. Willie Gachanja Wangui	Independent Electoral and Boundaries Commission	105,000,000

S/No.	Inquiry No./ CR/CF. No.	Accused & Particulars of Offence	Institution	Amount Involved (Kshs.)
		6. Benson Gethi Wangui 7. Joyce Makena 8. Solarmak Technologies Conspiracy to commit an offence of corruption contrary to Section 47 (a) (3) as read with Section 48 of the Anti-Corruption and Economic Crimes Act, 2003		
21.	Meru ACC 1/2012	Stephen Kirigia Fraudulently making excessive payment from public revenue contrary to Section 45(2) (a) of ACECA	CDF	3,200,000
22.	Kitale Stadium ACC 5/2015 EACC/FI/INQ/25/13	1. Joseph Muindi Tevulo, 2. Vitalis Wafula Kamwesa, 3. Benjamin Ruto Timtim, 4. Mark Mulunda Khamila, 5. Robert Simiyu Wambulwa Abuse of Office	Trans Nzoia County	25,334,000
23.	Machakos Subaru CR 440/294/2015, ACC 11/2015 EACC/FI/INQ/51/2014	1. Irene Kamau 2. Eckomas Mutuse 3. Francis Mwaka 4. John Mwirichia and 5. Joshua Sitienei Willful failure to comply with procurement procedures C/S 45 (2) (b) of ACECA	Machakos County	32,000,000
24.	ACC 18/2013	Richard Kerich, Marwa Fadhili Chacha, David Kipruto Chingi, Toddy Madahana and Anthony Kalathil Chacko Abuse of Office contrary to Sec 46	NHIF	202,000,000
25.	ACC 19/2011	Jane Muthoni Ngugi Accountant Ministry of Education- Fraudulent acquisition of public property contrary to Sec 45	Ministry of Education	8,371,200
26.	ACC 19/2014	Bitange Ndemo Ronald Musengu Johnston Muthama Zablon Mabeya Julius Maweu Julius Nyuka Leonard Kilua James Munguti David Ngilai: Willful failure to comply with applicable laws/procedures relating to procurement C/S 45(2)(B) of ACECA and Abuse of office contrary to sec 46 of ACECA	Ministry of Information and communication	1,000,000,000



S/No.	Inquiry No./ CR/CF. No.	Accused & Particulars of Offence	Institution	Amount Involved (Kshs.)
27.	ACC 3/2015	Vitalis Wafula and Samwel Okema. Conspiracy to commit corruption offence C/Sec 47 of ACECA	Trans Nzioa County assembly	13,000,000
28.	ACC 10/2010	Concelia Ondiek, Christine Chacha, Thomas Omuga, Fred Ochanda and Francis Yimbo Fraudulent acquisition of public property	Ministry of Education	5,300,000
29.	ACC 2/2015 Kisumu EACC/FI/INQ/100/2014:	Anne Atieno Adul Willful failure to comply with applicable laws relating to procurement of services contrary to section 45 (2) (b) as read with section 48 of the anti-corruption and economic crimes act, no. 3 of 2003	Kisumu County Assembly	5,500,000
Eldoret Regional Office				
1.	C.R. No. 831/643/2012 Court file No. 1 of 2012	<ul style="list-style-type: none"> Conspiracy to commit an offence of corruption C/Sec. 47 (a) (3) as read with section 48 of the Anti-Corruption and Economic Crimes Act No. 3 of 2003 Fraudulent acquisition of public property C/Sec 45(1) (a) as read with section 48 of Anti-Corruption and economic crimes act no.3 of 2003. Abuse of Office C/Sec 46 as read with section 48 of the Anti-Corruption and Economic Crime Act No.3 of 2003 	1. Shachille Laban 2. John S. Khaemba 3. Pamela Maluti 4. Enock K. Simam 5. Peris J. Simam	5,200,000
2.	C.R. No 831/164/2014 Court file No. 2 of 2014	<ul style="list-style-type: none"> Failure to comply with the law relating to procurement C/Sec.45 (2) (b) as read with Section 48 (1) of the Public Procurement and Disposal Act of 2005 Abuse of Office C/Sec 46 as read with section 48 of the Anti-Corruption and Economic Crime Act No.3 of 2003 	1.Mrs Jane Rotich 2.Mr. David Limo	11,500,000
Mombasa Regional Office				
1.	ACC 10/2011 MSA	1. Wilberforce Malanga Wambulwa 2. Hadija Mlao Mlingo 3. Mwinyi Nassoro Mapendeleo 4. Festus Nyiro Nguma 5. Kahindi Kingi Edward 6. Abdu Mohamed Bege 7. Amani Ali Makasi	Kwale County Council	17,500,000
2.	ACC 14/2011 MSA	1. Tima Said Ahmed 2. Timothy Waweru Kamau	Ganze CDF	150,000

S/No.	Inquiry No./ CR/CF. No.	Accused & Particulars of Offence	Institution	Amount Involved (Kshs.)
3.	CF ACC5/2012 MSA	1. Omar Zonga 2. Jotham Kilimo Chea 3. Mary Ndale Kai 4. Raia Mkungu 5. Said Kabangi 6. Said Ndege 7. Rama Mwaurinda 8. Hilmi Ahmed 9. Haji Fumo Farouk 10. Ali Mwakulonda	MP, Land & Private Persons	300,000,000
4.	EACC/MSA/FI/INQ/18/1 4 (Suspects filed suit stopping their prosecution)	1. Hon. Peter Shee 2. Christopher Nyerere 3. Daniel Chiwai Chiriba, 4. Emmanuel Mwagambo Sanga 5. Davison Karisa, 6. Nicholas Maweu Kiamba 7. Geoffrey Mweu Peter 8. Harrison Musa 9. Kelly Panda Japheth 10. Daniel Karisa Karaba	MP & Ganze Constituency Development Fund	45,000,000
5.	ACC 8/2015	1. Hon. Julius Ndegwa Kariuki 2. Michael Kamau Thegeru 3. Sofia Wanjiku 4. Yusuf Hassan Dukicha 5. Zakayo Gitonga 6. Cornel Tuva 7. Alfred Mnjama	MP & Lamu West Constituency Development Fund	1,675,000
6.	ACC 6/2015	Job Omondi Ouma	Kenya Revenue Authority	12,000,000
Kisumu Regional Office				
1.	CR 627/176/11; CF 189/11 (Kisumu)	Samuel Amaita: Embezzlement of imprest, part of funds meant to facilitate a training for the Water Resource Management Association (WRMA) Community Driven Development (CDD) at Kisumu Tom Mboya College	Water Resource Management Association (WRMA)	3,905,500
2.	CR 032/16/2014 CF 5/2014 (Kisumu)	1. Andrew Oriwa 2. Luke Midamba 3. Kenneth Nylanga 4. Joseph Odenyo 5. Rapheal Njira 6. Maurice Ngeta 7. Julius Polo 8. Jenniha Anyango 9. Zachary Okora Irregular procurement of renovation works at Moi Stadium Kisumu at advance payment of Kshs 8.5 Million by M/s Mjeuri Construction and General Supplies before contract was duly signed	Kisumu County Government	8,500,000



S/No.	Inquiry No./ CR/CF. No.	Accused & Particulars of Offence	Institution	Amount Involved (Kshs.)
3.	CR 651/15 CF 462/15 Nyamira	1.Nehemiah Nyabuto 2.Eric Onguti Ayuka 3.Robert Nyagato 4.Enock Omwenga Nyakundi 5.Sylvanus Ndemo Nyamori 6. Enock Omwega Nyakundi 7.Penina Kerubo. Irregular procurement of medical cover for Nyamira Members of County Assembly at inflated cost of Kshs. 30 Million by the County Assembly Clerk, Finance officer and Tender Committee of Nyamira County.	Nyamira County Assembly	30,000,000
4.	CR 032/24/10 CF 429/2010	1. Ian Gakoi Maina 2.Odongo Philip Kabita 3.Crossely Holding Limited 4.Sukhwinder Singh Chatte 5.Abdul El Kindly Allegation of fraudulently transfer of Nucleus Estate in Miwani Sugar Co (In receivership) to Ms Crossley Holding Limited	Miwani Sugar Company (In receivership)	2,000,000,000

2.3.3 Trap and Sting Operations

Table 8 provides a summary of Trap and Sting Operations while Table 9 provides the highlights of Trap and Sting Operations before Court.

Table 8: Summary of Trap and Sting Operations

Regional Office	Cases Pending under Investigation (PUT)	Cases Closed (NFA)	No. of Cases Referred	No. of Cases Taken to Court	No. of Cases Pending before Court. (PBC)	Convictions	Acquittals	Discharges
Nairobi	6	12	-	23	37	1	3	1
Mombasa	1	3	-	23	23	-	2	-
Kisumu	6	31	2	6	18	-	1	-
Nyeri	1	2	-	4	6	-	1	-
Garissa	-	-	-	-	-	-	-	-
Eldoret	-	-	-	3	5	-	1	-
Isiolo	4	-	1	2	2	-	-	-
Malindi	6	1	-	-	5	-	-	-
Machakos	-	2	-	-	-	-	-	-
JKIA	1	1	-	-	-	-	-	-
Nakuru	1	-	-	-	1	-	-	-
Malaba	-	-	-	-	-	-	-	-
Total	26	52	3	61	97	1	8	1

Table 9: Highlights of Trap and Sting Operations Cases before Court

S/No.	Case No.	Particulars of Offence	Parties Charged	Amount (Kshs.)
Nairobi Office (Headquarters)				
1.	760/467/2014 ACC5/2014	Corruptly Soliciting and Receiving a Benefit Contrary to Section 39(3) (a) as read with Section 48(1) (A) of the Anti-Corruption and Economic Crimes Act No.3 of 2003 (Trap)	Wilfred M. Osumo (Director NEMA)	10,000
2.	148/6/2015 ACC 5/2015	Corruptly Soliciting and Receiving a Benefit Contrary to Section 39(3) (a) as read with Section 48(1) (A) of the Anti-Corruption and Economic Crimes Act No.3 of 2003(Trap)	Elly Ouma Jometho (Labour Inspector)	100,000
3.	464/527/12 ACC. 2/2012	Corruptly Soliciting and Receiving a Benefit Contrary to Section 39(3) (a) as read with Section 48(1) (A) of the Anti-Corruption and Economic Crimes Act No.3 of 2003 (Trap)	Joyce Karimi Mbogori	160,000
4.	141/373/13 ACC. 10/2013	Corruptly Soliciting and Receiving a Benefit Contrary to Section 39(3) (a) as read with Section 48(1) (a) of the Anti-Corruption and Economic Crimes Act No.3 of 2003 (Trap)	Richard Njoroge	4,000,000
5.	735/120/14 ACC. 4/2014	Corruptly Soliciting and Receiving a Benefit Contrary to Section 39(3) (a) as read with Section 48(1) (a) of the Anti-Corruption and Economic Crimes Act No.3 of 2003 (Trap)	Javan Mwiti	30,000
6.	ACC. 4/2013	145/274/2013 Soliciting and receiving a benefit C/S 39(3) (a) ACECA.	Tom Dulla Ondenye	150,000
7.	ACC. 26/2014	145/254/2014 Soliciting and receiving a benefit C/S 39(3) (a) ACECA	Jared Nyauma Ondieki	800,000
8.	ACC. 9/2014	767/265/2014 Soliciting and receiving a benefit C/S 39(3) (a) ACECA.	Josphat Nyakundi Nyabiba	20,000
9.	ACC. 5/14	145/56/14 Soliciting and receiving a benefit C/S 39(3) (a) ACECA.	Robert Maina Ngumi	15,000,000
10.	ACC. 6/14	811/919/14 Soliciting and receiving a benefit C/S 39(3) (a) ACECA.	James Naburuk Sichangi	60,000



S/No.	Case No.	Particulars of Offence	Parties Charged	Amount (Kshs.)
11.	50963	Allegation that the Deputy Ward Administrator of Nairobi City County Council Charles Kamiru Macharia was demanding for a benefit of Kshs. 30,000.00 so as forbear banning a container from putting up space at the Limuru Church of God.	Nairobi City Council	30,000
Mombasa Regional Office				
1.	ACC 10/2012	Soliciting for a bribe contrary to Section 39 of ACECA.	Julius Mwabiti Zani	10,000
2.	ACC 15/2012	Soliciting for a bribe contrary to Section 39 of ACECA.	Emmanuel Safari Yaa	200,000
3.	ACC 4/2013	Soliciting for a bribe contrary to Section 39 of ACECA.	Vicent Alusi Opiyo	680,000
4.	ACC 10/2014	Soliciting for a bribe contrary to Section 39 of ACECA.	John Inganji & Nelson Videdi	500,000
5.	ACC 5/2014	Soliciting for a bribe contrary to Section 39 of ACECA.	Aaron Kili Ngea	300,000
Nyeri Regional Office				
1.	Nyeri ACC No. 1 of 2015	Soliciting for a bribe contrary to Section 39 of ACECA.	Paul Ngunjiri	10,000
Kisumu Regional Office				
1.	661/203/13 CF 6/2013 Migori	Soliciting for a bribe contrary to Section 39 of ACECA.	Paul Fredrick Abade	50,000
2.	664/101/14 CF 690/14 Migori	Soliciting for a bribe contrary to Section 39 of ACECA.	Ojuok Ogutu Paul	30,000
3.	032/37/10 CF 554/10 Kisumu	Soliciting for a bribe contrary to Section 39 of ACECA.	1. John Mbogo 2. Samson Oloo. N. Oloo	28,000
4.	930/185/15 CF 671/15 Bungoma	Soliciting and receiving a bribe contrary to Section 39 of ACECA.	Moses Njuru Wanjiku	7000
5.	032/17/11 CF 289/11 Kakamega	Soliciting and receiving a bribe contrary to Section 39 of ACECA.	Wycliffe Owuor Okumu	20,000
6.	032/18/13 CR 3/13 Kisumu	Soliciting and receiving a bribe contrary to Section 39 of ACECA.	Hellen Achieng Opiyo	10,000
7.	627/500/14 CR 1/14 Kakamega	Soliciting and receiving a bribe contrary to Section 39 of ACECA.	1. Simon Sumbwa Njeta 2. Francis Maombe 3. Nicholas Kiprono	10,000

S/No.	Case No.	Particulars of Offence	Parties Charged	Amount (Kshs.)
			Kerio	
8.	032/26/14 CF 1/2014	Soliciting and receiving a bribe contrary to Section 39 of ACECA.	Fredrick Nyangacha Nyangaka	20,000
9.	623/213/11	Soliciting and receiving a bribe contrary to Section 39 of ACECA.	Meshack Saidimu Lorkurti	10,000
10.	627/673/12 CF 8/12	Soliciting and receiving a bribe contrary to Section 39 of ACECA.	Milton Owade Kasera	10,000
Eldoret Regional Office				
1.	CR/831/387/20 14 ACCF/4/2014	Soliciting and receiving a bribe contrary to Section 39 of ACECA.	Wycliffe Mutanyi Shipwakula Susan George Wanjiku	15,000
Isiolo Regional Office				
1.	CR.421/65/15	Extortion contrary to section 300 of the Penal Code.	Kevin Muthee Kimani Michael Wambua	20,000
2.	EACC/ISL/TO/ INQ.07/ CR. 464/118/15 2015	Soliciting and receiving a bribe contrary to Section 39 of ACECA.	Cleophas Naibei C/O National Police Service	30,000
3.	CR.421/113/20 15	Soliciting and receiving a bribe contrary to Section 39 of ACECA.	James Oludhe Ochieng C/O County Government of Meru	35,000
Malindi Regional Office				
1	CF 1/2015	Soliciting for a bribe contrary to Section 39 of ACECA.	1. Matano Riziki 2. N. Solanki 3. R. Nyamu	400,000
2	CF 2/2015	Soliciting for a bribe contrary to Section 39 of ACECA.	Daniel Philip Kakuti	10,000
Isiolo Regional Office				
1.	EACC/ISL/TO/ INQ.08/2015	Soliciting for a bribe contrary to Section 39 of ACECA.	National Police Service	30,000

Table 10: Highlights of Cases under Inquiry Arising from Sting Operations

S/No.	Particulars of Offence/Nature of Inquiry	Amount (Kshs.)	Institution
Nairobi (Headquarters)			
1.	EACC/INQ/OPS/13/2015 Alleged procurement irregularities and Abuse of Office.	10,000,000	Kenya Trade Network Agency



S/No.	Particulars of Offence/Nature of Inquiry	Amount (Kshs.)	Institution
2.	EACC/OPS/20/2015 Alleged embezzlement of public funds.	Not yet established	Multimedia University
JKIA Satellite Office			
1.	Alleged soliciting for a bribe.	5,000	KRA

2.3.4 Illegally Acquired and Unexplained Assets Traced

The Commission traced assets amounting to Kshs. 3.861 billion as detailed in Tables 11, 12, 13 and 14.

Table 11: Highlights of Properties Traced (Nairobi Office)

S/No.	Category	Estimated Value (Kshs.)
1	L.R 37/272/5 Land belonging to Postal Corporation of Kenya,	15,000,000
2	L.R No. 37/386 Land belonging to Public, along Valley road within Nairobi West	30,000,000
3	Nairobi Block 104/520 belonging to Public, within Juja Road Estate	180,000,000
4	Cash belonging to National Aids Control Council	200,000
5	Cash belonging to National Cereal Board	577,000,000
6	Cash belonging to the Ministry of Roads	12,399,203
7	Cash belonging to National Water Conservation and Pipeline Corporation	423,000,000
8	Cash belonging to Nairobi County Government	12,000,000
9	Cash belonging to Nairobi County Government	18,000,000
10	Unexplained wealth	1,300,000,000
11	Nakuru Municipality Block 25/1109, Land belonging to Public School	14,000,000
12	Cash belonging to KRA in form of unpaid taxes and penalties	2,337,890
13	Cash belonging to Kenya Pipeline Company	5,064,346
14	Cash belonging to Kenya Meat Commission	2,600,000
15	Land belonging to public MN / 1 / 9892, MN / 1 / 9893, MN / 1 / 9894	45,000,000 40,000,000 40,000,000
16	Mombasa Block VII / 1517 Land belonging to public	15,000,000
17	MN / 1 / 3070 Land belonging to public	40,000,000
18	MN / 1 / 3073 Land belonging to public	40,000,000
19	MN / 1 / 3078 Land belonging to public	40,000,000
20	Mombasa Block XVII / 868 Land belonging to public	35,000,000
21	Mombasa Block XXV/ 169 Land belonging to public	700,000,000
22	MN / 1 / 3077 Land belonging to public	45,000,000
Total		3,631,601,439

Table 12: Highlights of Properties Traced in Some Regional Offices

S/No.	Asset	Particulars	Estimated Value (Kshs.)
Nyeri Regional Office			
1.	Nyeri Municipality /Block I/1280	Public land registered in the name of NCKK	15,000,000
2.	Nyeri Municipality /Block I/1137	Public land registered in the name of Lawrence Kariuki Muraya	4,000,000
3.	Nyeri Municipality /Block I/1105	Public land registered in the name Nderitu Wachira	4,500,000
4.	Karatina Municipality/Block II/I	Public land registered in the name Mary Wanjugu	3,000,000

S/No.	Asset	Particulars	Estimated Value (Kshs.)
5.	Kagumo Teachers College staff	Public funds lost through irregular procurement of motor vehicles	1,800,000
Sub Total			28,300,000
Mombasa Regional Office			
1.	Land/House	Government house, No. HB 199 situated on plot No. MN/1/3074 in Nyali.	36,000,000
2.	Land	Road reserve in front of the City Mall- Nyali i.e. parcels No's. MN/XXVI/9982, MN/XXVI/9983 and MN/XXVI/9984.	125,000,000
3.	Land	Public Plot No. MOMBASA BLOCK XVII/ XV11/ 1517 located in Bondeni – Mombasa.	15,000,000
4.	Money	Cash belonging to the Shimo La Tewa Maximum Security Prison.	6,000,000
Sub Total			182,000,000
Eldoret Regional Office			
1.	Land and building	Houses belonging to the Trans-Nzoia County Government.	20,000,000
Sub Total			20,000,000
Grand Total (Nairobi, Mombasa, Eldoret and Nyeri)			3,861,000,000

Table 13: Highlights of Ongoing Asset Tracing Cases

S/No.	Institution	Details	Estimated Value (Kshs.)
Nairobi Head Office			
1. 1	University of Nairobi	EACC/AT/ INQ/22/2015 Inquiries into allegations that land belonging to University of Nairobi has been grabbed by private developer.	2,000,000,000
2. 2	Nairobi City County	EACC/AT/INQ/37/2015 Inquiries into allegation of illegal acquisition of public land alongside State House Crescent.	Not yet established
3. 4	Kasarani Girls Secondary School	EACC/AT/01/2013 Allegations of irregular payments to contractors.	32,000,000
4. 5	Kenya National Audit Office	EACC/AT/INQ/49/2011 Allegation that Office of Auditor General irregularly procured Audit Vault Software through single sourcing.	100,000,000
5. 6	Langata Primary School	KACC/AT/INQ/46/2008 Allegations of illegal acquisition of land belonging to Langata Primary School.	100,000,000
6. 7	Lamu County	KACC /AT/INQ/20/2014 Allegation that 22 private entities were illegally and irregularly allocated public land.	Not yet established
Machakos Regional Office			
1.	Mulu Secondary School in Machakos County	EACC/MKS/AT/INQ/01/2015 Allegation of embezzlement of public funds, abuse of office, conflict of interest and accumulation of unexplained wealth by the Principal of Mulu Secondary School in Machakos County.	Not yet established
2.	Uwezo Fund in Mwala Sub-County of Machakos County	EACC/MKS/At/INQ/02/2015 Allegation of fraudulent acquisition and embezzlement of public funds out of the Uwezo Fund in Mwala Sub-County of Machakos County.	Not yet established

Table 14: Highlights of Asset Tracing Cases Pending before Court

S/No.	Case No.	Offence	Accused
1.	CR 141/515/2009-ACC 18/2009	Fraudulent disposal of mortgaged goods C/Sec 291 as read with Section 36 of the Penal Code.	1. Yagnesh Mohanlal Dervani 2. Mahindra Pathak 3. Julius Kyalo 4. Collins Otieno 5. Triton Petroleum Co. Ltd.
2.	CR 141/113/2010-ACC No. 10/2010	Conspiracy to commit an offence of corruption C/Sec 47a as read with Sec 48 of ACECA.	1. Concelia Ondiek 2. Christine Chacha 3. Thomas Omuga 4. Fred Ochanda 5. Francis Imbo
3.	CR 141/316/2010-ACC No. 19/2010	Conspiracy to commit an offence of corruption C/Sec 47a as read with Sec 48 of ACECA.	1. Sammy Kirui 2. Mary Ngethe 3. Alender Musee 4. And 11 Others.
4.	CR 141/319/2010-ACC No. 20/2010	Abuse of office C/Sec 46 as read with Sec 48 of the ACECA.	1. Sammy Kirui 2. Mary Ngethe 3. Alexander Musee
5.	ACC/4/2014 CR 141/142/2014	Abuse of Office C/Sec 46 as read with Sec 48 of ACECA	1.Hon. Amos Kimunya 2. Lilian Wangari 3.Njunghane Wainaina 4. Midlands Ltd
6.	CR.148/8/2015 ACC/7/2015	Conspiracy to commit an offence of economic crime C/Sec 47(A) (3) as read with Section 48(1) of ACECA	1. Jimmy Kiamba 2. Lilian Ndegwa 3. Patrick Osiro 4. Nancy Kiruri 5. Regina Chepkemboi

2.3.5 Proactive Investigations

i) Proactive Investigations

Table 15: Summary of Proactive Investigations

S/No.	Nature of Investigation	No.
1.	Intelligence probes taken up by EACC	43
2.	Intelligence probes referred to other agencies	24
3.	Covert lifestyle audits	8
4.	Corruption networks disrupted	8
5.	Surveillance operations	52

ii) Disruption of Corruption Networks

The Commission carried out proactive investigations which averted loss of public funds estimated at Kshs.1.6 billion as indicated in Table 16.

Table 16: Highlights of Major Disruptions

S/No.	Brief details	Organization Involved	Amount Involved (Kshs.)
1	Allegation of procurement irregularities.	Kenya Trade Network Agency	10,000,000
2	Allegations of bribery at the Mariakani and Athi-River weighbridges.	Police, SGS	144,000,000
3	Allegations of tax evasion.	KRA	2,245,287
4	Allegations of tax evasion.	KRA	1,153,891
5	Allegations of procurement irregularities.	KPA	1,000,000,000
6	Allegations of tax evasion.	KRA	1,000,000
7	Allegations of procurement irregularities.	Tourism Finance Corporation	650,000
8	Allegation of theft of public property.	Provincial Administration	500,000
Total			1,159,649,178

Table 17 provides highlights of intelligence probes conducted while Table 18 gives highlights of the surveillance operations conducted.

Table 17: Highlights of Intelligence Probes Conducted

S/No.	Summary	Organization	Office Dealing
1	Probe on allegations of tax evasion.	KRA	Mombasa Regional Office
2	Monitoring of recruitment exercise in Kwale, Malindi and Mombasa Counties.	Kenya Defense Forces	Operations Department
3	Probe on a senior County Government of Nairobi official suspected to have illegally acquired public property.	Nairobi County Government	Asset Tracing
4	Probe on allegations of collusion to defraud.	Moi Teaching & Referral Hospital	Eldoret Regional Office
5	Probe on allegations of procurement irregularities.	Kitui County	Forensic Investigations
6	Probe on allegations of procurement irregularities.	Kenya Pipeline	Forensic Investigations

Table 18: Highlights of Surveillance Operations Conducted

S/No.	Summary	Status
1	Surveillance on the Kenya Wildlife Service recruitment of rangers.	Report Forwarded to KWS
2.	Surveillance of traffic police involved in bribery in Kisumu and Homa Bay.	Sting Operation done. Five Police Officers arrested
3.	Surveillance on Lands Board Officials involved in bribery in Meru.	Sting operation done. Five officials including Sub-District Administrator arrested
4.	Surveillance into the National Police Service recruitment.	Report Forwarded to National Police Service

S/No.	Summary	Status
5.	Surveillance on police officers suspected of involvement in bribery at the Nairobi Central Business District.	Sting Operation done. 8 Police Officers arrested.
6.	Surveillance on police officers suspected of involvement in bribery at Githongo Police station – Meru.	Sting Operation done. 4 Police Officers arrested
7.	Surveillance on police officers suspected of involvement in bribery at Meru Police Station.	Report forwarded to EACC Isiolo Office
8.	Surveillance on police officers suspected of involvement in bribery along various roads in Kisumu	Surveillance completed. Sting operation done. 4 Police officers arrested.
9.	Surveillance on Kenya Revenue Officers and importers suspected of involvement in bribery to facilitate tax evasion.	Sting Operation done. 2 KRA officers and a businessman arrested.
10.	Surveillance operation on Police officers alleged to be involved in bribery in Eldoret.	Sting Operation done. 2 Police officers arrested.

iii) Integrity Testing Programme

263 integrity tests were executed in 35 public organizations. The outcomes are shown in Table 19. Those who failed were referred to the relevant departments for administrative action.

Table 19: Integrity Testing Results from Various Public Entities

S/No.	Institution	Pass	Fail	Inconclusive	Attempt
1	Immigration	2	6	-	-
2	Public Health	4	-	-	-
3	National Police Service	3	120	16	2
4	Kenya Prisons Service	-	1	-	-
5	Nairobi County Government	5	7	10	1
6	Huduma Centre	1	-	2	-
7	I.E.B.C	-	1	-	-
8	N.H.I.F	1	-	-	-
9	Motor Vehicle Inspection Unit	1	-	-	-
10	Kenyatta National Hospital	-	1	2	-
11	Busia County Government	1	3	-	-
12	Children Department	-	1	-	-
13	Customs	-	2	-	-
14	Kenya Forest Service	-	1	1	-
15	Postal Corporation	-	-	1	-
16	Kenya Power and Lighting Company	-	1	-	-
17	Kitui County Government	-	1	-	-
18	Makueni County Government	1	3	-	-
19	Kenya Animal Genetic Centre (KAGRIC)	1	-	-	-
20	Murang'a County Government	-	2	-	-
21	Provincial Administration	3	1	1	2
22	Nakuru County Government	1	1	-	-
23	Nyeri County Government	1	1	-	-
24	Information Department	-	-	1	-
25	Meru County Government	3	2	-	-
26	Judiciary	-	-	1	-
27	Lands	5	5	2	-
28	Kenya Defense Forces	-	1	-	-
29	Kiambu County Government	1	3	-	-

S/No.	Institution	Pass	Fail	Inconclusive	Attempt
30	Civil Registration	1	2	2	-
31	Kenya Wildlife Service	11	-	-	-
32	Registrar of Companies	-	2	1	-
33	Kenya National Highway Authority	-	1	-	-
34	National Registration Bureau	2	-	-	-
35	Garissa County Government	-	-	1	-
Total		48	169	41	5

2.4 Statutory Reports to the Director of Public Prosecutions

Following completion of investigations on corruption and violation of Codes of Conduct, the Commission forwarded 4 Quarterly Reports to the Director of Public Prosecutions. The Reports were published in the Kenya Gazette as required. A total of 117 files with reports were forwarded to the DPP, representing an increase of 57.4 % from the previous year's total of 68 files. Of these reports, the Commission recommended 83 for prosecution, 8 for administrative action and 26 for closure due to lack of evidence whereas 12 were returned for further investigations as shown in Table 20.

Table 20: 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	11	16	16	31	74
Not accepted	0	0	0	1	1
Recommendation for administrative action					
Accepted	3	1	0	4	8
Not accepted	0	0	0	0	0
Recommendation for closure					
Accepted	1	0	9	9	19
Not accepted	1	0	0	2	3
Files returned for further investigations	2	5	1	4	12

2.5 Criminal Cases Presented before Court

A total of 99 criminal cases were presented before court as shown in Table 21.

Table 21: Criminal Cases Presented before Court

Particulars of Charge	No. of Cases
Soliciting and receiving of a benefit	70
Abuse of office	2
Misappropriation of public funds	0
Unlawful/fraudulent acquisition of public properties	5
Willful/careless failure to comply with procurement procedures	13
Conspiracy to defraud/commit an offence of corruption	6
False accounting by a public officer/Deceiving principal	1
Breach of trust	1
Impersonating Commission investigator	1
Total	99

CHAPTER 3:

LITIGATION AND RECOVERY OF ILLEGALLY ACQUIRED PUBLIC AND UNEXPLAINED ASSETS

3.1 Introduction

This Chapter 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.

3.2 Recovery of Illegally Acquired Public Assets

Assets valued at approximately Kshs.140, 280,426.70 were recovered through court proceedings and out-of-court settlements as shown in Table 22.

Table 22: Recovered Public Assets

Institution Recovered For	Recovered From	Estimated Value (Kshs)
City Council of Nairobi	Jack Mbute Mbugua	30,000
National Museums	Abdirazak Abdille	2,500,000
Kenya Industrial Estates	Christopher Ochieng	45,000,000
Kenya Re-Insurance Corporation	Johnson Githaka	11,000,000
County Government of Nairobi	Edward Omotii	200,000
KEMRI	Davy Kiprotich Koech	25,216,136
KRA	George Wainaina Njogu & 3 others	3,182,515.70
National Aids Control Council	Joshua Ngelu	951,775
Kenya Industrial Estates (K.I.E)	Christopher Ochieng Apollo t/a Intro Networks (Africa)	MN/VI/4001- Valued at 40,000,000
Kenya Industrial Estates (K.I.E)	Christopher Ochieng Apollo t/a Intro Networks (Africa)	MN/VI/ 4017- Valued at 12,000,000
National Aids Control Council	Francis Kiplimo Ngetich and Joseph Kiplagat Kurgat	200,000
Total		140,280,426.70

3.3 Suits and Preservation Applications Filed

The Commission filed 6 suits for recovery of illegally acquired public assets and 6 applications for preservation of property and obtained preservation orders to secure the assets. A summary of the suits and applications filed is presented in Table 23.

Table 23: Recovery Suits and Preservation Applications Filed

S/No.	Case No.	Parties	Nature of Claim	Current Status
1.	Cause Number 722 of 2015	EACC –vs- Jane Wanja Muthaura	Suit seeking a refund of Kshs. 5,862,895.90 million	Pending hearing
2.	Mombasa HC Miscellaneous Application 219 of 2014	EACC –vs- Edward Mwangi Irungu & Others	Preservation of illegally alienated land in Kizingo next to State House MI/XXVI/1010	Orders varied by ruling delivered 18.12.2014. Appeal filed.

S/No.	Case No.	Parties	Nature of Claim	Current Status
3.	Malindi CA Miscellaneous Application 3 of 2015	EACC –vs- Edward Mwangi Irungu & Others	Application for stay pending Appeal from variation of preservation orders in Mombasa HC Misc. 219 of 2014 EACC –v- Edward Mwangi Irungu & Others	Application for stay pending appeal withdrawn with no order as to costs on 4.5.2015
4.	Mombasa ELC 43 of 2015	EACC –vs- Edward Mwangi Irungu & Others	Suit for recovery of illegally alienated land in Kizingo next to State House MI/XXVI/1010 valued at Kshs. 20 Million	Pending hearing.
5.	Mombasa HC Miscellaneous Application 332 of 2014	EACC –vs- Family Bank	Orders to freeze account numbers 094000002104 and 094000002728	Accounts frozen for 6 months
6.	Mombasa HC Miscellaneous Application 94 of 2015	EACC –vs- Family Bank	Orders to freeze account numbers 094000002104 and 094000002728	Accounts frozen for 6 months
7.	Mombasa ELC 242 of 2014	Alcop Ltd–vs- Mako Ali & Others	Suit for recovery of illegally alienated Kenya Railways land in Kizingo MN/XXVI/687 valued at Kshs. 78,000,000/=	Pending hearing.
8.	Mombasa ELC 298 of 2014	EACC –vs- Peter Kipyegon Lagat & Others	Suit for recovery of irregularly acquired land in Moi International Airport MN/VI/3854 valued at Kshs. 32 Million	Pending hearing.
9.	Mombasa ELC 50 of 2015	EACC –vs- Peter Kipyegon Lagat & Others	Suit for recovery of irregularly acquired land in Moi International Airport MN/VI/3860	Service of summons and Plaint in the process of being effected.
10.	Mombasa HCCC 68 of 2015 (O.S)	EACC –vs- Gabriel Mbiti Mulei	Suit against police officer for recovery of unexplained wealth	Originating Summons in the process of being effected upon the Defendant.
11.	Kitale HC Misc. Appli. No 51 of 2014	EACC –vs- Kapsoen Estates limited	Application for preservation orders in respect of Government House Numbers Kitale Municipality Block 4/88 and 89	Preservation orders granted
12.	Kisumu misc. No 178/14	EACC –vs- Johncele Insurance	Application for preservatory orders	Application for preservatory orders allowed for a period of three months.

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

Following ongoing investigations and prosecutions against State and Public Officers, the Commission was exposed to suits in the nature of Constitutional References, Judicial Review Applications and other civil cases. The Commission defended 68 suits filed against it. The cases are highlighted in Table 24.

Table 24: Constitutional References, Judicial Review Applications and Other Cases

S/No.	Case No.	Parties	Relief Sought	Status
1.	HCC 199 of 2014.	Dr. Hosea Waweru -vs- EACC	A suit seeking damages for malicious prosecution.	Awaiting fixing of a hearing date
2	JR misc. 258/2014.	Midlands Ltd and another -vs- EACC	Judicial review application seeking orders of prohibition against the prosecution of the Company and its directors over claims that it unlawfully acquired public land.	Application dismissed with no orders as to costs
3.	Petition 310/2014.	Dr. Alfred Mutua -vs- EACC & 2 others	Constitutional Petition seeking orders to restrain EACC from interviewing the petitioner over procurement of motor vehicles	Pending hearing
4.	Petition no. 309/2014.	Pravin Bowry -vs- EACC	Petition seeking to declare section 61A of the Anti-Corruption and Economic Crimes Act (ACECA) unconstitutional and to compel EACC to comply with the judgment issued on 18/12/2013.	Petition dismissed
5.	HC Misc. 265/2014.	Amos Kimunya -vs- EACC & 3 others	Application seeking to terminate ACC 4 /2014; Republic -vs- Amos Kimunya & another	Application dismissed
6	HC. Petition no. 357/2014.	Okiya Omtata & another -vs- KRA , EACC & others	Petition seeking to order KRA to produce status report on 2.4 billion tax arrears owed to Kingsway tyres Limited.	Pending hearing
7.	HC. Petition 380/2014.	Henry Morara Ongwenyi -vs- EACC & others	Petition for alleged contravention of fundamental rights and wrongful dismissal from employment with EACC.	Pending judgment
8	HC. Petition 394/2014.	Hon. Joseph Ndathi -vs- EACC & others	Petition seeking orders of injunction barring the use of Atur Brothers report.	Pending hearing
9.	JR. 302/2014	Sanjay shah -vs- EACC	JR application for orders of mandamus to compel EACC to produce in court the final report on Charter House Bank	Pending hearing
10	High Court petition no. 367/2014.	Reverend John Mbugua & 2 others -vs- EACC ,AG & 18 others	Petition seeking prosecution of ODM, Wiper & Ford Kenya leaders	Petition withdrawn with no order as to costs.
11.	Supreme Court Ref number 3/2014	In the matter of the speakers of the 47 counties of the Republic of Kenya.	Constitutional reference seeking Advisory opinion from the Supreme Court of Kenya on the relationship of county assemblies and state agencies such as EACC.	Pending hearing

S/No.	Case No.	Parties	Relief Sought	Status
12.	Petition 408/2014	Petition 408/2014 Patrick Michuki -vs- EACC, IEBC & others	Petition challenging the cancellation of Gatundu south constituency by-election	Pending hearing
13	HC. Misc. application 287/2014.	Republic-vs- AG, EACC & others. Ex-parte James Gitau Mwangi.	An Application seeking Judicial review orders of mandamus in respect of property known as LR 32/386 - original 37/242/21- IR 21393	Pending hearing
14.	HCCC 1143/2014	Boniface Mulama & 2 others -vs- EACC & AG	A suit seeking special and general damages for malicious prosecution.	Pending hearing
15.	Industrial Cause 1424/2014	Wilson Shollei -vs- EACC	Suit for recovery of Kshs. 103,595,000 allegedly for wrongful dismissal.	Pending hearing
16	Petition 461/2014	Samuel Sompowan Teum -vs- Kajiado Public Service board & 3 others	Petition challenging the appointment of the 3 rd respondent by Kajiado County Public Service board.	Pending hearing
17.	JR Petition 477/2014	Consumer Federation (COFEK) -vs- EACC & other	Petition seeking conservatory and injunctive orders against Lucy Mbugua the MD Kenya Airports Authority	Pending hearing
18.	Nyeri Petition 14/2014	Tom Dulla Odeny -vs- EACC	Petition seeking Conservatory orders restraining EACC from proceeding with ACC 4/2013.	Pending hearing
19	Nairobi HC. Petition 528/2014	Rose Wambui Kuria -vs EACC	Petition seeking injunction to restrain EACC from recovering LR number 209/2510	Pending hearing
20.	Nairobi HCCC 343 / 2014	Vincent Shimoli Lugalia -vs- EACC & others	Suit claiming general damages for malicious prosecution in ACC 5/2011	Pending hearing
21	Civil Appeal Number 9/2012	EACC -vs- Erad Supplies Limited and another	An application seeking to enjoin EACC as a necessary party to the appeal and to adduce additional evidence	Application allowed to join EACC as an interested party. Awaiting hearing
22	Nakuru HC Misc. application 78 of 2014	David Kianjai Keter & 9 others – vs- EACC & DPP	An application for order of stay of intended criminal prosecution against traffic police officers based in Nakuru.	Application struck out
23	Machakos petition Number 556 of 2014	Peter M. Mbatha -vs- EACC & DPP & others	An application for conservatory orders to restrain EACC from charging the petitioner in the Anti-Corruption Court.	Pending hearing
24	Industrial Cause Number 2005 of 2014	Joshua Momanyi Maranga -vs- EACC & AG	An application seeking to bar Administration Police Service through the Attorney general from victimizing or terminating the claimants' employment.	Pending hearing
25	Petition Number 564	Suleiman Omari, Rose Chepkemoi,	An application seeking conservatory orders restraining the respondents	Pending hearing

S/No.	Case No.	Parties	Relief Sought	Status
	of 2014	Susan Gikonyo, Hussein Guyo –vs- EACC & DPP	from arraigning the applicant in Court.	
26	Petition Number 62 of 2014	David Kianjai & 9 others vs EACC & DPP	Application seeking to stay proceedings in ACC 11/2014 pending hearing and determination of the Petition	Pending hearing
27.	Petition number 573 of 2014	James Owiny & 3 others -vs- EACC & the AG & IG of Police	Petition seeking Conservatory orders to restrain EACC from prosecuting the applicants.	Pending hearing
28	Industrial Cause 2120 of 2014	Roselyn Sisiali Wekesa –vs- Konrad Adenauer Foundation, EACC & others	Claim for damages and orders for EACC to institute criminal proceedings against the person found culpable	Pending hearing
29	Petition Number 558 of 2014	Okiya Omtata –vs- AG, EACC & others	An application for conservatory orders against the AG & others with respect to the appointment of Commissioners to the Teachers Service Commission.	Pending hearing
30	Petition Number 626 of 2014	Okiya Omtata –vs- Athi Water Services Board & others	An application seeking orders against Athi Water Services Board & others and for EACC to conduct investigations.	Pending hearing
31	Machakos Petition Number 3 of 2015	James Kathurima & another vs EACC & DPP	An application seeking conservatory orders restraining EACC from interfering with the petitioners' rights or arresting and preferring charges against them.	Pending hearing
32	Petition Number 44 of 2015.	Okiya Omtata –vs- Philip Githiii Gichuki & EACC.	Petition seeking a declaration that the agreement between NCWSC is a forgery and the respondent be investigated with a view to instituting a criminal prosecution.	Pending hearing
33	JR Misc. 44 of 2015	Hon. Johnstone Muthama –vs- Alfred Mutua & another	An application for leave to commence judicial review proceedings against the respondents.	Pending hearing
34	Petition Number 9 of 2015	Kennedy Mbeche & others –vs- EACC & 3 others	Petition and Notice of Motion seeking to bar EACC from arresting and charging the applicants.	Pending hearing
35	Petition Number 8 of 2015	Isaac Gatimi –vs- EACC & 3 others	Petition and Notice of Motion seeking to bar EACC from arresting and charging the applicants.	Pending hearing
36	Industrial cause no. 154 of 2015	George Joshua Okungu –vs- Kenya Pipeline Company and 3 others	A suit seeking damages against the Defendants for malicious prosecution.	Pending hearing
37	Industrial Cause Number 16 of 2015	Jane Wanja Muthaura –vs- EACC	Suit seeking damages against EACC for wrongful dismissal.	Pending hearing

S/No.	Case No.	Parties	Relief Sought	Status
38	Petition Number 62 of 2015	Jacob Juma –vs- EACC & others	Petition seeking conservatory orders and a declaration that the transfer of LR number 12979/4 was unlawful and unconstitutional.	Pending hearing
39	JR misc. appl. 47 of 2015	Bernard Kiala -vs- Dr. Alfred Mutua & 2 others	An application for leave to commence judicial review proceedings and an order for certiorari.	Pending hearing
40	Petition Number 81 of 2015	Jacob Juma –vs- Weston hotel & others	Petition seeking revocation of title number 209/14372 IR 89671 and surrender of the same to the Kenya Civil Aviation Authority	Pending hearing
41	JR Misc. appl. Number 78 of 2015	Chamanlal Khamani & 2 others –vs- EACC & DPP	An application seeking leave for orders of certiorari to quash the decision to prosecute the applicants in the anti-corruption court.	Pending hearing
42	Petition Number 124 of 2014	Okiya Omtata –vs- EACC & others	Petition seeking a declaration on the directive for Public Officers mentioned on the EACC Confidential Report to the President to step aside.	Pending hearing
43	Petition Number 122 of 2015	Prof. Tom Ojienda -vs- EACC	Petition seeking to restrain EACC agents from investigating the petitioner’s bank accounts held at Standard Chartered Bank in Nakuru.	Pending hearing
44	Petition Number 129 of 2015	Okiya Omtata vs the AG & others	Petition seeking to prohibit the National Government and its Agencies from bailing out Mumias Sugar Company Limited using public funds.	Pending hearing
45	Petition Number 130 of 2015	Okiya Omtata –vs- Ministry of infrastructure & 3 others	Petition seeking the suspension of the building of the standard gauge railway line.	Pending hearing
46	Petition number 116 of 2015	Okiya Omtata –vs- the Board of Directors & EACC	Petition seeking to quash the reinstatement of Lucy Mbugua as the Managing Director of the Kenya Airports Authority	Pending hearing
47	Petition Number 138 of 2015	Josphat Nanok & another vs EACC	Petition seeking orders of certiorari and injunction against EACC with respect to the Confidential Report presented to the president.	Pending hearing
48	Petition Number 144 of 2015.	Joseph N. Laban - vs- EACC & others	Petition seeking orders of certiorari to quash the Report of the National Assembly’s’ Committee on Agriculture touching on the operations of Mumias Sugar Company Limited.	Pending hearing
49	Misc. application Number 128 of 2015.	Gladys Boss Shollei -vs- EACC & 3 others	An application under certificate of urgency seeking bail pending arrest in respect of allegations of violation of procurement laws.	Application dismissed.
50	Constitutional Petition	Ibrahim Wako –vs- EACC	A constitutional reference seeking conservatory orders restraining	Application for conservatory

S/No.	Case No.	Parties	Relief Sought	Status
	Number 191 of 2015		EACC from interfering with the petitioner in executing his mandate as the Isiolo county Secretary and head of the county service board.	orders disallowed. Pending hearing of the main petition.
51	Constitutional Petition Number 194 of 2015	Hon. Francis Mwangi alias Mwangi wa Iria - vs- EACC	Petition seeking to stop EACC from charging the Petitioner in the anti-corruption court	Pending hearing
52	Petition Number 201 of 2015	Alfred Keter & Sonia Birdi -vs- EACC and another	A petition seeking orders of prohibition restraining EACC and the DPP from instituting any action, harassing, intimidating and/or proceeding with any prosecution against the respondents.	Petition withdrawn with no orders as to costs
53	Petition 197 of 2015	Jimmy Mutuku Kiamba -vs- EACC & DPP	Petition seeking unfreezing of money held in accounts, termination of investigations against the petitioner and termination of criminal proceedings.	Pending hearing
54	Petition 203 of 2015	Chege Kamau Daniel & others - vs- EACC and DPP	Petition seeking stay of prosecution arising from the EACC's Confidential Report to the President tabled in the National Assembly.	Pending hearing
55	Petition 166 of 2015	Irene K. Mbiti -vs- EACC & others	A petition seeking orders of prohibition to prohibit the respondents from arresting and charging the Petitioner.	Application for conservatory orders dismissed pending hearing of the main petition.
56	Petition 227 of 2015	Jacob Juma –vs- Kaskazi Traders Limited & others	Petition seeking revocation of title LR No.24968/2 I.R 87345- situated in Karen.	Pending hearing
57	Constitutional Petition 230 of 2015	Eng. Michael Kamau -vs- EACC & DPP	Petition and Notice of Motion for Orders to restrain EACC & the DPP from charging the petitioner in ACC Court.	Application for conservatory orders dismissed. Pending hearing of the petition.
58	Employment Petition 47 of 2015	Kizito M. Lubano –vs- KEMRI Board of Management & 8 others	Petition & Notice of Motion challenging the disciplinary process and dismissal by KEMRI and seeking reinstatement in employment pending the determination of the petition	Pending hearing
59	Constitutional Petition no. 258 of 2015	Alex Kyala Mutuku & 7 others -vs- EACC	Petition seeking conservatory orders restraining EACC from charging the petitioners in Machakos ACC 10/15	Pending hearing
60	Mombasa HC Petition 57 of 2014	Karisa Nzai Munyikai –vs- EACC & Another	Petition challenging prosecution and suspension from Mombasa County Assembly	Pending hearing.
61	Mombasa HCCC 48 of 2015	Hassan Ali Joho – v- EACC	Suit for defamation by Mombasa Governor against EACC	Pending hearing
62	Mombasa Court of Appeal Civil	Boniface Katana Kilaveri & Others –vs- EACC	Appeal from Ruling on EACC mandate to sue for recovery of two parcels of illegally alienated being	Pending Judgment

S/No.	Case No.	Parties	Relief Sought	Status
	Appeal 27 of 2014		land reference numbers MI/XLVIII/145 & MI/XLVIII/146	
63	Eldoret HC Misc. application No. 47 of 2014	Jane Jelagat Rotich –vs- the Magistrate ACC Eldoret, EACC, IG, DPP	An application seeking stay of criminal proceedings against EACC	JR dismissed. Applicant has appealed.
64	Constitutional petition Ksm Hcc. No. 2B/2014	Vyatu Limited –vs- EACC	Petitions seeking orders against the revocation of title Ksm/Mun/VIII/410	Application to have EACC enjoined in the suit allowed. Petition pending hearing.
65	Constitutional petition Kisumu HCC 23/2014	Shiraz Mohamed Nanji –vs- EACC	Constitutional petition by Shiraz Mohamed Nanji seeking orders against revocation of title 7/474	Petition pending hearing
66	Ksm Hcc. No. 16 of 2014	Julius Otieno Polo and Jenifer Anyango Ndege –vs- EACC	Petition seeking orders against taking plea in CMCC NO 5/14 touching on Moi stadium	Petition pending hearing
67	Constitutional petition Ksm HCC No. 15 of 2014	Joseph Odenyo Peters –vs EACC	Petition seeking orders against prosecution of the petitioner in CMCC NO 5/14.	Petition pending hearing.
68	Constitutional petition Ksm HCC No. 22/2014	Oburu Odinga –vs- EACC	Petition seeking orders against revocation of title Ksm/Mun/VIII/509	Application to have EACC enjoined in the suit allowed. Petition pending hearing.

3.5 Investigatory Applications

The Commission filed 112 applications and obtained warrants to investigate bank accounts and search premises in respect of persons or associates of persons suspected of engaging in corruption, economic crime or related offences.

3.6 Recommendations for Policy, Legislative and Institutional Reforms

The Commission made proposals for policy, legislative and institutional reforms in combating and preventing corruption in Kenya. Proposal for amendments to various anti-corruption laws were geared towards strengthening the anti-corruption legal framework. Some of the proposals for amendment were effected through the Statute Law (Miscellaneous Amendments Act) Act, 2014. The laws in which proposals were made include the Ethics and Anti-Corruption Commission Act, No. 22 of 2011; Anti-Corruption and Economic Crimes Act, No. 3 of 2003; and Leadership and Integrity Act, 2012. The key recommendations include the following:

i) Review of the Legal, Policy and Institutional Framework for Combating Corruption in Kenya

Article 132 of the Constitution requires the President to report annually, in an address to the nation, on measures taken and progress achieved in the realization of national values as well as progress made in fulfilling international obligations of the Republic. During the State of the Nation Address to the National Assembly on 26th March 2015, the President directed the Hon. Attorney General to coordinate efforts towards a comprehensive review of the legal, policy and institutional framework for fighting corruption.



Following the directive, the Hon. Attorney General established a Task Force for the Review of the Legal, Policy and Institutional Framework for Fighting Corruption in Kenya, vide Gazette Notice No. 2118 of 30th March 2015. The main mandate of the Task Force was to undertake a thorough review of the existing legal, policy and institutional anti-corruption framework with a view to coming up with recommendations on how the same can be strengthened. The Commission, in its capacity as the principal agency mandated to prevent and combat corruption, was actively involved in the Task Force activities.

ii) Participation in Development of a National Ethics and Anti-Corruption Policy (NEAP)

The process of formulating a National Ethics and Anti-Corruption Policy in the country gained momentum in the 2014/15 Financial Year; spearheaded by the Commission and the Office of the Attorney General and Department of Justice among other stakeholders in the anti-corruption sector. The draft NEAP is in the process of dissemination to the public, pending adoption by stakeholders.

iii) Proposals for Specific Amendments to Various Anti-Corruption Laws

The Commission made proposals for amendments to various anti-corruption laws. In particular, areas that were considered to merit urgent consideration include the following:

a) Ethics and Anti-Corruption Commission Act, No 22 of 2011

The main recommendation on amendment of this Act, which establishes the Commission and provides for its powers and functions, focused on reviewing the structure to ensure optimum operational efficiency, as well as to review the number and terms of service for the Commissioners.

b) Anti-Corruption and Economic Crimes Act, No. 3 of 2003

This Act has been in operation since 2003. The proposed amendments mainly focused on ensuring that all the functions hitherto performed by the Director under the structure of the defunct KACC were effectively provided for within the structure of the EACC.

c) Public Procurement and Disposal Act, 2005

The Commission is one of the major stakeholders and also takes part in enforcement of the requirements of the Public Procurement and Disposal Act 2005 and Regulations thereunder. The Public Procurement Oversight Authority (PPOA) made proposals for a comprehensive review of the Act, which are intended to be effected through the Public Procurement and Disposal Bill, 2014 which is pending. The Commission gave proposals towards strengthening the public procurement and disposal system.

iv) Review of Implementation of the United Nations Convention against Corruption

Kenya is a signatory to and member of the United Nations Convention against Corruption (UNCAC). The Convention provides important benchmarks on the appropriate tools, laws, mechanisms and institutional arrangements towards combating and eradication of corruption. The Convention has a mechanism for review of member states' implementation of the requirements, where each member is reviewed by two other countries. Kenya became due for review in 2013/2014 review year, and the review was undertaken by Cape Verde and Papua New Guinea. However, it was not possible to complete the review within the year, hence the process spilled over to the year 2014/15. The Commission was designated as the Secretariat of the review process which has been completed. Upon tabling and adoption of the Report, the Report shall become an important reference point on appropriate legal and institutional reforms which the country needs to implement in order to fully realize the benefits of the Convention standards.

CHAPTER 4:

CORRUPTION PREVENTION

4.1 System Reviews

The Commission reviewed systems, policies, procedures and practices of work with the aim of advising institutions on measures for sealing corruption loopholes. The reviews conducted targeted various institutions key among them:

4.1.1 Examinations

Examinations into the Financial Management System at the Parliamentary Service Commission, and on Service Delivery at select Ports of Entry in Kenya. The reports will be shared upon completion;

4.1.2 Corruption Risk Assessments

Institutional Corruption Risk Assessment (CRA) on the Financial and Supply Chain Management Systems of the Kenya National Bureau of Statistics; and on the Financial, Audit and Supply Chain Management Systems of the National Youth Service. In addition, CRAs were also carried out in Kitui, Samburu, Trans-Nzoia, Kilifi, Nandi, Migori, Isiolo, Bungoma and Vihiga Counties.

Summaries of the Corruption Risk Assessment findings and recommendations are highlighted in Tables 25-27.

Table 25: Summary of the Assessment Findings and Recommendations at the Kenya National Bureau of Statistics

S/No.	Finding	Recommendation
1.	<ul style="list-style-type: none">• Payment without support documents.• Breach of Section 8.2.1(x) of the KNBS and the existing public Financial Management Regulations on imprest.• The Bureau was not preparing bank reconciliation statements promptly as required by its finance manual.	Adherence to Public Financial Management Act and Regulations.
2.	Lack of a documented price list to guide on the prices charged while selling publications and maps.	Develop and adopt a price list for all products sold by the Bureau.
3.	Non-compliance with the Procurement and Disposal Act and Regulations on planning, choice of procurement methods, evaluation process and disposal.	Enforce adherence to the Public Procurement and Disposal Act and Regulations.

Table 26: Summary of the Assessment Findings and Recommendations at the National Youth Service (NYS)

S/No.	Finding	Recommendation
1.	<ul style="list-style-type: none"> Lack of adherence to Public Financial Management Act and Regulations: Failure to update imprest register; no cash boxes and safes in crucial areas, failure to update cashbooks and undertake bank reconciliation statements. Lack of a comprehensive assets register. 	Adherence to Public Financial Management Act and Regulations.
2.	Delays in release of AIE by The National Treasury.	Ensure that AIEs are sent to various units of the Service in good time.
3.	Non-adherence to Public Procurement and Disposal Act and Regulations: Lack of an approved Procurement Plan, delay in the approval of the proposed list of prequalified suppliers, lack of periodic stock verification and failure to update inventory records.	Adherence to Public Procurement and Disposal Act and Regulations.

Table 27: Summary of the Assessment Findings and Recommendations in County Governments

S/No.	Finding	Recommendation
1.	Lack of Human Resource policies and procedure manuals.	Develop Human Resource policies and procedure manuals.
2	Lack of Fixed Assets Registers, lack of imprest registers, failure to prepare bank reconciliation statements and payment without support documents.	Compliance to the Public Finance Management (County Government) Regulations, 2015.

4.2 Advisory Services

i) Advisories to Ministries, Agencies and Departments under the Performance Contracting

A total of 365 Ministries, Departments and Agencies (MDAs) signed performance contracts with the Government. The Commission analyzed quarterly reports on the Corruption Eradication Indicator and provided feedback to the MDAs.

ii) Corruption Prevention Advisory Programme for Counties

This program included provision of advice on establishment of laws, policies, systems and procedures to seal corruption loopholes. Four (4) Counties namely; Nandi, Migori, Isiolo and Kilifi were covered by the advisory programme. At the end of the advisory programme, the respective County Governments signed an action plan to guide implementation of anti-corruption measures.

iii) Follow-up of the Implementation of the Machakos County Government Action Plan, 2013/2014

Upon assessment, it was noted that the County Government had not implemented the anti-corruption measures agreed upon. These include;

- Formation and operationalization of the Corruption Prevention Committee;
- Development and operationalization of the Anti-Corruption Policy;
- Development of a specific code of conduct for State Officers and for Public Officers

- Conducting Corruption Risk Assessment and developing Corruption Prevention Plan for the County Government.

4.3 Education, Training and Public Awareness

A number of Education, Training and Public Awareness programmes were undertaken as follows:

i) County Anti-Corruption Outreach Clinics

The Commission conducted outreach programmes in four counties namely: Nandi, Migori, Isiolo and Kilifi. Regional FM radio stations: KASS FM, Mayienga FM, Borana Service and Pwani FM were engaged to transmit infomercials and talk shows. These anti-corruption messages reached millions of people. During the programme, reports of allegations of corruption were received in the four counties and IEC materials disseminated.



EACC officers march during a procession to the venue of the public baraza during anti-corruption week in Isiolo County

The outreach programmes culminate in public barazas in the counties which witness the signing of Action Plans between EACC, the County Government and County Assembly. The Action Plans commit the counties to establish corruption prevention strategies and document plans to seal corruption loopholes and entrench issues of ethics and integrity in their operations.



The EACC Deputy Secretary, Mr. Michael Mubea and Hon. Amason Jeffa Kingi, Governor Kilifi County sign and exchange the Action Plans

Outreach programmes were also conducted in Machakos, Bungoma, Malindi, Baringo, Kirinyaga, and Wajir Counties during the International Anti-Corruption day in December 2014.

ii) Participation in the Mombasa ASK International Trade Fair

The Commission participated and exhibited at 2014 A.S.K. Mombasa International Trade Fair from 27th to 31st August 2014 at Mkomani Grounds, Nyali in Mombasa. The theme of the Show was *'Enhancing Technology in Agriculture and Industry for Food Security and National Growth'*. Within the overall theme of the Trade Fair, the Commission popularized its clarion call of 'Tukomeshe Ufisadi, Tuijenge Kenya' which bolstered the theme of the Trade Fair.

iii) Community Based Anti-Corruption Monitors

The Commission trained Community Based Anti-corruption Monitors (CBAMs). These CBAMs monitor and disrupt corruption and unethical practices in the private, public and civil society sectors. 100 Community Based Anti-Corruption Monitors drawn from 8 counties namely; Garissa, Kisumu, Kakamega, Busia, Bungoma, Vihiga and Siaya counties were trained. Additionally, 450 CBAMs were trained during ECJP linkage workshops in Laikipia, Kisumu, Nakuru, Nyeri and Kirinyaga Counties.

iv) Schools Outreach Programmes

This programme promotes good character and citizenship. During the outreach, institutions of learning are encouraged to establish Integrity Clubs. These Clubs provide learners with the opportunity to interact with their moral issues in a structured manner. This is one of the Commission flagship programmes that will go a long way in realizing an anti-corruption culture re-engineering. A total of 58,445 learners and members of staff from 92 primary and secondary schools in 11 counties were reached. One Regional Integrity Club Leaders Forum for 262 Integrity Club members and patrons from 14 schools was held in Busia County.

Table 28 summarizes the number of students and schools reached.

Table 28: Number of Students and Schools Reached

County	No. of Schools and Colleges	No. of Students and Teachers Sensitized
Nandi	10	7,656
Migori	11	6,723
Busia	8	3,768
Kakamega	6	6,257
Embu	3	1,347
Elgeyo Marakwet	14	6,550
Homabay	10	6,583
Isiolo	10	4,003
Garissa	6	5,287
Kilifi	12	8,983
Makueni	1	488
Nairobi	1	800
Total	92	58,445


EACC Officer sensitizes pupils of Akichelisit Primary School in Busia County

v) Training of Education Managers and Integrity Club Patrons

The Commission trained 441 managers in the education sector on ethical leadership comprising Heads of primary and secondary schools from Kwale, Kilifi, Uasin Gishu and Elgeyo Marakwet Counties. The Education Managers are charged with the responsibility of appointing Integrity Club Patrons who undergo a week long training on how to run vibrant Clubs in their institutions. Integrity Club Patrons from 125 Primary and Secondary schools in Kwale and Kilifi Counties were trained.

Table 29 gives a summary of the Education Managers trained.

Table 29: Summary of Education Managers Trained

County	Category	No. of Heads of Schools trained
Kwale	Primary school	58
	Secondary school	70
Kilifi	Primary school	74
	Secondary school	74
Uasin Gishu	Secondary school	67
Elgeyo Marakwet	Secondary school	98
Total		441

vi) Training of University Students and their Leaders

The collaboration between the Commission and universities in Kenya has been on-going. The Commission has held four major University Student Leaders conferences. At the University level, the Commission establishes Integrity Movements into which the Integrity Clubs in schools and colleges are expected to grow. The Commission trained 53 student leaders from 17 private and public universities on anti-corruption and good governance. Similarly, 200 students of Moi University; 210 students of Maseno University; 44 students of Shanzu Teacher Training College and 202 members of Integrity Movement from Moi University were sensitized on ethics and integrity. The Commission also hosted 63 members of Integrity Club from Egoji Teacher Training College who visited the Commission.

vii) Partnership in Co-Curricular Activities

The Commission sponsored the Anti-Corruption category of the 2014 National Music Festivals under the theme, “*Fighting Corruption for National Prosperity*” by awarding 9 trophies to winners in that category. Additionally, 6,224 school based IEC materials were disseminated to 110 schools attending the Festival held from 3rd-17th August, 2014 in Mombasa.



EACC Officer presents a trophy to the pupils of Maseno Girls Primary School during the Music Festival held in Mombasa

viii) Training of Integrity Assurance Officers and Corruption Prevention Committees

The Commission’s Strategic Objective of intensifying anti-corruption, ethics and integrity in the public service saw the Commission train Corruption Prevention Committee (CPC) Members as well as Integrity Assurance Officers (IAOs). This was a requirement under the 11th Cycle Performance Contracting and therefore the

training was intended to enhance service delivery and boost performance. The Commission trained 534 IAOs and a total of 1,203 CPC members. The trained CPCs of various institutions are equipped with knowledge and skills in undertaking Corruption Risk Assessment (CRA). The ability to undertake CRA enables CPCs to map out risks or identify loopholes which allow corruption to thrive. In effect, a Corruption Prevention Plan (CPP) is developed to help institutions seal the loopholes for corruption and unethical practices as shown in Tables 30 and 31 respectively.

Table 30: IAO Training Implemented

S/No.	Public Institution	No. of Officers Trained
1.	Combined IAO training at KSG (July 2014)	46
2.	University of Nairobi (Refresher course)	166
3.	Kenya Ports Authority (Refresher course)	52
5.	Kenyatta National Hospital (Refresher course)	29
6.	Combined IAO training from 15 public institutions at KSG (March 2015)	46
7.	Combined IAO training for 8 public institutions of the Coastal region; KPA, KEPHIS, KMFRI, NSSF, NIB, KBC, Shanzu TTC and Mombasa County	42
8.	Combined IAOs training from 20 institutions based in North Rift and Western Nyanza Regions - Kakamega	81
9.	National Social Security Fund (Refresher course)	30
10	Combined IAO training from 22 public institutions at KSG (June 2015)	42
Total		534

Table 31: CPC Training Programmes Conducted

Public Institution	No. of Institutions	No. of Officers Trained
Ministries	3	54
State Corporations	37	845
Tertiary Institutions	21	304
Total	61	1,203

ix) Training of County Government Staff and MCAs and Assembly Staff

This programme is aimed at sensitizing Members of County Assemblies on issues of anti-corruption, ethics and integrity. The Commission continues to build capacity of the MCAs as they play the role of ensuring that county governments are kept accountable.

Table 32 gives a breakdown of the number of MCAs and County staff trained.

Table 32: Number of MCAs and County Staff Trained

County	No. MCAs Trained	No. of County Staff Trained
Meru County Assembly	-	99
Malindi Constituency Development Fund, Kilifi County	-	10
Migori	59	10
Nyamira	-	83
Nandi	42	
Mombasa	-	58
Bungoma County Constituencies Roads Committees	-	70
Revenue collectors from Bungoma County	-	50



County	No. MCAs Trained	No. of County Staff Trained
Isiolo	21	
Kilifi	53	17
Chief Officers-Finance, Heads of Supply Chain Management and Heads of Treasury– Accounts from Kisumu, Vihiga, Homa-Bay, Migori, Kisii, Busia and Bungoma Counties	-	18
Total	175	405

x) Training of Professional Organizations

The Commission organized a retreat for the anti-corruption steering committee of stakeholders in the Matatu sector on 18th to 19th March in Naivasha. Committee members developed two crucial documents: an Action Plan for implementation and a governance framework.

xi) Training and General Sensitization in Various Institutions

The Commission conducted training and sensitization on issues of ethics, integrity and anti-corruption for 6,602 officers from 98 public institutions.

xii) Development and Dissemination of IEC Materials

Public education and awareness is enhanced by the Commission through development and dissemination of Information Education and Communication materials. 125,000 assorted IEC Materials were developed and disseminated as shown in Table 33 below:

Table 33: IEC Materials Disseminated

IEC Material Type	No. Disseminated
Curriculum support booklets Integrity; 6500 copies Patriotism 6500; copies Your Character Counts; 6500 copies Values for Life; 6500 copies	26,000 copies
FAQ about EACC booklet	10,000 copies
FAQ about LIA 2012 booklet	10,000 copies
About EACC booklet	10,000 copies
LIA Abridged booklet	10,000 copies
Obligations Of State/Public Officer A4 flier	5,000 copies
Obligations Of State/Public Officer A2 poster	5,000 copies
Outdoor banners	3
Rollup banners	13
Wrist bands	5,000
EACC Reflector jackets	8,500
EACC polo T-shirts	2,400
Total	91,916

xiii) Training and Sensitization on Leadership and Integrity

The Commission undertook training and Sensitization of State Officers, Public Officers and the Private Sector as part of ethics and leadership development with a view to raising awareness on leadership and integrity. Table 34 summarizes the training and sensitization undertaken.

Table 34: Training on Leadership and Integrity

S/No.	Target Participants	Number of Persons Trained
1.	State Officers	175
2.	Public Officers	1465
3.	Private Sector	339
Total		1,979

xiv) Integration of Ethics and Integrity Training Module in Public Training Institutions

As part of the strategy to train a wide cross section of public officers on Chapter Six and the Leadership and Integrity Act, 2012 to enhance compliance, the Commission worked towards incorporating a module on ethics and integrity through a Training of Trainers programme for instructors in public training institutions. This programme was implemented in the Kenya Defence Forces (KDF) Schools and the Kenya Education Management Institute (KEMI). The KDF has since incorporated the module on ethics and leadership in its training programs in five (5) schools at Kahawa Barracks. It is envisaged that on average, about 23,000 Public Officers in the education sub-sector will be trained on the ethics and integrity module annually at the Kenya Education Management Institute.

4.4 Research and Transformation

Overall, the Commission carried out research to establish the level, nature and magnitude of corruption in the country. As part of monitoring and evaluation, internal and external programmes were assessed to establish implementation of the Strategic Plan 2013-2018. Preliminary findings indicate 72.4% implementation of the targeted programmes in the Plan period.

4.4.1 Corruption and Ethics Survey 2014

The overall objective of the Survey was to assess the nature and magnitude of corruption and unethical practices in eleven selected services by the National and County Governments. A total of 7,343 respondents were interviewed in all the 47 counties. Of these, 3,222 were service seekers, 2,152 entrepreneurs, 1,072 national government employees and 897 county employees. The highlights of the Survey findings are as follows:-

a) Status of Corruption

The level of corruption is high at both the County and National Governments according to 39.4% and 25.9% of the respondents respectively.

b) Bribery Situation

- The average bribe size was Kshs. 3,789. Average bribe was highest among business respondents at Kshs. 4,400 and lowest among other service seekers at Kshs. 3,109.
- On average, service seekers paid the largest amount of bribe amounting to Kshs. 11,611 in Mombasa County to access public services. The other two leading counties were Embu County and Isiolo County with an average size of bribe of Kshs. 11,500 and Kshs. 10,000 respectively.
- Service level analysis reveals that service seekers paid the largest amount of bribe amounting to Kshs. 30,000 to seek funding (from either, CDF, County governments, Ministry of Agriculture, and Youth Enterprise Fund). This was followed by electricity connection services and tax remittance services with an average size of bribe of Kshs. 18,333 and Kshs. 16,909 respectively.

c) Status of Compliance to Requirements of LIA

- A majority of the Public Officials respondents (88.4%) reported to be aware of what entails ethics in the public service. Moreover, 78.1% of the respondents reported the existence of a code of conduct in their institutions.



- ii. The most common forms of misconduct reported in public offices were; unprofessionalism, delay in service provision and lateness at work place. This was as reported by 22%, 17% and 12% of the respondents respectively.

d) Effectiveness of EACC in the Fight against Corruption

Majority of the respondents (54.2%) believe the Commission is effective in the fight against corruption while 45.8% believe the Commission is not effective.

4.4.2 An Assessment of Compliance to Declaration of Income, Assets and Liabilities (DIALs) by Public Officers for the Years 2011 and 2013

The overall objective of the Assessment was to establish compliance of the declaration of income, assets and liabilities by public officers and responsible Commissions for the year 2011 and 2013. Highlights of the findings are as follows:

a) Compliance to POEA Regulations, 2009

The average compliance level of the POEA Regulations on Wealth Declaration by the Responsible Commission was 47.9% and non-compliance was 51.9%. An analysis of key provisions of the Regulations reveals very low levels of compliance.

Public Officers Ethics Act, 2003 requires that all public officers declare their income, assets and liabilities within thirty days (30) of assuming office and a final declaration thirty days after ceasing to be a public officer. Of the ten (10) responsible commissions visited only one (1) had complied fully together with institutions that are under their watch. Most other institutions did not do the initial or final declarations. Teachers Service Commission did not have final declarations for those who have left service.

b) Weakness in the Implementation of Financial Declaration

It was evident from the Assessment that storage of DIALs forms was cumbersome, tedious and expensive. Many respondents were of the view that the process of accessing content from financial declarations was long and complicated, that there were no clear guidelines on who should retrieve; this was coupled by poor description of assets by Public Officers.

c) The Assessment recommends among others:-

- i. A review of the legal, policy and institutional framework;
- ii. Conduct formal training/ sensitization programs to enhance compliance and to increase the credibility of the system;
- iii. Automation of DIALs to enhance compliance;
- iv. Allocation of adequate resources both human and financial to analyze, evaluate, inspect and verify across the responsible commissions;
- v. Strengthen the inter-agency collaboration to facilitate successful verification and investigation; and
- vi. Provision of guidelines on sanctions to be taken on failure of declaration or of false declaration.

CHAPTER 5:

ETHICS AND LEADERSHIP

5.1 Introduction

The programmes focus on Ethics enforcement; Monitoring and compliance; and Ethics and Leadership Development. The Ethics Compliance deals with enforcement of ethical standards as set out in the Leadership and Integrity Act 2012 as well as processing clearance requests and vetting on integrity for persons seeking appointive positions in the public service. On the other hand, Ethics and Leadership development focuses on promotion and integration of ethics and integrity in public sector.

5.2 Key Strategies

In the year under review the Commission focused on establishing the requisite framework for implementation of Chapter Six and the Leadership and Integrity Act, 2012. Key strategies include the following:

- Enhancement of the legal framework through finalization and Gazettement of Leadership and Integrity Act Regulations;
- Operationalization of Section 52 of the LIA to enjoin the responsible Commissions and public entities to enforce the provisions of LIA in their areas of jurisdiction
- Enhancement of the Capacity of the Commission to undertake investigations into ethical breaches
- Enforcement of Section 37 of LIA on the requirement for public entities to develop Specific Leadership and Integrity Codes for state officers in the entities.
- Incorporation of a module on ethics and integrity in public institutions in public officer's induction programs and in courses offered in public training institutions.
- Enforcement of section 19 of LIA on disclosure and approval of operation of bank accounts outside Kenya by state and public officers
- Enhancing investigations into ethical breaches

5.3 Ethics Monitoring and Compliance

In the period under review, the Commission implemented the following programmes:

i) Reports on ethical breaches

A total of 221 reports on ethical breaches involving both State and Public Officers were received during the period under review. Table 35 indicates how the reports received were dealt with. Table 36 provides highlights of cases forwarded to the DDP.

Table 35: Investigations on Ethical Breaches

FY 2014/2015	No. of reports received	No. of reports under investigations	No. of reports referred	No. of reports requiring no further action	No. of completed investigations on ethical breaches	No. of completed investigations with various recommendations including administrative action	No. of completed investigations forwarded to DPP for prosecution
Jul	15	1	9	5	1	1	0
Aug	7	0	3	4	0	0	0
Sep	16	1	11	4	0	0	0



FY 2014/2015	No. of reports received	No. of reports under investigations	No. of reports referred	No. of reports requiring no further action	No. of completed investigations on ethical breaches	No. of completed investigations with various recommendations including administrative action	No. of completed investigations forwarded to DPP for prosecution
Oct	24	15	6	3	1	1	0
Nov	15	5	6	4	0	0	0
Dec	6	1	4	1	0	0	0
Jan	12	3	6	3	0	0	0
Feb	31	8	14	9	0	0	0
Mar	27	8	17	2	0	0	0
Apr	32	6	16	10	3	1	2
May	24	11	12	1	4	2	2
Jun	12	6	4	2	0	0	0
Total	221	65	108	48	9	5	4

Table 36: Highlights of Cases Forwarded to the Director of Public Prosecutions

S/No.	Summary	Institution
1.	EACC/EL/INQ/8/2014 Inquiry into allegations of swearing a false declaration under the First Schedule to the Leadership and Integrity Act, 2012	Murang'a County Government
2.	EACC/EL/INQ/1/2015 Inquiry into allegations of unethical conduct and breach of Chapter Six and the Leadership and Integrity Act, 2012	National Assembly
3.	EACC/EL/INQ/2/2015 Inquiry into allegations of unethical conduct and breach of Chapter Six of the Constitution and the Leadership and Integrity Act, 2012	Senate
4.	EACC/EL/INQ/4/2015 Inquiry into allegations of irregular appointments to the NSSF Board of Trustees	National Social Security Fund (NSSF)

ii) Integrity Clearance/Vetting for Appointment to Public Office

Chapter Six, Article 10 and Article 232 of the Constitution requires State and Public Officers and persons seeking appointment to public offices to be people of integrity. Section 12 (A) of LIA also provides that a person intending to be appointed to a state office shall submit to the Commission a Self-Declaration Form as set out in the First Schedule. Table 37 provides the number of clearance requests processed in the year under review.

Table 37: Integrity Clearance / Vetting for Appointment to Public Office

FY 2014/2015	No. of Requests
July	892
August	91
September	239
October	731
November	202
December	73
January	436
February	768
March	1866
April	1373

FY 2014/2015	No. of Requests
May	1291
June	1332
Total	9,294

iii) Development of Regulations for the Leadership and Integrity Act, 2012

The Commission finalized development of Leadership and Integrity Regulations pursuant to Section 54 of the Leadership and Integrity Act. The Regulations were published in the Kenya Gazette and forwarded to the National Assembly for consideration and approval in line with the Statutory Instruments Act, 2013.

iv) Enforcement of the Leadership and Integrity Act, 2012

The Commission undertook several other measures to implement Chapter Six of the Constitution and LIA. These included litigation, issuance of cautions, advisories and gazette notices as provided in Table 38.

Table 38: Summary on Enforcement of the Act

Measure	Nature	Relevant Provision of LIA	No.
Cautions Issued	Recruitment irregularities in the National Police Service	Section 11 (c) & (d)	3
	Unethical conduct in the National and County Assemblies	Section 11 (b) & 13	2
	Use of falsified certificates to obtain employment	Section 13	2
	Refund of salary over payment	Section 13	1
	Political neutrality	Section 18	4
	Failure to seek approval to operate bank accounts outside the country	Section 19	215
Advisories Issued	Guidelines on clearance for public entities under performance contracting	Section 4	1
	Recruitment of applicants into National Youth Service (NYS)	Section 11 (c) & (d)	1
	Employees Integrity Suitability Assessment Tools	Section 12A	6
	Gifts received while on official functions	Section 14	2
	Conflict of Interest	Section 16	1
	Operation of bank accounts outside Kenya	Section 19	2
	Development of Specific Leadership and Integrity Codes for State Officers	Section 37	1
	Alignment of Codes of Conduct and Ethics for Public Officers to the provisions of the General Leadership and Integrity Code under LIA.	Section 52	52
Litigation	General advisory on integration of LIA as a module in Public Officers induction & training programmes	Section 53	1
	Enjoined as an interested party in Supreme Court Reference Number 3 of 2014 filed by the forty seven (47) County Speakers seeking an advisory on the sittings of the County Assembly, immunity of MCA's and the procedure for removal office of Speakers of the County Assembly on integrity issues	Section 4 (2)	1
Gazette Notices	Issued notice for closure of unapproved bank accounts outside Kenya	Section 19	1
Mutual Legal Assistance	Dual Citizenship	Section 31	2
Total			80

v) Processing of Applications for Operation of Bank Accounts Outside Kenya

Under Section 19 (1) of LIA, the Commission is mandated to receive and consider for approval applications to open or continue to operate bank accounts outside Kenya by State and Public Officers. The Commission approved 304 applications for operation of bank accounts outside Kenya.

5.4 Ethics and Leadership Development

i) Enforcement of Section 37 of LIA on Development of Specific Leadership and Integrity Codes

Section 37 of the Leadership and Integrity Act requires all public entities with State Officers to develop Specific Leadership and Integrity Codes and submit them to the Commission for approval. Table 39 provides the number of codes reviewed and status of approval.

Table 39: Status of Compliance with Section 37 of LIA

S/No.	Name of Public Entity	Status of Compliance	Action by EACC
Ministries/Departments			
1.	The Presidency (The President, Deputy President and Cabinet Office)	Code submitted	Not Approved
2.	Ministry of Interior & Coordination of National Government	Code Submitted	Approved
3.	Ministry of Devolution and Planning	Code submitted	Approved
4.	Ministry of Health	Code submitted	Approved
5.	Ministry of Transport & Infrastructure	Code submitted	Approved
6.	Ministry of Energy and Petroleum	Code Submitted	Approved
7.	Ministry of Agriculture, Livestock & Fisheries	Code Submitted	Approved
8.	Ministry of Mining	Code Submitted	Approved
9.	Office of the Attorney General and Department of Justice	Code submitted	Approved
10.	Ministry of Environment, Water and Natural Resources	Code submitted	Approved
11.	Ministry of Industrialization and Enterprise Development	Code Submitted	Approved
12.	Ministry of Education, Science and Technology	Code submitted	Not Approved
13.	Ministry of Labour, Social Security and Services	Code Submitted	Not Approved
14.	Ministry of East African Affairs, Commerce & Tourism	Code Submitted	Approved
15.	Ministry of State for Defense	Code submitted	Not Approved
16.	Ministry of Sports, Culture and the Arts	Code submitted	Not Approved
17.	Ministry of Information, Communication & Technology	Code submitted	Not Approved
18.	Ministry of Land, Housing and Urban Development	Code submitted	Not Approved
19.	The National Treasury	Code not submitted	Issued notice on non-compliance
20.	Ministry of Foreign Affairs and International Trade	Code not submitted	Issued notice on non-compliance
Constitutional Commissions			
21.	Ethics and Anti-Corruption Commission	Code Submitted	Approved
22.	Commission on Revenue Allocation	Code submitted	Approved
23.	Salaries and Remuneration Commission	Code submitted	Approved
24.	Commission on Implementation of Constitution	Code submitted	Approved
25.	National Gender and Equality Commission	Code submitted	Not Approved
26.	Teachers Service Commission	Code not submitted	Issued notice on

S/No.	Name of Public Entity	Status of Compliance	Action by EACC
			non-compliance
27.	Kenya National Commission on Human Rights	Code Submitted	Not Approved
28.	Commission on Administration of Justice	Code submitted	Not Approved
29.	Judicial Service Commission	Code submitted	Not Approved
30.	National Police Service Commission	Code submitted	Not Approved
31.	Public Service Commission	Code not submitted	Issued non-compliance notice
32.	Parliamentary Service Commission	Code not submitted	Issued non-compliance notice
33.	Independent Electoral and Boundaries Commission	Code not submitted	Issued non-compliance notice
34.	National Land Commission	Code not submitted	Issued non-compliance notice
Independent Offices			
35.	Office of the Auditor General	Code not submitted	Issued non-compliance notice
36.	Office of the Controller of Budget	Code not submitted	Issued non-compliance notice
Other Public Entities with State Officers			
37.	National Intelligence Service	Code submitted	Approved
38.	Registrar of Political Parties	Code submitted	Not Approved
39.	Office of the Director of Public Prosecutions (ODPP)	Code not submitted	Issued non-compliance notice

Figures 7 and 8 summarize the status of compliance with Section 37 of LIA by public entities at the National level.

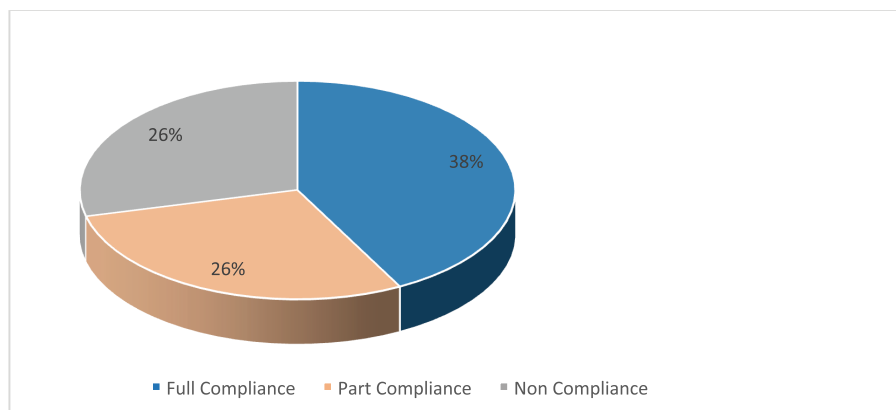


Figure 7: Status of Compliance with Section 37 of LIA by Public Entities (Percentage)

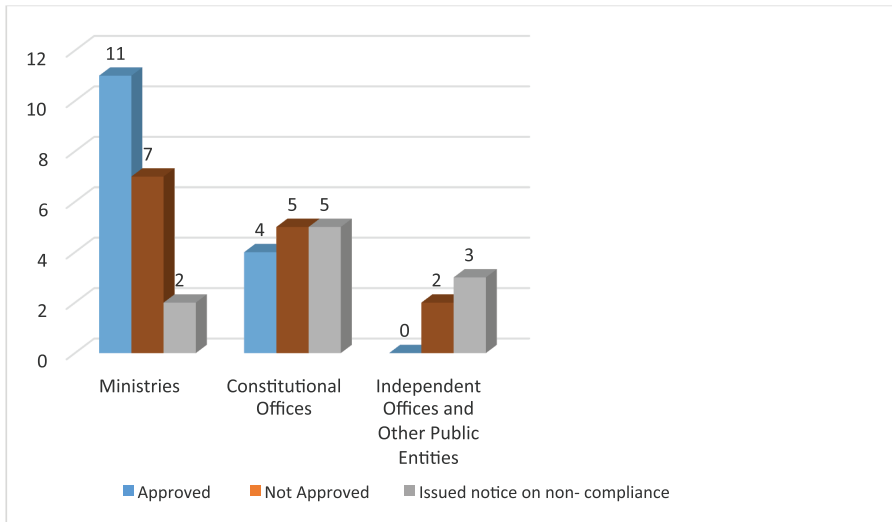


Figure 8: Status of Compliance with Section 37 of LIA by Public Entities (Institutions)

ii) Enhancing Ethics and Integrity Standards in Public Procurement

In collaboration with the Public Procurement Oversight Authority (PPOA), the Commission developed a Code of Ethics for Suppliers applicable to contractors, suppliers and consultants involved in public procurement with a view to address unethical business practices.

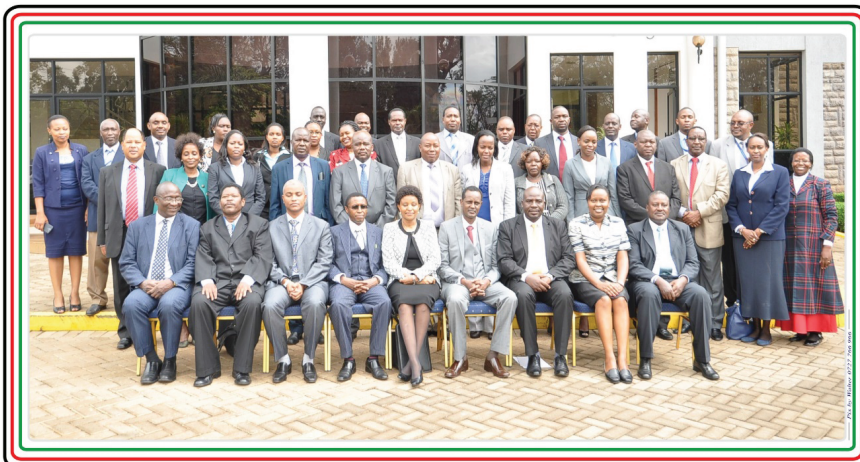
iii) Collaboration with Public Entities on Enforcement of Chapter Six and the Leadership and Integrity Act, 2012

Section 52 of the LIA enjoins responsible Commissions and public entities to enforce the provisions of Chapter Six and LIA under their areas of jurisdiction. To this end, the Commission through a consultative process, developed an instrument to guide and monitor compliance of LIA by public entities in the National and County Governments. The instrument was developed through stakeholder participation and validation.



ETHICS AND ANTI-CORRUPTION COMMISSION.

STAKEHOLDERS' CONFERENCE VALIDATION OF FRAMEWORK FOR MONITORING COMPLIANCE WITH CHAPTER SIX OF THE CONSTITUTION OF KENYA, 2010.



Held at Kenya School of Government, 26th May 2015.



iv) Some Results of Enforcement

Notable results include the following;

- i) The gazette notice on closure of unapproved bank accounts outside Kenya increased compliance by State and Public Officers operating bank accounts outside Kenya to seek approval from the Commission;
- ii) Enforcement of Section 37 of LIA on the requirement for development of specific leadership and integrity codes for State Officers has raised the compliance level in public entities in the National and County Governments;
- iii) Training and sensitization on Chapter Six and LIA has increased awareness and enabled Kenyans to detect and make reports on ethical breaches by holders of public office;
- iv) The Commission recovered Kshs. 270,092.20 being double payment of salary to a public officer through the enforcement of section 13 of LIA; and
- v) The Commission in pursuance of its overall responsibility to enforce and oversee implementation of LIA inquired into a matter where a Military Officer had secured employment using forged documents. The matter was referred to the relevant public entity for investigation and the officer was subsequently discharged from the Kenya Defence Forces.

CHAPTER 6:

PARTNERSHIPS, NETWORKS AND COALITIONS AGAINST CORRUPTION

6.1 Introduction

The Commission is mandated to forge partnership, networks and coalitions against corruption and unethical conduct in the country. The Commission signed Memorandum of Understanding with various institutions to enhance the fight against corruption and unethical conduct.

6.2 Kenya Leadership and Integrity Forum

The Kenya Leadership and Integrity Forum (KLIF) is a national integrity system set up to coordinate a unified sector-based strategy for preventing and combating corruption by forging alliances and partnerships with sectors across the Kenyan society. KLIF is composed of fourteen (14) sectors namely: the Legislature, Judiciary, Executive, EACC, Education, Watchdog Agencies, County Governments, Private Sector, Media, Enforcement Agencies, Professional Associations, Labour, Civil Society, and Religious Sector. The Commission supported KLIF in implementation of the following programmes through the multi-stakeholder partnerships:

i. Development of Kenya Integrity Plan

The Kenya Integrity Plan (KIP) is a five (5) year multi-sector strategy aligned to the Constitution of Kenya 2010 and Vision 2030. A multi-sector Committee was appointed to develop the draft KIP that was submitted to the Steering Committee during the National Coordination Committee (NCC) meetings.

ii. Commemoration of International Anti-Corruption Day

The Commission in collaboration with the KLIF Secretariat, stakeholders and the respective regional offices successfully organized the commemoration of the 2014 International Anti-Corruption Day with the National event being marked at Kenyatta Stadium in Machakos County on 9th December 2014. Similar events were held in Kilifi, Bungoma, Kirinyaga, Wajir and Baringo Counties. The commemoration events received support from County Governments, the Association of Professional Societies of East Africa (APSEA), Transparency International, the British High Commission, GIZ, Safaricom Limited, EABL, NACCSC, Judiciary and Kenya Power and Lighting Company.



Guests flag off the procession during the commemoration of the International Anti-Corruption Day, 9th December 2014 in Machakos Town

The key achievements included:

- Countrywide sensitization through public forums, radio talk shows, television interviews, dissemination of IEC materials, and road shows/caravans;
- Participation by high ranking Government officials, stakeholders, members of the diplomatic corps notably the German Ambassador, Deputy US Ambassador, Deputy British High Commissioner;
- Enhanced coalitions, collaborations and partnerships in the fight against corruption at the County levels; and
- Reports on corruption and unethical conduct in the counties covered.



Participants attending the commemorations of the International Anti-Corruption Day, 9th December 2014 in Machakos Town

6.3 Other Forms of Partnerships

Memoranda of Understanding (MOUs)

The Commission signed Memoranda of Understanding with 3 institutions as indicated in Table 40. The MOUs are aimed at enhancing collaborations and partnership on combating and preventing corruption in specific institutions and sectors.

Table 40: Memoranda of Understanding between EACC and Other Institutions

S/No.	Institution(s)	Date Signed
1.	Kenya Revenue Authority (KRA)	01/11/ 2013
2.	The Association of Professional Societies in East Africa (APSEA)	19/11/2013
3.	Nairobi City County Government	16/12/2013

CHAPTER 7:

INSTITUTIONAL CAPACITY BUILDING

7.1 Introduction

The Commission efficiently utilized its financial, human and physical resources in implementing its mandate. This section outlines activities undertaken in the reporting period.

7.2 Financial Resources

The Commission was allocated a total of Kenya Shillings 1,823,600,000 (One Billion, Eight Hundred, Twenty Three Million and Six Hundred Thousand) in the Printed Budget Estimates to finance its operations. The allocation comprised Kenya Shillings 1,546,000,000 and Kenya Shillings 277,600,000, which were factored in the Printed Budget Estimates as Recurrent and Development Votes respectively. Recurrent allocations were later increased in the Supplementary Budget Estimates II to Kenya Shillings 1,746,000,000.

a) GOK Recurrent Funds

All financial resources used by the Commission to defray its personnel emoluments, operations and maintenance costs over the reporting period were funded by the Government of Kenya. From an allocation of Kenya Shillings 1,746,000,000 in the Supplementary Budget Estimates II for 2014/15 Financial Year, the Commission spent a total of Kenya Shillings 1,701,062,555 leaving a balance of Kenya Shillings 44,937,445. The expenditure levels represent an absorption rate of 97%.

b) GOK Development Funds

The Commission was allocated a total of Kenya Shillings 277,600,000 to finance the purchase of office premises in the Printed Budget Estimates. The allocation comprised Kshs 77,600,000 which was to be funded by the Government and Kenya Shillings 200,000,000 which the Commission was expected to raise as AiA from the sale of its Karen plot. The Commission had no additional allocation under the Development Vote in the Supplementary Budget Estimates II.

From an allocation of Kenya Shillings 77,600,000, the Commission spent a total of Kenya Shillings 23,000,000 leaving a balance of Kenya Shillings 54,600,000. However, the Commission was not able to sell the Karen plot. The plot was subsequently surrendered to the National Treasury.

c) Donor Funds

The Commission received a total of Kenya Shillings 6,200,000 from GIZ as support to its corruption prevention programme. The Commission spent all these resources on the programme.

7.3 Human Resource Management

The Commission enhanced its human resource capacity through recruitment, training, and staff welfare.

7.3.1 Staff Complement

During the year the Commission recruited 173 new staff, increasing the staff complement to 436.

7.3.2 New Performance Management System

A new Performance Management System was introduced and operationalized. The System is a key milestone in managing the performance of individual employees and the Commission. It also provides an opportunity to identify and address performance gaps.

7.3.3 Transition to New Terms of Employment for Staff

The terms of employment for staff were converted from four-year contracts to Permanent and Pensionable for those below the age of 50 years, effective August 2015. This followed the adoption of a Job Evaluation Report by the Department of Public Service in the Ministry of Devolution. To support the new terms, a Pension Scheme was established to cater for the retirement benefits. Directors and officers aged 50 years and above were placed on five-year contracts.

7.3.4 Skills and Competency Development

The Commission trained staff locally and abroad in investigation, prevention, good governance, financial management and other competencies as shown in Table 41.

Table 41: Staff Training and Development Programs

S/No.	Training	No. of Officers
1	Continuous Legal Education	78
2	Continuous Professional Education	
3	Local Workshops/Meetings	6
4	Foreign Workshops & Conferences	24
5	Foreign training	24
6	Summary of courses undertaken Locally	
	Asset Tracing and Financial Investigations	48
	Cross Border Financial Crimes Investigations Course	12
	Computer Forensic Course	9
	Definitive Personal Assistant & Secretary Summit	4
	Supervisory skill Development	22
	Public Relations and Customer care	9
	Conduct of Meetings and Minutes Writing	4
	Senior Management Course	4
	Presentation Skills and Public Speaking	6
	Data processing and mgmt. using CSPRO	1
	Prince 2 training	1
	Civil litigation practice for Para Legal Clerks	1
	Advanced Investigation Course	1
	Public Sector Financial Management	4
	Sub total	128
7	Investigations Assignments Aboard	10
Total Trained		270

7.4 Information Communication Technology

The Commission upgraded and modernized its ICT infrastructure and systems in line with the ICT strategy to address technological needs and rapidly changing global technological environment. Specifically the Commission implemented infrastructure for remote data centre for disaster recovery. The Commission's integrated financial management information system (ACCPAC) was upgraded and the workstation environment was enhanced with acquisition of 50 new computers and peripherals, 20 plus laptops and over 50 printers to cope

with growing commission network and staff. The Commission participated in the implementation of Integrated Complaints Reporting Mechanism (IPCRM) by spearheading the redevelopment of the e-IPCRM system to improve on its functionalities, monitoring and evaluation.

7.5 Corporate Communications

7.5.1 Media Relations

The Commission engaged the Media through dissemination of press releases, briefings, coverage of court proceedings, and media interviews to keep the public informed of the Commission's activities and programmes. The partnership with the media was aimed at ensuring that the activities and achievements of EACC in the fight against corruption are well publicized and the publics regularly informed about the work of the Commission.

7.5.2 Website

The Commission used the website to reach the public and disseminate information. The Commission's website received a total of 364,159 hits at an average of 998 hits per day. The highest number of hits came from Kenya at 66.31% followed by United States at 21.97%, among others. The website also hosts relevant statutes, self-declaration and application forms for approval to operate bank accounts outside Kenya and other IEC materials. The Commission advertised its tenders and vacant positions through the website. The most frequented page was the homepage with 39.38% followed by the self-declaration page with 9.44% and the vacancies page with 4.86%.

7.5.3 Branding

The Commission branded itself through the installation of signage for its headquarters and regional offices. The Commission also disseminated several promotional merchandise such as diaries, wall calendars and pens.

7.6 Supply Chain Management

Pursuant to Section 31(7) of the Public Procurement and Disposal Act, 2005, the Commission adopted framework contracting as a creative approach to reduce the use of the Request for Quotations (RFQ) method and enhance efficiency of the procurement process and project implementation. As part of its Budgetary Reservations, the Commission allocated 31.27% of its procurement spending for the purposes of procuring goods, works and services from micro and small enterprises owned by youth, women and persons with disabilities pursuant to Regulation 31 (1) of the Public Procurement and Disposal (Preference and Reservations) (Amendment) Regulations, 2013. The Commission is fully on the Integrated Financial Management Information System (IFMIS) platform.

7.7 Administration

In the spirit of devolving services, the Commission launched its regional offices in Isiolo and Malindi Counties. Both occasions were graced by their respective Governors, Senators, Members of Parliament and County Assembly, among other invited guests.

CHAPTER 8:

NATIONAL AND INTERNATIONAL ENGAGEMENTS

8.1 Introduction

The Commission participated in national and international engagements. Below are the highlights.

8.2 International Engagements

8.2.1 8th Annual General Meeting of the East African Association of Anti-Corruption Authorities (EAAACA)

The Commission hosted the 8th Annual General Meeting of the East African Association of Anti-Corruption Authorities (EAAACA) and the 1st Annual General Meeting of the Asset Recovery Inter-Agency Network for Eastern Africa (ARIN-EA) at the Windsor Golf Hotel and Country Club from 16th to 19th November 2014. The Commission also attended the EAAACA Extra Ordinary Meeting in Kampala, Uganda from 15th to 16th April 2015.



Delegates who attended the 8th Annual General Meeting of the East African Association of Anti-Corruption Authorities (EAAACA) and the 1st Annual General Meeting of the Asset Recovery Inter-Agency Network for Eastern Africa (ARIN-EA)

8.2.2 Commonwealth Regional Conference for Heads of Anti-Corruption Agencies in Africa

The 5th Regional Conference for Heads of Anti-Corruption Agencies in Africa was held in Dar es Salaam, Tanzania from 25th to 29th May 2015. These conferences are held annually under the aegis of the Association of Anti-Corruption Authorities in Commonwealth Africa (AACACA). The Commission was represented by the Secretary/Chief Executive Officer.

8.2.3 13th United Nations Congress on Crime Prevention and Criminal Justice

The above Conference was held in Doha, Qatar from 12th to 19th April 2015. The Commission participated in drafting of the National Paper which was delivered during the conference and also took part in the country delegation led by the Office of the Attorney General and Department of Justice.

8.2.4 Drafting of the East African Community Protocol on Good Governance

The draft Protocol on Good Governance has been under negotiation between the five member countries of the East African Community (EAC); and is being developed under the enabling provisions of the East African Treaty. Several meetings have been held towards completion of the Protocol, bringing together various thematic groups composed of representatives of stakeholder institutions from the respective member countries. The last meeting bringing together technical experts was held in Arusha, Tanzania from 28th June to 2nd July 2015; where the Commission was represented by two officers from the Legal Services Directorate.

8.3 National Engagements

8.3.1 Stakeholder Engagement

The Commission had a meeting with officials from the World Bank Governance Programme with a view to collaborating in the fight against corruption. The Commission also met with representatives from the Association of Consulting Engineers of Kenya and the Director of Public Prosecutions.

8.3.2 Input into the Report on Fulfilment of International Obligations of the Republic

Under Article 132 of the Constitution, the President is required to submit a report for debate to the National Assembly on the progress made in fulfilling the international obligations of the Republic. The Commission contributed to the preparation of the report on measures taken and progress achieved in the realization of national values, and the progress in fulfilling obligations arising under the United Nations Convention against Corruption (UNCAC) and the African Convention on Combating and Preventing Corruption (AUCPCC), to which Kenya is a party.

8.3.3 Corporate Guests

The Commission hosted a number of guests and delegations including:

- i) The Ambassador of the United States of America, H.E. Mr. Robert Godec;
- ii) The Ambassador of the Federal Republic of Germany, H.E. Mr. Andreas Peschke;
- iii) The Ambassador of the Slovak Republic, H.E. Dr. Michal Mlynár;
- iv) Amb. Elijah Matibo, MBS, SCO – Director Advisor of the Kenya South Sudan Liaison Office (KESSULO) Cabinet Office; A delegation from the South Sudan Anti-Corruption Commission (SSACC) led by the Executive Director, Mr. Kuyok Abol Kuyok visited the Ethics and Anti-Corruption Commission. The aim of the study visit was to benchmark and share experiences with the Commission in the fight against corruption and promotion of integrity and best standards in ethics.
- v) 63 members of Integrity Clubs who visited the Commission; and
- vi) A delegation of students from various Kenyan universities under the Workforce Development Global Alliance (WDGA) which mentors disadvantaged youth. Their visit to the Commission was aimed at equipping them with knowledge on the work of EACC and the role that they could play in the fight against corruption.



*EACC Chairperson Mumo Matemu gives the U.S Ambassador to Kenya
H. E. Robert Godec the Commission's Strategic Plan for 2013-2018
during his visit to the anti-corruption agency.*

8.3.4 Corporate Social Responsibility

The Commission participated in the World Town Planning Day, Town Awards Presentation and Dinner held on 5th November 2014 at the Hotel Intercontinental, Nairobi through sponsorship of KShs. 20,000. The event was organized by the Architectural Association of Kenya Town Planners Chapter and the theme was Better Towns, Counties and Country.

Additionally, EACC sponsored the 2014 APSEA Professionals' Gala Dinner held on 3rd December 2014 at the Sarova Panafric Hotel, Nairobi with KShs. 45,000 for a corporate table. The aim of the dinner was for professionals from diverse disciplines to interact and network.

CHAPTER 9:

CHALLENGES

9.1 Introduction

The Commission was faced with various challenges including constraints on policy and legal framework, inadequate human resource capacity, inadequate presence in all regions of Kenya and a slow adjudication of cases.

9.2 Institutional, Policy and Legal Framework

- i) Absence of a national ethics and anti-corruption policy to guide the fight against corruption affects the efficient and effective implementation of anti-corruption initiatives;
- ii) The Commission does not have powers to enforce implementation of its corruption prevention recommendations;
- iii) The approval process of the LIA Regulations by the National Assembly has taken long hence delaying operationalization of some provisions in the Leadership and Integrity Act, 2012;
- iv) Slow pace of mainstreaming the integrity and anti-corruption agenda by County Governments;
- v) Entrenched unethical culture and enormous size of the public sector;
- vi) Lengthy process for Mutual Legal Assistance;
- vii) Weak legal framework for enforcing Chapter Six of the Constitution; and
- viii) County Governments are grappling with the challenges of establishing robust structures and systems to ensure transparency, accountability and good governance.

9.3 Slow Judicial Process and Adverse Court Decisions

Slow adjudication of cases characterized by frequent adjournments, numerous judicial review applications and constitutional references, affected execution of the Commission's mandate on asset recovery. The Commission will continue to partner with the key institutions in the justice system to ensure that corruption cases are expedited.

9.4 Inadequate Capacity

Inadequate human resource capacity and forensic capabilities curtailed the Commission from fully discharging its mandate of fighting corruption and promoting ethics. In addition, the Commission faced the following challenges in implementing its mandate:

- i) Manual systems of managing reports on the Anti-Corruption Indicator in the Performance Contracting Framework;
- ii) Inadequate staff to discharge the Commission's mandate; and
- iii) Lack of internal policy instruments to support Commission functions.

CHAPTER 10:

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR ETHICS AND ANTI- CORRUPTION COMMISSION FOR THE YEAR END 30TH JUNE 2015

10.1 Key Entity Information and Management

(a) Background information

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. The commission is headed by a chairman and two members who are responsible for the general policy and strategic direction.

(b) Principal Activities

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

(c) Key Management

The Commission's day-to-day management is under the following key organs:

1. The Office of the Chief Executive Officer
2. Directorate of Investigations and Asset Tracing
3. Directorate of Preventive Services
4. Directorate of Legal Services
5. Directorate of Ethics and Leadership
6. Directorate of Finance and Planning
7. Directorate of Human Resources and Administration
8. The Department of Supply Chain Management

(d) Fiduciary Management

This is vested on the Chief Executive Officer who is the accounting officer and is managing the day-to-day operations of the commission.

Designation

1. Secretary / Chief Executive Officer (CEO)
2. Deputy Chief Executive Officer – Technical Services

Name

Halakhe Waqo
Michael Mubea



(e) Fiduciary Oversight Arrangements

1. Finance and Planning Committee
2. Risk and Audit Committee
3. Operations Committee
4. Human Resource and Training Committee

(f) Entity Headquarters

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

(g) Entity Contacts

Headquarters, Nairobi
Integrity Centre
Milimani/Valley Road Junction
Po Box 61130-00200, Nairobi
E-mail: eacc@integrity.go.ke

(h) Entity Bankers

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

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

(i) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(j) Principal Legal Adviser

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

10.2 Report of the Chief Executive Officer

The Commission has the pleasure to present the Financial Statements for the Financial Year 2014/2015. The Financial Statements comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Net Assets and Statement of Cash Flows. The Commission continued to employ prudent financial management in line with Government Financial Regulations and International Public Sector Accounting Standards (IPSAS) resulting in facilitation of efficient and effective operations as well as comprehensive absorption of the annual budget provided.

The Commission draws its mandate from a multitude of laws. Foremost in the legal framework is the Constitution of Kenya, especially Chapter six on leadership and integrity. Several laws have been enacted in implementing the requirements of the constitution, and these include the Ethics and Anti-Corruption Commission Act, 2011 and the Leadership and Integrity Act, 2012. The Commission also enforces the Anti-Corruption and Economic Crimes Act, which is the principal law that provides for the investigations, prosecution and adjudication of corruption and economic crime offences in Kenya. Over and above these laws, the Commission also derives authority from other pieces of legislation such as the Public Officer Ethics Act, the Public Procurement and Disposal Act and regulations, among others. Apart from the hitherto known mandate of combating and preventing corruption, which is what most members of the public associate the Commission with, it was also bestowed with the wider function of mainstreaming ethics and integrity in both the public and private sector, as required under chapter six of the Constitution.

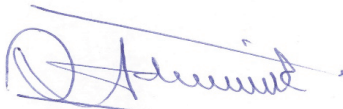
This wide mandate underscores the need for scaling up of Commission programmes and activities, which is reflected in the contents of this report. Of essence was the need to ensure that the Commission services were scaled to the County governments following the adoption of the devolved system of government in 2013. The report is also issued in the backdrop of the Commission's Strategic Plan 2013-2018, an ambitious and goal-oriented plan through which the Commission intends to steer its strategic direction and focus in the course of the strategic period. Since the launch, the Commission has rolled out on a high scale programmes and activities towards implementation of the plan objectives, from which major achievements have been realized.

During the reporting period, the commission undertook a comprehensive re-engineering of its financial management operations and reporting systems to conform to Government policy and regulations. Key among this is upgrading of its Enterprise Resource Planning System; ACCPAC to facilitate financial reporting in line with its expanded structure, Introduction and full operationalization of Integrated Financial Management System (IFMIS) and implementation of Internet Banking. The Commission also instituted an Oracle disaster management system in line with its risk management strategy. Additionally, the Commission embraced and substantially implemented the e-procurement platform.

I am happy to report that the Commission has continued to receive support from all our stakeholders, especially the government of the Republic of Kenya which has granted us immense support. The budgetary allocation to the Commission during the period; and the continued promise of support from the government in future is a clear indication that the government is firmly committed to the entrenchment of accountability and the fight against corruption. We have also witnessed increased collaboration and cooperation from our development partners who have continuously dedicated resources for some of the Commission's programmes and activities.

I wish to thank the Commission and all members of staff for their dedication and commitment towards achievements of the Commission goals and objectives during the period. Despite the occasional challenges that the Commission has had to grapple with over time, our staff have remained resilient and focused in the performance of their duties, no doubt guided by the Commission's core values of integrity, professionalism,

fidelity to the law, courage, teamwork and innovation. As the Commission embarks on implementing programmes for the next reporting year, I encourage all of us to maintain that spirit. Together, we shall achieve more.



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

10.3 Corporate Governance Statement

The commission operations and financial responsibilities are overseen by the Chief Executive Officer. The operations are guided by an approved annual budget that is based on programs whose performance is monitored through outputs and outcomes. The budget is informed by detailed work plans that translate in to annual procurement plans.

The commission has put in place the following standing committees for oversight purposes; Finance and Planning Committee, Risk and Audit Committee, Operations Committee and Human Resource and Training Committee. These committees are comprised of the commissioners and officers co-opted from various directorates. In addition an internal audit department charged with continuous review of systems of internal controls and overall risk management is in place.

Operational performance is monitored on a monthly basis through periodic financial reporting of actual expenditure versus budget performance which provides feedback to user departments on appropriate action plans. Quarterly financial statements are also produced to facilitate continuous evaluation of the overall financial performance of the commission. The commission prepares annual statutory financial statements which are audited by the Kenya National Audit Office (KENAO) who certifies them before inclusion in the annual report.

10.4 Corporate Social Responsibility Statement

The EACC's corporate social responsibility is based on the fact that, as part of the Kenyan society, we have responsibilities that go beyond our legal obligations for the benefit of the society at large. Our corporate social responsibility entails community engagement, supporting community activities, responding to emerging challenges, donating to charities, helping the needy and application of ethical conduct and participating in matters of topical national interest in Kenya. Our CSR strategy involves building relationships and partnerships and working together with organizations that we believe advance the wellbeing of Kenyans. The EACC's CSR decisions are made not only in the best interest of the Commission but also that of our society.

10.5 Report of the Commission

The Commission submits its report together with the audited financial statements for the year ended June 30, 2015 which show the state of the Commission's affairs.

Principal activities

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

Results

The results of the entity for the year ended June 30, 2015 are set out on pages **84 to 98**.

Members of the Commission

The members of the Commission who served during the year are shown on page **ix** in accordance with Ethics and Anti-Corruption Act, 2011.



Auditors

The Auditor General is responsible for the statutory audit of Ethics and Anti-corruption Commission in accordance Public Audit Act, 2003 and the Ethics and Anti-Corruption Commission Act, 2011.

10.6 Statement of Management Responsibilities

Section 164 of the Public Finance Management Act, 2012 and section 26 of the Ethics and Anticorruption Act, require the Management to prepare Financial Statements in respect of EACC, which give a true and fair view of the state of affairs of the Commission at the end of the financial year and the operating results of the Commission for the period 2014/2015. The Management is also required to ensure that the Commission keeps proper accounting records which disclose with reasonable accuracy the financial position of the Commission. The Management is also responsible for safeguarding the assets of the Commission.

The management is responsible for the preparation and presentation of the Commission's Financial Statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year ended on June 30, 2015. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Commission (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Management accepts responsibility for the Commission's Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Reporting Standards (IPSAS), and in the manner required by the PFM Act and the EACC Act. The management is of the opinion that the Commission's financial statements give a true and fair view of the state of Commission's transactions during the financial year ended June 30, 2015, and of the Commission's financial position as at that date. The Management further confirms the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Commissions Financial Statements were approved by the Management on 8th July 2015 and signed on its behalf by:

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

10.7 Report of the Independent Auditors on the Commission

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON ETHICS AND ANTI-CORRUPTION COMMISSION (EACC) FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Ethics and Anti-Corruption Commission (EACC), which comprise the statement of financial position as at 30 June, 2015, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts, 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 explanation 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 the financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the 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 and submit the audit report in compliance with Article 229 (7) of the Constitution of Kenya. 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.

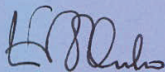
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ethics and Anti-Corruption Commission (EACC) as at 30 June, 2015 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Ethics and Anti-Corruption Commission Act, 2011.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

25 September 2015

10.8 Statement of Financial Performance for the year ended 30 June 2015

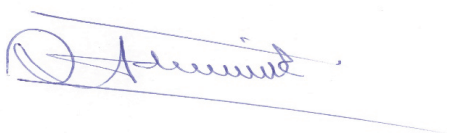
	Note	2014-2015	2013-2014
		Kshs	Kshs
Revenue from exchange transactions			
Exchequer Receipts	3	1,646,000,000	1,130,000,000
Donor grants	3	3,194,000	350,000
Other income	5	362,650	34,000
Total revenue		1,649,556,650	1,130,384,000
Expenses			
Employee costs	6	1,127,313,753	802,012,279
Depreciation and amortization expense	7	87,098,678	64,759,005
Repairs and maintenance	8	16,305,031	19,077,428
General expenses	9	375,383,941	272,294,560
Total expenses		1,606,101,403	1,158,143,273
Other gains/(losses)			
Gain on sale of assets	10	5,672,362	-
Surplus before tax		49,127,609	(27,759,272)
Taxation		-	-
Surplus for the period		49,127,609	(27,759,272)

The notes set out on pages **89 to 98** form an integral part of the Financial Statements

10.9 Statement of Financial Position as at 30 June 2015

	Note	2014-2015 Kshs	2013-2014 Kshs
Assets			
Current assets			
Cash and cash equivalents	11	56,569,316	97,041,076
Receivables from non-exchange transactions	12	10,444,912	11,757,902
Inventories	13	17,156,558	15,457,105
		84,170,787	124,256,083
Non-current assets			
Property, plant and equipment	14	374,914,001	281,628,273
Investments (Asset recovery Account)	20	85,618,468	42,154,240
Intangible assets	15	22,770,590	34,154,177
Long term receivables from exchange transactions (Gratuity fund investment)	22	21,628,523	133,884,050
		504,931,583	491,820,740
Total assets		589,102,369	616,076,822
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	15,569,040	20,731,232
Current portion of borrowings (Accrued liabilities and charges)	18	3,466,624	1,850,609
		19,035,664	22,581,841
Non-current liabilities			
Non-current employee benefit obligation (Gratuity fund)	21	12,093,237	128,113,350
Non-current provisions (Asset recovery account)	20	85,618,468	42,154,239
		97,711,705	170,267,589
Total liabilities		116,747,369	192,849,430
Net assets			
Reserves (Accumulated fund)	24	280,024,628	230,897,020
Accumulated surplus		192,330,372	192,330,372
		472,355,000	423,227,392
Total net assets and liabilities		589,102,369	616,076,822

The Financial Statements set out on pages **84 to 98** were signed on behalf of the Commission by:



Mr. Halakhe D. Waqo
Secretary/Chief Executive Officer

10.10 Statement of Changes in Net Assets for the year ended 30 June 2015

	Accumulated fund	Revenue Reserve	Total
	Kshs	Kshs	Kshs
Balance as at 30 June 2013	192,330,372	258,656,292	450,986,664
Surplus/(deficit) for the period	-	(27,759,272)	(27,759,272)
Balance as at 30 June 2014	192,330,372	230,897,019	423,227,392
Surplus for the period	-	49,127,609	49,127,609
Transfers to/from accumulated surplus/(Deficit)	-		-
Balance as at 30 June 2015	192,330,372	280,024,628	472,355,000



10.11 Statement of Cash Flows for the year ended 30 June 2015

	2014-2015 Kshs	2013-2014 Kshs
Cash flows From Operating Activities		
Surplus/ (Loss) from operations	49,127,609	(27,759,272)
Add back non-cash payment (Depreciation)	75,715,090	47,684,479
Add back non-cash payment (Amortization)	11,383,588	17,074,528
Profit on disposal of Assets	(5,672,362)	-
	130,553,925	36,999,735
Income from Operations		
(Increase)/Decrease in inventories	(1,699,454)	(252,737)
(Increase)/Decrease in receivables & Prepayments	1,312,990	(988,307)
Increase/(Decrease) in payables	(3,546,177)	5,367,520
Net cash flows from operating activities	126,621,284	41,126,210
Cash flows From Investing Activities		
Purchase of property, plant and equipment	(170,676,617)	(27,616,293)
Gratuity fund Investment	(116,020,113)	(1,918,389)
Purchase of Intangible Assets	-	(41,852,391)
Proceeds from disposal of plant, property and equipment	7,348,159	-
Net cash utilized in investing activities	(279,348,571)	(71,387,073)
Cash flows From Financing Activities		
Refund of Surplus to the Treasury		
Gratuity Fund	112,255,527	77,598
Net cash used in Financing activities	112,255,527	77,598
Net increase in cash and cash equivalents	(40,471,760)	(30,183,266)
Bank and Cash equivalents at beginning of year	97,041,076	127,224,342
Bank and cash equivalent at end of year	56,569,316	97,041,076

10.12 Statement of Comparison of Budget and Actual Amounts

	Original budget	Adjustments	Final budget	Actual on	Performance
	2014-2015	2014-2015	2014-2015	comparable basis	difference
	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue					
Public contributions and donations	-	8,628,000	8,628,000	3,194,000	(5,434,000)
Government grants and subsidies	1,546,000,000	191,372,000	1,737,372,000	1,646,000,000	(89,372,000)
Gains on disposal, rental income and agency fees		2,000,000	2,000,000	7,348,159	5,348,159
Total income	1,546,000,000	202,000,000	1,748,000,000	1,656,542,159	(89,457,841)
Expenses					
Compensation of employees	718,787,169	81,811,231	806,598,400	796,878,815	3,719,585
Goods and services	731,748,031	125,863,069	857,611,100	807,121,189	50,489,911
Finance cost	600,000	-	600,000	473,711	126,289
Rent paid	94,864,800	(7,674,300)	87,190,500	85,205,627	1,984,873
Grants and subsidies paid	-	-	-	-	-
Total expenditure	1,546,000,000	200,000,000	1,746,000,000	1,689,679,342	56,320,658
Surplus for the period	-	2,000,000	2,000,000	(33,137,183)	(33,137,183)



10.13 Notes to the Financial Statements

1. Statement of compliance and basis of preparation – IPSAS 1

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

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

2. Summary of significant accounting policies

a) Revenue recognition

Revenue from non-exchange transactions – IPSAS 23

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.

Transfers from other government entities

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

Sale of goods

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

Interest income

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

b) Budget information – IPSAS 24

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

c) Investment property – IPSAS 16

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

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

d) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Commission recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

e) Intangible assets – IPSAS 31

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

f) Research and development costs

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

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

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

g) Inventories – IPSAS 12

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

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

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

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

h) Provisions – IPSAS 19

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

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

Contingent liabilities

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

i) Changes in accounting policies and estimates – IPSAS 3

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

j) Cash and cash equivalents

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

k) Comparative figures

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

l) Significant judgments and sources of estimation uncertainty – IPSAS 1

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

Estimates and assumptions

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

m) Subsequent events

There have been no events subsequent to the financial year with significant impact in the financial statements for the year ended 30 June 2015.

3. Transfers from other governments – gifts and services-in-kind

	2015 Shs	2014 Shs
Unconditional grants		
Operational grant	1,646,000,000	1,130,000,000
Other (development)	-	-
	1,646,000,000	1,130,000,000
Conditional grants		
Other organizational grants	3,194,000	350,000
Total government grants and subsidies	1,649,194,000	1,130,350,000

4. Finance income - external investments

	2015 Shs	2014 Shs
Cash investments and fixed deposits (interest)	-	-
Total finance income – external investments	-	-

5. Other income

	2015 Shs	2014 Shs
Other income (sale of tender)	362,650	34,000
Total other income	362,650	34,000



6. Employee costs

	2015 Shs	2014 Shs
Employee related costs - salaries and wages	496,182,381	379,633,642
Employee related costs - contributions to pensions and medical aids	233,036,974	180,353,387
Travel, motor car, accommodation, subsistence and other allowances	97,397,964	64,861,737
Housing benefits and allowances	300,696,434	177,163,513
Total employee costs	1,127,313,753	802,012,279

7. Depreciation and amortization expense

	2015 Shs	2014 Shs
Property, plant and equipment	75,715,090	47,684,479
Intangible assets	11,383,588	17,074,528
Total depreciation and amortization	87,098,678	64,759,007

8. Repairs and maintenance

	2015 Shs	2014 Shs
Property	120,434	610,658
Equipment	1,410,532	460,557
Vehicles	14,644,440	17,088,283
Other	129,625	917,930
Total repairs and maintenance	16,305,031	19,077,428

9. General expenses

	2015 Shs	2014 Shs
Advertising	35,830,137	30,808,373
Audit fees	696,000	696,000
Conferences and delegations	22,542,317	19,253,364
Consulting fees	26,176,820	4,248,330
Consumables	13,914,888	6,103,965
Electricity	8,794,845	9,105,929
Fuel and oil	16,408,226	14,852,834
Insurance	8,389,418	1,190,037
Legal expenses	959,119	1,292,521
Licenses and permits	17,495,479	15,318,933
Specialized materials	4,187,536	3,939,699
Postage	968,005	855,179
Rental	85,205,627	72,496,524

Security costs	37,164,831	23,537,800
Sewage and water costs	1,279,407	862,028
Research and development	11,352,594	7,024,201
Telecommunication	13,144,154	12,885,449
Training	56,685,697	33,873,766
Refurbishment of non-residential buildings	2,484,370	6,022,237
Bank charges	473,711	768,870
Wealth declaration system	-	
Other expenses	11,230,760	7,158,522
Total general expenses	375,383,940	272,294,560

10. Gain on sale of assets

	2015	2014
	Shs	Shs
Property, plant and equipment	5,672,362	-
Other assets	-	-
Total gain on sale of assets	5,672,362	-

11. Cash and cash equivalents

	2015	2014
	Shs	Shs
Bank	52,669,546	94,284,417
Cash-on-hand and in transit	3,899,771	2,756,659
Short-term deposits	-	-
Total cash and cash equivalents	56,569,316	97,041,076

12. Receivables from non-exchange contracts

Current receivables	2015	2014
	Shs	Shs
Staff imprest	1,046,524	3,986,716
Staff advances	102,743	1,827,731
Other receivables	9,295,645	5,943,455
Total current receivables	10,444,912	11,757,902

13. Inventories

	2015	2014
	Shs	Shs
Consumable stores	10,963,962	9,264,508
Provision for loss of inventory	(2,923,920)	(2,923,920)
Library books	9,116,517	9,116,517
Total	17,156,558	15,457,105



14. Property, plant and equipment

Cost or Valuation:	Land	Plant and Equipment	Security Equipment	Furniture, Fixtures & Fittings	Motor Vehicles	Computer Equipment	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 1st July, 2013	120,416,497	40,235,514	43,408,460	21,598,087	271,923,154	80,250,748	577,832,460
Additions during the year	-	233,999	3,873,081	3,004,430	-	20,504,783	27,616,293
As at 30th June 2014	120,416,497	40,469,513	47,281,541	24,602,517	271,923,154	100,755,531	605,448,752
Additions during the year	-	18,431,408	9,442,623	19,052,462	80,653,400	43,096,723	170,676,616
Disposal	-	-	-	-	-	(20,890,045)	(20,890,045)
As at 30th June 2015	120,416,497	58,900,921	56,724,164	43,654,979	331,686,509	143,852,254	755,235,323
Depreciation and impairment							
At 1 July 2013	-	20,361,202	22,613,007	10,400,417	156,012,831	66,748,545	276,136,001
Depreciation	-	2,513,539	3,083,567	1,775,263	28,977,581	11,334,529	47,684,479
At 30 June 2014	-	22,874,741	25,696,574	12,175,680	184,990,412	78,083,074	323,820,480
Depreciation	-	4,503,272	3,878,449	3,934,912	41,477,586	21,920,868	75,715,090
Disposals	-	-	-	-	(19,214,248)	-	(19,214,248)
At 30 June 2015	-	27,378,013	29,575,023	16,110,592	207,253,750	100,003,942	380,321,322
Net book values							
At 30 June 2015	120,416,497	31,522,907	27,149,141	27,544,387	124,432,759	43,848,310	374,914,001
At 30 June 2014	120,416,497	17,594,772	21,584,967	12,426,837	86,932,742	22,672,457	281,628,272

15. Intangible assets - software

Cost	Shs
At 1 July 2013	139,501,806
Additions	-
At 30 June 2014	139,501,806
Additions – internal development	-
At 30 June 2015	139,501,806
Amortization and impairment	
At 1 July 2013	88,273,100
Amortization	17,074,528
At 30 June 2014	105,347,628
Amortization	11,383,588
Impairment loss	-
At 30 June 2015	116,731,216
Net book values	
At 30 June 2015	22,770,590
At 30 June 2014	34,154,177

16. Investment property (land)

	2015	2014
	Shs	Shs
Opening balance at 1 July	120,416,497	120,416,497
Additions	-	-
Depreciation	-	-
Closing balance at 30 June	120,416,497	120,416,497

17. Trade and other payables from exchange transactions

	2015	2014
	Shs	Shs
Other payables	15,569,040	20,731,232
Total trade and other payables	15,569,040	20,731,232

18. Accrued liabilities and charges

	2015	2014
	Shs	Shs
Accrued audit fees	696,000	696,000
Accrued expenses - utilities	2,770,624	1,154,609
	3,466,624	1,850,609



19. Contingent 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 300 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.

20. Asset Recovery Account

	2015	2014
	Shs	Shs
Balance brought forward	42,154,240	94,096,958
Funds recovered in the year	43,464,228	28,216,690
Payments	-	(80,159,408)
Total	85,618,468	42,154,240

21. Gratuity bank a/c balance

	2015	2014
	Shs	Shs
Gratuity Fund	12,093,237	128,113,350

22. Gratuity Fund Account

	2015	2014
	Shs	Shs
Balance brought forward	133,884,050	131,965,661
Additions	129,684,663	119,595,865
Payments	(241,940,190)	(117,677,476)
Total	21,628,523	133,884,050

23. Accumulated Fund

	2015	2014
	Shs	Shs
Balance brought forward	192,330,372	192,330,372
Total	192,330,372	192,330,372



24. Revenue Reserve

	2015	2014
	Shs	Shs
Balance brought forward	230,897,019	258,656,292
Refund of surplus	-	-
Surplus for the year	49,127,609	(27,759,272)
Total	280,024,628	230,897,020

10.14 Progress on Follow-Up of Auditor Recommendations

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

Ref. No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and Designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Excess acting allowance of Kshs. 5,862,895/90 paid to immediate former Chief Executive Officer against provisions of circular No OP/CAB/55/1	Details of evidence of overpayment have been provided to her lawyers	Mr. David Kaboro and Mr. Vincent Mutilangi	Not Resolved	The Commission is pursuing the individual. The timeframe is open as it may involve a court process.
2	Loss of 410 toners worth Kshs. 2,923,920/-	Services of staff involved were terminated, file forwarded to Director of public prosecutions to institute prosecution.	Mr. David Kaboro and Mr. Vincent Mutilangi	Not Resolved	Open as it may involve court process.
3	Development of United Nations Development Programme (UNDP) funded wealth Declaration Management System. Kshs. 20,457,206/- incurred without fully attaining the desired deliverables and goals spelt out in the project's financing agreement signed on 5 April 2011.	Fully-fledged Directorate set up to look in to issues of leadership integrity including wealth declaration and conflict of interest. Time elapsed before full disbursement of funds. Only output 2 of the project is outstanding and acquisition of wealth management system is in the strategic plan of 2013-2018	Mr. David Kaboro	Resolved	The system implementation is ongoing.



Mr. Halakhe D. Waqo
Secretary/Chief Executive Officer