

ETHICS AND ANTI-CORRUPTION COMMISSION

**REPORT OF ACTIVITIES AND FINANCIAL
STATEMENTS FOR THE
FINANCIAL YEAR 2018/2019**



Ethics and Anti-Corruption Commission

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ETHICS & ANTI-CORRUPTION COMMISSION

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LIST OF ABBREVIATIONS AND ACRONYMS

AAACA	African Association of Anti-Corruption Authorities
AACD	Commemoration of Africa Anti-Corruption Day
ACC	Anti-Corruption Court Case
ACEC	Anti-Corruption and Economic Crimes Court
ACECA	Anti-Corruption and Economic Crime Act
ADR	Alternative Dispute Resolution
AGM	Annual General Meeting
ARIN-EA	Asset Recovery Inter Agency Network for Eastern Africa
ASK	Agricultural Society of Kenya
AUCPCC	African Union Convention on Preventing and Combating Corruption
CAACC	Commonwealth Africa Anti-Corruption Centre
CASB	County Assembly Service Board
CBO	Community Based Organisation
CDACC	Curriculum Development and Certification Council
CEC	County Executive Committee
CFO	Chief Finance Officer
CMCC	Chief Magistrate Civil/Criminal Court
CPC	Criminal Procedure Court
CPCs	Corruption Prevention Committees
CPSB	County Public Service Board
CRAs	Corruption Risk Assessments
DIALs	Declaration of Income Assets and Liabilities
EAC	East Africa Community
EAAACA	East African Association of Anti-Corruption Authorities
ECCOS	Ethics Commission for Cooperative Societies
ELC	Environment and Land Court
ELRC	Employment and Labour Relations Court
ETPA	Education, Training and Public Awareness
FBOs	Faith Based Organisations
FM	Frequency Modulation
FY	Financial Year



GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GK	Government of Kenya
HCCC	High Court Civil Case
HR	Human Resource
IAACA	International Association of Anti-Corruption Authorities
IACD	International Anti-Corruption Day
IAOs	Integrity Assurance Officers
IEBC	Independent Electoral and Boundaries Commission
IEC	Information, Education and Communication
IFMIS	Integrated Financial Management Information System
JR	Judicial Review
KALRO	Kenya Agricultural and Livestock Research Organisation
KCAA	Kenya Civil Aviation Authority
KeNHA	Kenya National Highways Authority
KEPSA	Kenya Private Sector Alliance
KeRRA	Kenya Rural Roads Authority
KES/Kshs	Kenya Shillings
KICD	Kenya Institute of Curriculum Development
KIEMS	Kenya Integrated Elections Management System
KIP	Kenya Integrity Plan
KLIF	Kenya Leadership Integrity Forum
KPA	Kenya Ports Authority
KPC	Kenya Pipeline Corporation
KRA	Kenya Revenue Authority
KVDA	Kerio Valley Development Authority
LAPSSET	Lamu Port South Sudan Ethiopia Transport Corridor
LIA	Leadership and Integrity Act, 2012
MAT	Multi Agency Team
MCA	Member of County Assembly
MDAs	Ministries, Departments and Agencies
MoU	Memorandum of Understanding
MP	Member of Parliament
NACCD	National Anti-Corruption Commission of Djibouti
NCPB	National Cereals and Produce Board
NEAP	National Ethics and Anti-Corruption Policy



NG-CDF	National Government – Constituency Development Fund
NIACA	National Integrity Academy
NLC	National Land Commission
NSSF	National Social Security Fund
ODPP	Office of the Director of Public Prosecutions
PC	Performance Contracting
PFM	Public Finance Management Act
PMCO	Performance Management and Coordination Office
POEA	Public Officer Ethics Act, 2003
PPADA	Public Procurement and Asset Disposal Act, 2015
PPRA	Public Procurement Regulatory Authority
RVWSB	Rift Valley Water Service Board
SGR	Standard Gauge Railway
TVETA	Technical Vocational Education and Training Authority
TI	Transparency International
TOT	Training of Trainers
UNCAC	United Nations Convention against Corruption



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

An integrity driven Kenyan society.

CORE VALUES

Integrity

Professionalism

Fidelity to the law

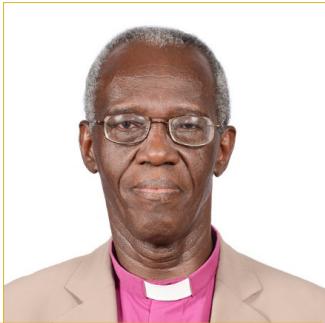
Courage

Teamwork

Innovation



MEMBERS OF THE ETHICS AND ANTI-CORRUPTION COMMISSION



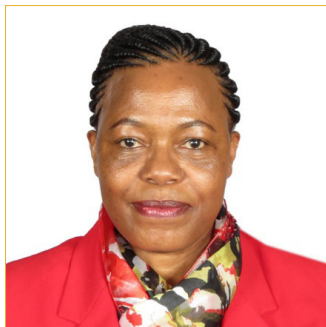
Archbishop (Rtd) Dr. Eliud Wabukala, EBS
Chairperson



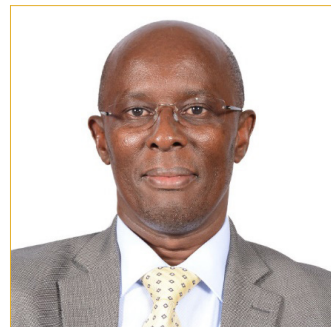
Comm. Sophia Lepuchirit
Vice-Chairperson



Dr. Dabar Abdi Maalim
Commissioner



Rose Mghoi Mtambo Macharia
Commissioner



Paul Gachoka Mwaniki
Commissioner



Twalib Mbarak, CBS
Secretary/Chief Executive Officer



MESSAGE FROM THE CHAIRPERSON

The Ethics and Anti-Corruption Commission (EACC) was established in 2011 pursuant to Article 79 of the Constitution. Since then, the Commission has continuously rationalized its strategies and expertise in combating and preventing corruption and unethical conduct. The Financial Year 2018-2019 was strategically exceptional as it marked the commencement of the Commission's 2018-2023 Strategic Plan. The Plan details the role of the Commission in supporting development priorities as set out under; the Sustainable Development Goals, the 3rd Medium Term Plans 2018-2022 and the Big Four Agenda among other blue-prints including the Vision 2030.

This year's Annual Report presents the Commission's achievements in its quest for a fair and just society through combating and preventing corruption and unethical conduct. Further, the Commission continues to align its strategies, policies and systems to the realisation of its mandate to the people of Kenya as spelt out in its Strategic Plan 2018-2023. The current strategic focus of the Commission emphasises asset tracing and recovery which resulted in significant successes during the reporting period. Intelligence-led investigations, prevention and public education were equally vital strategies applied during the review period.

Further, the Commission remains committed to implementing international instruments of governance and development including; The United Nations Convention against Corruption (UNCAC), and African Union Convention on Preventing and Combating Corruption (AUCCPC) among others. This year marked the 2nd edition of the African Anti-Corruption day under the theme "Winning the fight against corruption: A sustainable path to Africa's transformation." The Commission not only actively participated in the commemorations but also spearheaded preparations of the event.

In the coming year the Commission will continue to focus on high impact investigations, asset tracing and recovery, prevention and partnerships. It is for this reason that I wish to challenge all State Agencies tasked with the responsibility of fighting corruption to focus and develop mechanisms and strategies that will ensure corruption does not derail our national aspirations. I also urge all Kenyans to join hands with us as we tackle this menace as this will promote the rule of law, improve service delivery and foster economic development.

Thank you for your unrelenting support in the fight against corruption, we look forward to continuous engagements as we put in a concerted effort to break the shackles of corruption in our Country.

God bless Kenya!

Archbishop (Rtd) Dr. Eliud Wabukala, EBS
Chairperson



MESSAGE FROM THE SECRETARY/CHIEF EXECUTIVE OFFICER

The Commission's mandate is stipulated in the Constitution and various statutes that include; the Ethics and Anti-Corruption Commission Act, 2011, the Leadership and Integrity Act, (LIA) 2012 and the Bribery Act, 2016 amongst others. The Commission also enforces the Anti-Corruption and Economic Crimes Act (ACECA), 2003 which is the principal law that provides for the investigation, prosecution and adjudication of corruption and economic crime in Kenya. In this light, the 2018/2019 Financial Year Annual Report is prepared pursuant to the provisions of Article 254 (1) of the Constitution, Section 27 of the Ethics and Anti-Corruption Commission Act, 2011 and Section 45(1) of LIA, 2012.

During the reporting period, the Commission finalized and forwarded to the Office of the Director of Public Prosecutions (ODPP) a total of 234 files on corruption, economic crime and ethical breaches, representing an increase from the previous year's total of 183 files. The Commission also completed 113 investigations on violations of Chapter Six of the Constitution and Leadership and Integrity Act, 2012.

The Commission's new Strategic Plan 2018-2023 lays emphasis on tracing, preservation and recovery of unexplained and corruptly acquired assets through prosecution and alternative dispute resolution (ADR). During the reporting period, the Commission recovered assets valued at approximately KES 4.5 billion while 18 applications for preservation of assets with estimated value of KES 3.8 billion were made. Further, 12 illegally acquired public assets with an estimated value of KES 2.7 billion were traced and the recovery process is ongoing. In addition, 14 proactive covert investigations were conducted, averting possible loss of public funds estimated at KES 14.5 billion.

The Commission finalised and launched a report on the examination into the systems, policies, procedures and practices adopted in the pricing of Pharmaceutical and Non-Pharmaceutical Supplies in Kenya's Public Health Sector. In addition, the Commission undertook and presented reports of Corruption Risk Assessments (CRAs) into the systems, policies, procedures and practices in various County Executives and Assemblies. The Commission also developed guidelines for prevention of corruption in the Information and Communication Technology (ICT) environment in the Public Sector.

The Commission undertook public education and training to create awareness and enlist public support in the fight against corruption and unethical conduct. In addition, the Commission conducted proactive sensitisations in targeted spots that are prone to corruption and engaged Professional as well as Community Networks across the Country in its effort to mobilise a critical mass required for effective corruption prevention.



Further, the Commission facilitated 25 public entities to develop and implement codes for public officers and enforced the requirement for appointed and elected State Officers from the County Assembly of Kisii, County Executive Committees of Mandera and Nyeri, Commission on Administrative Justice, Public Service Commission, National Police Service Commission, National Police Service and Ministry of Education to sign and commit to the Specific Leadership and Integrity Codes. The Commission developed three generic administrative procedures for Responsible Commissions in the County Governments to enhance compliance by public officers in submission of Declaration of Income, Assets and Liabilities.

The National Ethics and Corruption Survey conducted by the Commission indicated that the perceived levels of corruption declined from 79.3 per cent in 2016 to 65.3 per cent in 2018. It also showed that the average amount of bribes paid by those seeking public services dropped from KES 5,058.75 in 2017 to KES 3,833.14 in 2018.

The Commission maintained strategic linkages and partnerships with national, regional and international organisations to provide support, enhance coordination of an inclusive framework on the fight against corruption, and optimise on their respective capabilities and strengths. At the National level, the Commission engaged its stakeholders through the Kenya Leadership Integrity Forum (KLIF), the Multi-Agency Team (MAT), the Referral Partners Platform and the Faith Sector.

In implementing its mandate, the Commission encountered a number of challenges including: politicisation of the fight against corruption and unethical conduct, slow judicial processes, adverse court decisions and inadequate budgetary allocation. Notwithstanding the challenges, the Commission made significant strides in tracing and recovery of illegally acquired assets and will continue to intensify its efforts in the implementation of its mandate. The Commission will continue to collaborate with key stakeholders in the fight against corruption and calls upon all Kenyans to support the war against corruption and unethical conduct. Finally, the Commission calls for continued support from the Government and development partners in funding and technical support.

Twalib Mbarak, CBS

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. This Annual Report is prepared pursuant to the provisions of Article 254 (1) of the Constitution, Section 27 of the Ethics and Anti-Corruption Commission Act, 2011 and Section 45(1) of the Leadership and Integrity Act (LIA), 2012. The Report contains the financial statement of the Commission; details of activities undertaken and achievements realized; information relevant to the enforcement of and compliance with the provisions of LIA; requisite statistical information; and challenges encountered in the review period.

1.2 Mandate and Functions of the Commission

The mandate of the Commission is to combat and prevent corruption, economic crime and unethical conduct in Kenya through law enforcement, preventive measures, public education and promotion of ethical standards and practices. This mandate is derived from Articles 79 and 252 of the Constitution; the Ethics and Anti-Corruption Commission Act, 2011; the Leadership and Integrity Act, 2012; the Public Officer Ethics Act, 2003; the Anti-Corruption and Economic Crimes Act, 2003; and the Bribery Act, 2016, among other relevant laws.

The functions of the Commission are to:

- a) Develop codes of ethics and promotion of standards and best practices in integrity and anti-corruption for State and public offices;
- b) Investigate and recommend to the Director of Public Prosecutions the prosecution of any acts of corruption, bribery, economic crimes or violation of codes of ethics;
- c) Oversee the enforcement of codes of ethics and recommend appropriate action to be taken against State officers or public officers alleged to have engaged in unethical conduct;
- d) Advise, on its own initiative, any person on any matter within its functions;
- e) Raise public awareness on ethical issues and educate the public on the dangers of corruption and enlist and foster public support in combating corruption;



- f) Monitor the practices and procedures of public bodies to detect corrupt practices and to secure the revision of methods of work or procedures that may be conducive to corrupt practices; and
- g) Institute and conduct proceedings in court for purposes of the recovery or protection of public property, or for the freeze or confiscation of proceeds of corruption or related to corruption, or the payment of compensation, or other punitive and disciplinary measures.

Chapter 2

ENFORCEMENT

2.1 Introduction

This chapter presents key achievements of the Commission under its enforcement mandate. The achievements are presented under various sections, namely: reports received, investigation, disruption of corruption and recovery of unlawfully acquired and unexplained assets.

2.2 Reports Received

The Commission received, analysed and processed 9,308 reports on corruption and unethical conduct during 2018/2019 Financial Year, out of which 7,512 were from the Headquarters and Regional Offices while 1,795 were from Huduma Centres, representing 80.7 per cent and 19.2 per cent, respectively. Figure 2.1 illustrates the trend of reports received from 2013/2014 to 2018/2019 Financial Years.

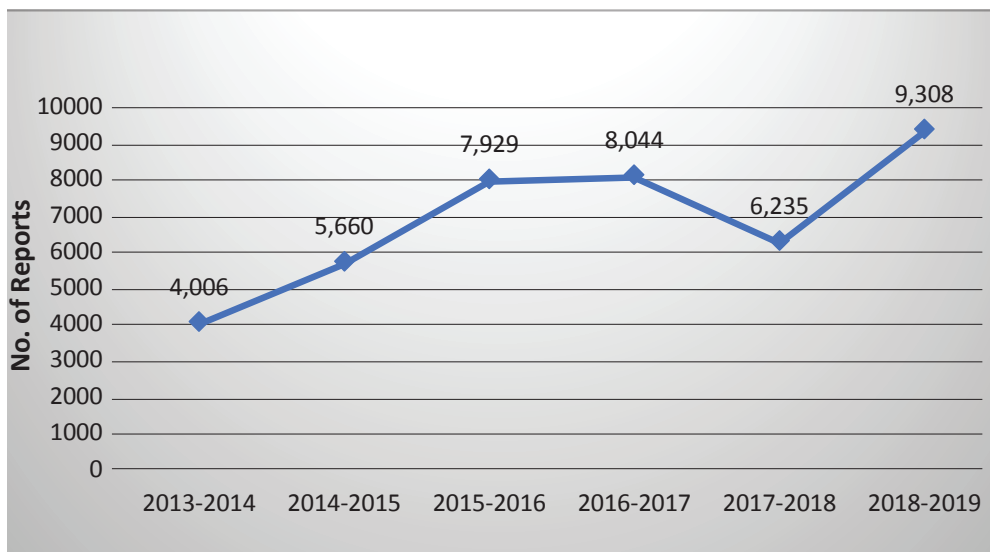


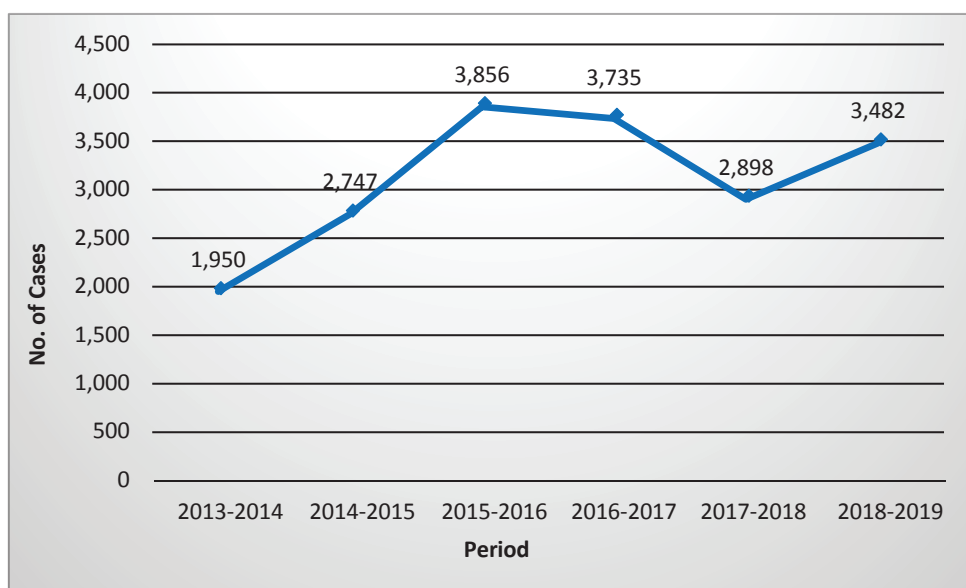
Figure 2.1: Trends in Reports Received

The 9,308 reports on corruption, economic crime and unethical conduct received were processed as illustrated in Table 2.1.

**Table 2.1: Action Taken on the Reports Received**

Action Taken	No. of Reports
Reports taken up by the Commission	3,482
Complainants advised on where to report	3,803
Reports referred to Public Service organisations	921
Complainants requested to provide additional information	226
Closed/ No further action	876
Total No. of Reports	9,308

Out of the 9,308 reports received, 3,482 reports were relevant to the Commission's mandate, representing 37.4 percent. Figure 2.2 illustrates the trend of reports relevant to the Commission's mandate.

**Figure 2.2: Number of Reports Relevant to Commission Mandate**

Out of the 3,482 reports recommended for investigation, Bribery constituted 39 percent, Embezzlement 22 percent and Abuse of Office 9 percent. Others included: Maladministration, Penal Code Offences and Civil Issues as indicated in Figure 2.3.

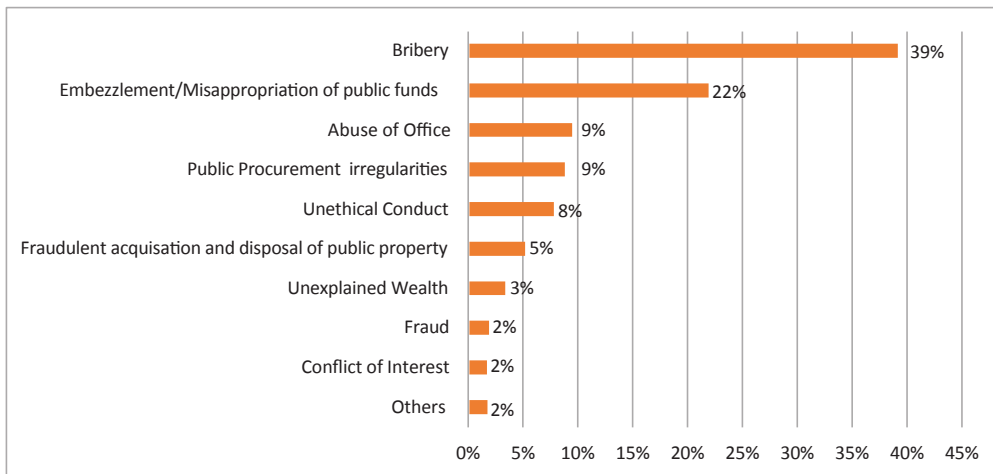


Figure 2.3: Nature of Reports Received

2.3 Status of Investigations

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

2.3.1 Cases under Investigation

The Commission had a total of 1,593 cases under investigation, out of which 218 are related to ethical breaches. Some of the cases are highlighted in Table 2.2.

Table 2.2: Highlights of Active Investigation Cases

S/No.	Inquiry Number	Nature of Allegation	Institution	Amount Involved (KES)
1.	EACC/MSA/ FI/06/2019	Allegations of procurement irregularities and inflation of cost in the award of the Kipevu Oil Terminal tender	Kenya Ports Authority (KPA)	40,000,000,000
2.	EACC/FI/ INQ/32/2019	An allegation of fraud and tax evasion involving several private companies	<ul style="list-style-type: none"> • Cerdaline Limited • Fryhaan Logistics and Associated Companies • Deeds Trading International Limited 	28,603,310,469



S/No.	Inquiry Number	Nature of Allegation	Institution	Amount Involved (KES)
3.	EACC/FI/ INQ/20/2019	An allegation that funds may have been lost in the National Social Security Fund project for the construction of the 39 storey Hazina Trade Centre as a result of project delays. The contractor had already been paid KES 2.73 billion and there was a further claim of KES 1.9 billion that was yet to be settled. Further, the Contractor sought a contentious compensation of KES 6.9 billion for project delays, an amount above the KES 6.8 billion for the cost of the entire project	National Social Security Fund (NSSF)	12,000,000,000
4.	EACC/ ELD/FI/ INQ/32/2018	Allegations that officials from NCPB and Ministry of Agriculture during the season 2017/2018 irregularly purchased strategic food reserve of white maize from unscrupulous and unregistered farmers against the government guidelines at various NCPB depots in the country.	National Cereals and Produce Board (NCPB)	11,300,000,000
5.	EACC/FI/ INQ/17/2018	Allegations of corruption in the award of contract and implementation of government digital payments (e-Citizen) system	The National Treasury	5,600,000,000
6.	EACC/AT/ INQ/25/2018	An allegation that the owners of parcel No. 7879/4 failed to pay rates to the Nairobi City County	Owners of parcel L.R. No. 7879/4	3,000,000,000
7.	EACC/AT/ INQ/38/2018	Allegations of unexplained wealth against an official of Kenya Rural Roads Authority (KeRRA)	KeRRA	2,230,000,000



S/No.	Inquiry Number	Nature of Allegation	Institution	Amount Involved (KES)
8.	EACC/FI/INQ/2/2019	An allegation of procurement irregularities by the State Department of Correctional Services in the classified tender for security items	State Department of Correctional Services	2,200,000,000
9.	EACC/FI/INQ/22/2019	An allegation that Kiambu County Government flouted Integrated Financial Management Information System (IFMIS) rules in regard to payment of suppliers	Kiambu County Government	2,000,000,000
10.	EACC/MSA/FI/7/2018	Allegation of procurement irregularities in the repair and renovation of Scheme residential houses by Management Committee of Kenya Ports Authority (KPA) Pension Scheme	Kenya Ports Authority Pension Scheme (KPAPS)	1,575,889,000
11.	EACC/AT/INQ/34/2018	An allegation of unexplained wealth against an Accountant with the Kenya Revenue Authority (KRA)	KRA	1,500,000,000
12.	EACC/AT/INQ/02/2018	An allegation that National Land Commission (NLC) irregularly compensated purported owners of the land belonging to Ruaraka High School and Drive-In Primary School L.R. No. 7879/4	National Land Commission (NLC)	1,500,000,000
13.	EACC/MSA/PI/17/2018	An allegation of irregular compensation on Land LR. No. MN/VI/ 4805 owned by Miritini Free Ports Ltd	National Land Commission	1,475,486,485
14.	EACC/NKR/FI/INQ/06/2019	An allegation of embezzlement of funds in Baringo-Silali Power Project. The contractor failed to honour contractual obligations regarding an advance payment	Geothermal Development Company	1,400,000,000
15.	EACC/GSA/FI/INQ/38/2018	Allegation of procurement irregularities and misappropriation of Road Maintenance Levy Fund	County Government of Wajir	1,400,000,000



S/No.	Inquiry Number	Nature of Allegation	Institution	Amount Involved (KES)
16.	EACC/MSA/ FI/13/2018	Allegations of procurement irregularities and other offences in the construction of a Pontoon and Jetty, and delivery of new ferries	Kenya Ferry Services	1,400,000,000
17.	EACC/FI/ INQ/53/2018	Allegations of procurement irregularities in tender number RWC 418 for upgrading to bitumen standards and maintenance of Nyeri County Roads during the 2016/2017 Financial Year	KeRRA	1,332,567,797
18.	EACC/FI/ INQ/18/2019	An allegation of procurement irregularities in the provision of raw materials for old and new generation motor vehicle number plates	Kenya Prisons Service	1,280,000,000
19.	EACC/FI/ INQ/19/2019	An allegation of irregularities in the procurement of Kenya Integrated Election Management System (KIEMS) Kits and other election materials for 2017 General Elections	Independent Electoral and Boundaries Commission (IEBC)	1,252,000,000
20.	EACC/MSA/ FI/07/2019	An allegation of irregular payment for the proposed construction of Lamu Police Line under Lamu Port South Sudan Ethiopia Transport Corridor (LAPSSET)	KPA Ministry of Transport, Infrastructure, Housing and Urban Development	1,148,652,224
21.	EACC/FI/ INQ/63/2018	An allegation that IEBC overpaid 68 lawyers for legal services in 2013 General election. The IEBC had in 2014 alleged that it owed the advocates KES 1 billion but a scrutiny by Auditor General showed that the lawyers were paid KES 2.140 billion	IEBC	1,140,000,000



S/No.	Inquiry Number	Nature of Allegation	Institution	Amount Involved (KES)
22.	EACC/FI/INQ/64/2018	An allegation of tax evasion and money laundering in Tatu City and its affiliate companies	Tatu City	1,000,000,000
23.	EACC/AT/INQ/01/2019	Allegations of embezzlement of public funds, fraud and abuse of office against an Accountant at County Government of Siaya	County Government of Siaya	993,791,576
24.	EACC/AT/INQ/3/2019	Allegations of bribery and abuse of office against officials of the National Land Commission in regard to compensation for L.R. No. Ngong/Ngong/15559 for the Standard Gauge Railway (SGR)- Phase 2	NLC	924,000,000
25.	EACC/FI/INQ/21/2019	Allegations of fraud, procurement irregularities and misappropriation of public funds by officers of Nairobi City County Government through inconsistent and exaggerated payments made to proxy companies	County Government of Nairobi	858,206,814
26.	EACC/NKR/FI/INQ/35/2018	An allegation of overpayment and procurement irregularities in the construction of Ewaso Nyiro Tannery and Leather Industry Project in Narok County	Ewaso Nyiro South Development Authority	800,000,000
27.	EACC/FI/INQ/67/2018	Allegations of embezzlement and misappropriation of public funds in the joint project for refurbishment of the Kenya Technical Training College (KTTC) and nine other regional technical colleges	Ministry of Education Science and Technology	748,175,030
28.	EACC/FI/INQ/57/2018	An allegation of procurement irregularities in the tender for the proposed construction of Ngong Market in Kajiado County	Ministry of Transport, Infrastructure, Urban Development and Housing	705,000,000



S/No.	Inquiry Number	Nature of Allegation	Institution	Amount Involved (KES)
29.	EACC/BGM/ FI/INQ/8/2019	An allegation of procurement irregularities in the tender for construction works for Malaba Water and Sanitation Project - Sewerage Works LOT 1	Rift Valley Water Services Board (RVWSB)	600,000,000
30.	EACC/FI/ INQ/3/2019	An allegation of procurement irregularities in the classified tender for supply of Standard Rifles	State Department for Correctional Services	597,000,000
31.	EACC/FI/ INQ/22/2019	An allegation of procurement irregularities in the tender for construction of various roads	County Government of Kiambu	588,000,000
32.	EACC/AT/ INQ/21/2018	An allegation of procurement irregularities in the tender for supply of Hydrant Pit Valves	Kenya Pipeline Corporation (KPC)	579,398,598
33.	EACC/FI/ INQ/15/2019	Allegations of fraud, money laundering and embezzlement of public funds through several individual and company bank accounts	County Government of Narok	548,209,654
34.	EACC/FI/ INQ/5/2019	An allegation of procurement irregularities in the classified tender for supply of submachine guns	State Department of Correctional Services	478,500,000
35.	EACC/ISL/AT/ INQ/10B/2017	An allegation of irregular acquisition of land belonging to Isiolo G.K. Prison along Isiolo-Marsabit Road	<ul style="list-style-type: none"> • Karamo Impex and Transport Ltd • Fresh N Nice Ltd 	450,000,000
36.	EACC/ GSA/FI/ INQ/31/2018	An allegation of embezzlement of public funds meant for construction of the Elwak-Mandera Road drainage system	County Government of Mandera	427,936,500
37.	EACC/MSA/ ISD/22/2019	An allegation of misappropriation of public funds meant for the construction of Kwale County Assembly Complex	Kwale County Assembly	401,000,000



S/No.	Inquiry Number	Nature of Allegation	Institution	Amount Involved (KES)
38.	EACC/MSA/FI/8/2018	Allegations of procurement irregularities in the purchase of 5th floor Canon II building	KPAPS	371,290,000
39.	EACC/FI/INQ/6/2019	An allegation of procurement irregularities in the classified tender for supply of full-bore target rifles	State Department of Correctional Services	342,720,000
40.	EACC/ISL/FI/INQ/8/2019	An allegation of embezzlement of public funds during acquisition of fixed assets and payment of wages to temporary staff whose identity could not be established	Isiolo County Assembly	340,000,000
41.	EACC/FI/INQ/17/2019	Allegations of fraud and irregular payments to persons and companies owned or associated with County officials	County Government of Homa Bay	317,462,712
42.	EACC/BGM/FI/INQ/2/2019	An allegation of embezzlement of public funds by the Imprest holders through fraudulent surrenders	Bungoma County Assembly	300,000,000
43.	EACC/ELD/FI/INQ/02/2019	An allegation of procurement irregularities in a tender to a private company for the supply of seeds	Kenya Seed Company	300,000,000
44.	EACC/FI/INQ/41/2018	Allegations of conflict of interest, embezzlement and abuse of office by the former County Executive Committee Member for Roads in the award of contracts to companies affiliated to his associates	County Government of Nandi	297,922,749
45.	EACC/GSA/FI/INQ/28/2018	An allegation of embezzlement of public funds meant for the construction of a regional livestock market within Mandera County	County Government of Mandera	270,134,168



S/No.	Inquiry Number	Nature of Allegation	Institution	Amount Involved (KES)
46.	EACC/ GSA/FI/ INQ/30/2018	An allegation of embezzlement of funds set aside for the construction of an abattoir within Mandera Town	County Government of Mandera	242,127,400
47.	EACC/MSA/ FI/03/2019	An allegation of fraudulent payments made to five Companies and a Legal firm for solid waste management services not rendered	County Government of Mombasa	239,310,982
48.	EACC/AT/ INQ/09/2018	Allegations of irregular award of tenders and conflict of interest against a former County Chief Officer for Finance	Nyandarua County Government	159,438,201
49.	EACC/NYR/ INQ/37/2018	An allegation of irregular procurement and variation for the construction of Ewaso Nyiro bridge for the cost of 128 million up from a budgeted figure of KES 35 million	County Government of Laikipia	128,000,000
50.	EACC/AT/ INQ/05/2019	Allegations of irregular compensation to a private company for land reference MN/VI/3801 and subsequent payment of bribes to NLC officials	NLC	109,769,363
51.	EACC/ GSA/FI/ INQ/27/2018	An allegation of irregular payment in the construction of Mandera County Headquarters	County Government of Mandera	107,481,060
52.	EACC/FI/ INQ/38/2018	An allegation of procurement irregularities in the tender for construction of the Governor's office. The tender was awarded to a company alleged to be associated with the Governor	County Government of Nandi	103,000,000

2.3.2 Investigatory Applications

During the period under review, the Commission filed applications and obtained warrants to investigate 547 Bank accounts in respect of persons or associates of persons suspected of engaging in corruption, economic crimes and related offences.



2.3.3 Completed Investigation on Corruption, Economic Crime and Ethical Breaches

During the period under review, the Commission completed 234 investigation files on Corruption and Economic Crime which were forwarded to the Office of the Director of Public Prosecutions (ODPP) for review. The Commission also completed 113 investigations on violations of Chapter Six of the Constitution and Leadership and Integrity Act, 2012. Some of the completed cases are highlighted in Table 2.3.

Table 2.3: Highlights of Completed Investigation Cases

S/No.	Inquiry Number	Nature of Allegation	Institution/ Individual	Amount Involved (KES)
1.	EACC/FI/INQ/2/2019	Allegations of procurement irregularities in the award of tenders at the State Department for Correctional Services	State Department for Correctional Services	4,800,000,000
2.	EACC/AT/FI/INQ/17/2014	An allegation of unexplained wealth against a senior manager at Kenya Revenue Authority	KRA	1,040,721,647
3.	EACC/MSA/FI/INQ/20/2014	An allegation of irregular termination of contract for periodic maintenance of the Mombasa-Miritini Road	Kenya National Highway Authority (KeHNA)	341,000,000
4.	EACC/MSA/INQ/06/2017	Allegations of conflict of interest and irregular payment against the Kenya Ports Authority Finance Manager to a private company for various contracts	KPA	214,548,340
5.	EACC/PI/INQ/1/2019	Allegations of irregular payment for goods and services not delivered	Kenya School of Law (KSL)	201,073,710
6.	EACC/AT/INQ/5/2019	An allegation of irregular compensation against National Land Commission officials for L.R. No. MN/VI/3801	National Land Commission	109,769,363
7.	EACC/FI/INQ/62/2015	Allegations of irregular procurement of Audit Vault Software	Office of Auditor General	100,000,000
8.	EACC/FI/INQ/88/2016	Allegations of abuse of office, money laundering, bribery, and conflict of interest against the former Governor and senior officials of the Nairobi City County	County Government of Nairobi City	88,000,000



S/No.	Inquiry Number	Nature of Allegation	Institution/ Individual	Amount Involved (KES)
9.	EACC/FI/ INQ/69/2013	An allegation of procurement irregularities in the renovation and construction of Kenyatta Stadium in Machakos Town	County Government of Machakos	87,000,000
10.	EACC/FI/ INQ/37/2016	An allegation of embezzlement of public funds in the tender for supply of fire-fighting equipment	National Youth Service (NYS)	75,000,000
11.	EACC/FI/ INQ/141/2017	An allegation of procurement irregularities in the tender for the renovation of Kenyatta Stadium in Kitale Town	County Government of Trans Nzoia	68,000,000
12.	EACC/KSM/FI/ INQ/01/2014	An allegation of irregular procurement in the renovation of the Governor's office, County offices and supply of generators	County Government of Busia	60,000,000
13.	EACC/FI/ INQ/97/2015	Allegations of abuse of office against the Principal of Kenya Utalii College and irregular extension of the Principal's employment contract by the Cabinet Secretary	Ministry of Tourism and Wildlife	53,465,000
14.	EACC/MLD/FI/ INQ/18/2016	Allegations of irregular payments to private companies for goods not supplied and services not rendered	County Government of Kilifi	51,569,775
15.	EACC/FI/ INQ/59/2015	An allegation of irregular payment for the supply, installation and commissioning of three auto transformers	Kenya Pipeline Company	30,000,000
16.	EACC/ISL/FI/ INQ/53/2016	Allegations of procurement irregularities in the refurbishment of Meru County Hotel	Meru County Investment and Development Corporation	20,000,000
17.	EACC/ISL/PI/ INQ/43/2015	An allegation of irregular procurement of tractors, ploughs, harrows, planters and mobile driers	Samburu County Government	8,418,964
18.	EACC/OPS/ INQ/106/2018	Allegations of bribery against the Member of County Assembly for Parklands Ward as an inducement to facilitate protection of Concord Hotel from demolition by County Government of Nairobi	Member of County Assembly of Nairobi	5,700,000



S/No.	Inquiry Number	Nature of Allegation	Institution/ Individual	Amount Involved (KES)
19.	EACC/FI/ INQ/111/2017	An allegation of embezzlement of funds against Embakasi South MP and NG-CDF officials. The funds were earmarked for purchase of computers for Embakasi Girls and Emmaus School	NG-CDF Embakasi South	2,200,000
20.	EACC/KIS/EL/ INQ/14/2017	An allegation of abuse of office against the Governor of the County of Nyamira during the recruitment of chief officers	County Government of Nyamira	N/A
21.	EACC/EL/ INQ/57/2016	An allegation of forgery against an Assistant Director of Education, Embu East. The officer forged an academic certificate to secure a promotion	Employee of the Ministry of Education	N/A
22.	EACC/KSM/EL/ INQ/11A/2017	Allegations of abuse of office and financial misappropriation with regard to house allowance	Former Vice Chancellor of Masinde Muliro University of Science and Technology	N/A

2.4 Proactive Investigations

The Commission undertakes proactive measures to strengthen systems in public institutions to minimise opportunities for corruption and unethical practices, and forestall possible loss of public resources. The status of proactive investigations conducted by the Commission during the reporting period is detailed in this section.

2.4.1 Disruption of Corruption

During the reporting period, the Commission carried out 14 proactive investigations which resulted in averting possible loss of public funds of approximately KES 14,489,000,000 as indicated in Table 2.4.

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

S/No.	Brief Details	Organisation Involved	Amount Involved (KES)
1.	Analysis and covert profiling of various companies and their registration details, that were irregularly awarded tenders for the supply of sophisticated weapons	State Department of Correctional Services	4,800,000,000
2.	An allegation that the Governor, Mandera County irregularly employed 47 officers to the County Government of Mandera without the involvement of the County Public Service Board	County Government of Mandera	400,000,000
3.	Report that Kisumu County Executive Committee Member for Finance and Planning Nerry Achar, Victor Nyagaya, Eric Orangi and Kisumu First Lady Dorothy Nyong'o had colluded to fleece the County Government KES 150 Million under the guise of purchasing a residential house for the County Governor. The property identified belongs to businessman Ketan Somaia's family and is located at the junction of Ring Road and Jomo Kenyatta Avenue	Kisumu County Government	150,000,000
4.	Disruption into an advance payment request made by Mactebac Contractors on Rift Valley Water Services Board (RVWSB) after an irregularly awarded tender for construction works for Malaba Water and Sanitation Project - Water Supply Works LOT 1 to Mactebac Contractors Limited	RVWSB	120,000,000
5.	Allegations into irregular procurement by KPA through tender No. KPA/041/2017-18/CCE	KPA	97,000,000
6.	An allegation of procurement irregularities in construction of a residence for the Speaker of Siaya County Assembly	Siaya County Government	70,000,000
7.	An allegation of procurement irregularities in tender for the purchase of Hansard equipment for Busia County Assembly	Clerk to the County Assembly, Speaker and Procurement Officer of County Assembly of Busia	49,000,000
8.	Allegations of procurement irregularities and conflict of interest against John Kimemia, Principal of Karumo Technical Training Institute. It is alleged that the principal awarded the tender for construction of a perimeter wall irregularly to Roskard Contractor Ltd and against school board's advice and without budget approval	Karumo Technical Training Institute	27,000,000



S/No.	Brief Details	Organisation Involved	Amount Involved (KES)
9.	Allegations that the County Secretary of Nyamira was coercing officers to process payment for five teachers and one Chief. The officers had been irregularly seconded to the County Department of Gender, Culture and Sports	County Government of Nyamira	24,000,000
10.	An allegation of embezzlement of funds by Senior County officials of Wajir County Government	Wajir County	15,500,000
11.	An allegation of procurement irregularities in the tendering and awarding process for construction of masonry perimeter fence around Githongo Stadium	Meru County Government	13,854,480

2.4.2 Integrity Testing Programme

Integrity Testing is a targeted covert operation undertaken on institutions or individuals in sectors prone to corruption identified based on reports from members of the public to establish status of corruption and unethical practices. During the period under review, the Commission administered Integrity Tests on 112 public officers and forwarded 25 reports to respective Government Ministries, Departments and Agencies (MDAs) for administrative action based on their respective Codes of Conduct and Ethics.

2.4.3 Investigation into Bribery Allegations

During the reporting period, the Commission carried out 188 sting and trap operations in bribery-prone areas in various Government MDAs and private sector. Table 2.5 highlights the resultant action taken.

Table 2.5: Actions on Sting and Trap Operations

S/No.	Action Taken	Number
1.	Completed investigations	103
2.	Referred to other agencies	7
3.	Pending under investigations	40
4.	Cases closed	38
	Total	188



2.5 Reports to Office of the Director of Public Prosecutions and Cases in Court

The Commission is under obligation to submit to the Office of the Director of Public Prosecutions (ODPP) the result of its investigations for prosecution and other appropriate action.

2.5.1 Reports to the Office of the Director of Public Prosecution

During the reporting period, a total of 234 files on corruption, economic crime and ethical breaches were forwarded to the ODPP, representing an increase from the previous year's total of 183 files. Out of these reports, the Commission recommended 78 for prosecution, 13 for administrative action and 33 for closure. Table 2.6 shows the action taken by the ODPP on reports submitted.

Table 2.6: Reports to the ODPP and Action Taken

Action	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Recommendation to prosecute					
Accepted	39	1	19	18	77
Not accepted	0	0	0	1	1
Recommendation for administrative action					
Accepted	7	0	3	3	13
Not accepted	0	0	0	0	0
Recommendation for closure					
Accepted	21	0	7	3	31
Not accepted	0	0	2	0	2
Returned for further investigations	24	1	21	13	59
Awaiting action by Director of Public Prosecutions	10	40	1	0	51

Figure 2.4 depicts the trend of cases forwarded to ODPP for review between 2013/14 and 2018/19 Financial Years.

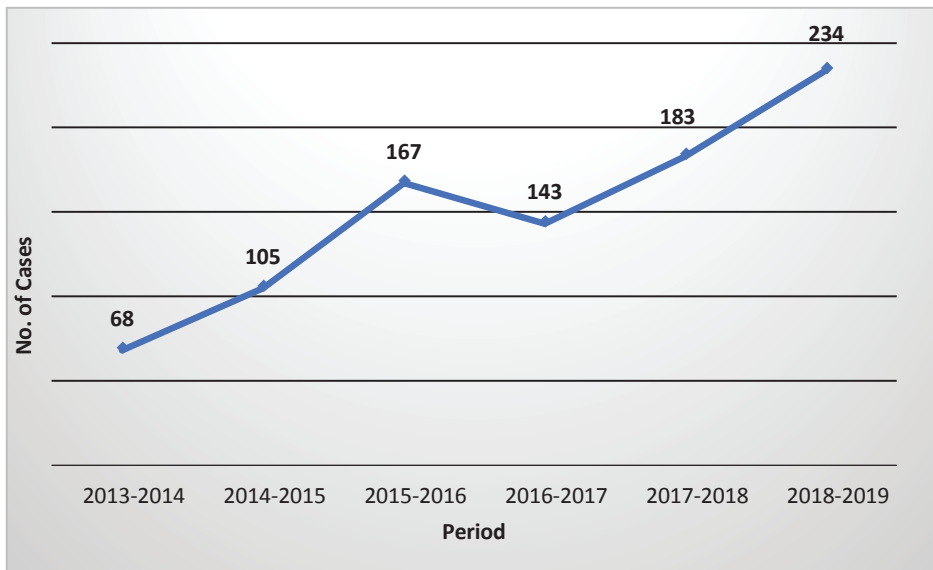


Figure 2.4: Six-Year Trend Analysis of Reports to ODPP

2.5.2 Cases on Corruption, Economic Crime and Unethical Conduct Pending before Court

The Commission had 414 cases on corruption, economic crime and unethical conduct pending before Court as at the end of 2018/19 Financial Year. Table 2.7 highlights some of the cases pending before Court.

Table 2.7: Cases on Corruption and Economic Crime pending before Court

No.	Case No.	Person(s) Charged	Particulars of Offence	Amount (KES)
1.	ACC 3/2015 Nairobi	Francis Chahonyo Sammy Kyungu Christopher Obure	Abuse of office contrary to Section 101(1) as read with Section 36 of the Penal Code	928,278,112
2.	ACC 5/2018 Nairobi	Leserian Lesiyampe – Principal Secretary Agriculture Sam Kiplangat Terer – Managing Director of NCPB and others	Unlawful acquisition of public property contrary to section 45(1)(a) as read with Section 48 (1) of ACECA, 2003	468,950,293
3.	ACC 1/2019 Kisumu	1. Tobias Odongo Oloo 2. Kepha Marube 3. Arysterico Muhinda 4. James Okware Emodo 5. Felix Matimbai Mahalaleh	Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 of ACECA, 2003 Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003	225,000,000



No.	Case No.	Person(s) Charged	Particulars of Offence	Amount (KES)
4.	ACC 33/2018 Nairobi	Mohammed A. Swazuri – Chairman of National Lands Commission Salome L. Munubi Tom Aziz Chavangi Francis Karimi Mugo Atanas Kariuki Maina Victor Wahome Kariuki Elijah Mwendwa Nyamu John Mwangi Mwaniki Caroline Nabalayo Kituyi Peter N. Nganga Mburu Gladys M. Muyanga Obadiah Mbugua Wainaina David Barno Some Esther Chebet Some alias Esther Fura Some Dasahe Investment Ltd Keibukwo Investment Ltd Olomoit Estate Ltd	Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 of ACECA, 2003 Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003 Alternative Charge–Breach of trust contrary Section 127 (1) as read with Section 127 (2) of the Penal Code Unlawful acquisition of public property contrary to Section 45 (1) (a) as read with Section 48 of ACECA, 2003	221,375,333
5.	ACC 5/2018 Nairobi	Renson Kibet Korir Willy Kipkoech Kosgei Thomas Kipkurgat Sang Jeremiah Omutsani Omwayi Laban Momanyi Michira David Bargetuny Korir Rodney Kimutai	Unlawful acquisition of public property contrary to Section 45(1)(a) as read with Section 48 (1) of ACECA, 2003	110,401,401



No.	Case No.	Person(s) Charged	Particulars of Offence	Amount (KES)
6.	ACC 3/2019 Milimani	Moses Kasaine Lenolkulal – Governor of Samburu County Julius Leseeto Stephen Letinina Daniel Lenolkirina Josephine Lenasalia Reuben Lemunyete Linus Lenolngenje Paul Lolmingani Bernard Lesurmat Lilian Baluga Andrew Lanyasunya David Loosenge Geoffrey Kitewan Hesbon Jack Wachira	Conspiracy to commit an offence of corruption contrary to Section 47A(3) as read with Section 48(1) of ACECA, 2003 Abuse of office contrary to Section 46 as read with Section 48(1) of ACECA, 2003 Conflict of interest contrary to Section 42(3) as read with Section 48(1) of ACECA, 2003 Unlawful acquisition of public property contrary to Section 45(1)(a) as read with Section 48(1) of ACECA, 2003	84,695,996
7.	ACC. 1/2018 Nyahururu	Daniel Waithaka Mwangi – Former Governor of Nyandarua County Grace Wanjiru Gitonga Kihui Gichinga Gaiko John Ngigi Daniel Jesse Wachira Mwangi Tahal Consulting Engineers Ltd Chen Yochanan Ofer Albert Attias	Wilful failure to comply with procurement procedures contrary to Section 45(2)(b) as read with Section 48(1) of ACECA, 2003 Engaging in a project without prior planning contrary to Section 45(2)(c) as read with Section 48(1) of ACECA, 2003 Abuse of office contrary to Section 46 as read together with Section 48 of ACECA, 2003 Fraudulent acquisition of public property contrary to Section 45(1)(a) as read with Section 48(1) of ACECA, 2003	50,000,000



No.	Case No.	Person(s) Charged	Particulars of Offence	Amount (KES)
8.	ACC 35/2018 Nairobi	James Mwangi Gakuya Leah Waithera Guchu Cleophas Omariba Oyaro Richard Mwangi Chuchu Florence Nyambura Njeri Agnes Njeri Muthoni Julius Maina Njoka Patrick Waruingi Gakuyu Teresia Muthoni Macharia Stacey Wambui Njoka Salome Nduta Kimamui Tresmu Investments Limited	Conflict of interest contrary to Section 42 (3) as read with Section 48 of ACECA, 2003	39,858,049
9.	ACC 7/2018 Nairobi	Michael Mwaura Kamau Mwangi Maingi Nicholas Ndungu Ng'ang'a	Wilful failure to comply with applicable procedures and guidelines relating to the management of public funds contrary to Section 45 (2) (b) as read with Section 48 (1) of ACECA, 2003	33,303,600
10.	ACC 44/2018 Nairobi	Philip Onyango Sika Gilbert Mongare Arasa Raphael Weche Okubo Sylus Wichira Gitau Charles Oike Mubweka Kata Matem Kithyo Kenneth N. Mwangi	Engaging in a project without prior planning contrary to Section 45 (2) (c) as read with Section 48 (1) of ACECA, 2003 Wilful failure to comply with procurement regulations contrary to Section 45 (2)(b) as read with Section 48 (1) of ACECA, 2003	28,370,222



No.	Case No.	Person(s) Charged	Particulars of Offence	Amount (KES)
11.	ACC 691/2018 Homa Bay	Otieno Bob Kephias Caroline Chepkemioi Sang Maurice Odiwuor Amek Micheal Owino Ooro Isaack Ouso Nyandegge Edwin Omondi Okello Judith Akinyi Omogi	Unlawful acquisition of public property contrary to Section 45 (1) (a) as read with Section 48 of ACECA, 2003 Abuse of office contrary to Section 46 as read together with Section 48 of ACECA, 2003 Breach of trust by a person employed in Public Service contrary to Section 127 (1) as read with Section 127 (2) of the Penal Code Fraudulent payment from public revenues for services not rendered contrary to Section 45 (2) (a) (iii) as read with Section 48 of ACECA, 2003 Wilful failure to comply with applicable law relating to incurring of expenditure contrary to Section 45 (2) (b) as read with Section 48 of ACECA, 2003	27,872,278
12.	ACC 2/2018 Kitui	Fredrick Martin Muli Gibson Njamura Kanyi	Wilful failure to comply with the law and procedures relating to procurement contrary to Section 45 (2) (b) as read with Section 48 of ACECA, 2003	27,840,000
13.	ACC 47/2018 Nairobi	Daud Abdullahi Omar Ahmed Sahal Omar Jeff Mworio Kithinji Siyad Ibrahim Ahmed	Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 of ACECA, 2003 Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003 Wilful failure to comply with the Law relating to management of public property contrary to Section 45 (2) (b) as read with Section 48 of ACECA, 2003 Fraudulent acquisition of public property contrary to Section 45 (1) (a) as read with Section 48 (1) of ACECA, 2003	26,100,000



No.	Case No.	Person(s) Charged	Particulars of Offence	Amount (KES)
14.	ACC 3/2018 Kisumu	Kepha Marube Tobias Odongo Oloo Zakayo Ojuok	<p>Wilful failure to comply with the law relating to procurement contrary to Section 45(2) (B) as read together with Section 48 of ACECA, 2003</p> <p>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003</p> <p>Forgery contrary to Section 347(A) as read with Section 349 of the Penal Code</p>	15,000,000
15.	ACC 5/2019 Nairobi	James Ambuso Omondi	<p>Corruptly soliciting for a benefit contrary to Section 39(3) (a) of ACECA, 2003 as read with Section 27(2) of the Bribery Act, 2016 and Section 48(1) of ACECA, 2003</p> <p>Corruptly receiving a benefit contrary to Section 39(3) (a) of ACECA, 2003 (Now repealed) as read with Section 27(2) of the Bribery Act, 2016 and Section 48(1) of ACECA, 2003</p> <p>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003</p> <p>Corruptly soliciting for a benefit contrary to Section 39(3) (a) of ACECA, 2003 as read with Section 27(2) of the Bribery Act, 2016 and Section 48(1) of ACECA, 2003</p> <p>Corruptly receiving a benefit contrary to Section 39(3) (a) of ACECA, 2003</p> <p>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003</p> <p>Corruptly soliciting for a benefit contrary to Section 39(3) (a) of ACECA, 2003 as read with Section 27(2) of the Bribery Act, 2016 and Section 48(1) of ACECA, 2003</p>	14,000,000



No.	Case No.	Person(s) Charged	Particulars of Offence	Amount (KES)
16.	ACC 1/2018 Kitui	Fredrick Martin Muli Gibson Njamura Kanyi	Wilful failure to comply with the law and procedures relating to procurement contrary to Section 45(2) (b) as read with Section 48 of ACECA, 2003	13,670,530
17.	ACC. 28/2011 Nairobi	Francis Oyugi - MD, Kenya Wine Agency Ltd (KWAL) Yobesh Omoro - Finance Director, KWAL	Abuse of office contrary to Section 46 as read with Section 48(10) of ACECA, 2003 Fraudulent acquisition of public property contrary to Section 45(1)(a) of ACECA, 2003	10,000,000
18.	ACC 4/2015 Eldoret	Tioko Logiron Lawrence Lolit Angela Rhoda Ekales Nanyangae	Wilful failure to comply with the laws relating to procurement contrary to Section 45(2)(b) as read with Section 48 of ACECA, 2003	9,023,711
19.	ACC 4/2012 Nairobi	Reuben Itiko Geoffrey Kabue	Wilful failure to comply with procurement law and procedures relating to procurement of public property contrary to Section 45(2)(b) as read with Section 48 of ACECA, 2003	9,000,000
20.	ACC 30/2018 Nairobi	Esther Nyambura Thongori Stephen Otieno Oduor George Gichuri Karume	Conspiracy to commit an economic crime contrary to Section 47(A)(3) as read with Section 48(1) of ACECA, 2003	8,891,943
21.	ACC 11/2016 Nairobi	Elizabeth Oywer Dancan Muisyo David Kivuitu	Conspiracy to commit an economic crime contrary to Section 47A as read with Section 48(1) of ACECA, 2003	8,100,000
22.	ACC 2/2019 Eldoret	Mike Parklea Alice Chepkosgei Joseph Lolemtu Elvis Mwanga Titus Mayech	Wilful failure to comply with procurement law contrary to Section 45(2)(b) as read with Section 48(1) of ACECA, 2003 Wilful failure to comply with procurement procedures contrary to Section 45(2) (b) as read with section 48(1) of ACECA, 2003 Uttering a false document contrary to Section 353 as read with Section 349 of the Penal Code	8,000,000



No.	Case No.	Person(s) Charged	Particulars of Offence	Amount (KES)
23.	ACC 23/2018 Nairobi	Sospeter Ojaamong – Governor – County Government of Busia Bernard Krade Yaite Leonard Wanda Obimbira Allan Okweny Omachar Samuel Oseko Ombui Ednah Adhiambo Odoyo Renish Achieng Omulo Sebastian Hallensleben Madam R Enterprises Ltd	Wilful failure to comply with procurement procedures contrary to Section 45(2)(b) as read with Section 48(1) of ACECA, 2003 Conspiracy to commit an offence of economic crime contrary to Section 47A(3) as read with Section 48(1) of ACECA, 2003 Engaging in a project without prior planning contrary to Section 45(2)(c) as read with 48 of ACECA, 2003 Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003 Fraudulently making payments from public revenue for services not rendered contrary to Section 45(2)(a) (iii) as read with section 8 of ACECA, 2003 Fraudulent acquisition of public property contrary to Section 45(1)(a) as read with Section 48 of ACECA, 2003 Failure to pay taxes contrary to Section 45(1)(d) as read with Section 48 of ACECA, 2003	8,000,000
24.	ACC 11/2019 Nairobi	Joyce Nyambache Osinde Perris Nkonge Stanley Kibe John Omo Leo Boruett Mutua Muthusi Vincent Ngundi Jane Rotich Philip Kiplangat	Wilful failure to comply with the laws relating to procurement contrary to Section 45(2)(b) as read with Section 48 of ACECA, 2003	7,400,000
25.	ACC 03/2008 Embu	Joel Mwalalo Dickson Nduati Ndung'u	Abuse of office contrary to Section 46 as read with Section 48(1) of ACECA, 2003	6,000,000



No.	Case No.	Person(s) Charged	Particulars of Offence	Amount (KES)
26.	ACC 66/2011 Kisumu	Millicent Ochola Kizito Wekesa Barasa	Fraudulent accounting contrary to Section 330(b) of the Penal Code	5,532,600
27.	ACC 10/2018 Mombasa	Praful Kumar	Giving a bribe contrary to Section 5 as read with Section 18(1) of the Bribery Act, 2016	5,000,000
28.	ACC 19/2011 Nairobi	Elizabeth Kaloki	Abuse of office contrary to Section 46 as read with Section 48(1) of ACECA, 2003	4,942,000
29.	ACC 3/2014 Eldoret	Joseph Kiplagat Kurgat Francis Kiplimo Ng'etich	Fraudulent acquisition of public property contrary to Section 45 (1) of ACECA, 2003	4,000,200
30.	ACC 1/2013 Machakos	Edward Maleve Peter Masua Peter Nzioka	Abuse of office contrary to Section 46 as read with Section 48(1) of ACECA, 2003	3,400,000
31.	ACC 3/2014 Machakos	Peter Wakaba Meria Peter Muema Mbatha Peter Kioko Kiberenge	Failure to comply with the law relating to procurement contrary to Section 45(2)(a) as read with Section 48 ACECA, 2003	3,400,000
32.	ACC 2/2017 Eldoret	David Kinisu Sifuna Alfred Weswa Andrew Kutitila Angelina Too Betty Chemtai David Kaboloman Edward Kitur David Wangila Francis Obingo George Mukhwana	Abuse of office contrary to Section 46 as read with Section 48(1) of ACECA, 2003.	3,000,000
33.	ACC 4/2012 Mombasa	Salome Yatich Concelia A. Ondiek	Fraudulent acquisition of public property contrary to Section 45(1) of ACECA, 2003	2,936,000
34.	ACC 33/2011 Nairobi	George Otieno Odhiambo	Fraudulent acquisition of public property contrary to Section 45(1) of ACECA, 2003	2,936,000
35.	ACC 220/2011 Kisumu	David Onsomu Ochang'a Jacinta Awino Ouso	Fraudulent acquisition of Public property contrary to Section 45(1) of ACECA, 2003	2,632,000



No.	Case No.	Person(s) Charged	Particulars of Offence	Amount (KES)
36.	ACC 2/2018 Kakamega	Murumbi Chiuli - Former County Secretary	Fraudulent acquisition of Public property contrary to Section 45(1) of ACECA, 2003	2,360,000
37.	ACC 15/2019 Nairobi	Peter Mukhanji Nifrey Musilivi Tero	Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 of ACECA, 2003 Wilful failure to comply with the law relating to procurement contrary to Section 45(2)(b) as read together with Section 48 of ACECA, 2003.	2,200,000
38.	ACC 6/2012 Nairobi	Milicent Weruma Sophie W. Mugwe Paul Thuo	Fraudulent acquisition of public property contrary to Section 45(1) of ACECA, 2003	2,000,000
39.	ACC 23/2011 Nairobi	Petty Mumbi Kimweli	Fraudulent acquisition of public property contrary to Section 45(1) of ACECA, 2003 Fraudulent accounting contrary to Section 330(b) of the Penal Code	1,905,000
40.	ACC 216/2011 Kisumu	Paul Odhiambo Akong'o	Knowingly giving a false document to one's principal contrary to Section 41(2) as read with Section 48(1) of ACECA, 2003	1,604,158
41.	ACC 10/2010 Nairobi	Concelia Ondiek Christine Chacha Thomas Omuga	Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 of ACECA, 2003	1,500,300
42.	ACC 11/2010 Nairobi	Christine Chacha Concelia Ondiek	Fraudulent acquisition of public property contrary to Section 45(1) of ACECA, 2003	1,478,481
43.	ACC 7/2019 Nairobi	Jared Okoth Okode David Mberia Abraham Mwangi Njehia	Receiving a bribe contrary to Section 6(1) as read with Section 18(1) of the Bribery Act, 2016	1,000,000
44.	ACC 1/2013 Embu	Eric Otieno Oyare	Fraudulent acquisition of public property contrary to Section 45(1) of ACECA, 2003	870,000



No.	Case No.	Person(s) Charged	Particulars of Offence	Amount (KES)
45.	ACC 2/2016 Eldoret	Fredrick Ochieng Owuor Alex Korari Some Hellen Jepchirchir Saina Joel Bundotich Lucy Chepngetich Kitoi Domtila Jebet Birgen	Abuse of office contrary to Section 46 as read with Section 48(10) of ACECA, 2003	500,000
46.	ACC 1/2018 Kisumu	Jack Orem Migwalla Phillip Ochola Kola Elly Ayieko Abuoga	Fraudulent acquisition of public property contrary to Section 45(1) of ACECA, 2003	500,000
47.	ACC 3/2019 Mombasa	Edward Musami Joho, a former employee of Stanbic Bank	Soliciting for bribe contrary to Section 39(3) (now repealed) as read with Section 48(1) of ACECA, 2003 and Section 27 of the Bribery Act, 2016 Receiving a bribe contrary to Section 39(3)(a) (now repealed) as read with Section 48(1) of ACECA, 2003 and Section 27 of Bribery Act, 2016 Alternative Count Obtaining by false pretense contrary to Section 313 of the Penal Code	50,000
48.	ACC 3/2019 Nairobi	Michael Kimutai Cheruiyot	Receiving a bribe contrary to Section 6(1) as read with Section 18(1) of the Bribery Act, 2016	20,000

Table 2.8 outlines some of the cases on unethical conduct pending before Court.

Table 2.8: Cases of Unethical Conduct pending before Court

S/No.	Case No.	Accused Persons	Charges
1.	ACC 14/2016 Nairobi	Oscar Sudi (MP, Kapsaret Constituency)	Forgery contrary to Section 349 of the Penal Code Uttering a false document contrary to Section 353 as read with Section 349 of the Penal Code False declaration contrary to Section 11 of the Oaths and Statutory Declarations Act, 2012



S/No.	Case No.	Accused Persons	Charges
2.	ACC 2/2019 Garissa	Mohammed Abey	Uttering a false document contrary to Section 353 as read with Section 349 of the Penal Code
3.	ACC 8/2018 Meru	Godana Doyo – Former Governor Isiolo Maurice Ogolla Ibrahim Wako	Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003
4.	ACC 20/2015 Nairobi	Samuel Otara Arama (MP Nakuru West Constituency)	Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003 Conspiracy to defraud contrary to Section 317 of the Penal Code
5.	ACC 742/2015 Naivasha	Alfred Keter Sunjeev Kaur Birdi	Causing disturbance/unbecoming behavior contrary to Section 95(1)(b) of the Penal Code
6.	ACC 1223/2017 Kitui	Nelson Kivali Musyoka (MCA, Kitui County)	Uttering a false document contrary to Section 353 of the Penal Code Making a document without authority contrary to Section 357(a) of the Penal Code Deceiving the Ethics and Anti-Corruption Commission contrary to Section 46(1)(b) as read with Section 46(2) of the Leadership and Integrity Act (LIA), 2012
7.	ACC 1/2018 Meru	William Muraa (CEC Health, Meru County)	Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003
8.	ACC 20/2018 Nairobi	John Muiru Mwaura Daniel Kimori Nyantika Charles Birundi Onyambu Kennedy Begi Onkoba Samwel Otara Arama	Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003
9.	ACC 43/2018 Nairobi	John Chacha Nyamohanga alias Mwita Moses Mogaya	Personation of a person named in a certificate contrary to Section 384 as read with Section 349 of the Penal Code



S/No.	Case No.	Accused Persons	Charges
10.	ACC 2/2018 Nyeri	Alice Waruguru Muita Anthony Ndonga Muriu Beatrice Wanjiru Gikaru Geoffrey Wachira Mahinda Shelomith Wanjiru Nderitu Johnson Kiongo Njogu Jackson Kibutu Thagana	Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003
11.	ACC 2/2018 Kisii	Evans Nyaoga Rambeka	Forgery contrary to Section 349 of the Penal Code Uttering a false document contrary to Section 353 of the Penal Code
12.	ACC 1/2019 Kakamega	Pamela Akinyi Alfred Otieno	Forgery contrary to Section 349 of the Penal Code Uttering a false document contrary to Section 353 of the Penal Code
13.	ACC 1/ 2019 Nakuru	David Maswai alias Stanley Kiprono Kirui	Providing false information to Bomet County Government contrary to Section 46(1)(d) as read with Section 46(2) of LIA, 2012 Uttering a false document contrary to Section 353 as read with Section 349 of the Penal Code Personation of a person named in a certificate contrary to Section 384 as read with Section 349 of the Penal Code
14.	ACC 2/2019 Kisii	Musa Ogaro Osoro	Giving false information to a person employed in public service contrary to Section 129A of the Penal Code False declaration contrary to Section 11 of the Oaths and Statutory Declarations Act, 2012
15.	ACC 1/2019 Kisii	Christopher Odhiambo Rusana	Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003



2.5.3 Cases Finalized in Court

During 2018-19 Financial Year, 78 cases on corruption, economic crime and unethical conduct were finalised in court out of which 51 were convictions, 23 acquittals and 4 withdrawals. Table 2.9 gives highlights of the cases.

Table 2.9: Cases Finalized in Court

S/No.	Case No.	Accused and Charges	Amount (KES)	Judgement details
1.	ACC 26/2016 Nairobi	Salesio Karanja Wilful failure to comply with procurement law and procedures relating to procurement of public property contrary to Section 45(2)(b) as read with Section 48 of ACECA, 2003	47,600,000	Convicted under Section 215 of the Criminal Procedure Code and fined KES 4,000,000 in default four years imprisonment
2.	ACC 5/2012 Nairobi	Perminus Kamau Njoroge Unlawful acquisition of public property contrary to Section 45(1)(a) as read with Section 48(1) of ACECA, 2003	12,980,000	Convicted and fined KES 600,000 and in default 1 year imprisonment



S/No.	Case No.	Accused and Charges	Amount (KES)	Judgement details
3.	ACC 35/2008 Nairobi	Johnson Jackson Githaka John Faustin Kinyua Njeri Kimingi Rockhound Properties Fraudulent acquisition of public property contrary to Section 45(1) of ACECA, 2003	12,134,504	<p>Convicted and sentenced as follows:</p> <p>John Faustin Kinyua –Director Finance and Corporate Services, Kenya Reinsurance Company</p> <p>(i). Fraudulent acquisition of public property A prison sentence of 3 years.</p> <p>(ii) Conflict of Interest To serve a prison sentence of 3 years</p> <p>(iii) Fraudulent acquisition of public property To serve a prison sentence of 3 years</p> <p>Njeri Mary Nganga Kimingi – Director Rockhound Properties</p> <p>(i) Fraudulent acquisition of public property A fine of KES 1,000,000 or in default one-year imprisonment.</p> <p>(ii) Fraudulent acquisition of public property A fine of KES 500,000 or in default 6 months imprisonment</p> <p>(iii) Conviction as a Director of Rockhound Properties Ltd. A fine of 1/3 of KES 1,000,000 for each of the three Directors or in default serve 6 months imprisonment</p>



S/No.	Case No.	Accused and Charges	Amount (KES)	Judgement details
4.	ACC 6/2009 Nairobi	Johnson Jackson Githaka Fraudulent acquisition of public property contrary to Section 45 (1)(a) as read with Section 48(1) of ACECA, 2003	7,260,000	Convicted and sentenced as follows: Fined of KES 750,000 in default to serve one year imprisonment Additional mandatory fine of KES 14,520,000 (being two times the amount of KES 7,260,000) in default to serve one-year imprisonment
5.	ACC 13/2010 Nairobi	Francis Kimosop Fraudulent acquisition of public property contrary to Section 45 (1)(a) as read with Section 48(1) of ACECA, 2003	7,200,000	Convicted and fined KES 500,000 in default to serve 12 months imprisonment
6.	ACC 4/2015 Kisumu	Remigius Ngaanyi Waiteri Fraudulent disposal of public property contrary to Section 45 (1)(b) as read with Section 48 (1) of ACECA, 2003	6,000,000	Convicted and sentenced as follows: Fine of KES 500,000, in default 3 years imprisonment Mandatory fine of KES 12,000,000 in default 4 years imprisonment The land be reverted back to the County Government of Kisumu
7.	ACC 7550/2007	Francis Emmanuel Oyugi Wilful failure to comply with Clause 1, 2 and 3 of the Managers Car Loan Scheme of Kenya Wine Agencies Limited (KWAL)	4,616,275	Sentenced to pay a fine of KES 800,000 in default 1 year imprisonment KWAL was ordered to duly register the motor vehicle in its name



S/No.	Case No.	Accused and Charges	Amount (KES)	Judgement details
8.	ACC 14/2011 Nairobi	Robert Maina Fraudulent acquisition of public property contrary to Section 45 (1) as read with Section 48 (1) of ACECA, 2003 Deceiving the Principal contrary to Section 41(2) as read with 48(1) of ACECA, 2003 Uttering a false document contrary to Section 353 as read with Section 349 of the Penal Code Forgery contrary to Section 345 as read with Section 349 of the Penal Code	4,569,300	Convicted and fined KES 200,000 in default 6 months imprisonment
9.	ACC 31/2008 Nairobi	John Faustin Kinyua Charles Gichane Abuse of office contrary to Section 46 as read with Section 48(1) of ACECA, 2003	3,196,896	Convicted and sentenced as follows: 1. John Faustin Kinyua Fined KES 1,000,000 in default 1 year imprisonment An additional mandatory fine of KES 6,393,792 in default 3 years imprisonment 2. Charles Kinuthia Gichane Fined KES 1,000,000 in default 1 year imprisonment An additional mandatory fine of KES 6,393,792 in default 3 years imprisonment 3. The Court ordered that the house be surrendered to the rightful owner, Kenya Reinsurance Company



S/No.	Case No.	Accused and Charges	Amount (KES)	Judgement details
10.	ACC 1/2018 Nairobi	Joy Gwendu - Former nominated Senator Abuse of office contrary to Section 46 as read with Section 48(1) of ACECA, 2003	2,226,800	Convicted on her own plea of guilty and ordered to reconstitute the said sum of KES 2,226,800 plus interest to Kisumu East Cotton Growers Savings and Credit Cooperative Society
11.	ACC 1522/2016 Kajiado	Davis Chele Edewa Corruptly Soliciting for a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003. Corruptly receiving a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003.	1,600,000	Convicted and fined KES 1,500,000 in default 6 years imprisonment
12.	ACC 6/2004 Nairobi	Kenneth Kipkemboi Settim Jossy Mwikali Kioko Corruptly soliciting for a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003 Corruptly receiving a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003	200,000	Convicted and sentenced as follows: Fined KES 800,000 each in default 2 years imprisonment Fined KES500,000 each in default 1 year imprisonment
13.	ACC 4/2016 Nairobi	David Odour Oketch Pius Makari Corruptly soliciting for a benefit contrary Section 39(3)(a) as read with Section 48(1) of ACECA, 2003	165,000	Fined KES 80,000 in default to serve 9 months imprisonment Fined KES 80,000 in default to serve 9 months imprisonment Fined KES 50,000 in default to serve 6 months imprisonment



S/No.	Case No.	Accused and Charges	Amount (KES)	Judgement details
14.	ACC 4/2018 Nairobi	Samuel Masavu Corruptly soliciting for a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003 Corruptly receiving a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003	154,000	Fined KES 400, 000 in each of the two counts in default 1 year imprisonment and the sentences to run concurrently
15.	ACC 4/2013 Nairobi	Tom Dulla Odeny Corruptly soliciting for a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003	150,000	Convicted and fined KES 1,000,000 in default 2 years imprisonment
16.	ACC.7/2017 Nairobi	Mathew Omondi Nyandiga Corruptly receiving a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003	150,000	Convicted and sentenced as follows: Fined of KES 800,000 in default 1 year imprisonment
		Corruptly soliciting for a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003		Fined KES 700,000 in default 1 year imprisonment
17.	ACC. 472/2016 Kisumu	Edward Abonyo Babu Corruptly offering and giving a benefit contrary to Section 39(3)(b) as read with Section 48(1) of ACECA, 2003	135,000	Convicted and sentenced as follows: Fined KES 500,000 in default 2 years imprisonment and the KES 135,000 produced as exhibit was forfeited to the State
18.	ACC.18/2014 Nairobi	Stephen Ouma Ambogo Corruptly soliciting and receiving a benefit contrary to Section 39(1) as read with Section 48(1) of ACECA, 2003	100,000	Convicted and fined KES 300,000 in default 6 months imprisonment



S/No.	Case No.	Accused and Charges	Amount (KES)	Judgement details
19.	ACC 02/2016 Nyeri	Robert Maina Marichu Offering and giving a benefit contrary to Section 39(3)(b) as read with Section 48(1) of ACECA, 2003 Knowingly having in one's possession instruments capable of making an impression of a stamp of the Defense Memorial Hospital contrary to Section 352(b) of the Penal Code	86,000	Convicted and sentenced as follows: Fined KES 100,000 in default 1 year imprisonment Fined KES 100,000 in default 1 year imprisonment
20.	ACC 6/2014 Eldoret	James Naburuk Shichangi Corruptly soliciting for a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003 Corruptly receiving a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003	60,000	Convicted and sentenced as follows: Fined KES 100,000 in default 12 months imprisonment Fined KES 100,000 in default 12 months imprisonment
21.	ACC 20/2015 Nairobi	Gerald Okoth Obadha Corruptly soliciting and receiving a benefit contrary to Section 39(1) as read with Section 48(1) of ACECA, 2003	50,000	Convicted and fined KES 500,000 in default 2 years imprisonment
22.	ACC. 11/2014 Nairobi	Mr. Paul Suppet Kanune Corruptly soliciting for a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003 Corruptly receiving a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003	38,000	Convicted and sentenced as follows: Fined a total of KES 600,000 in default 8 months imprisonment



S/No.	Case No.	Accused and Charges	Amount (KES)	Judgement details
23.	ACC. 14/2016 Garissa	Carey Francis Andai	35,000	Convicted and sentenced as follows:
		Corruptly soliciting for a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003		Fined KES 100,000 with an additional mandatory fine of KES 70,000 in default 9 months imprisonment
		Corruptly receiving a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003		Fined KES 100,000 with an additional mandatory fine of KES 60,000 in default to serve 12 months imprisonment
24.	ACC 3 / 2014 Nairobi	Stephen Omoro Ouna	25,000	Convicted and sentenced as follows:
		Corruptly soliciting for a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003		Fined KES 100,000 in default 1 year imprisonment
		Corruptly receiving a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003		Fined KES 100,000 in default 1 year imprisonment
25.	ACC 10/2017 Nairobi	Charles Mbiti	19,400	Convicted and fined KES 700,000 in default 2 years imprisonment
		Conspiracy to commit an economic crime contrary to Section 47A as read with Section 48(1) of ACECA, 2003		
26.	ACC 1/2013 Nakuru	Anthony Karisa Maitha	15,000	Convicted and sentenced on three counts:
		Corruptly soliciting for a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003		Fined KES100,000 in default to serve 1 year imprisonment
		Corruptly receiving a benefit contrary to Section 39(3)(a) as read with Section 48(1) of ACECA, 2003		Fined KES 100,000 in default to serve 1 year imprisonment



S/No.	Case No.	Accused and Charges	Amount (KES)	Judgement details
27.	ACC 41/2018 Nairobi	Morris Shaaban Ogendi	15,000	Convicted and sentenced as follows:
		Corruptly offering a benefit contrary to Section 39(3)(b) as read with Section 48(1) of ACECA, 2003		Fined KES 300,000 in default 18 months imprisonment
		Corruptly giving a benefit contrary to Section 39(3)(b) as read with Section 48(1) of ACECA, 2003		Fined KES 300,000 in default 18 months imprisonment
28.	ACC. 20/2017 Nairobi	Jecinta Kiguru	10,000	Convicted and fined a total of KES 300,000 each in default 8 months imprisonment
		Joan Wanjiru		
		Conspiracy to commit an offence of corruption contrary to Section 47A as read with section 48(1) of the ACECA, 2003		
		Corruptly offering a benefit contrary to Section 39(3)(b) as read with Section 48(1) of ACECA, 2003		
		Corruptly giving a benefit contrary to Section 39(3)(b) as read with Section 48(1) of ACECA, 2003		
29.	ACC. 34/2018 Nairobi	Scholastica Waithera	8,000	Convicted and sentenced as follows:
		Corruptly soliciting a benefit contrary to Section 39(1) as read with Section 48(1) of ACECA, 2003		Fined KES 50,000 in default 1 year imprisonment
		Corruptly receiving a benefit contrary to Section 39(1) as read with Section 48(1) of ACECA, 2003		Fined KES 50,000 in default 1 year imprisonment



S/No.	Case No.	Accused and Charges	Amount (KES)	Judgement details
30.	ACC 12/2017 Nairobi	Dan Kang'ara Mburu	5,250	Convicted and sentenced as follows: Fined KES 500,000 in default 12 months imprisonment
		Corruptly soliciting a benefit contrary to Section 39(1) as read with Section 48 of ACECA, 2003		Fined KES 500,000 in default 12 months imprisonment
31.	ACC 6/2016 Nairobi	Victoria Nduku Geoffrey Wanda Oyalo	5,000	Convicted and fined KES 90,000 each in default 6 months imprisonment
		Corruptly soliciting and receiving a benefit contrary to Section 39(1) as read with Section 48(1) of ACECA, 2003		
32.	ACC. 21/2017 Nairobi	Faith Naome Kabeso	5,000	Convicted and sentenced as follows: Fined KES 300,000 in default 3 years imprisonment
		Corruptly soliciting a benefit contrary to Section 39(1) as read with Section 48(1) of ACECA, 2003		Fined KES 300,000 in default 3 years imprisonment
33.	ACC. 1/2017 Nairobi	Vincent Mbindo Kathumo	5,000	Convicted on three counts and sentenced as follows: Fined KES 300,000 in default 1 year imprisonment
		Soliciting for a bribe contrary to section 6 of the Bribery Act, 2016		Fined KES 150,000 in default 1 year imprisonment
34.	ACC 2/2017 Kisumu	George Moseti Edwin Otieno	5,000	Convicted and fined a total of KES 150,000 in default 12 months imprisonment
		Corruptly soliciting and receiving a benefit contrary to Section 39(1) as read with Section 48(1) of ACECA, 2003		



S/No.	Case No.	Accused and Charges	Amount (KES)	Judgement details
35.	ACC 4/2014 Machakos	Jackson Wambua Nthuku	4,000	Convicted and sentenced as follows:
		Corruptly soliciting a benefit contrary to Section 39(1) as read with Section 48(1) of ACECA, 2003		Fined KES 50,000 in default to serve 12 months imprisonment
		Corruptly receiving a benefit contrary to Section 39(1) as read with Section 48(1) of ACECA, 2003		Fined KES 50,000 in default to serve 12 months imprisonment
36.	ACC 11/2017 Nairobi	Gideon Makori	3,000	Convicted on two counts as follows:
		Corruptly soliciting a benefit contrary to Section 39(1) as read with Section 48(1) of ACECA, 2003		Fined KES 50,000, in default 1 year imprisonment
		Corruptly receiving a benefit contrary to Section 39(1) as read with Section 48(1) of ACECA, 2003		Fined KES 50,000 in default 1 year imprisonment
37.	ACC 6/2018 Nairobi	Joshua Amokola Okanga	3,000	Convicted and sentenced as follows:
		Receiving a bribe contrary to Section 6(1)(a) as read with Section 18 of the Bribery Act, 2016		Fined a total of KES 600,000 in default 1 year imprisonment
		Obstruction contrary to Section 66(1)(a) as read with Section 48 (1) of ACECA, 2003		Fined KES 150,000 in default 1 year imprisonment
38.	ACC 6/2018 Nyeri	Timothy Gitonga Kiumbe	2,000	Convicted and fined KES 10,000 in default to serve 4 months imprisonment
		Giving a bribe contrary to Section 5(1)(b) as read with Section 18(1) of the Bribery Act, 2016.		
39.	ACC 01/2016 Voi	Joseph Charo Dzombo	2,000	Convicted and fined KES 500,000 in default 8 months imprisonment
		Corruptly offering a benefit contrary to Section 39(3)(b) as read with Section 48(1) of ACECA, 2003		



S/No.	Case No.	Accused and Charges	Amount (KES)	Judgement details
40.	ACC 2/2017 Voi	Juma Kaluma Kalama Corruptly offering a benefit contrary to Section 39(3)(b) as read with Section 48(1) of the ACECA, 2003	1,000	Convicted and fined KES 100,000 in default 1 year imprisonment
41.	ACC 537/2005 Nairobi	Isaac Kagiri Njagi Destruction of Evidence Contrary to Section 116 of the Penal Code	N/A	Convicted and fined KES 200,000 in default 1 year imprisonment
42.	ACC 7/2012 Nairobi	Grace Aoko Omollo Abuse of office contrary to Section 46 as read with Section 48(1) of ACECA, 2003	N/A	Convicted and fined KES 1,500,000 in default 1 year imprisonment
43.	ACC 48/2010 Nairobi	Duncan Bunduki Bundi Impersonating an Investigator contrary to Section 34(1) as read with Section 34(2) of ACECA, 2003 Extortion by threats contrary to Section 300(1) (a) of the Penal Code	N/A	Convicted and sentenced to serve a total of 5 years imprisonment without the option of a fine
44.	ACC 29/2011 Nairobi	James Opiata Odhiambo Knowingly giving a false document to one's principal contrary to Section 41(2) as read with Section 48(1) of ACECA, 2003	N/A	Convicted and sentenced as follows: Fined KES 500,000 in default 12 months imprisonment A mandatory fine of KES 4,526,880 in default 12 months imprisonment
45.	ACC. 08/2017 Nairobi	Teresa Nakhungu Barasa Deceiving the Ethics and Anti-corruption Commission contrary to Section 46(1)(b) as read with Section 46(2) of the LIA, 2012 Deceiving the Bungoma County Government contrary to Section 46(1) (b) as read with Section 46(2) of the LIA, 2012	N/A	Convicted and sentenced as follows: Fined KES 1,000,000 in default 1 year imprisonment Fined KES 1,000,000 in default 1 year imprisonment

Figure 2.5 depicts the trend of cases finalised in court between 2014/15 and 2018/19 Financial Years.

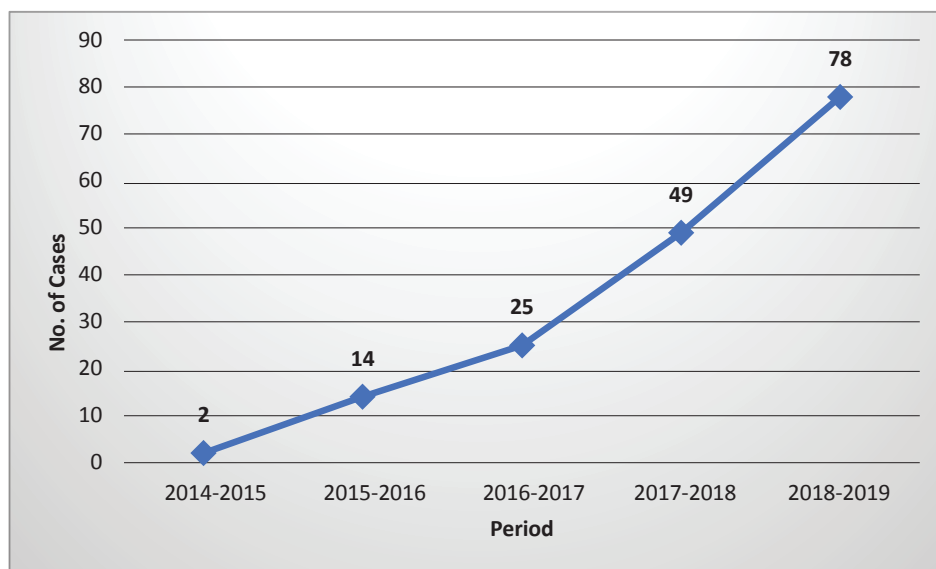


Figure 2.5: Cases Finalised in Court

2.6 Illegally Acquired and Unexplained Assets Traced

During the reporting period, the Commission completed 12 asset tracing inquiries in respect of illegally acquired and unexplained assets. The total estimated value of the assets traced was KES 2,699,287,266. Some of the assets traced are highlighted in Table 2.10.

Table 2.10: Highlights of Assets Traced

S/No.	Brief Details	Amount involved (KES)
1.	An allegation that National Land Commission (NLC) compensated the purported owners of part of land registered as L.R. No 7879/4 belonging to Ruaraka High School and Drive-In Primary School	1,500,000,000
2.	An allegation of procurement irregularities and overpricing at Kenya Pipeline Company (KPC) in relation to Tender for supply of Hydrant Pit Valves	551,216,302
3.	An allegation of corruption and money laundering involving a former County Chief Officer for Finance in Nyandarua County Government. It is alleged that the officer transferred a total of KES 159,438,201 from the County Treasury to his companies	159,438,201
4.	An allegation of loss of public funds through over valuation of several parcels of land located along the Standard Gauge Railway (SGR) line in Embakasi, Kibwezi and Voi. The National Land Commission officials consequently compensated the land owners based on the inflated values	127,480,100



S/No.	Brief Details	Amount involved (KES)
5.	An allegation that an employee of Ministry of Interior and Co-ordination of National Government fraudulently obtained public funds through companies associated with himself and his wife	111,681,981
6.	An allegation that the Nairobi City County officials irregularly allocated a parcel of land registered as Nairobi/Block 103/793 to a private developer	110,000,000
7.	An allegation of irregular compensation by the NLC to Tornado Carriers Ltd for L.R. No. MN/VI/3801	109,769,363
8.	An allegation of irregular payment by the Nairobi City County Government to M/s Schindler Ltd, a company owned by a brother to the former Governor	28,000,000
9.	An allegation of unexplained wealth against Salome Munubi - former Director, Valuation and Taxation at the National Lands Commission	17,890,000

2.7 Civil Proceedings

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

2.7.1 Applications for Preservation of Assets

The Commission filed 18 applications for preservation of assets valued at approximately KES 3,800,000,000, and preservation and injunctive orders were granted. Table 2.11 shows highlights of these applications.

Table 2.11: Highlights of Applications for Preservation of Assets

S/No.	Case No.	Parties	Particulars of the case	Amount (KES)
1.	ACEC 32 of 2018	EACC-vs-Jared Peter Oluoch Kwaga & 22 Others & Yuda Otagi Ojuki & 5 Others as Interested Parties	An application for injunction and recovery of KES 1,971,179,180 allegedly acquired through corrupt conduct from the County Government of Migori by the defendants	1,971,179,180
2.	ELC No. 56 of 2019	EACC-vs-Zablon Agwata Mabea, IKM Place & Others	An application for preservation and injunction on LR Number 209/6237, 12965 & 12966 along Bishops Road, Nairobi	500,000,000
3.	Mombasa ELC No. 146 of 2018	EACC-vs-Mehasani Hatibu Mwinyihaji & Another	An application for preservation and injunctive orders over L.R. No. MN/1/12425 (Land for government houses) which had been irregularly allocated to the Chief Lands Registrar and others	70,000,000



S/No.	Case No.	Parties	Particulars of the case	Amount (KES)
4.	ACEC Misc. No. 13 of 2019	EACC-vs-Moses Lenolkulal & Oryx Petrol Station	An application for preservation of LR. No. 2259/744, LR. No. 2259/745, LR. No. 2259/749 and LR. No. 2259/750 properties suspected to have been corruptly acquired by the Governor of the County Government of Samburu	60,000,000
5.	ACEC Misc. No. 18 of 2019	EACC-vs-Tornado Carriers Limited & 2 Others	An application for freezing funds held in bank accounts domiciled at the NIC Bank. The funds were alleged to be illicit payments made to officials of the NLC to facilitate irregular compensation for acquisition of land to expand a road on behalf of KeNHA	54,000,000
6.	Mombasa ELC No. 145 of 2018	EACC-vs-Ann Wanjiku & 4 others	An application for preservation and injunctive orders on L.R. No. MN/1/9776, a road reserve at Nyali area within Mombasa County	18,000,000
7.	Machakos Misc. App No. 182 of 2018	EACC-vs-Joseph Mutundu Muia, Family Bank (Interested Party)	An application for injunctive orders for transfer, disposal or any other dealings on Machakos Municipality Block 1/623	15,000,000
8.	ACEC Misc. No. 15 of 2019	EACC-vs-Moses Lenolkulal & Oryx Petrol Station	An application for preservation orders for funds held in various accounts domiciled at the Kenya Commercial Bank Limited	14,600,000
9.	ACEC MISC. 48 of 2018	EACC-vs-Andrew Biketi Musuya T/A Mukuyu Petroleum Dealers	An application for preservation orders for unexplained wealth arising from fictitious contracts with the County Government of Trans Nzoia held at Equity Bank	14,314,824
10.	ACEC Misc. 5 of 2019	EACC-vs-Daayo Construction & Others	An application for preservation orders for funds held in two bank accounts and one seized motor vehicle	12,000,000
11.	ACEC Misc. 4 of 2019	EACC-vs-Sachdeva, Nabhan, Swaleh Advocates & Andrew Biketi Musuya T/A Mukuyu Petroleum Dealers	An application for preservation orders for unexplained wealth arising from money laundering through the County Government of Trans Nzoia account held at Prime Bank Mombasa	3,500,000

2.7.2 Recovery Suits Filed

A total of 22 recovery suits involving assets with an estimated value of KES 4,000,000,000 were filed during the reporting period as shown in Table 2.12.



Table 2.12: Recovery Suits Filed

S/No	Case No and Parties	Details of claim	Amount (KES)
1.	ACEC 32 of 2018 EACC-vs-Jared Peter Oluoch Kwaga & 22 others & Yuda Otagi Ojuki & 5 Others as interested parties	Suit for recovery of funds allegedly acquired through corrupt conduct from the County Government of Migori	1,971,179,180
2.	ACEC 14 OF 2018 EACC-vs-Joseph Chege Gikonyo	Suit for recovery of unexplained assets from an employee of Kenya Revenue Authority	615,000,000
3.	ELC No. 56 of 2019 EACC-vs-Zablon Agwata Mabea, IKM Place & Others	Suit for recovery of L.R. Number 209/6237, 12965 & 12966 along Bishops Road	500,000,000
4.	ACEC 20 of 2018 EACC-vs-Stephen Ogaga Osiro & Caroline Adhiambo Obwa	Suit for recovery of unexplained assets from an employee of Nairobi City Council	330,233,096
5.	ELC Kajiado Constitutional Petition 2 of 2019 EACC-vs-NLC & Others	Petition seeking review of an award of compensation on L.R. Ngong/15559 set aside for the SGR Project	237,188,002
6.	ACEC 21 of 2018 EACC-vs-Thomas Gitau Njogu & others	Suit for recovery of unexplained wealth from an employee of Ministry of Interior and Co-ordination of National Government	111,681,931
7.	Mombasa ELC No. 249 of 2018 EACC-vs-Lydia Bosibori Anyega & 4 Others	Suit for recovery of L.R. No. MN/1/2397 belonging to Kenya Civil Aviation Authority (KCAA)	51,000,000
8.	Mombasa ELC No. 88 of 2019 EACC-vs-Galerius Investments Limited & 4 Others	Suit for recovery of L.R. No. Kwale/Diani Beach Block/1072	30,000,000
9.	Nakuru – ELC No. 256 of 2018 EACC-vs-Jacob Baiya & 2 Others	Suit for recovery of irregularly alienated land parcel No. Nakuru Block 5/150	30,000,000
10.	Nakuru - ELC No. 265 of 2018 EACC-vs-Haroun N.K Mengech & 5 Others	Suit for recovery of irregularly alienated land parcel No. Nakuru Block 5/144	30,000,000



S/No	Case No and Parties	Details of claim	Amount (KES)
11.	Nakuru – ELC No. 266 of 2018 EACC-vs-William Kimaru & 3 Others	Suit for recovery of irregularly alienated land parcel No Nakuru Block 5/149	30,000,000
12.	Nakuru - ELC No. 267 of 2018 EACC-vs-Noreen Sharif & 3 Others	Suit for recovery of irregularly alienated land parcel No. Nakuru Block 5/147	30,000,000
13.	ACEC 24 of 2018 EACC-vs-Bob Kephias Otieno & Others	Suit for recovery of unexplained assets from officers of Homa Bay County Assembly	27,872,278
14.	ACEC 16 of 2018 EACC-vs-Salome Munubi Ludenyi & Sostenah Ogero Taracha	Suit for recovery of proceeds from fraudulent compensation for land for the construction of Mombasa Southern Bypass and Kipevu New Highway Container Terminal Link-Road	17,900,000
15.	Nakuru - Civil Suit No. 813 of 2018 EACC-vs-Ezekiel Muiruri & Ann Njoki	Suit for recovery of funds irregularly acquired from IEBC	7,000,000
16.	Nairobi ACEC Misc. No. 28 of 2018 EACC-vs-Josephat Kimutai Kemei & 10 Others	Suit to recover funds to reconstitute the County Government of West Pokot	5,371,393
17.	Nakuru - Civil Suit No. 812 of 2018. EACC-vs-Ezekiel Muiruri	Suit for recovery of funds irregularly acquired from IEBC	4,000,000
18.	Mombasa ELC No. 445 of 2019 EACC-vs-Churchill Sande Oduor & 2 Others	Suit for recovery of funds arising from irregular procurement of privilege stickers at Mombasa County Assembly	1,905,500
19.	Mombasa ELC No. 247 of 2018 EACC-vs-John N. Gavacih & 10 Others	Suit for recovery of L.R. No. Mombasa Municipality Block XXVI/748	Valuation ongoing

2.7.3 Cases against the Commission

During the year under review, 57 Petitions, Judicial Review Applications and Appeals were filed against the Commission in relation to investigations, as highlighted in Table 2.13.



Table 2.13: Highlights of Constitutional References and Judicial Review Applications

S/No.	Case No and Parties	Relief Sought	Status
1.	Kakamega High Court Miscellaneous Application No. 27/2018 Simon Mulama-vs-DPP, Inspector General of Police & EACC	An application seeking orders compelling EACC to release fertilisers seized in the course of investigations	Matter settled
2.	Homa Bay High Court Constitutional Petition No. 6/2017 EACC-vs-Bob Kephias Otieno and Another	Alleged contravention of the petitioners' rights and fundamental freedoms under various Articles of the Constitution of the Republic of Kenya in charging and prosecuting the Petitioner in execution of a search warrant in his home by EACC officers	Pending Hearing
3.	Nyamira High Court Constitutional Petition No. 4/2017 Elikanah Minda Obonyo- vs-County Government and Others	Orders to compel EACC to conduct investigations where the respondents had misused County resources in paying illegal allowances and withdrawal from the Mortgage Account for personal and unauthorised use	Pending Hearing
4.	Homa Bay High Court Judicial Review No. 2/2018 County Assembly of Homa Bay-vs-EACC	Orders to stop EACC from investigating Members of County Assembly	Judicial Review application dismissed with cost to respondents
5.	Anti-Corruption Court, Milimani Nairobi Judicial Review No. 72/2017 Focus Building & 5 Others- vs-EACC	Orders compelling EACC to stop investigations	Matter withdrawn by the applicants
6.	Kisumu ELRC No. 4 of 2017	Judicial Review Application to quash the decision of Trans Nzoia County Assembly Service Board to suspend the applicant as the Clerk of County Assembly	Pending Hearing
7.	Bungoma HCCC No. 11 of 2016 Optic Technologies-vs- County Assembly of Vihiga and EACC as Interested Party	Contractor sued County Assembly and EACC for breach of contract as a result of investigations carried out by EACC	Pending Hearing



S/No.	Case No and Parties	Relief Sought	Status
8.	Kakamega HCCC 29 of 2018 Regency Systems-vs-County Government of Vihiga & 4 Others EACC as interested party	Contractor sued County Government and EACC for breach of contract as a result of investigations carried out by EACC	Application for summary judgment set for hearing
9.	HCCC No. 21 of 2016 Anne Atieno Adul-vs-EACC & ODPP	EACC sued for malicious prosecution	Matter to be mentioned to confirm filing of submissions and to fix a ruling date
10.	Busia Judicial Review Application No. 7 & 8 of 2015 Republic-vs-the Chief Magistrate's Court Busia & 2 Others –Dan Omondi Lawi	Judicial Review application to stop investigations into the irregular award of tender for the installation of solar lights	Pending Hearing
11.	Nanyuki HCR Revision 4/2018 DPP, EACC-vs-Lasi Letiwa	Application seeking revision of the trials court's termination of Samburu ACC No. 1/2017 under Section 202 of CPC	Application withdrawn
12.	Meru HCCRA No. 71/2018 DPP & EACC-vs-Jeremiah Kiragu Elijah	Appeal against trial court termination of Meru ACC No. 7/2016 under section 210 of CPC	Notice of appeal filed
13.	Meru HCR Revision 172/2018 DPP, EACC-vs-Joyce Kamire, Salesio Miriti	Application seeking revision of the trials court's termination of Meru ACC No. 8/2015 under section 5(1)(iii) of ODPP Act, 2013	Matter Terminated
14.	Mombasa High Court – Petition No. 37 of 2011 Raia A. Mkungu, Omar Zonga, Said Kabangi & Hilmi Ahmed-v-EACC	Petition challenging EACC investigation of suspected fraud over Kwale/Diani Beach Block/151	Finalised Bill of cost to be prepared
15.	Mombasa High Court – Misc. Application No. 46 of 2012 Raia A. Mkungu, Omar Zonga, Said Kabangi & Hilmi Ahmed-vs-EACC	Judicial Review challenging prosecution vide Mombasa ACC 5 of 2012 for suspected fraud over Kwale/Diani Beach Block/151	Finalised Bill of cost to be prepared
16.	Mombasa High Court Misc. Application No. 53 of 2013 R-vs-EACC & DPP ex-parte Daniel Masake Kituyi Judicial Review	Application challenging charges vide Anti-Corruption case 8 of 2010.	Petition Finalised



S/No.	Case No and Parties	Relief Sought	Status
17.	Mombasa High Court Misc. Application No. 100 of 2012 R-v-EACC & DPP ex-parte Joseph Mbithi Munyao Judicial Review	Application challenging charges vide Anti-Corruption case 8 of 2010	Pending Hearing
18.	HCC. Misc. App. No. 21 of 2015. Nayali Investment-vs-EACC	Judicial Review Application against recovery of property L.R. No. XXV/100 Mombasa Trade Centre worthKES 30,000,000	Appeal filed
19.	HCC PET 1/2019 Kanyi J & Co Advocates-vs- Director of Public Prosecution, DPP, EACC & Mombasa Chief Magistrate	Orders to stop Criminal proceedings vide case No. ACC 13 of 2018	Pending Ruling
20.	HCC Petition No. 219/2018 Mgandi Keah Chovu-vs-EACC	Orders to compel EACC to act as per the recommendations of the National Assembly in regard to land L.R. No. MN/VI/ 1128-1132 and L.R. No. 3666 worthKES 26,000,000	Pending Hearing
21.	HCC JR NO.65 /2018. Mogaka Omwenga & Mabeya Advocates vs Ethics and Anti-corruption Commission & Another	Order of <i>certiorari</i> to quash the proceedings, decision and orders made in Nairobi CMC Criminal Application No. 3638/2018	Pending Hearing
22.	HCC Petition 30/2019. Abdi Mohamed Daib vs Kenya Port Authority & 3 others	EACC sued for alleged violation and infringement of rights and freedoms	Pending Hearing
23.	Makueni JR No. 1 of 2018 James Momanyi Nyaberi-vs-EACC	Judicial Review Application seeking to bar EACC from conducting further investigation and charging the applicant with corruption offences	Pending Hearing
24.	MSA/LS/226/K HCC Petition 38/2019 Hadija Mlao Mlingo-vs-DPP, EACC, Chief Magistrate Mombasa & Others	An order prohibiting prosecution of the petitioner <i>vide</i> ACC 10 of 2011	Pending Judgement
25.	CMCC 2006/2018 Mohamed Bute Galgalo-vs-Attorney General, DPP & EACC	EACC sued for malicious prosecution	Pending Hearing
26.	Mombasa High Court – HCCC No. 48 of 2015 Hassan Ali Joho-vs-EACC	EACC sued for defamation	Matter Dismissed



S/No.	Case No and Parties	Relief Sought	Status
27.	HCCC. No. 219 of 2012 Currently CMCC. No. 2247 OF 2016 Gedion K. Meenye-vs-AG & EACC	EACC sued for malicious prosecution	Pending Hearing
28.	Nairobi ACEC Petition No.8 of 2019 Julius Too-vs-ODPP & 4 Others	Conservatory orders against EACC and Others.	Petition Dismissed
29.	Petition No. 258 of 2018 Francis Mburu & 2 Others-vs-EACC	Orders of <i>certiorari</i> and prohibition in payments of compensation over acquisition of L.R. No. 7879/4 occupied by Ruaraka High School & Drive-In Primary School by NLC	Pending Hearing
30.	Nairobi –CMCC Criminal Miscellaneous application No. 1 of 2018 Transcend Media Group Limited-vs-DPP & Others.	Leave to institute and conduct private prosecution against officers of the Kenya Power and Lighting Company and Scanad (K) Ltd over a tender for provision of advertising and media relations	Pending Hearing
31.	ACEC Petition No. 18 of 2018 Yvonne Wanjiku Ngugi-vs-DPP, EACC & IG of Police.	Conservatory orders to suspend criminal proceedings <i>vide</i> ACC No. 12 of 2018	Pending Hearing
32.	Petition No. 285 of 2018 Michael Sistu Mwaura-vs-EACC & Others	Conservatory orders to stay and quash proceedings <i>vide</i> ACC No.7 of 2018	Matter Finalised
33.	Milimani – CMCC No. 6987 of 2018 Evans JWC Ngibuini-vs-EACC & 2 Others Homabay Petition 5 of 2018 Bob Kephias Otieno-vs-EACC & Others HCCC MISC. JR 383 of 2018	Conservatory and injunction orders to stay prosecution <i>vide</i> ACC 1/2018	Pending Hearing
34.	ACEC 41 of 2018(JR Misc. 389 of 2018) Nairobi City County Assembly & Others-vs-EACC	Leave to apply for judicial Review orders of <i>Certiorari</i> & prohibition to quash summons by EACC	Pending Hearing



S/No.	Case No and Parties	Relief Sought	Status
35.	JR 379 of 2018 Mohammed Abdikadir Mohamed-vs-EACC & Others	Judicial Review orders for <i>certiorari</i> , prohibition and <i>mandamus</i> against EACC & Others, County Builders Ltd & Others	Pending Hearing
36.	HC Petition 299 of 2018 Davy Koech-vs-EACC & DPP	Stay of proceedings pending hearing and determination of the Petition	Pending Hearing
37.	ACEC Petition 25 of 2018 Evans Kidero & 9 Others-vs-EACC & Others	Declaration orders that the search warrant is defective, illegal and unconstitutional	Pending Hearing
38.	Petition 23 of 2018 Peter Mburu & 2 Others-vs-EACC & ODPP	Conservatory orders suspending the prosecution of the Petitioners <i>vide</i> ACEC 33/2018	Pending Hearing
39.	Petition 348 of 2018 Mary Ngechi Ngethe-vs-EACC & DPP	Stay of proceedings <i>vide</i> ACC 19/2010	Pending Hearing
40.	ACEC Petition 31 of 2018 Salome Munubi-vs-EACC & DPP	Conservatory orders prohibiting EACC and DPP from prosecuting the petitioner <i>vide</i> ACC 33/2018	Pending Hearing
41.	ELC Petition 78 of 2018 Afrison Import & Export Limited & Huelands Limited-vs-NLC, EACC & Others ACEC Revision 19 of 2018	Judicial Review orders of <i>mandamus</i> and prohibition to stop EACC from summoning, questioning and prosecuting the applicant in relation to L.R. 7879/4	Pending Hearing
42.	Petition No. 464 of 2018 Tom Ojienda-vs-EACC (ACEC Petition No. 1 of 2019)	Conservatory orders against EACC prohibiting it from summoning the petitioner over misuse of his government assigned motor vehicle	Pending Hearing
43.	ACEC Misc. No. 1 of 2019 Benson Muteti Musila & 5 Others-vs-EACC, DCI, DPP, AG & Chief Magistrate's Court	Orders prohibiting prosecution of the petitioner by EACC	Pending Hearing
44.	Application No. 2 of 2019 Lodwar Wholesalers Ltd-vs-EACC & DPP. ACEC	Orders to stay proceedings and further prosecution <i>vide</i> ACC No. 32 of 2018	Pending Hearing



S/No.	Case No and Parties	Relief Sought	Status
45.	Petition No. 2 of 2019 Grace Saraphy Wakhungu & 2 Others-vs-National Cereals & Produce Board & 4 Others	Conservatory orders prohibiting prosecution vide ACC No. 31 of 2018	Pending Hearing

2.8 Recovered Assets

The Commission recovered public assets with an estimated value of KES 4,500,000,000 during the period under review. Some of the assets recovered through court proceedings and out-of-court settlements are highlighted in Table 2.14.

Table 2.14: Recovered Public Assets

S/No.	Institution Recovered For	Recovered From	Asset	Estimated value (KES)
Land/Immovable Properties				
1.	University of Nairobi	Aberdares Engineering Contractors Ltd	Landed property L.R No. 1/534 I.R. 112612	2,000,000,000
2.	Rift Valley Institute of Science and Technology (RVIST)	Little Meadows Ltd	556 Acres in Njoro L.R. 22771/6	1,200,000,000
3.	Judiciary	Charles Oyoo Kanyangi	Kisumu Municipality/ Block 8/458 and Kisumu Municipality/ Block 8/307 that were created and hived off from land being Kisumu Municipality/ Block 8/22	830,000,000
4.	Kenya Agricultural and Livestock Research Organisation (KALRO)	John Lokorio	Naivasha Municipality L.R. No. 5211/7	420,000,000
5.	Kenya Civil Aviation Authority (KCAA)	Jaren Chebon	MN/1/VI/2406	45,000,000
6.	County Government of Uasin Gishu	John Chesanga	Eldoret Municipality Block 15/1743	40,000,000
7.	Government of Kenya Pool Housing Malindi	Sosten Cheruiyot	Malindi L.R. 7547	35,000,000
8.	Kenya Railways Corporation	Online Entreprises and Oburu Odinga	Kisumu/Municipality Block 7/474	35,000,000
9.	Meru County Government	Kimathi Samuel M'Mugwika & Daniel K. Rukunga	Meru Municipality Block 1/319	30,000,000



S/No.	Institution Recovered For	Recovered From	Asset	Estimated value (KES)
10.	Ministry of Housing	Albert Lessonet	Nakuru Municipality Block 5/246	30,000,000
11.	Ministry of Housing	Sisters of Notre Dame De Namur	Kisumu Municipality Block 12/141	30,000,000
12.	Ministry of Lands	Sammy Mwaita	Nakuru Municipality Block 13/246	22,000,000
13.	Kenya Wildlife Service	Mwalimu Omari Mwaranduni Issa Said Issa Kinyu Charo Tuye	Kwale/Kinondo Chale /135	20,000,000
14.	Kenya Wildlife Service	Salim Mohammed Bakuri Abdala Suleiman Omari	Kwale/Kinondo Chale /130	20,000,000
15.	Kenya Wildlife Service	Zuberi Khalid Mohammed Mwaduyu Salim Mohammed	Kwale /Kinondo Chale /102	20,000,000
16.	Kenya Wildlife Service	Mwinyi Kombo Hamad Salim Abdalla Mwinyi	Kwale /Kinondo Chale /99	20,000,000
17.	Kenya Wildlife Service	Said Chitembwe	Kwale /Kinondo Chale /100	20,000,000
18.	Ministry of Lands	Sammy Mwaita Hillary Mwaita	Nakuru Municipality Block 13/245	20,000,000
19.	Ministry of Housing	Siyada Dahir Aliyeow	Nakuru Municipality Block 4/226	13,200,000
20.	Ministry of Housing	Abdulahi Maalim Hassan	Nakuru Municipality Block 4/227	13,000,000
21.	Ministry of Housing	Yusuf Suran Isaak	Nakuru Municipality Block 4/228	13,000,000
22.	Ministry of Housing	Mutua Kilaka and Others	Machakos Municipality Block 1/624	12,000,000
23.	Muslim Public School Nakuru	Ashish Dira Sylchandra	Nakuru Municipality Block 15/942	8,000,000
24.	Muslim Public School Nakuru	Ashish Dira Sylchandra	Nakuru Municipality Block 15/943	8,000,000
25.	Ministry of Lands	Kenneth Komen Lynnette Rono Rebecca Sang	L.R No. 631/1833	7,000,000
26.	Ministry of Housing	Lawrence Itolondo	Kakamega Municipality Block 3/497	5,000,000
27.	Meru County Government	Godfrey Kamiti & Akwaru M'Lintare	Lewa Settlement Scheme 719- Isiolo	4,000,000



S/No.	Institution Recovered For	Recovered From	Asset	Estimated value (KES)
28.	County Government of Kisii	Stephen Keuku Ongori	Kisii Municipality/ Block 3/452	4,000,000
29.	County Government of Kisii	Peter Momanyi	Kisii Municipality/ Block 3/427	3,000,000
30.	County Government of Bomet (Sotik Stadium)	Catherine Ngetich	Kericho/Sotik 553	2,400,000
31.	County Government of Bomet (Sotik Stadium)	John Ngetich	Kericho/Sotik 364	2,000,000
32.	County Government of Kisii	Turufena Kemunto Onsomu	Kisii Municipality/ Block 3/453	2,000,000
33.	Eldoret Fire Station	Lima Ltd	Eldoret Municipality Block 4/129 & 4/55	Not yet valued
34.	Administration Police Lines	Lima Ltd	Eldoret Municipality Block 4/53, 54 & 52	Not yet valued
Cash				
1.	Eldoret East Constituency (NG-CDF)	Kizito Chesusio & Others	Cash	20,959,000
2.	Kenya National Highways Authority	Bernard Kibet Cherutich	Cash	7,000,000
3.	National Treasury (Bungoma)	Dan Okoth	Cash	4,000,000
4.	Ministry of Education	Patrick Aghan	Cash	1,938,000
5.	Kenya Ports Authority	James Mulewa	Cash	1,336,304
6.	National Police Service	Eliud Maiyo and Alphonse Mulinge	Cash	941,000
7.	Eldoret East Constituency (NG-CDF)	Hassan Adan Ibrahim	Cash	222,000
8.	Eldoret East Constituency (NG-CDF)	Paul Mwangi Macharia	Cash	221,950
9.	Eldoret East Constituency (NG-CDF)	Japheth Anganya	Cash	221,940
10.	Eldoret East Constituency (NG-CDF)	Agnes Muriuki	Cash	163,080
11.	National Museums of Kenya	Abdirazak Mohammed Abdille	Cash	159,564
12.	Ministry of Lands	Wilson Gachanja & 2 Others	Cash	30,000
13.	National Police Service	Judith Chenonge	Cash	29,000



EACC Chairperson, Archbishop (Rtd.) Dr. Eliud Wabukala, EBS and Mr. Twalib Mbarak, CBS Secretary/Chief Executive Officer hand over title deeds of recovered land to Nakuru Governor, Hon. Lee Kinyanjui and witnessed by Hon. Nelson Gaichuhie, Chief Administrative Secretary, National Treasury. The property recovered in Nakuru is worth KES 780 million



EACC Chairperson, Archbishop (Rtd.) Dr. Eliud Wabukala, EBS and Secretary/Chief Executive Officer Mr. Twalib Mbarak, CBS hand over a title deed of recovered land belonging to the University of Nairobi. Looking on is University of Nairobi Chancellor Prof. Vijoo Rattansi, Vice Chancellor Prof. Peter Mbithi and Director of Public Prosecutions, Mr. Nordin Hajji. The recovered land is worth KES 2 billion



2.9 Issuance of Advisories, Notices and Cautions

The Commission, in enforcing Chapter Six of the Constitution, issued 739 advisories, 50 notices and 2 cautions to public entities and persons for violation of Chapter Six and LIA, 2012 during the reporting period as summarised in Table 2.15.

Table 2.15: Issuance of Advisories, Notices and Cautions

S/No.	Intervention	No.	Remarks	Organisation/Individual
1.	Advisories	739	Submission of Self-Declaration Forms to the Ethics and Anti-Corruption Commission pursuant to Section 12A LIA, 2012	505 Board Appointees that were appointed to different Boards in the <i>Kenya Gazette</i> Vol.CXXI – No. 40, 56 & 58 234 various public institutions (on compliance with Chapter Six and LIA, 2012)
2.	Notices	50	Notice to facilitate investigations	Various public institutions
			Notice to publish administrative procedures on DIALs	Responsible Commissions in Counties
3.	Cautions	2	Breach of Chapter Six of the Constitution	Ferdinard Waititu Babayao, Governor of Kiambu County on neglect of legal and financial obligations in a judgment in Civil Case No 4388 of 2014
				Linder Cheronon Keter Engaging in gainful employment as a Member of County Assembly Service Board of Bomet whilst serving as a teacher with TSC

2.10 Integrity Verification and Clearance for Appointment and Election to Public Office

The Commission received and processed 5,998 integrity verification requests from different institutions and individuals during the reporting period. Out of these, 2,414 were requests from National Government, 3,483 from County Governments and 101 from private institutions. Out of the 5,998 individuals 45 were found to have contravened Chapter Six of the Constitution. In addition, the Commission received a total of 58,875 self-declaration forms in line with Section 12A of LIA, 2012.



2.11 Legal Framework in the Fight against Corruption

During the year under review, the Commission continued to take an active role in the development and strengthening of the policy and legal anti-corruption framework in the Country. These included finalisation of the National Ethics and Anti-Corruption Policy (NEAP), development of the Regulatory Framework under the Bribery Act, 2016 and review of Kenya's implementation of the United Nations Convention against Corruption (UNCAC). The Commission also recommended for amendment of various Anti-Corruption Laws and the Public Officer ethics Regulations, 2011.

2.11.1 National Ethics and Anti-Corruption Policy

Formulation of NEAP was jointly spearheaded by the Commission and the Office of the Attorney General and Department of Justice, among other stakeholders in the anti-corruption sector. The formulation of the Policy also coincided with the review of the legal, policy and institutional framework for combating corruption in Kenya following the establishment of the Task Force appointed by Hon. the Attorney General on review of the legal, policy and institutional anti-corruption framework in the Country. The policy was finalised and approved by the Cabinet on 14th October, 2018. This clears the way for adoption and implementation by the relevant stakeholders.

2.11.2 Regulatory Framework under the Bribery Act, 2016

The Bribery Act, 2016 was enacted through a multi-stakeholder approach which was driven by the private sector in consultation with the Executive and relevant government agencies. Under Section 3 of the Bribery Act, the Commission is conferred with the mandate to oversee the implementation of the Act. The Act requires the Commission, in consultation with the Cabinet Secretary responsible for matters relating to Justice, to develop and publish guidelines to assist public and private entities to formulate procedures for prevention of bribery and corruption. It also requires the Commission to propose Regulations for the better implementation of the Act. The Commission actively engaged other stakeholders in development of the guidelines and regulations, and the drafts are undergoing stakeholder validation as required under the law. A comprehensive Bill to amend the Bribery Act has also been developed.



2.11.3 Implementation of the United Nations Convention against Corruption

The Commission spearheaded the review of implementation by Kenya of Chapters II and V of the United Nations Convention against Corruption (UNCAC). The review was completed in June, 2019; and a final Country Report has been issued by the Reviewing Countries, namely Democratic Republic of the Congo and New Zealand. The Country Report is open for adoption by the Conference of State Parties.

2.11.4 Amendment of Various Anti-Corruption Laws

The Commission, alongside other stakeholders under the Multi-Agency Team (MAT) engaged the relevant Committees of Parliament with proposals for amendment of various laws in order to strengthen the war on corruption. The recommendations sought to address, and propose strategies for legal gaps that weaken the war on corruption including: the need to expedite the hearing and disposal of corruption cases by setting timelines, providing for “stepping aside” by state officers when under investigation for, or charged for corruption; measures for management of seized, forfeited or confiscated assets; providing for unrestricted access to financial declarations by law enforcement agencies for purposes of investigations such as lifestyle audits; strengthening of the public audit system and regulation of virtual currencies, among others. In addition, the proposals also sought amendments geared towards harmonization of existing laws with the Constitution, 2010.

2.11.5 Amendment of Public Officer Ethics Regulations, 2011

The Commission made proposals for amendment of the Public Officer Ethics (Management, Verification and Access to Financial Declarations) Regulations, 2011. This was pursuant to an Executive Directive to review regulations and guidelines to enable all investigative agencies access wealth declarations of all State and public officers as a means of consolidating the gains achieved in the newly reinvigorated fight against corruption. The Commission examined the legal and administrative framework governing DIALs and proposed amendments to address the key challenges identified as follows: amendment to Section 3 of POEA to streamline Responsible Commissions to the prevailing governance structures to make clear mechanisms for filing of declarations by State and public officers; amendment of Part IV of POEA by inserting a new Section 31A to allow for submission of declarations electronically as a panacea to challenges faced by Responsible Commissions in storage, retrieval and verification of declaration information; amendment to Section 33(4) of POEA to vest the mandate of developing administrative procedures in the Ethics and Anti-Corruption Commission.

Chapter 3

PREVENTION OF CORRUPTION AND UNETHICAL PRACTICES

3.1 Introduction

This Chapter presents achievements of the Commission during the reporting period pursuant to its preventive mandate and as guided by the Commission’s Strategic Plan 2018-2023. The preventive mandate includes system reviews; advisories; public education and awareness creation; promotion of standards and best ethical practices; and research.

3.2 System Reviews

System reviews entail examination and assessment of systems, policies, procedures and practices of public institutions to identify weaknesses and corruption loopholes and recommend mitigative measures.

3.2.1 Examinations

The Commission finalised and released one report on the examination into the systems, policies, procedures and practices adopted in the pricing of Pharmaceutical and Non-Pharmaceutical Supplies in the Kenya Public Health Sector. Table 3.1 presents some of the findings and recommendations of the examination.

Table 3.1: Findings and Recommendations of the Examination

Focus Area	Finding	Recommendation
Governance Tools	Failure to maintain a register for non-pharmaceutical supplies that had been approved for sale in the market. This may lead to stocking of non-pharmaceutical supplies that are not safe and effective.	A register of the approved supplies should be maintained and made available to the procuring entities. Ensure that non-pharmaceutical supplies are evaluated for effectiveness, quality and safety before they are allowed in the market.
	The Ministry of Health did not maintain a list of licensed manufacturers and distributors of non-pharmaceutical supplies.	Ensure that a list of the licensed manufacturers and distributors is maintained and made available to the procuring entities.
	Failure to undertake regular review of the Kenya Essential Medicine List.	Kenya Essential Medicines List should be regularly reviewed and availed to the public health facilities.



Focus Area	Finding	Recommendation
Operating environment	Failure by some health facilities to establish and operationalise Medicine and Therapeutic Committees that implement national policies on medicine, monitor and analyse expenditure on medical supplies in the facilities.	Establish and operationalise Medicine and Therapeutic Committees in every health facility.
	The list of items surveyed by the Public Procurement Regulatory Authority (PPRA) was not comprehensive, and lacked some pharmaceutical and non-pharmaceutical items.	PPRA should use the list of essential medicine and medical supplies issued by the Ministry of Health.
	The market survey team does not incorporate specialists from the Pharmaceutical Sector which leads to inaccurate analysis of market prices.	Ensure that the market survey team incorporates specialists from the Pharmaceutical sector.
Acquisition Process	Failure by health facilities to adhere to the minimum standard specifications provided by Ministry of Health (MoH) in the Kenya Essential Medicine List 2016 and Kenya Essential Medical Supplies List 2016, when undertaking procurement.	Heads of facilities to ensure strict adherence to standards and guidelines issued by the Ministry.
	Some bid documents did not require tenderers to provide proof of compliance to the minimum eligibility requirements provided by the MoH.	Customise the standard tender document for use in procurement of pharmaceutical and non-pharmaceutical supplies.
Dispensing Process	Some medical practitioners were prescribing medicine that was outside the Kenya Essential List without getting the necessary approval.	Enhance supervision to ensure compliance to the Essential List and that necessary approval is obtained where prescription is made outside the List.
	Failure by some health facilities to constitute committees to determine pharmacy fees and other medical services.	Constitute and operationalise committees to determine charges levied for the various services in the facilities.

3.2.2 Corruption Risk Assessments

The Commission carried out seven Corruption Risk Assessments (CRAs) into the systems, policies, procedures and practices of Nyandarua County Executive, Nyandarua County Assembly, Kitui County Executive, Kitui County Assembly, Narok County Executive, Narok County Assembly and Vihiga County Executive.



The Commission also finalised and presented CRA reports for Taita Taveta, Homa Bay, Kisumu, Kiambu and Embu County Executives and Assemblies. Highlights of the findings and recommendations of the Assessment Reports are presented in Tables 3.2 and 3.3.

Table 3.2: Highlights of Corruption Risk Assessment Reports to County Executives

Focus Area	Finding	Recommendation
Governance instruments	Lack of Governance Instruments such as procedure manuals, policies and guidelines	Develop and operationalise relevant policies, manuals and guidelines
County Budget and Economic Forum	Failure to constitute a County Budget and Economic Forum as required by law	Establish and operationalise County Budget and Economic Forum in line with Section 137 of the Public Finance Management Act (PFMA), 2012
Fixed Assets Management	Lack of a Fixed Assets Register	Maintain a comprehensive assets register
	Failure to tag assets	Tag the assets
	Absence of ownership documents for some assets	Obtain ownership documents for all the assets
	Failure to insure fixed assets against the risk of fire and burglary	Insure fixed assets
Revenue Collection and Management	Use of casual employees to collect revenue	Ensure that revenue is handled by permanent employees
	Failure to automate revenue collection and management system	Automate revenue collection and management system
Imprest Management	Delay in surrender of temporary/ safari imprests	Ensure that imprests are surrendered within the timelines stipulated in the Public Finance Management (County Government) Regulations, 2015
Procurement of Goods, Services and Works	Failure to invite bids from registered suppliers and contractors	Ensure that bids are only invited from registered suppliers and contractors
Inspection and Acceptance of Goods works and Services	Failure to constitute Inspection and Acceptance Committees	Constitute and operationalise Inspection and Acceptance Committees
Disposal of Assets	Failure to constitute Disposal Committees	Constitute and operationalise Disposal Committees
	Lack of Annual Disposal Plans	Prepare Annual Asset Disposal plan as stipulated in Section 53(4) of the Public Procurement and Asset Disposal Act (PPADA), 2015
	Delay in Disposing of assets due for disposal	Ensure timely disposal of bonded assets
Performance Management	Lack of a Performance Management Framework	Develop and implement a Performance Management Framework
Payroll Reconciliation	Failure to prepare monthly payroll reconciliation statements	Prepare payroll reconciliations on a monthly basis and ensure that any identified variations from one month to the other are investigated and explained

**Table 3.3: Highlights of Corruption Risk Assessment Reports to County Assemblies**

Focus Area	Finding	Recommendation
Attendance Registers	Failure to verify accuracy and authenticity of payment schedules.	Ensure that only the members who attend meetings are paid.
	Failure to officially close attendance registers after the meetings have ended	The Chairpersons to close the registers after the meetings have ended
Procurement Requisitions	Failure by some user departments to confirm budget balances and chargeable votes before making requisitions	Ensure that budget balances are confirmed before raising requisitions in line Section 149(1) of the PFMA, 2012
	Requisitions that do not provide clear descriptions of the items to be procured, quantities required and the period the items are to be delivered.	Ensure that requisitions have clear descriptions.
Imprest Ledger Accounts	Imprest ledger accounts being maintained without ageing summary	Ensure that Imprest ledgers/registers are properly maintained as required in Regulation 93(4)(c) of the PFM (County Governments) Regulations, 2015
Collateral for Car Loans	Failure to ensure that ownership documents of vehicles financed under the car loan schemes are kept in the custody of the County Assembly until the loans are fully repaid	Ensure safe custody of the collateral with the officers administering the Funds
Payroll Management	Officers in some County Assemblies committing their pay slips beyond the recommended two-thirds (2/3) rule in contravention of the County Human Resource Manual, 2013	Adhere to Section E13(1) of the County Human Resource Manual, 2013 which requires public officers not to commit their pay slip beyond two-thirds of their basic pay

During 2018/19 Financial Year, the Commission conducted follow-ups on the implementation of the Corruption Risk Assessment reports for Laikipia County Executive and Laikipia County Assembly; and on the implementation of the recommendations in the report of the Examination into the Systems, Policies, Procedures and Practices of National Cereals and Produce Board.

3.3 Performance Contract Monitoring and Advisories

The Commission partnered with the Performance Management and Co-ordination Office (PMCO) to oversee the implementation of corruption prevention activities in the Performance Contracts that Ministries, Departments and Agencies (MDAs) signed with the National Government.

During the reporting period, the Commission analysed a total of 639 quarterly reports submitted by 238 MDAs under the Corruption Prevention criteria in the Performance Contract for 2018-2019 Financial Year. The reports were reviewed and feedback provided on identified gaps based on the guidelines issued for the implementation of the Corruption Prevention indicator.



In addition, follow-ups on the implementation of Performance Contract were conducted in University of Embu, Ewaso Ng'iro North Development Authority, Murang'a University of Technology, Kigari Teachers College, Musakasa TTI, Sang'alo Institute of Science and Technology, Kisumu National Polytechnic, Lake Basin Development Authority, Lake Victoria South Water Services Board, Ramogi Institute of Advanced Technology, Butere Technical Training Institute, Eregi Teachers College, Shamberere TTI, Lake Victoria North Water Services Board, Masinde Muliro University of Science and Technology, Bumbe Technical Training Institute, Alupe University College, Jaramogi Oginga Odinga University of Science and Technology, Bondo Teachers Training College, Bondo Technical Training Institute, Ratiya St. Joseph Technical Institute for the Deaf, Nyang'oma and Siaya Institute of Technology.

During the period under review, the Commission developed guidelines for prevention of corruption in the Information and Communication Technology (ICT) environment in the Public Sector. The Guidelines provide measures that should be put in place to mitigate the risk of corruption during the planning, acquisition and use of ICT resources in an organisation. They also recommend measures that should be implemented to ensure that the business of an organisation is not interrupted in the event of a disaster.

3.4 Implementation of Chapter Six of the Constitution and Related Integrity Laws

3.4.1 Development and Implementation of Codes of Conduct and Ethics

The Commission provided technical support to nine public entities in developing and implementing Codes of Conduct and Ethics for their respective Public Officers. This was aimed at aligning Codes to Part II of LIA, 2012 in compliance with Section 52 of the Act. These entities include Bushiangala Technical Training Institute, Narok County Public Service Board, Teachers Service Commission, Youth Enterprise Fund, Kenya Roads Board, Technical and Vocational Education and Training Curriculum Development Assessment and Certification Council, Eldoret Water and Sanitation Company, Ethics Commission for Cooperative Societies and Unclaimed Financial Assets Authority.

During the reporting period, the Commission facilitated development and commitment to Specific Leadership and Integrity Codes for State Officers from the County Assembly of Kisii, County Executive Committee of Mandera, County Executive Committee of Nyeri, Commission on Administrative Justice, Public Service Commission, National Police Service Commission, National Police Service and Ministry of Education. In addition, the Commission processed 26 applications by State and Public Officers to open or continue operating bank accounts outside Kenya and received four notifications for closure of bank accounts outside Kenya as well as 41 bank statements for analysis.



Further, the Commission trained public officers in 16 institutions on various aspects of Leadership and Integrity Laws. Some of the institutions included: Murang'a County Assembly, Kenya Ports Authority, Committee on National Cohesion and Values of the National Treasury, Makueni County Executive, Nairobi City Water and Sewerage Company, Nyandarua County Executive, Kenya National Examinations Council, Unclaimed Financial Assets Authority, Nairobi County Alcoholic Drinks Control Board, Athi Water Services Board, Parliamentary Service Integrity Committee, Eldoret Water and Sanitation Company, Judicial Service Commission, Machakos University and South Eastern Kenya University.

3.4.2 Management of Declaration of Income, Assets and Liabilities (DIALs)

During 2018/19 Financial Year, the Commission developed three generic administrative procedures for Responsible Commissions namely: County Public Service Boards (CPSB), County Assembly Service Boards (CASB) and the County Powers and Privileges Committee for management of Declaration of Income, Assets and Liabilities for State and Public Officers. The Commission also developed standardized administrative procedures for Responsible Commissions in the National Government for the management of the Declaration of Income, Assets and Liabilities. In addition, the Commission provided technical support to the County Assembly Service Boards of Turkana and Isiolo and the County Public Service Boards of Murang'a, Nakuru and Tana River Counties to develop and implement administrative procedures on Declaration of Income, Assets and Liabilities. The Commission also received and compiled the returns made by Responsible Commissions on Declaration of Income, Assets and Liabilities and prepared a report on the status of compliance with the provisions of Part IV of the Public Officers Ethics Act, 2003.

3.5 Public Education and Awareness Programmes

The Commission is required to conduct public education and create awareness on anti-corruption and ethical issues to enlist public support in the fight against corruption. This is achieved through outreach programmes in targeted hotspots, public awareness through community and professional networks and mainstreaming of integrity in institutions of learning.

During the reporting period, the Commission reached out to an estimated 6,000 members of the public in 26 hotspots across the country. Some of the hotspots targeted include: National Registration Bureau Offices, Huduma Centres, Police Stations, Immigration Offices, Public health facilities, Markets, Law Courts and County Revenue Offices.

The Commission also engaged Professional and Community Networks across the Country in its effort to mobilise critical mass required for effective corruption prevention in Siaya, Kakamega, Nairobi, Migori, Nyamira, Kisii and Homa Bay Counties where



47 professional networks and approximately 800,000 members were reached. The activities included public outreach clinics, media education, training of County officials and Boda Boda extravaganza, among others. In addition, the Commission participated in Agricultural Society of Kenya (ASK) shows and exhibitions in Mombasa, Nairobi and Uasin Gishu Counties.

The media plays a significant role in creating a well-informed society which is critical in effective corruption prevention. The Commission engaged 65 FM Radio stations, 12 Television stations and published 11 articles in the print media to create awareness and communicate the Commission's achievements. To support all its awareness creation activities, the Commission reviewed and developed four types of IEC materials. A total of 105,379 assorted IEC materials were printed, out of which 41,808 were disseminated.

3.6 Mainstreaming Integrity in Institutions of Learning

During the year under review, the Commission undertook education and public awareness programmes in Primary and Secondary schools, Colleges and Universities aimed at inculcating values and attitude change in the fight against corruption. These programmes involved delivery of integrity talks to the learners, management and staff; follow-up visits to schools and colleges that established Integrity Clubs and training of student leaders. The Commission reached 467 institutions of learning, 209,409 learners and 4,486 teachers, staff, and school managers in these institutions. The Commission also implemented radio integrity education programmes which reached approximately 3,000 schools spread across the country.



EACC Education Officer sensitising pupils of Langata Primary School on character formation during School Outreach Programme in Nairobi County

3.7 National Integrity Academy

The Commission registered the National Integrity Academy (NIAca) with the Technical Vocational Education and Training Authority (TVETA) under the Ministry of Education on 18th July, 2018 and officially launched the National Integrity Academy on 17th October, 2018. The main objective of the Academy is to empower the public officers and non-state actors with requisite knowledge, attitude, skills and competencies to prevent and combat corruption, economic crime and unethical practices. In furtherance of the above objective, the Commission in partnership with other relevant stakeholders developed the curriculum which was approved by the Curriculum Development and Certification Council (CDACC) in August, 2018.



Principal Secretary, Department of Post Training and Skills Development in the Ministry of Education, Mr. Alfred Cheruiyoi, officially launches the Academy at KICD, Nairobi

3.7.1 Training of Trainers and Integrity Assurance Officers

The National Integrity Academy in partnership with the Curriculum Development and Certification Council (CDACC) trained the Academy facilitators on the implementation of the Competency-Based Curriculum, adult teaching and learning methodologies. A total of 15 participants were trained. In addition, the Academy trained 592 Integrity Assurance Officers (IAOs) and 306 members of Corruption Prevention Committees (CPCs) drawn from various public sector institutions in order to strengthen their capacity to prevent and combat corruption in their respective institutions.



3.8 The National Survey on Ethics and Corruption, 2018

The Commission conducts National Ethics and Corruption Surveys (NECS) on an annual basis whose overall objective is to provide data that informs the anti-corruption strategy in the Country. The NECS, 2018 was conducted between 16th November and 19th December, 2018. The Survey adopted a mixed methodology involving face-to-face interviews, key informant discussions and systematic review of literature. The Survey covered all the 47 counties with a sample of 5,942 household respondents and 10 key informants.

3.8.1 Level of Corruption and Unethical Conduct

The Survey sought to establish respondents' perception on the level of corruption and unethical conduct in the Country where 65.3 percent of the respondents indicated that the level of corruption was high, 23.1 percent moderate and 5.6 percent low.

3.8.2 Bribery Payments

Those who paid bribes to obtain government services increased by 11.9 per cent to stand at 73.1 per cent in 2018 as compared to 2017. The findings indicate a steady increase in those who comply in paying bribes whenever demanded or expected. Only 26.9 per cent of the respondents did not pay bribes even when demanded or expected.

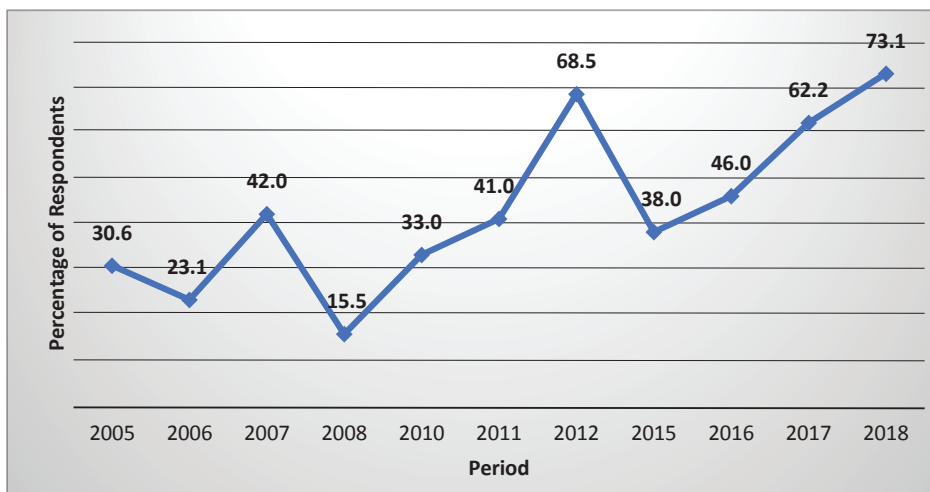


Figure 3.1: Proportion of Respondents who Paid Bribes

The average bribe paid dropped from KES 5,058 in 2017 to stand at KES 3,833 in 2018. On average, government services attracting the highest bribes were: tendering (KES 88,294); recruitment (KES 23,344); seeking government funds (KES 22,283); resolution of land conflicts (KES 6,645); registration and collection of land title deeds (KES 6,545) and release of impounded goods (KES 6,000).

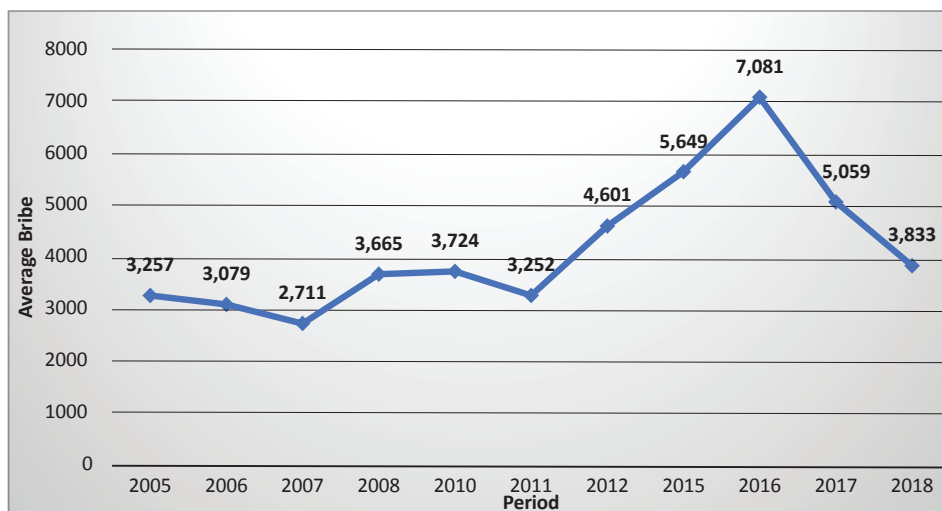


Figure 3.2: Average Bribe Paid by Service Seekers

3.8.3 Corruption Reporting

Out of those respondents who experienced corruption as they sought government services, only 5.8 per cent reported to authorities while 94.2 per cent opted not to report. Of those who reported, 48.2 per cent reported to management of the institutions where the corrupt act occurred, 14.6 per cent to the Police, 13 per cent to the EACC and 2.5 per cent to the area Member of Parliament (MP) or Member of County Assembly (MCA). When those who reported corruption were asked to state what action was taken on the reports, 59.5 per cent indicated no action was taken, 12.8 per cent indicated that the officers were transferred, 11.6 per cent said the officers were warned while 5.9 per cent said the officers were investigated.

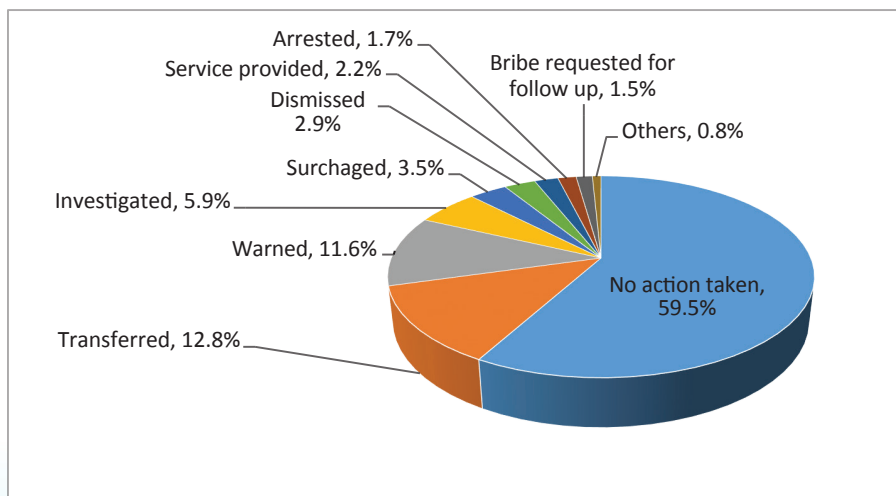


Figure 3.3: Action taken on Corruption Reports



3.8.4 Unethical Practices in Public Service

Over 76 per cent of the respondents were aware of what constituted unethical practices in the Public Service compared to 23 per cent who were not aware. The type of unethical practices observed by respondents as they interacted with public officials include bribery, delays in service delivery, abusive or intimidating behaviour, abuse of office, favouritism on the basis of ethnicity, lateness and discrimination, among others as highlighted in Figure 3.4.

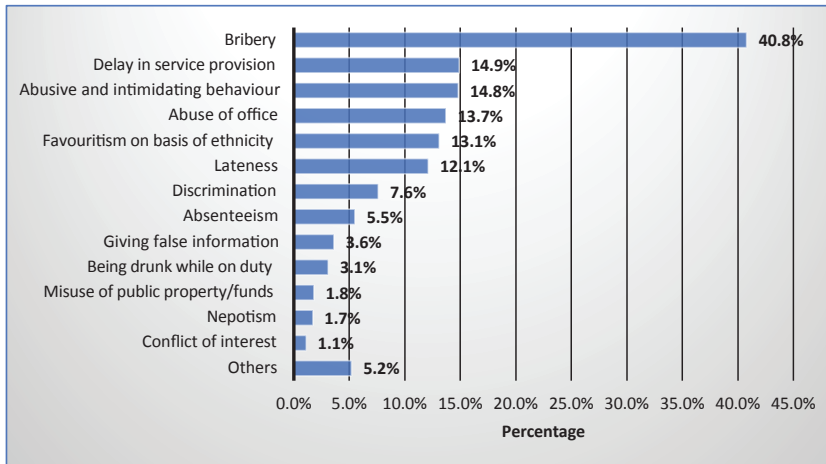


Figure 3.4: Prevalent Forms of Unethical Conduct Witnessed

3.8.5 Key Measures to Reduce Prevalence of Corruption

Investigation of corrupt persons, public education and awareness, prosecution of suspected corrupt public officials, creation of employment, stringent anti-corruption laws and change of attitude were suggested as the most important things that need to be done to reduce corruption and unethical practices in the country.

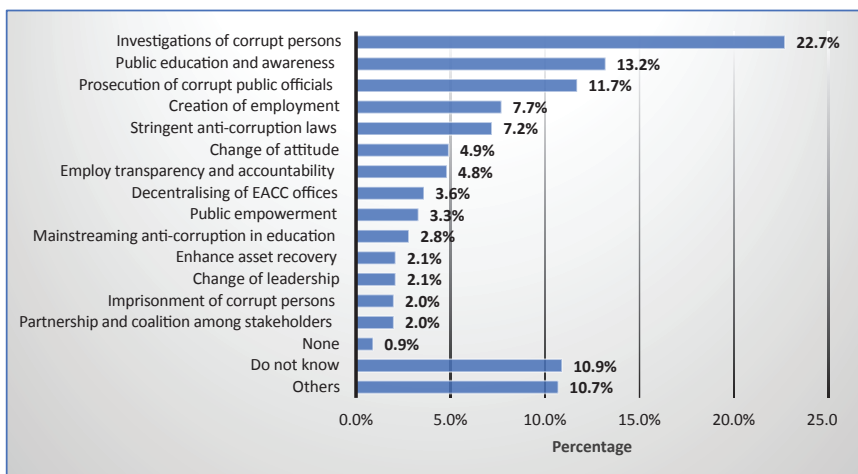


Figure 3.5: Suggestions on Ways to Reduce Corruption

Chapter 4

PARTNERSHIPS AND NETWORKS

4.1 Introduction

The Commission established and maintained strategic linkages and partnerships with national, regional and international organisations to provide support, enhance co-ordination of an inclusive framework on the fight against corruption, and optimise on their respective capabilities and strengths. This chapter presents types of engagements that were pursued by the Commission in the year under review.

4.2 National Engagements

4.2.1 *Kenya Leadership and Integrity Forum (KLIF)*

Kenya Leadership Integrity Forum (KLIF) is a stakeholder's forum consisting of 15 sectors who are partnering in the fight against corruption and unethical practices in Kenya. KLIF brings together stakeholders from the public and private sectors, civil society and religious organisations to map out an integrated approach to preventing and combating corruption.

The Commission supported KLIF in the following areas:

- Implementation of the Kenya Integrity Plan (KIP) 2015-2019 by the 15 sectors. The Kenya Integrity Plan provides a strategy for promoting integrity and ethical conduct through partnerships and collaborative networks.
- Sponsored a National Convention by the Association of Professional Societies of East Africa (APSEA) whose theme was: "The Role of the Professionals in Leadership and Integrity".
- Commemoration of the African Anti-Corruption Day (AACD) on 11th July, 2018 and the International Anti-Corruption Day (IACD) on 9th December, 2018 whose theme was: "Winning the Fight Against Corruption: A Sustainable Path to Africa's Transformation". The aim of the commemoration is to raise public awareness on issues of corruption, ethics and integrity and to enlist the support of the public in the fight against corruption.



Hon. Dr. Joyce Laboso, Governor of Bomet County, flagging off the anti-corruption procession to the public baraza in Bomet County.

4.2.2 Multi-Agency Team

The Multi-Agency Team (MAT) is a Government initiative established to strengthen the synergy among law enforcement agencies to enhance co-operation, collaboration and co-ordination in the fight against corruption. The Multi-Agency Team has continued to enhance the investigation and prosecution of corruption and economic crimes on cross cutting matters. Key achievements are outlined in Table 4.1.

Table 4.1: Cases Investigated Under Multi-Agency Team

No.	Particulars of the Allegations	Institution Affected	Amount (KES)
1.	An allegation of procurement irregularities in the construction of Kimwarer and Arror multipurpose dam projects	Kerio Valley Development Authority	66,000,000,000
2.	An allegation of unexplained wealth against a KRA official	KRA	1,200,000,000
3.	Allegations of fraud and money laundering against an employee of the National Treasury	Ministry of Environment, Water and Natural Resources	605,583,394
4.	An allegation of procurement irregularities and overpricing in relation to tender for supply of Hydrant Pit Valves	Kenya Pipeline Company	551,216,302



No.	Particulars of the Allegations	Institution Affected	Amount (KES)
5.	An allegation of irregular withdrawals of funds by ICTA officials	Information Communication and Technology Authority (ICTA)	216,000,000
6.	Allegations of fraud and collusion against officials of Youth Enterprise Development Fund (YEDF)	Youth Enterprise Development Fund	181,000,000
7.	An allegation of irregular payments against Kitui County Assembly officials	County Assembly of Kitui	93,487,990

4.2.3 *Huduma Centres*

Since the inception of Huduma Centres in 2013, the Commission has operationalised and maintained 50 desks in Huduma Centres across the Country. The desks provided an avenue for corruption reporting, processing of self-declaration forms, distribution of IEC materials and general inquiries by members of the public on various services offered by the Commission in line with its mandate.

4.2.4 *Referral Partners Platform*

The Commission is an active member of the Referral Partners Platform having participated in many activities including outreach programmes as well as consultative meetings over the period under review. The Platform created a mechanism through which complaints were referred among the 45 partner institutions for appropriate action within their respective mandates.

4.2.5 *Partnerships with other National Sectors*

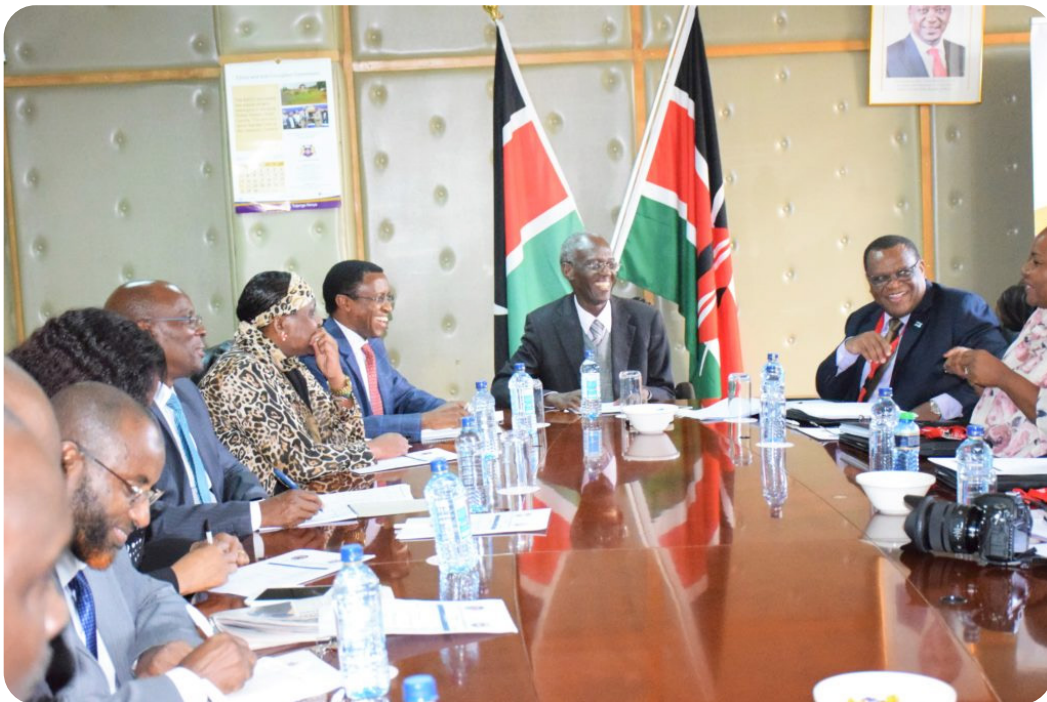
During the period under review, the Commission partnered with the Faith Sector to enlist their support by developing IEC materials with appropriate messages targeted at the Sector. Further, the Commission also partnered with the Ethics Commission for Co-operative Societies (ECCOS) and a Memorandum of Understanding (MoU) on combating and preventing corruption was signed. An action plan and a tool for monitoring the MoU were also developed.



4.3 Regional Engagements

The Commission collaborates and networks with regional partners to enhance the fight against corruption and unethical conduct. Some of such networks are the East African Association of Anti-Corruption Authorities (EAAACA), the African Association of Anti-Corruption Authorities (AAACA), Commonwealth Africa Anti-Corruption Centre (CAACC) and Basel Institute, among others.

The Commission hosted three Anti-Graft Agencies from Zanzibar, Botswana and Djibouti. The Commission had an opportunity to share experiences with the delegation on matters of anti-corruption.



EACC Chairperson, Archbishop (Rtd.) Dr. Eliud Wabukala, EBS with the Commissioners and the Secretariat, in a meeting with the delegation from the Office of the Ombudsman of Botswana

During the reporting period, the Commission also participated in a number of anti-corruption regional fora, some of which were: 18th Annual General Meeting of the East African Association of Anti-Corruption Authorities (EAAACA) in Rwanda; 4th AGM on Asset Recovery Inter-Agency Network for Eastern Africa (ARIN-EA) in Rwanda; 15th EXCOM Meeting and Extraordinary AGM of EAACA in Tanzania; 4th ARIN-EA AGM and 12th EAAACA AGM in Rwanda; and 9th Commonwealth Regional Conference and Review Meeting of Heads of Anti-Corruption Agencies in Africa in Kampala. The fora provided a platform for sharing of experiences.



4.4 International Engagements

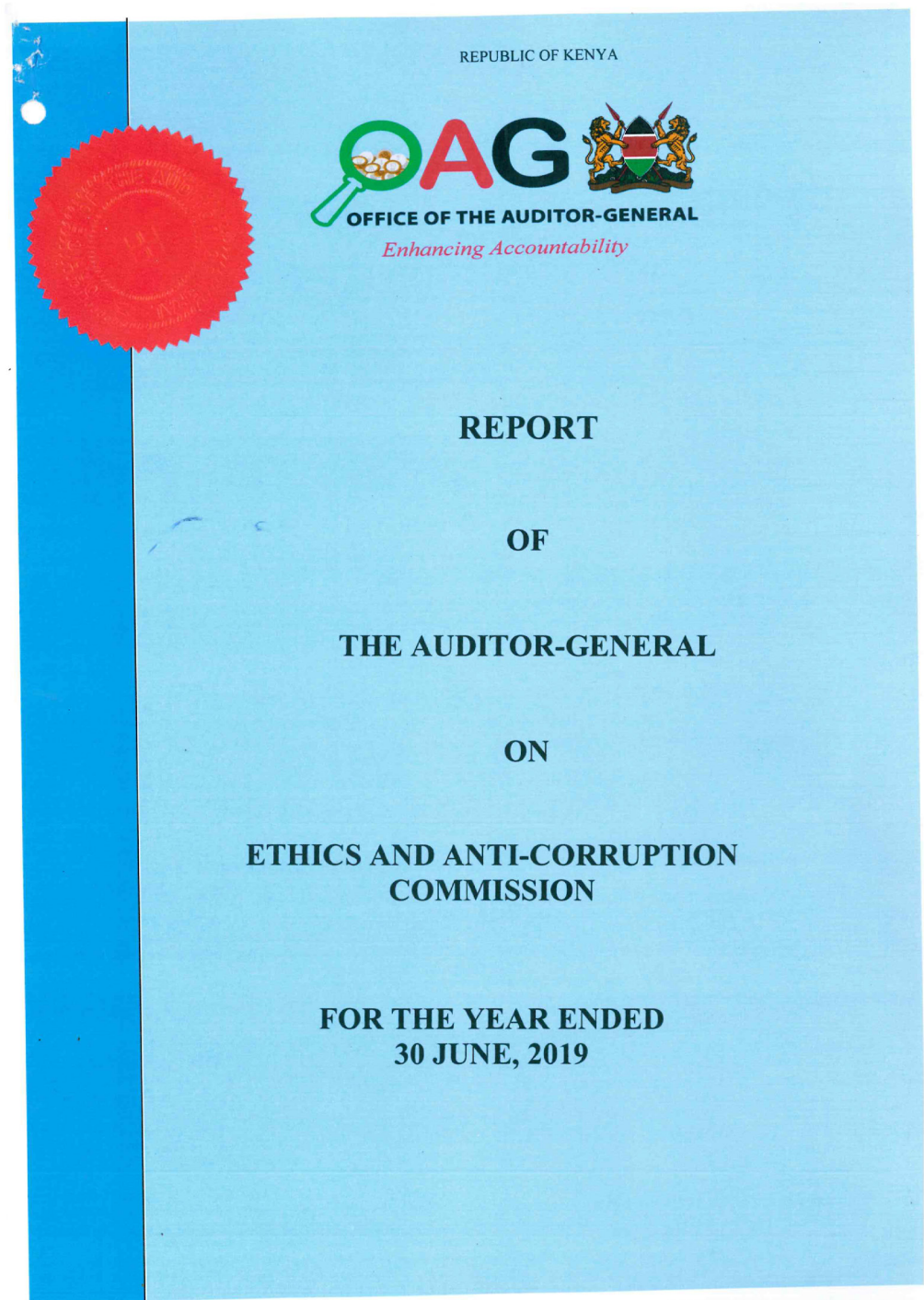
The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) supported the Commission in enhancing technical capacity and competencies of its staff by financing specialised training in Financial Investigation, Assets Tracing and Alternative Dispute Resolution (ADR) and printing 4,000 copies of a revised investigation guide.

Two Heads of Missions from the United Kingdom and Italy visited the Commission in May and June, 2019. The diplomats held consultative meetings with Commission's Management and discussed strides made by Kenya in combating corruption and unethical conduct. The Heads of Missions reiterated their support for the Commission and commitment to strengthening avenues for the repatriation of ill-gotten wealth and offered support in strengthening efforts in asset recovery and training.

During the period under review, the Commission also participated in a number of anti-corruption international fora, some of which were: 10th Annual Conference and General Meeting of IAACA in Austria, Second Belt and Road Forum for International Co-operation in China; 7th Independent Commission Against Corruption Meeting in Hong Kong; and World Bank Meeting in collaboration with Ethics Development in USA. The fora provided a platform for sharing of experiences.

Chapter 5

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2019





ETHICS AND ANTI - CORRUPTION COMMISSION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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



I. 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 Commission Act, 2011. Its mandate is to combat and prevent corruption, economic crime and unethical conduct in Kenya through law enforcement prevention, public education, promotion of standards and practices of integrity, ethics and anti-corruption. The Commission is comprised of the Chairperson, Commissioners and the Secretary/Chief Executive Officer.

(b) Principal Activities

The principal activities of the Commission include: Investigation of corruption and economic crimes, tracing and recovery of corruptly acquired public property, forfeiture of unexplained wealth, corruption prevention, public education and promotion of ethics and integrity.

(c) Key Management

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

1. The Secretary/ Chief Executive Officer
2. The Deputy Chief Executive Officer
3. Directorate of Investigation
4. Directorate of Preventive Services
5. Directorate of Legal Services
6. Directorate of Ethics and Leadership
7. Directorate of Field Services
8. Directorate of Finance and Planning
9. Department of Human Resources Management
10. Department of Supply Chain Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019.

Designation	Name
1. Secretary / Chief Executive Officer	Mr. Twalib Mbarak, CBS
2. Deputy Chief Executive Officer	Mr. Michael Mubea
3. Directorate of Investigation	Mr. Abdi A. Mohamud
4. Directorate of Preventive Services	Mr. Vincent Okong'o
5. Directorate of Legal Services	Mr. David Too
6. Directorate of Ethics and Leadership	Ms. Lucy Kinuthia
7. Directorate of Field Services	Mr. Jackson Mue
8. Directorate of Finance and Planning	Ms. Jennifer Muthoni
9. Department of Human Resources Management	Ms. Ellyjoy Bundi
10. Department of Supply Chain Management	Mr. Robert Kanyi

**(e) Fiduciary Oversight Arrangements**

Commission Committees	Members
Enforcement	Paul Mwaniki Gachoka Sophia Lepuchirit
Corruption Prevention, Education and Public Engagement	Dr. Dabar Maalim Rose Mghoi Macharia
Support Services	Rose Mghoi Macharia Dr. Dabar Maalim
Risk & Audit	Raphael Mingisian Lekoolool (Independent Chairperson) Jane Micheni (Representative – National Treasury) Dr. Dabar Maalim Rose Mghoi Macharia
Finance, Planning and Supply Chain Management	Sophia Lepuchirit Paul Mwaniki Gachoka

(f) Entity Headquarters

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

(g) Entity Contacts

Headquarters, Nairobi
Integrity Centre
Jakaya Kikwete /Valley Road Junction
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E-maileacc@Integrity.go.ke



(h) Entity Bankers

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

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

(i) Independent Auditors


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

(j) Principal Legal Adviser



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



II. THE COMMISSIONERS

COMMISSION MEMBERS	
	<p>Archbishop (Rtd) Dr. Eliud Wabukala was appointed the Chairperson of the Ethics and Anti-Corruption Commission (EACC), in January 2017. He is a retired Archbishop of the Anglican Church of Kenya.</p> <p>Archbishop (Rtd) Wabukala was awarded Doctor of Divinity (Hon) and holds a Master Degree in Religion from Wycliffe College, University of Toronto – Canada. He also holds a Bachelor Degree in Divinity from St. Paul’s University – Limuru. He was born in the year 1951.</p> <p>Previously, he served as the Chairperson of the National Anti-Corruption Campaign Steering Committee (NACCSC), The Global Future Anglican Conference and the National Council of Churches of Kenya.</p> <p>Archbishop (Rtd) Wabukala is a professional teacher with many years of teaching experience and previously served; as the Academic Dean at St. Paul’s University, as a lecturer and as Chairperson of the University Council.</p> <p>He has been involved in many peace mitigations and reconciliation including the 2007 post-election violence in Kenya. Archbishop Wabukala was also involved in the reform process in South Sudan.</p>
<p>Archbishop (Rtd.) Dr. Eliud Wabukala, EBS Chairperson</p>	<p>Commissioner Sophia Lepuchirit was appointed a Commissioner in January 2016. She is the Vice Chairperson of the Ethics and Anti-Corruption Commission.</p> <p>She holds a Bachelor of Arts Degree in Public Administration and International Relations from the University of Nairobi and currently pursuing a Master Degree in Business Administration (MBA) at the African Nazarene University. She was born in the year 1959.</p> <p>Prior to her appointment, she held prominent administrative positions in several State Organizations including Jomo Kenyatta Foundation (JKF) where she served as a Director, and Kerio Valley Development Authority where she served as Chairperson. She also served as a member at the National Anti-Corruption Campaign Steering Committee.</p> <p>Ms. Lepuchirit is an anti-corruption crusader, community mobilizer, gender activist, a promoter of affirmative action for the marginalized categories and communities. She is a member of the Minority Rights Groups, London (MRG), International Working Group on Indigenous Issues (IGWIA) – Denmark, and Kenya Pastoralist Forum.</p>
	<p>Sophia Lepuchirit, Vice-Chairperson</p>






COMMISSION MEMBERS	
	<p>Commissioner Dr. Dabar Abdi Maalim was appointed a Commissioner in January 2016.</p> <p>He holds a PhD in Community Health from University of Reading (UK) and Master Degree from Wales College of Medicine, Cardiff (UK). He was born in the year 1957.</p> <p>He has over 12 years of experience as a university academician having attained the rank of Assistant Professor at Aga Khan University, East Africa.</p> <p>Dr. Maalim has also consulted for various national and international institutions including the Government of Kenya, DANIDA, UNICEF-Ethiopia, and World Health Organisation (WHO) both in Kenya and Eritrea, Islamic Development Bank among others. He was the Team Leader/ Coordinator of the Millennium Villages Project (Kenya) and Associate Research Scientist – Earth Institute, Columbia University USA between November 2010 and January 2012.</p>
<p>Dr. Dabar Abdi Maalim Commissioner</p>	
	<p>Commissioner Paul Mwaniki Gachoka was appointed a Commissioner in January 2016.</p> <p>He is an Advocate of the High Court of Kenya. He is a holder of a Bachelor of Laws Degree from the University of Nairobi and holds a Master of Arts in Philosophy and Ethics from Strathmore University. He was born in the year 1965. He is a fellow of Chartered Institute of Arbitrators and Accredited Mediator</p> <p>Commissioner Gachoka has in-depth legal experience in Kenya and is the Principal Partner at Mwaniki Gachoka and Co. Advocates, representing clients in multi-disciplinary commercial, conveyancing services and civil cases.</p> <p>He has served as a Director of several private Companies; Further, he has served as a Council Member of the Law Society of Kenya (2003 to 2006).</p>
<p>Paul Mwaniki Gachoka Commissioner</p>	



COMMISSION MEMBERS	
	<p>Commissioner Rose Mghoi Macharia was appointed a Commissioner in January 2016.</p> <p>She holds a Master Degree in Human Resource Development from the Institute for Development Policy and Management (IDPM) of the University of Manchester and a Bachelor Degree in Education from University of Nairobi. She was born in the year 1958.</p> <p>She is a seasoned Human Resource professional and has a wealth of experience in public sector management, education, people development and strategy. She has worked in the Education Sector as a Graduate Teacher, Lecturer and Senior Education Officer.</p> <p>She also has valuable experience in developing human capital in various State Corporations such as Higher Education Loans Board, Nyayo Tea Zones Development Corporation and Information Communication and Technology Authority.</p>
<p>Rose Mghoi Macharia Commissioner</p>	
	<p>Mr. Twalib Mbarak was appointed Secretary/Chief Executive Officer of the Ethics and Anti-Corruption Commission in January 2019.</p> <p>He is a holder of Master of Arts Degree in Armed Conflict and Peace Studies and Bachelor of Arts degree from the University of Nairobi. He was born in 1965.</p> <p>Mr Mbarak joined the Kenya Armed Forces in 1984 where he rose through the ranks and retired as a Major in 1999. He has also served with the National Intelligence Service (NIS), Kenya Anti-Corruption Commission (KACC) and Kenya Electricity Generating Company (KenGen).</p> <p>Mr Mbarak has extensive experience in Security, Intelligence and Investigation Management. He is a Certified Security Management Professional from the International Security Management Institute, UK. In Kenya, he founded the Association of Corporate and Industrial Security Professionals (ACISMP) an association directing corporate security in Kenya.</p>
<p>Mr. Twalib Mbarak, CBS Secretary/CEO</p>	



III. MANAGEMENT TEAM

MANAGEMENT TEAM		
	<p>Master of Arts in Armed Conflict & Peace Studies</p> <p>Bachelor of Arts (Political Science and Sociology)</p> <p>Dip in Armed conflict and Peace Studies</p> <p>Diploma Advanced Intelligence Course, Advanced Intelligence Course,</p> <p>FBI undercover Certification Course,</p> <p>Diploma in Private Investigation</p> <p>Strategic Intelligence Course</p>	<p>He is the head of the Secretariat and responsible for the day to day management of the Commission</p>
	<p>Master in International Relations</p> <p>Bachelor of Laws (LLB)</p> <p>Bachelor of Commerce</p> <p>Diploma in Law</p> <p>Strategic Leadership Development Programme Course</p> <p>Corporate Governance Course</p>	<p>Deputise CEO in the day to day management of the Commission</p>
	<p>Master of Science (Security and Risk Management)</p> <p>Bachelor of Laws (LLB)</p> <p>Senior Leadership and Management Course</p> <p>Corporate Governance Course</p> <p>Local and International Fraud Investigation Course</p>	<p>Head of the Investigation Directorate</p>
<p>Mr. Twalib Mbarak, CBS - Secretary/CEO</p>		
<p>Mr. Michael Mubea – Deputy Chief Executive officer</p>		
<p>Mr. Abdi A. Mohamud, MBS - Director, Investigation</p>		



MANAGEMENT TEAM

	<p>Master of Business Administration Bachelor of Laws (LLB) Diploma in Law Strategic Leadership Development Programme Course Senior Management Course Corporate Governance Training Course</p>	<p>Head of Legal Services Directorate</p>	
<p>Mr. David K. Too, OGW - Director, Legal Services</p>		<p>Master of Social Science (Development Administration) Bachelor of Arts (Political Science) Strategic Leadership Development Programme Course Certification in Governance Ethics and Anti -Corruption Reforms</p>	<p>Head of Ethics and Leadership Directorate</p>
<p>Ms. Lucy W. Kinuthia - Director, Ethics & Leadership</p>		<p>Master of Arts (Economics & Social Studies) Master of Arts in Economic Policy Management Bachelor of Arts (Economics) Strategic Leadership Development Programme Course Corporate Governance Course</p>	<p>Head of Preventive Services Directorate</p>
<p>Mr. Vincent O. Okong'o - Director, Preventive Services</p>		<p>Master of Business Administration (Finance) Bachelor of Commerce -Accounting Option. Certified Public Accountant-K, Strategic Leadership Development Programme Course Corporate Governance Course Senior Management Course</p>	<p>Head of Finance and Planning Directorate</p>
<p>Ms. Jennifer Kimani- Director – Finance and Planning</p>			



MANAGEMENT TEAM		
	<p>Master of Science in ICT Policy and Regulation</p> <p>Bachelor of Science (Mathematics & Computer Science)</p> <p>Post Graduate Diploma in Computer Science,</p> <p>Strategic Leadership Development Programme Course</p> <p>Certificate Course in Governance, Ethics and Economic Crimes</p> <p>Economic Crime Intelligence Course</p> <p>Corporate Governance Course</p>	<p>Head of Field Services Directorate</p>
<p>Mr. Jackson K. Mue - Ag. Director, Field Services</p>		
	<p>Master of Science (Procurement & Logistics)</p> <p>Bachelor of Science (Mathematics & Physics)</p> <p>Diploma in Purchasing & Supplies Management</p> <p>Strategic Leadership Development Programme Course</p> <p>Senior Management Course</p> <p>Corporate Governance Course</p>	<p>Head of Supply Chain Management</p>
<p>Mr. Robert K. Wachira- Deputy Director, Supply Chain Management</p>		
	<p>Master of Business Administration (HRM)</p> <p>Bachelor of Education</p> <p>Diploma in Human Resources Management</p> <p>Strategic Leadership Development Programme Course</p> <p>Senior Management Course</p>	<p>Head of Human Resource Management</p>
<p>Ms. Ellyjoy G. Bundi- Head of Human Resource Management</p>		



IV. CHAIRMAN'S STATEMENT

The Ethics and Anti-Corruption Commission (EACC) is a Constitutional Commission established pursuant to Article 79 of the Constitution of Kenya, 2010. The Commission supports Kenya Vision 2030 and the Big Four Agenda through its broad mandate of law enforcement, prevention, public education and the promotion of ethical standards and practices. The Government of Kenya has made various strides to strengthen institutions mandated to fight corruption. I am happy to note that significant progress has been made in the fight against corruption.

The Commission is implementing its Strategic Plan for the period 2018-2023. In the current Plan the Commission has reinvigorated its strategies focused on: high impact investigations based on personalities involved, value involved and public interest; Asset tracing and recovery of corruptly acquired assets as well as forfeiture of unexplained wealth aimed at extinguishing the benefit obtained through corrupt conduct; Corruption prevention and public education to raise awareness and enlist public support in anti-corruption initiative.

The Commission recognises the critical role played by strategic State and Non- state partners in the fight against corruption and continues to maintain and strengthen its linkages. The Commission works closely with key stakeholders in the justice system under the National Council on the Administration of Justice(NCAJ) to deliberate on cross cutting issues that affect the administration of justice and find solutions at the policy level. Some of the stakeholders include; Judiciary, Office of the Attorney General, Office of the Director of public Prosecution, Law society of Kenya, National Police service among others.

The EACC is also a member of the Multi-Agency Team (MAT) which is a collaborative framework consisting of agencies whose mandates relate to the fight against corruption. The MAT approach to fighting corruption has so far registered key outcomes through sharing of information on a real time basis and building institutional capacity by conducting joint capacity building programmes.

The Commissions actively played its role in various regional and international collaborations which are key in the fight against corruption. In particular, the Commission as a member of the Eastern African Association of Anti-Corruption Authorities participated in various programmes and activities including joint exchange programmes.

The Commission remains committed to deliver on its mandate and calls upon all Kenyans to own the fight against corruption and play their civic duty of reporting all forms of corrupt conduct and uphold integrity.

God bless Kenya.

ARCHBISHOP (RTD.) DR. ELIUD WABUKALA, EBS

CHAIRMAN



V. REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER

I am pleased to share the Financial Statements for Financial Year 2018/2019. In the period under review, the Commission was allocated KES 3,167,040,000 for its programmes and activities.

The financial statements comprise the Statement of Financial performance, 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 Public Finance Management Act and Regulations and International Public Sector Accounting Standards (IPSAS) resulting in prudent financial management and reporting.

The Commission draws its mandate from the Constitution and various statutes that include the Ethics and Anti-Corruption Commission Act, 2011 and the Leadership and Integrity Act, 2012 amongst others. The Commission also enforces the Anti-Corruption and Economic Crimes Act, 2003 which is the principal law that provides for the investigations, prosecution and adjudication of corruption and economic crimes offences in Kenya.

The Commission's mission is to promote integrity and combat corruption through law enforcement, prevention and education that is reflected in increased programmatic outcomes. During the reporting period, the Commission registered improved output in terms of: concluded cases in court, loss averted through disruption of corruption network, asset recovery and reviewed its ICT Modernization Plan to enhance its efficiency and productivity.

During the period under review, the Commission finalized and forwarded to Office of the Director of Public Prosecutions (ODPP) a total of 234 files on corruption, economic crime and ethical breaches, representing an increase from the previous year's total of 183 files. The Commission also completed 113 investigations on violations of Chapter Six of the Constitution and Leadership and Integrity Act, 2012. The Commission recovered assets valued at approximately KES 4.5 billion and filed in court 18 applications for preservation of assets valued at approximately KES 3.8 billion. Further, 12 illegally acquired public assets with an estimated value of KES 2.7 billion were traced and the recovery process is ongoing. Disruption of corruption networks was undertaken averting a possible loss of estimated at KES 14.5 billion.



The Commission facilitated 25 public entities to develop and implement codes for public officers and enforced the requirement for appointed/elected State Officers from the County Assembly of Kisii, County Executive Committees of Mandera, and Nyeri, Commission on Administrative Justice, Public Service Commission, National Police Service Commission, National Police Service and Ministry of Education to sign and commit to the Specific Leadership and Integrity Codes. The Commission developed three generic administrative procedures for Responsible Commissions in the County Governments to enhance compliance by public officers in submission of Declaration of income, assets and liabilities.

I wish to thank the Chairperson, Commissioners and members of staff for their dedication and commitment in realisation of set out goals and objectives.

TWALIB MBARAK, CBS

SECRETARY/CHIEF EXECUTIVE OFFICER



VI. CORPORATE GOVERNANCE STATEMENT

The Commission operations and financial responsibilities are overseen by the Chief Executive Officer who is the Accounting Officer. The operations are guided by the strategic plan and an approved annual budget 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; Enforcement, Preventive Services, Corporate Services and Risk and Audit. 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.

Programmes are monitored against the set targets and appropriate feedback provided. 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 Office of Auditor General who certifies them before inclusion in the annual report.



VII. 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 Corporate Social Responsibility, CSR, strategy involves building relationships and partnerships and working together with organizations that we believe advance the wellbeing of Kenyans. The EACC's CSR decisions are made in the best interest of the society.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

In line with EACC Act, 2011; the Commission has the mandate to combat and prevent corruption, economic crime and unethical conduct. This is largely achieved through law enforcement, prevention, public education and promotion of ethical standards and practices.

1.0 Operational Performance

The Commission has implemented programmes to intensify the war against corruption and unethical conduct. Some of the notable achievements in 2013-2019 include but not limited to:

1.1 Reports on Corruption Received by the Commission

The Commission receives reports from the different sources and classifies them appropriately as indicated in figure below.

Summary Reports Received and Processed (2013-2019)

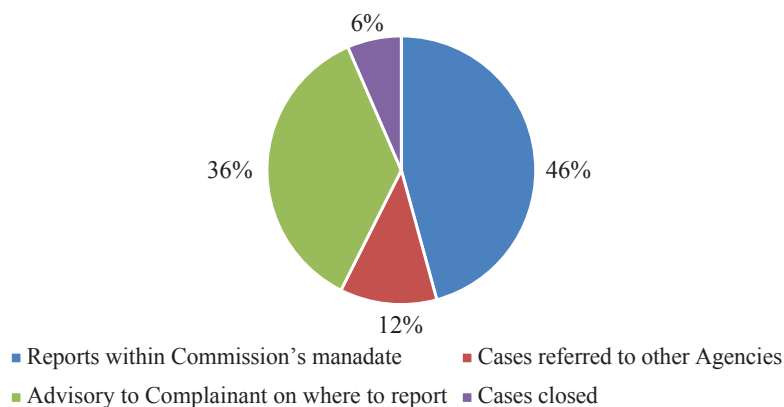


Figure 1: Summary of Reports received and processed

1.2 Cases Forwarded to the Office of the Director of Public Prosecutions

Upon completion of investigation, the files are submitted to prosecutor for independent evaluation and determination. Table 1 show the results of the cases forwarded to the Office of the Director of Public Prosecutions (ODPP).

Table 1: Reports to ODPP with Recommendation to Prosecute

Year	No. of Reports	Accepted	Not Accepted	Concurrence rate
2013/14	44	43	1	99%
2014/15	75	74	1	99%
2015/16	136	131	5	96%
2016/17	97	89	8	92%
2017/18	143	94	6	65%
2018/19	78	77	1	99%
Total	573	508	22	88%



It is illustrated that the average concurrence rate to prosecute between EACC and DPP is 88 percent. In addition, it can be deciphered from Table 1 above that the flow of the reports has tremendously increased.

Table 2: Reports to DPP with Recommendation for Administrative Action

Year	No. of Reports	Accepted	Not Accepted	Concurrence rate
2013/14	9	7	2	78%
2014/15	8	8	0	100%
2015/16	4	3	1	99%
2016/17	7	7	0	100%
2017/18	10	7	3	70%
2018/19	13	13	0	100%
Total	51	45	6	88%

Table 2 presents the results of reports to ODPP with recommendation for administrative action. On average, 88 percent concurrence rate is observed.

Table 3: Reports to DPP with Recommendation for Closure

Year	No. of Reports	Accepted	Not Accepted	Concurrence rate
2013/14	17	14	3	82%
2014/15	22	19	3	86%
2015/16	27	25	2	92%
2016/17	26	25	1	99%
2017/18	27	21	6	78%
2018/19	33	31	2	94%
Total	152	135	17	88%

Table 3 shows reports to ODPP with recommendation for closure for the six-year period. It is clear that the Commission has achieved 88 percent concurrence rate.

1.3 Outcome of Cases Finalized in Court

The cases given greenlight by ODPP for prosecution are taken to court and Table 4 provides the results of 74 percent conviction rate.

Table 4: Outcome of cases finalized in Court

Year	No of cases finalized	Conviction	Acquittal	Discharge	Conviction rate
2013/14	2	1	-	1	50%
2014/15	1	1	-	-	100%
2015/16	14	11	-	3	79%
2016/17	25	18	7	-	72%
2017/18	44	35	9	-	79%
2018/19	78	51	23	4	65%
Total	164	117	39	8	74%



1.4 Assets Recovery

The Commission, as deterrent measure, recovers assets acquired through corruption. Table 5 presents the estimated value of assets recovered in the last six years period.

Table 5: Assets Recovered from 2013-2019

Year	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Recovered Public Assets (KES)	2.0 b	140 m	700 m	256 m	411 m	4.5 b

1.5 Loss averted through Disruption of Corruption Networks

Intelligence gathering has helped the Commission avert possible loss of the public funds as shown in table 6.

Table 6: Loss averted through disruption of corruption networks.

Year	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Amount (KES)	5.6b	1.6b	2.6b	6.2b	3.8b	14.5b

1.6 Institutional Systems Reviews Reports

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

2013/14	Kenya Institute of Curriculum Development (KICD) and National Cereals and Produce Board
2014/15	Parliamentary Service Commission and Ports of entry in Kenya
2015/16	Ministry of Education (Free Primary Education programme)
2016/17	Ministry of Lands and Physical Planning and Pricing of pharmaceuticals and non-pharmaceuticals Supplies in the Kenya Health Sector (pending official release)
2017/18	Examination into the systems, policies, procedures and practices of the Ministry of Lands, and Physical Planning
2018/19	Examination into the systems, policies, procedures and practices of the Ministry of Environment and Forestry and Examination into the policies, procedures and practices in the centralized procurement of ICT equipment and services at the Ministry of Information, Communications and Technology

1.7 Enforcement of Chapter Six and Leadership and Integrity Act

The Commission undertook integrity verification for compliance with the provisions of Chapter Six of the Constitution for 5,998 applicants seeking appointment to state and public offices. The Commission facilitated development of Specific Leadership and Integrity Codes for state officers in public entities and monitored declarations of income, assets and liabilities by public officers. Three petitions have been instituted for removal of State officers from



office for violation of Chapter Six of the Constitution and the Leadership and Integrity Act, 2012.

Table 7: Integrity verification statistics

Institution	No. of officers cleared	No. of officers not cleared
National Government	2,414	17
County Governments	3,483	28
Private Institutions	101	0
Totals	5,998	45
Self-declaration forms received	58,875	

1.8 Financial Performance

The Commission is committed to prudent financial management in line with Public Finance Management Act, 2012 as well as optimal utilization of the budget. The Commission is funded by the Government through The National Treasury. Consequently, the Commission recorded a budget absorption of 99 percent. This demonstrates increased programme performance in the period under review.



IX. REPORT OF THE COMMISSION

The Commission submits its report together with the audited financial statements for the year ended June 30, 2019 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, 2019 are set out on page 105 to 123.

Commissioners

The members of the Commission who served during the year are shown on page 82 to 84 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 with Article 229 of the Constitution of Kenya and the Public Audit Act, No 34 of 2015 and the Ethics and Anti-Corruption Commission Act, 2011.



X. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Section 26 of the Ethics and Anti-Corruption 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 2018/2019. 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, 2019. 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 judgements and estimates, in conformity with International Public Sector Reporting Standards (IPSAS), and in the manner required by the Public Finance Management Act and the Ethics and Anti-Corruption 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, 2019, 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 Commission's Financial Statements were approved by the Commission on 3rd December, 2019 and signed on its behalf by:

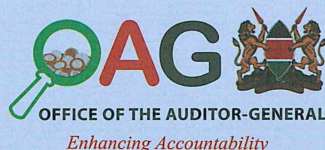
Arch Bishop (Rtd.) Dr. Eliud Wabukala, EBS
Chairperson

Twalib Mbarak, CBS
Secretary/Chief Executive Officer



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

REPORT OF THE AUDITOR-GENERAL ON ETHICS AND ANTI-CORRUPTION COMMISSION FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Ethics and Anti-Corruption Commission set out on pages 1 to 20, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, statement of cash flow and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Ethics and Anti-Corruption Commission as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Ethics and Anti-Corruption Commission Act, 2011.

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness

Report of the Auditor-General on Ethics and Anti-Corruption Commission for the year ended 30 June, 2019



and Effectiveness in Use of Public Resources section of this report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Valuation of Property, Plant and Equipment

As reported in the previous year, the Ethics and Anti-Corruption Commission remitted an amount of Kshs.1,518,000,000 to the National Land Commission for compulsory acquisition of the Integrity Centre Building which houses the Commission's offices.

According to the valuation report based on inspection conducted on 14 February, 2018, the National Land Commission valued the property at Kshs.1,543,382,916 as detailed below.

Component	Acreage	Value (Kshs.)	15% Statutory Allowance (Kshs.)	Total Value (Kshs.)
Land	1.203	691,725,000	103,758,750	795,483,750
Improvements		650,347,101	97,552,065	747,899,166
Total Compensation		1,342,072,101	201,310,815	1,543,382,916

Although the National Land Commission in their letter ref. NLC/V&T/AG/001(13) dated 27 June, 2017 requested for valuation services from the Ministry of Lands and Physical Planning, valuation of the property was done by the National Land Commission. No evidence was availed by the National Land Commission to clarify whether the Ministry of Lands and Physical Planning played any role in the valuation of the property despite the fact that the Department of Land Valuation in the Ministry is mandated to provide valuation services which forms a basis for revenue collection or the determination of appropriate market rents and market values for leasing or sale and purchase for and by all National and County Government entities.

Due to failure to involve the mandated Government valuer, Ministry of Lands and Physical Planning, it has not been possible to ascertain whether the Commission obtained value for money in the acquisition process of its headquarters, the Integrity Centre Building.

Lack of Title Deed

As disclosed under Note 14 to the financial statements, included in property, plant and equipment is Kshs.1,543,382,916 being additions to land and building following the compulsory acquisition of the Integrity Centre Building. As previously reported, the National Land Commission was indicated to have transferred and vested the property in the Principal Secretary-National Treasury, to hold it in trust for the Ethics and Anti-Corruption Commission. During the audit, we could not ascertain whether the ownership documents were actually remitted to the National Treasury and a copy of the Title Deed has not been availed for audit review to signify the completion of the acquisition process.

Report of the Auditor-General on Ethics and Anti-Corruption Commission for the year ended 30 June, 2019



In absence of the Title Deed, it has not been possible to ascertain the ownership of the EACC land or whether the documents were transferred to the National Treasury

Further, available information indicates that the National Land Commission has not availed copies of the development plans (architectural, structural, electrical, mechanical and civil works drawings) to the Commission in respect of the property by the time of concluding the audit. According to the Ethics and Anti-Corruption Commission, this has hampered effective planning for the maintenance of essential electro-mechanical services and possible refurbishment and redevelopment of the Integrity Centre building.

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

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue sustaining services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to have the Commission cease operations.

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

Report of the Auditor-General on Ethics and Anti-Corruption Commission for the year ended 30 June, 2019



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

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become

Report of the Auditor-General on Ethics and Anti-Corruption Commission for the year ended 30 June, 2019



inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the consolidated/financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Commission to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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



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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

20 August, 2020



STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2019

		2018-2019	2017-2018
	Notes	KES	KES
Revenue from non-exchange transactions			
Exchequer Receipts-Recurrent	3	3,156,104,310	3,053,249,724
Other Income	9	537,932	-
Total Revenue		3,156,642,242	3,053,249,724
Expenses			
Employee costs	4	2,178,114,612	2,115,094,832
Commissioners Expenses	5	28,242,802	25,466,439
Depreciation and amortization expense	6	107,451,074	113,941,782
Repairs and maintenance	7	36,325,074	37,680,631
General expenses	8	787,052,418	589,063,679
Transfer to HFC Loan Scheme	26	40,000,000	130,000,000
Total Expenses		3,177,185,980	3,011,247,364
Other gains/(losses)			
Gain/Loss on sale of assets	9	435,540	2,039,057
Surplus before tax		(20,108,198)	44,041,417
Taxation		-	-
Surplus/Deficit for the period		(20,108,198)	44,041,417



STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Notes	2018-2019 KES	2017-2018 KES
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	129,378,313	138,394,574
Receivables from non-exchange transactions	11	22,963,152	42,770,789
Inventories	12	16,985,518	15,522,423
Receivables from exchange (NLC)	13		1,518,000,000
		169,326,984	1,714,687,786
NON CURRENT ASSETS			
Property, Plant and equipment	14	2,033,805,081	504,495,172
Asset recovery Bank Account	19	111,082,326	-
Intangible Assets	15	20,988,387	28,955,728
Long term receivables from exchange (Gratuity bank investment)	16	59,070,412	4,405,281
		2,224,946,206	537,856,181
Total Assets		2,394,273,190	2,252,543,967
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	17	22,019,909	15,296,959
Current portion of borrowings(Accrued liabilities and charges)	18	26,078,916	696,000
		48,098,825	15,992,959
Non-Current Liabilities			
Non-Current provisions(Asset recovery account)	19	111,082,326	43,887,197
Non-current employee benefit obligation(Gratuity fund)	23	62,536,427	-
		173,618,753	43,887,197
Total liabilities		221,717,578	59,880,156
Net Assets			
Acquisition Development fund	22	1,268,000,000	1,268,000,000
Reserves(Accumulated fund)	21	712,225,241	732,333,439
Accumulated surplus	20	192,330,372	192,330,372
		2,172,555,613	2,192,663,811
Total Net assets and liabilities		2,394,273,191	2,252,543,967

Arch Bishop (Rtd.) Dr. Eliud Wabukala, EBS
Chairperson

Joel I. Mukumu
Ag. Director Finance & Planning

Twalib Mbarak, CBS
Secretary/Chief Executive Officer



STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2019

	Reserve / Accumulated fund	Acquisition Development Fund	Revenue reserve	Total
	KES		KES	KES
Balance as at 30 June 2017	192,330,372	-	688,292,022	880,622,394
Development Fund		1,268,000,000		1,268,000,000
Surplus/(deficit) for the period	-	-	44,041,417	44,041,417
Balance as at 30 June 2018	192,330,372	1,268,000,000	732,333,439	2,192,663,811
Surplus for the period	-		(20,108,198)	(20,108,198)
Balance as at 30 June 2019	192,330,372	1,268,000,000	712,225,241	2,172,555,613



STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2019

	2018-2019	2017-2018
	KES	KES
Cash flows From Operating Activities		
Surplus/ (Loss) from operations	(20,108,198)	44,041,417
Add back non-cash payment (Depreciation)	96,958,454	99,466,090
Add back non-cash payment (Amortization)	10,492,620	14,475,693
Profit on disposal of Assets	(435,540)	(2,039,057)
	86,907,336	155,944,143
Income from Operations		
(Increase)/Decrease in inventories	(1,463,095)	1,708,034
(Increase)/Decrease in receivables & Prepayments	19,807,636	(5,348,835)
(Increase)/Decrease in receivables -NLC	1,518,000,000	(1,268,000,000)
Increase/(Decrease) in payables	32,105,866	(23,872,521)
Net cash flows from operating activities	1,655,357,743	(1,139,569,179)
Cash flows From Investing Activities		
Purchase of property, plant and equipment	(83,542,862)	(81,299,273)
Purchase of Land and Buildings		-
	(1,543,382,916)	
Purchase of Intangible Assets	(2,525,279)	(11,739,510)
Asset recovery	(111,082,326)	28,513,501
Staff Revolving Funds	-	1,268,000,000
Proceeds from disposal of plant, property and equipment	1,092,956	2,429,497
Gratuity Fund	62,536,427	(50,575,619)
Net cash utilized in investing activities	(1,676,904,001)	1,155,328,596
Cash flows From Financing Activities		
Refund of Surplus to the Treasury	-	-
Asset recovery	67,195,129	15,373,696
Gratuity Fund	(54,665,130)	41,758,070
Net cash used in Financing activities	12,529,999	57,131,766
Net increase in cash and cash equivalents	(9,016,259)	72,891,183
Bank and Cash equivalents at beginning of year	138,394,573	65,503,390
Bank and cash equivalent at end of year	129,378,313	138,394,573



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019
Revenue	KES	KES	KES	KES	KES
Government grants and subsidies	2,801,540,000	365,500,000	3,167,040,000	3,156,104,310	10,935,690
Development Expenditure	-	-	-	-	-
Gain on Disposal	-	-	-	973,472	-
Total income	2,801,540,000	365,500,000	3,167,040,000	3,157,077,782	9,962,218
Expenses					
Compensation of employees	1,375,437,646	150,000,000	2,190,584,650	2,178,114,612	12,470,038
Goods and services	1,246,009,552	215,500,000	836,662,548	752,026,004	84,636,544
Commissioners expenses	28,242,802	-	28,242,802	28,242,802	-
Finance cost	600,000	-	300,000	153,329	146,671
Rent paid	71,250,000	-	71,250,000	71,198,160	51,840
Staff Loan	80,000,000	-	40,000,000	40,000,000	-
Total expenditure	2,801,540,000	365,500,000	3,167,040,000	3,069,734,906	97,305,094
Surplus for the period				87,342,875	(87,342,875)
			Depreciation	107,451,074	
			Deficit	(20,108,198)	
<i>Budget notes</i>					
1. Bank charges of 51% was due to the fact that most transactions ended up being done through the Central bank which have no bank charges					
2. The variance between surplus in the Financial performance and budget statements is due to depreciation amount of KES 107,451,074 which is not ordinarily factored in the budget.					
3. The negative variance of KES 87,342,875 is because of Asset Acquisition figure of KES 83,542,862 which is not an item in the statement of financial performance.					



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 Commission. The accounting policies have been consistently applied to all the years presented.

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

2. Summary of significant accounting policies

a) Revenue recognition

Revenue from non-exchange transactions – 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 Commission and can be measured reliably.

Sale of goods

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

Interest income

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



Notes to financial statements continued...

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 there cognition 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.



Notes to financial statements continued...

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

***Notes to financial statements continued...***

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.

*Notes to financial statements continued...****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

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

	2018-2019	2017-2018
Unconditional grants	KES	KES
Operational Grant		
Quarter 1	832,932,600	617,955,354
Quarter 2	676,682,650	860,049,970
Quarter 3	851,837,400	559,200,000
Quarter 4	794,651,660	1,016,043,700
Donor Fund -GIZ	-	700
Total	3,156,104,310	3,053,249,724
Development Grant	-	1,268,000,000
Total Exchequer	3,156,104,310	4,321,249,724



4. Employee costs

	2018-2019	2017-2018
	KES	KES
Salaries and wages	1,128,076,836	1,020,710,459
Employee related costs	232,773,275	385,484,772
Travel, Motor car, Accommodation and Subsistence	341,760,969	265,950,517
Housing Benefits and allowances	475,503,532	442,949,084
Total Employee Costs	2,178,114,612	2,115,094,832

5. Commissioners Expenses

	2018-2019	2017-2018
	KES	KES
Commissioners travelling Allowances	8,962,802	5,521,439
Commissioners sitting Allowances	18,620,000	19,285,000
Commissioners Airtime Allowances	660,000	660,000
Total Commissioners Expenses	28,242,802	25,466,439

6. Depreciation and Amortization costs

	2018-2019	2017-2018
	KES	KES
Property, Plant and equipment	96,958,454	99,466,090
Intangible Assets	10,492,620	14,475,692
Total depreciation Costs	107,451,074	113,941,782

7. Repairs and maintenance

	2018-2019	2017-2018
	KES	KES
Property	4,140,105	1,056,936
Equipment	866,954	3,387,253
Vehicles	28,597,555	26,138,533
Other	2,720,460	7,097,909
Total Repairs & Maintenance	36,325,074	37,680,631

8. General expenses



	2018-2019	2017-2018
	KES	KES
Advertising, Publishing and Printing	52,909,711	46,611,772
Audit fees	696,000	696,000
Conferences and delegations	64,684,493	46,687,255
Consulting fees	5,103,864	34,558
Consumables	27,422,374	18,786,616
Electricity	13,494,481	12,579,442
Fuel and Oil	30,061,687	24,998,930
Insurance	187,785,150	16,931,393
Legal Expenses	9,221,822	,154,358
Licenses and permits	50,507,088	41,132,384
Specialized materials	2,118,091	5,815,224
Postage	4,627,472	2,086,815
Rental	71,198,160	139,666,691
Confidential Expenses	107,447,217	89,195,446
Sewerage and water costs	1,254,122	1,174,156
Research and Development	17,445,947	19,411,190
Telecommunication	13,054,217	12,279,155
Training	84,732,857	71,382,902
Refurbishment of Non-Residential buildings	15,570,251	6,321,354
Bank charges	153,329	281,375
Other Expenses	27,564,088	27,836,664
Total general expenses	787,052,418	589,063,679
9.Other Income		
	2018-2019	2017-2018
	KES	KES
Sale of boarded Items	537,932	-
Gain on sale of Assets	435,540	2,039,057
Total gain/Loss on sale of assets	973,472	2,039,057
10.Cash and cash equivalents		



	2018-2019	2017-2018
	KES	KES
Current bank Accounts	126,634,714	106,204,605
Cash on hand and in transit	2,743,600	3,398,888
short term deposits		28,000,000
Short term deposits-interest received		791,081
Total cash and cash equivalents	129,378,313	138,394,574

10(a).Detail analysis of Cash and cash equivalents

Financial Institution	Account Number	2018-2019	2017-2018
		KES	KES
KCB - Main A/C	1103253387	48,420,935	16,650,886
KCB - MSA Office	1106512073	1,895,414	1,773,062
CBK-GIZ Project	1000227958	700	700
KCB- Kisumu Office	1121427499	1,999,874	1,999,769
KCB- Garissa Office	1128652234	1,697,144	1,992,975
KCB- Nyeri Office	1128743523	1,648,715	1,974,010
KCB- Eldoret Office	1131040244	1,819,180	1,999,670
KCB - Malindi	1167493583	-	1,883,942
KCB - Isiolo	1167596226	1,898,308	1,881,031
KCB - Machakos	1167286790	1,505,581	1,978,990
KCB - Nakuru	1167708466	2,005,560	1,998,030
KCB - Kisii	1178636070	1,990,440	1,780,845
KCB- Malaba Office	1199273252	1,995,613	200,000
KCB-BUNGOMA	1249057019	1,974,325	-
Central Bank of Kenya	1000181141	57,782,925	54,994,579
Asset Recovery	1103256548	-	15,096,116
Investment -Asset Recovery	-	-	28,791,081
Total		126,634,714	134,995,686
Others			
Cash In hand		2,743,600	3,398,888
Total		2,743,600	3,398,888
Grand Total		129,378,313	138,394,574

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

Current receivables	2018-2019	2017-2018
	KES	KES
Staff Imprest	2,677,271	8,029,239
Staff Advances	332,000	287,227
Other Receivables	19,953,882	34,454,323
Total current receivables	22,963,152	42,770,789

12.Inventories

	2018-2019	2017-2018
	KES	KES
Consumable stores	8,299,282	6,836,186
Provision for loss of inventory	(2,923,920)	(2,923,920)
Library books	11,610,157	11,610,157
Total inventories at the lower of cost and net realizable value	16,985,518	15,522,423

13.Receivable from exchange transaction

	2018-2019	2017-2018
	KES	KES
Opening balance	1,518,000,000	250,000,000
Transfer to land and building	(1,518,000,000)	1,268,000,000
Total Land and Building	-	1,518,000,000

14. Property Plant and Equipment - Refer to the PPE schedule at pg 18

15.Intangible assets-software

Cost	KES
As At July 2017	171,856,142
Additions during the year	11,739,510
As At July 2018	183,595,652
Additions during the year	2,525,279
As at June 2019	186,120,931
Amortization and Impairment	
As at July 2018	154,639,924
Charge for the year	10,492,620
As at June 2019	165,132,544
Net Book Value 2019	20,988,387
Net Book Value 2018	28,955,728



16. Gratuity Fund Bank Account

	2018-2019	2017-2018
	KES	KES
Balance brought forward	4,405,281	46,163,351
Additions	54,665,130	48,706,049
Payments	-	(90,464,119)
Total	59,070,412	4,405,281

17. Trade and other payables from exchange transactions

	2018-2019	2017-2018
	KES	KES
Other payables	22,019,909	15,296,959
Total trade and other payables	22,019,909	15,296,959

18. Accrued liabilities and charges

	2018-2019	2017-2018
	KES	KES
Accrued audit fees	696,000	696,000
Accrued expenses	25,382,916	-
Total trade and other payables	26,078,916	696,000

**19. Asset Recovery Fund Account**

	2018-2019	2017-2018
	KES	KES
Balance brought forward	43,887,197	28,513,501
Funds recovered in the year	66,015,561	16,525,885
Short term deposit	-	28,000,000
Payments	-	(29,152,189)
Interest	1,179,569	-
Total	111,082,326	43,887,197

The Asset Recovery Fund Account has previously been treated as cash and cash equivalent. However, for period under review it has been treated as non-current asset, noting that the funds are held by EACC in trust on behalf of the State or any other applicable party.

20. Accumulated Fund

	2018-2019	2017-2018
	KES	KES
Balance brought forward	192,330,372	192,330,372
Payments	-	-
Total	192,330,372	192,330,372

21. Revenue Reserve

	2018-2019	2017-2018
	KES	KES
Balance brought forward	732,333,439	688,292,022
Acquisition fund	-	-
Surplus for the year	(20,108,198)	44,041,417
Total	712,225,241	732,333,439

22. Acquisition Fund

Balance B/F	1,268,000,000	-
Closing Balance	1,268,000,000	1,268,000,000

23. Gratuity Fund

Non – current employee benefit obligation. These are funds belonging to staff held in the Gratuity Fund Account awaiting distribution when they fall due.



24. Events After the reporting period

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

25. Currency

The Financial statements are presented in Kenya Shillings KES

26. Exchequer transfer to loan scheme	2018-2019	2017-2018
	KES.	KES.
Transfer to staff Mortgage and Car loan Scheme	40,000,000	130,000,000

Notes to financial statements continued...

14. Property, Plant and Equipment														
	Land and Building		Plant and Equipment		Security Equipment		Furniture, Fixtures & Fittings		Motor Vehicles		Computer Equipment		Total	
	KES		KES		KES		KES		KES		KES		KES	
Cost or Valuation:														
Depreciation Rates	0		12.5%		12.5%		12.5%		12.5%		33.33%		33.33%	
As at 1st July, 2017	120,416,497		89,321,906		130,294,020		70,915,690		467,410,747		181,024,168		1,059,383,028	
Additions during the year			13,206,322		34,244,244		4,318,145				29,530,562		81,299,273	
Disposal									(5,200,000)				(5,200,000)	
As at 30th June 2018	120,416,497		102,528,228		164,538,264		75,233,835		462,210,747		210,554,729		1,135,482,300	
Additions during the year	1,543,382,916		829,334		693,912		9,400,592		50,911,000		21,708,024		1,626,925,778	
Disposal	-		(1,965,267)		-		(80,000)		(2,080,580)		(3,147,260)		(7,273,107)	
As at 30th June 2019	1,663,799,413		101,392,295		165,232,176		84,554,427		511,041,167		229,115,493		2,755,134,971	
At 1 July 2016	-		32,555,839		33,050,505		22,340,516		257,471,072		120,399,307		465,817,239	
Depreciation	-		7,144,190		12,155,439		6,152,802		55,367,314		29,179,108		109,998,853	
Disposals	-		(387,452)		-		(647,241)		(11,529,580)		(26,921,219)		(39,485,492)	
Depreciation and impairment														
At 1st July, 2017	-		39,312,577		45,205,944		27,846,077		301,308,806		122,657,196		536,330,600	
Disposals	-		-		-		-		(4,809,560)		-		(4,809,560)	
Charge for the year	-		7,901,956		14,916,540		5,923,470		41,427,875		29,296,248		99,466,090	
At 30 June 2018	-		47,214,533		60,122,484		33,769,547		337,927,122		151,953,444		630,987,130	
Disposals	-		(1,414,235)		-		(64,194)		(2,043,508)		(3,093,754)		(6,615,691)	
Charge for the year			6,948,999,63		13,138,712		6,356,172		43,789,389		26,725,183		96,958,455	
At 30 June 2019			52,749,298		73,261,195		40,061,524		379,673,001		175,584,872		721,329,890	
Net book values			-		-		-		-		-		-	
At 30 June 2019	1,663,799,413		48,642,997		91,970,981		44,492,903		131,368,166		53,530,621		2,033,805,081	
At 30 June 2018	1,543,382,916		55,313,695		104,415,780		41,464,288		124,283,625		58,601,285		504,495,172	



Notes to financial statements continued...

27. Contingency Liabilities

The Commission has given no guarantees to third parties. In the ordinary course of business, the Commission has been sued in various cases with potential exposure estimated at KES **28,169,130**. 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.



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.

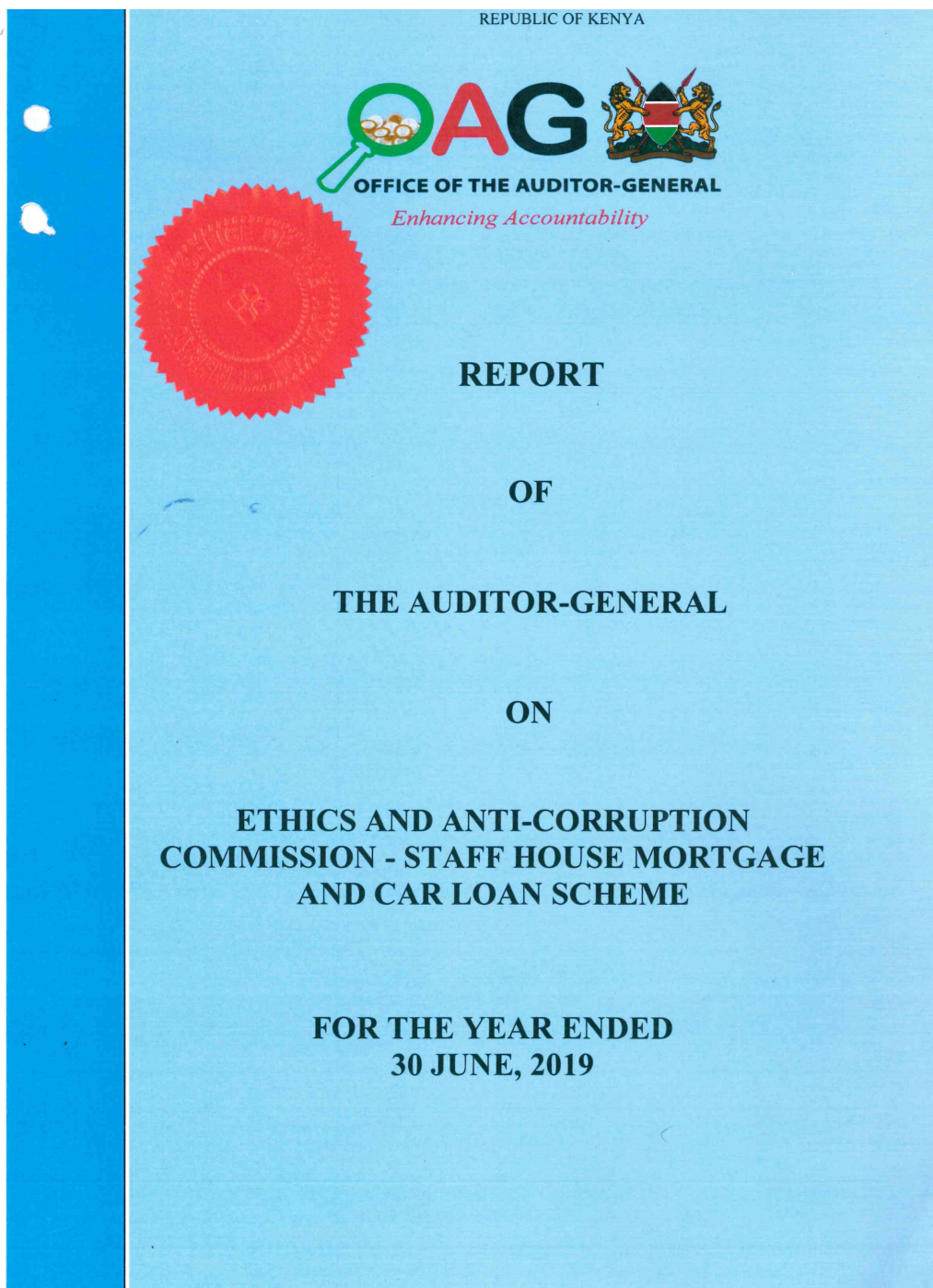
Ref. No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and Designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Excess acting allowance of KES 5,862,895/90 paid 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.	Court case ongoing	The Commission is pursuing the individual. The timeframe is open as it going through court process
2	Loss of 410 toners worth KES 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 is ongoing through court process
3	Development of United Nations Development Programme (UNDP) funded wealth Declaration Management System. KES 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. Development of the wealth declaration system based on the systems designs that were developed by the UNDP project has commenced	Mr David Kaboro	Resolved	The system implementation is ongoing. The System is expected to be fully operational by the end of this financial year

**Arch Bishop (Rtd.) Dr. Eliud Wabukala, EBS
Chairperson**

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

Chapter 6

STAFF MORTGAGE AND CAR LOAN SCHEME ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2019





**ETHICS AND ANTI CORRUPTION COMMISSION
STAFF HOUSE MORTGAGE AND CAR LOAN SCHEME
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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



I. 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 and prevent corruption, economic crime and unethical conduct in Kenya through law enforcement prevention, public education, promotion of standards and practices of integrity, ethics and anti-corruption. The Commission is comprised of the Chairperson, Commissioners and the Secretary/Chief Executive Officer.

(b) Principal Activities

The principal activities of the Commission include : Investigation of corruption and economic crimes, tracing and recovery of corruptly acquired public property, forfeiture of unexplained wealth, corruption prevention, public education and promotion of ethics and integrity

(c) Key Management

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

1. The Secretary/ Chief Executive Officer
2. The Deputy Chief Executive Officer
3. Directorate of Investigation
4. Directorate of Preventive Services
5. Directorate of Legal Services
6. Directorate of Ethics and Leadership
7. Directorate of Field Services
8. Directorate of Finance and Planning
9. Department of Human Resources Management
10. The Department of Supply Chain Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019.

Designation

1. Secretary / Chief Executive Officer
2. Deputy Chief Executive Officer
3. Directorate of Investigations
4. Directorate of Preventive Services
5. Directorate of Legal Services
6. Directorate of Ethics and Leadership
7. Directorate of Field Services
8. Directorate of Finance and Planning
9. The Department of Supply Chain Management
10. Directorate of Human Resources and Administration

Name

- Mr.Twalib Mbarak, CBS
 Mr.Michael Mubea
 Mr. Abdi A. Mohamud
 Mr.Vincent Okong'o
 Mr. David Too
 Ms.Lucy Kinuthia
 Mr. Jackson Mue
 Ms. Jennifer Muthoni
 Mr. Robert Kanyi
 Ms. Ellyjoy Bundi

**(e) Fiduciary Oversight Arrangements****Commission Committees**

Name of the Committee	Members
Enforcement	Paul Mwaniki Gachoka Sophia Lepuchirit
Corruption Prevention, Education and Public Engagement	Dr. Dabar Maalim Rose Mghoi Macharia
Support services	Rose Mghoi Macharia Paul Mwaniki Gachoka
Risk & Audit	Raphael Mingisian Lekoolool (Independent Chairperson) Jane Micheni (Representative – National Treasury) Dr. Dabar Abdi Maalim Rose Mghoi Macharia
Finance, Planning and Supply chain	Sophia Lepuchirit Paul Mwaniki Gachoka

(f) Entity Headquarters

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

(g) Entity Contacts

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

(h) Entity Bankers

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



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

- (i) **Independent Auditors**
Office of Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

- (j) **Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya



IV. STATEMENT BY THE CHAIRPERSON

The Commission is committed towards continuously improving the welfare of its staff through implementation of various products such as the EACC Staff Mortgage and Car Loan Scheme. The Scheme was initiated in the Financial Year 2016/17 and is implemented in line with Salaries and Remuneration Commission guidelines. The benefits derived by staff are enormous and attribute to attraction and retention of requisite skills.

The National Treasury has funded the basket in consecutive financial periods totalling to Kshs 770 million as at the time of reporting. This is encouraging and we intend to deepen the relationship in order to expand the fund. The uptake of the mortgage and car loan has been on an increase necessitating the Commission to come up with diverse products. Sharia compliant facility was added to the scheme in the course of last Financial Year and operationalized in the period under review.

The governance and management of the fund is as set out in the loan entitlement and conditions stipulated in detailed Staff Mortgage and Car Loan Scheme Policies and Regulations and as per the guidelines by the Salaries and Remuneration Commission.

I urge the staff to utilize the opportunity provided by the Government and acquire homes and cars to take care of their families. I further wish to state the uptake of the facility has a direct effect in supporting the Government's Big Four Agenda.

May the Almighty God bless you all.

ARCHBISHOP (RTD.) DR. ELIUD WABUKALA, EBS
CHAIRPERSON



V. REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER

The Commission maintains elaborate policies and practises practices aimed at creating an enabling environment for optimal productivity. In this respect, the Commission initiated the EACC Staff Mortgage and Car Loan scheme, in line with existing Government regulations.

It is a pleasure to present the Financial Statements of the EACC Staff Mortgage and Car Loan scheme for the year ending 30th June, 2019. The Financial Statements presented comprise of the Statement of financial performance, Statement of the Financial Position, Statement of Changes in Net Assets and Statement of Cash Flow.

The Commission always ensures prudent financial management and reporting in line with Public Finance Management Act (PFMA) 2012, Government Financial Regulations, 2015 and International Public Sector Accounting Standards (IPSAS) resulting in efficient and effective administration of the Scheme. The Scheme has been beneficial to staff and has enhanced staff morale and productivity.

The administration of the scheme is overseen by a Staff Mortgage and Car Loan Scheme Advisory Committee in liaison with external professional service providers. The Scheme has facilitated 75 applicants for mortgage and 68 applicants for car loan during the period under review.

I encourage all staff members to utilize the facility for improvement of their welfare and to remain resilient and focused in the performance of their duties

TWALIB A. MBARAK

SECRETARY/ CHIEF EXECUTIVE OFFICER



VI CORPORATE GOVERNANCE STATEMENT

The Commission and the Scheme operations and financial responsibilities are overseen by the Chief Executive Officer who is the accounting officer. The operations are guided by an approved annual budget 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 Commission committees for oversight purposes; Enforcement, Preventive Services, Corporate Services and Risk and Audit. These committees are comprised of the commissioners and officers co-opted from various directorates which are representatives of the secretariat. In addition, an internal audit department charged with continuous review of systems of internal controls and overall risk management is in place.

Programmes are monitored against the set targets and appropriate feedback provided. 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 Office of Auditor General who certifies them before inclusion in the annual report.

VII. 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.



VIII. MANAGEMENT DISCUSSIONS AND ANALYSIS

The Staff Mortgage and Car Loan Scheme was introduced in the financial year 2016/2017 and has steadily grown from the initial KES 300 Million to KES 770 Million reported in the current financial year.

The facility has continued to be an exciting benefit to the Commission's staff. It has grown over time recording 75 successful applications for mortgage amounting to KES 593,938,370 and 68 successful applications for Car loan amounting to KES 88,941,300 as at the end of the period under review.

Performance for the periods 2015/2016 to 2018/2019

	Mortgage	Car Loan	Total
	KES	KES	KES
Financing from National Treasury	710,000,000	60,000,000	770,000,000
Principal repayments received	53,802,898	32,765,294	86,568,192
Interest earned	64,672,829	28,759,389	93,432,217
Total Inflows	828,475,726	121,524,683	950,000,409
Loans Issued	593,938,370	88,941,300	682,879,670
Scheme Administration Cost	27,096,417	3,108,961	30,205,378
Total Outflows	621,034,787	92,050,261	713,085,048
Net Inflows	207,440,939	29,474,422	236,915,361

The Management is hopeful that in the future the scheme will be a revolving fund that is self-sustaining. To effectively manage the risk, the management took a decision to engage independent service providers and tap their expertise in credit management. In the last financial year, the scheme introduced Sharia compliant product for the members of staff professing Islam faith.



IX. REPORT OF THE COMMISSION AND THE SCHEME

The Commission and the Scheme submit report together with the audited financial statements for the year ended June 30, 2019 which show the state of the Commission's and the Scheme'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. EACC staff mortgage and Car loan is a scheme that supports the Commission's staff to acquire homes and purchase cars.

Results

The results of the entity for the year ended June 30, 2019 are set out on page 140 to 151.

Commission

The members of the Commission who served during the year are shown on page 82 to 84 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, No 34 of 2015 and the Ethics and Anti-Corruption Commission Act, 2011.



X. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Section 26 of the Ethics and Anti-Corruption 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. The Management is also required to ensure that the Commission and the Scheme keep proper accounting records which disclose with reasonable accuracy the financial position of the Commission and the Scheme. The Management is also responsible for safeguarding the assets of the Commission and the Scheme.

The management is responsible for the preparation and presentation of the Scheme's Financial Statements, which give a true and fair view of the state of the affairs of the Scheme for and as at the end of the financial year ended on June 30, 2019. 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; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Management accepts responsibility for the Scheme's Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Reporting Standards (IPSAS), and in the manner required by the Public Finance Management Act and the Ethics and Anti-Corruption Act. The management is of the opinion that the Scheme's financial statements give a true and fair view of the state of the Scheme's transactions during the financial year ended June 30, 2019, and of the Scheme's financial position as at that date. The Management further confirms the completeness of the accounting records maintained for the Scheme, which have been relied upon in the preparation of the Scheme financial statements as well as the adequacy of the systems of internal financial controls.

Nothing has come to the attention of the Management to indicate that the Commission and the Scheme 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 Scheme's Financial Statements were approved by the Commission on 3rd October 2019 and signed on its behalf by:

Arch Bishop (Rtd.) Dr. Eliud Wabukala, EBS
Chairperson

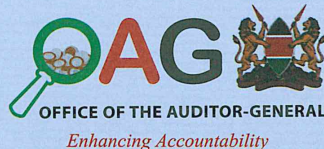
Twalib Mbarak
Secretary/Chief Executive Officer



REPORT OF THE INDEPENDENT AUDITORS ON ETHICS AND ANTI-CORRUPTION COMMISSION

REPUBLIC OF KENYA

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Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ETHICS AND ANTI-CORRUPTION COMMISSION - STAFF HOUSE MORTGAGE AND CAR LOAN SCHEME FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Ethics and Anti-Corruption Commission - Staff House Mortgage and Car Loan Scheme set out on pages 1 to 15, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Ethics and Anti-Corruption Commission - Staff House Mortgage and Car Loan Scheme as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Ethics and Anti-Corruption Commission (EACC Staff Motor Car Loan Scheme) Regulations, 2017 and Ethics and Anti-Corruption Commission (EACC Staff House Mortgage Scheme) Regulations, 2017.

Basis for Opinion

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

Key Audit Matters

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

Report of the Auditor-General on Ethics and Anti-Corruption Commission - Staff House Mortgage and Car Loan Scheme for the year ended 30 June, 2019



REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.

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

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

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects.

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

Responsibilities of Management and those Charged with Governance

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

Report of the Auditor-General on Ethics and Anti-Corruption Commission - Staff House Mortgage and Car Loan Scheme for the year ended 30 June, 2019



In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue sustaining services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to have the Commission cease operations.

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

Those charged with governance are responsible for overseeing the Scheme's financial reporting process.

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

Report of the Auditor-General on Ethics and Anti-Corruption Commission - Staff House Mortgage and Car Loan Scheme for the year ended 30 June, 2019



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

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

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


 Nancy Gathungu
AUDITOR-GENERAL

Nairobi

10 August, 2020

Report of the Auditor-General on Ethics and Anti-Corruption Commission - Staff House Mortgage and Car Loan Scheme for the year ended 30 June, 2019

**STATEMENT OF FINANCIAL PERFORMANCE
AS AT 30 JUNE 2019**

		2018-2019	2017-2018
	Notes	KES	KES
Revenue from exchange transactions			
Interest on Bank Balance	5	13,462,514	20,711,003
Interest on Individuals Staff House Mortgage and Car Loans	6	20,975,263	14,596,483
Total Revenue		34,437,777	35,307,487
Expenses			
3% Commission to Service Provider	7	15,731,447	10,947,362
Total Expenses		15,731,447	10,947,362
Surplus for the period		18,706,330	24,360,125



**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019**

	Notes	2018-2019 KES	2017-2018 KES
Assets			
Current Assets			
Cash and cash equivalents	8	236,915,361	339,252,802
Short term receivables from staff House Mortgage	9	30,887,419	23,819,847
Short term receivables from staff Car Mortgage	9	17,685,327	10,625,337
		285,488,107	373,697,986
Non-Current Assets			
Long term receivables from staff House Mortgage	10	509,248,054	369,203,666
Long term receivables from staff Car Mortgage	10	38,490,679	31,618,858
		547,738,733	400,822,524
Total Assets		833,226,840	774,520,510
Liabilities			
Current Liabilities			
	11	1,836,397	1,836,397
Non-Current Liabilities			
		-	-
Total liabilities		1,836,397	1,836,397
Net Assets			
Reserves(Accumulated fund)	12	61,390,443	42,684,113
Mortgage and Car Loan Revolving fund	13	770,000,000	730,000,000
		831,390,443	772,684,113
Total Net assets and liabilities		833,226,840	774,520,510

Arch Bishop (Rtd.) Dr. Eliud Wabukala, EBS
Chairperson

Twalib Mbarak
Secretary/Chief Executive Officer

Joel I. Mukumu
Ag. Director, Finance and Planning

**STATEMENT OF CHANGES IN NET ASSETS****FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	Staff car loan and mortgage fund	Revenue reserve	Total
		KES	KES	KES
Balance as at 30 June 2017		600,000,000	18,323,988	618,323,988
Staff car loan and mortgage fund		130,000,000		130,000,000
		-	24,360,125	24,360,125
Surplus for the period				
Balance as at 30 June 2018		730,000,000	42,684,113	772,684,113
Staff car loan and mortgage fund	14	40,000,000		40,000,000
		-	18,706,330	18,706,330
Surplus for the period				
Balance as at 30 June 2019		770,000,000	61,390,443	831,390,443



**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2019**

Notes

	2018-2019	2017-2018
	KES	KES
Cash flows From Operating Activities		
Surplus from operations	18,706,330	24,360,125
	18,706,330	24,360,125
Income from Operations		
Staff Mortgage and Car Loan short term receivables	(14,127,561)	(13,685,966)
Increase/(Decrease) in payables	-	1,836,397
Net cash flows from operating activities	4,578,769	12,510,566
Cash flows From Investing Activities		
Staff Mortgage and Car Loan long term receivables	(146,916,209)	(146,058,296)
Net cash utilized in investing activities	(146,916,209)	(146,058,296)
Cash flows From Financing Activities		
Staff Mortgage and Car Loan Fund	40,000,000	130,000,000
Net cash used in Financing activities	40,000,000	130,000,000
Net increase in cash and cash equivalents	(102,337,441)	(3,547,740)
Bank and Cash equivalents at beginning of year	339,252,802	342,800,542
Bank and cash equivalent at end of year	236,915,361	339,252,802

14

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FY 2018/2019						
	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019	
Revenue	KES	KES	KES	KES	KES	
Government grants and subsidies	-	-	-	-	-	
Development Expenditure	-	-	-	-	-	
Staff mortgage Car loan	40,000,000	-	40,000,000	40,000,000	-	
Other Income	-	-	-	34,437,777	(34,437,777)	
Total income	40,000,000	-	40,000,000	74,437,777	(34,437,777)	
Expenses						
Compensation of employees	-	-	-	-	-	
Use Goods and services	-	-	-	15,731,447	(15,731,447)	
Staff Loan	40,000,000	-	40,000,000	40,000,000	-	
Total expenditure	40,000,000	-	40,000,000	55,731,447	(15,731,447)	
Surplus for the period				18,706,330	(18,706,330)	

Note:

Other income: The other income is as a result of interest on loans issued and interest received from bank balances

Use of goods and service: This represents cost of scheme administration recovered by scheme administrators.

Staff Loan: This represents the budgetary allocation during the Financial Year and funds transferred to the scheme



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.



Notes to financial statements continued...

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 their 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.



Notes to financial statements continued...

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.



Notes to financial statements continued...

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



5 Notes to financial statements continued...

Income from Bank Balance

Item	2018-2019 KES	2017-2018 KES
Staff Mortgage Bank Account HFC	3,971,687	9,006,230
Staff Mortgage Bank Account KCB	5,958,222	-
Interest overstated in previous period	(985,805)	-
Interest Car Loan Bank Account	4,518,411	11,704,774
Total Income from Bank Balance	13,462,514	20,711,004

6 Finance income from Individual Staff Mortgage and Car Loans ;4%

Item	2018-2019 KES	2017-2018 KES
Individual Staff Mortgage 4% Interest	18,913,027	13,027,792
Individual Car Loan 4% Interest	2,062,236	1,568,691
Total Individual Staff Interest	20,975,263	14,596,483

7 Expenses;3% Commission for service Provider

Item	2018-2019 KES	2017-2018 KES
Individual Staff Mortgage 3% Interest	14,184,770	9,770,844
Individual Car Mortgage 3% Interest	1,546,677	1,176,519
Total Expenses	15,731,447	10,947,363

8 Bank Balances

Item	2018-2019 KES	2017-2018 KES
HFC Staff Mortgage Bank Account	84,949,973	29,894,733
KCB Staff Mortgage Bank Account	122,490,965	130,000,000
HFC Car Loan Bank Account	29,474,423	179,358,069
Total	236,915,361	339,252,802

9 Short -Term Receivables from non-exchange contracts

Item	2018-2019 KES	2017-2018 KES
EACC Mortgage Issuance	30,887,419	23,819,847
EACC Car Loan Issuance	17,685,327	10,625,337
Total Short -Term Receivables	48,572,745	34,445,184

*Notes to financial statements continued...***10 Long -Term Receivables from non-exchange contracts**

	2018-2019	2017-2018
	KES	KES
EACC Mortgage Issuance	509,248,054	369,203,666
EACC Car Loan Issuance	38,490,679	31,618,858
Total Long -Term Receivables	547,738,733	400,822,524

11 Current Liabilities

	2018-2019	2017-2018
	KES	KES
Interest Due to HFC	1,836,397	1,836,397
Total Current Liabilities	1,836,397	1,836,397

12 Revenue Reserve

	2018-2019	2017-2018
	KES	KES
Balance Brought Forward	42,684,112	18,323,988
Surplus for the year	18,706,330	24,360,124
Total	61,390,442	42,684,112

13 Fund Balances

	2018-2019	2017-2018
Item	KES	KES
Balance Brought Forward	730,000,000	600,000,000
Staff House Mortgage	40,000,000	130,000,000
Staff Car Loan	-	-
Total	770,000,000	730,000,000

14 Fund Performance

The Scheme recorded 23 applications for Mortgage amounting to KES 176,407,429 and 25 for Car Loan amounting to KES 32,648,500 as at the end of the period under review compared with 24 and 19 successful applications respectively in the previous financial year, as analysed in the schedule in note 15.

Statement of Fund Performance

Scheme	2018-2019		2017-2018	
	Number of successful applicants	Amount KES	Number of successful applicants	Amount KES
Staff Mortgage	23	176,407,429	24	170,300,379
Staff Car loan	25	32,648,500	19	19,761,000
	48	209,055,929	43	190,061,379



Notes to financial statements continued...

15. EACC Staff Car Loan and House Mortgage Scheme

The Commission funded; KES 40,000,000/- for Staff Car Loan and Mortgage Scheme.

Fund Accountability Statement as at 30th June 2019

	House Mortgage Scheme Interest KES	House Mortgage Scheme KES	Car Loan Scheme Interest KES	Car Loan Scheme KES	Total KES
Scheme Funding:					
Opening Balance 01.07.2018		552,918,246		221,602,263	774,520,509
Funding for the year		80,000,000		(40,000,000)	40,000,000
Inter-fund transfers		100,000,000		(100,000,000)	-
Total Capital Funding		732,918,246		81,602,263	814,520,509
Interest					
Interest earned on Bank Balance KCB		5,958,222		-	5,958,222
Interest earned on Bank Balance HFC		3,971,687		4,518,411	8,490,098
Interest overstated in 2016-2017		-		(985,805)	(985,805)
Interest earned ;4% on Loans Issued	18,913,027		2,062,236		
Less:3% Commission for HFC	(14,184,770)	4,728,257	(1,546,677)	515,559	5,243,816
Total net Interest		14,658,165		4,048,165	18,706,330
Total Fund		747,576,411		85,640,428	833,226,839
Net Loans Issued KCB		(13,467,257)		-	(13,467,257)
Net Loans Issued HFC		(526,668,215)		(56,176,006)	(582,844,221)
Fund Balance 30.06.2019		207,440,939		29,474,422	236,915,361

16. Events After the reporting period

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

17. Currency

The Financial statements are presented in Kenya Shillings (KES).



PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The Commission did not have any Audit follow up issues for the previous Audited Financial Year 2017/18 for the Staff Mortgage Car Loan Fund financial statement.

Arch Bishop (Rtd). Dr. Eliud Wabukala, EBS
Chairperson

Twalib Mbarak
Secretary/Chief Executive Officer