



**ETHICS AND ANTI-CORRUPTION COMMISSION**

**REPORT OF ACTIVITIES  
AND FINANCIAL STATEMENTS FOR THE  
FINANCIAL YEAR 2019/2020**



## **Ethics and Anti-Corruption Commission**

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**ETHICS AND ANTI-CORRUPTION COMMISSION**

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## LIST OF ABBREVIATIONS AND ACRONYMS

|                |                                                                 |
|----------------|-----------------------------------------------------------------|
| <b>AAACA</b>   | African Association of Anti-Corruption Authorities              |
| <b>AACD</b>    | Africa Anti-Corruption Day                                      |
| <b>ACC</b>     | Anti-Corruption Court Case                                      |
| <b>ACEC</b>    | Anti-Corruption and Economic Crimes Court                       |
| <b>ACECA</b>   | Anti-Corruption and Economic Crime Act                          |
| <b>ADR</b>     | Alternative Dispute Resolution                                  |
| <b>AGM</b>     | Annual General Meeting                                          |
| <b>ARIN-EA</b> | Asset Recovery Inter Agency Network for Eastern Africa          |
| <b>ASK</b>     | Agricultural Society of Kenya                                   |
| <b>AUCPCC</b>  | African Union Convention on Preventing and Combating Corruption |
| <b>CA</b>      | County Assembly                                                 |
| <b>CAACC</b>   | Commonwealth Africa Anti-Corruption Centre                      |
| <b>CAJ</b>     | Commission on Administrative Justice                            |
| <b>CASB</b>    | County Assembly Service Board                                   |
| <b>CBK</b>     | Central Bank of Kenya                                           |
| <b>CBO</b>     | Community Based Organisation                                    |
| <b>CBS</b>     | Chief of the Order of the Burning Spear                         |
| <b>CDACC</b>   | Curriculum Development and Certification Council                |
| <b>CE</b>      | County Executive                                                |
| <b>CEC</b>     | County Executive Committee                                      |
| <b>CEO</b>     | Chief Executive Officer                                         |
| <b>CFO</b>     | Chief Finance Officer                                           |
| <b>CG</b>      | County Government                                               |
| <b>CMCC</b>    | Chief Magistrate Civil/Criminal Court                           |
| <b>CoG</b>     | Council of Governors                                            |
| <b>CPC</b>     | Criminal Procedure Court                                        |
| <b>CPCs</b>    | Corruption Prevention Committees                                |
| <b>CPSB</b>    | County Public Service Board                                     |
| <b>CRAs</b>    | Corruption Risk Assessments                                     |
| <b>DIALs</b>   | Declaration of Income Assets and Liabilities                    |
| <b>EAC</b>     | East Africa Community                                           |



|               |                                                             |
|---------------|-------------------------------------------------------------|
| <b>EACC</b>   | Ethics and Anti-Corruption Commission                       |
| <b>EAAACA</b> | East African Association of Anti-Corruption Authorities     |
| <b>EBS</b>    | Elder of the Order of the Burning Spear                     |
| <b>ECCOS</b>  | Ethics Commission for Cooperative Societies                 |
| <b>ELC</b>    | Environment and Land Court                                  |
| <b>ELRC</b>   | Employment and Labour Relations Court                       |
| <b>ETPA</b>   | Education, Training and Public Awareness                    |
| <b>FBI</b>    | Federal Bureau of Investigations                            |
| <b>FGM</b>    | Female Genital Mutilation                                   |
| <b>FBOs</b>   | Faith Based Organisations                                   |
| <b>FM</b>     | Frequency Modulation                                        |
| <b>FY</b>     | Financial Year                                              |
| <b>GDC</b>    | Geothermal Development Company                              |
| <b>GIZ</b>    | Deutsche Gesellschaft für Internationale Zusammenarbeit     |
| <b>GK</b>     | Government of Kenya                                         |
| <b>HC</b>     | High Court                                                  |
| <b>HCCC</b>   | High Court Civil Case                                       |
| <b>HR</b>     | Human Resource                                              |
| <b>HSI</b>    | United States Department of Homeland Security Investigation |
| <b>IAACA</b>  | International Association of Anti-Corruption Authorities    |
| <b>IACD</b>   | International Anti-Corruption Day                           |
| <b>IAOs</b>   | Integrity Assurance Officers                                |
| <b>IEBC</b>   | Independent Electoral and Boundaries Commission             |
| <b>ICT</b>    | Information, Communication Technology                       |
| <b>IEBC</b>   | Independent Electoral and Boundaries Commission             |
| <b>IEC</b>    | Information, Education and Communication                    |
| <b>IFMIS</b>  | Integrated Financial Management Information System          |
| <b>IOU</b>    | I Owe You                                                   |
| <b>JR</b>     | Judicial Review                                             |
| <b>KALRO</b>  | Kenya Agricultural and Livestock Research Organisation      |
| <b>KBA</b>    | Kahawa Baptist Academy                                      |
| <b>KCAA</b>   | Kenya Civil Aviation Authority                              |
| <b>KEMSA</b>  | Kenya Medical Supplies Agency                               |
| <b>KenGen</b> | Kenya Electricity Generating Company                        |
| <b>KeNHA</b>  | Kenya National Highways Authority                           |



|                 |                                                       |
|-----------------|-------------------------------------------------------|
| <b>KEPSA</b>    | Kenya Private Sector Alliance                         |
| <b>KeRRA</b>    | Kenya Rural Roads Authority                           |
| <b>KES/Kshs</b> | Kenya Shillings                                       |
| <b>KICD</b>     | Kenya Institute of Curriculum Development             |
| <b>KIEMS</b>    | Kenya Integrated Elections Management System          |
| <b>KIP</b>      | Kenya Integrity Plan                                  |
| <b>KISM</b>     | Kenya Institute of Supplies Management                |
| <b>KLIF</b>     | Kenya Leadership Integrity Forum                      |
| <b>KMD</b>      | Kenya Meteorological Department                       |
| <b>KPA</b>      | Kenya Ports Authority                                 |
| <b>KPC</b>      | Kenya Pipeline Corporation                            |
| <b>KRA</b>      | Kenya Revenue Authority                               |
| <b>KRSRBS</b>   | Kenya Railways Staff Retirement Benefit Scheme        |
| <b>KRC</b>      | Kenya Railways Corporation                            |
| <b>KVDA</b>     | Kerio Valley Development Authority                    |
| <b>LAPSSET</b>  | Lamu Port South Sudan Ethiopia Transport Corridor     |
| <b>LBDA</b>     | Lake Basin Development Authority                      |
| <b>LIA</b>      | Leadership and Integrity Act, 2012                    |
| <b>LVNWSB</b>   | Lake Victoria North Water Services Board              |
| <b>MAT</b>      | Multi Agency Team                                     |
| <b>MCA</b>      | Member of County Assembly                             |
| <b>MDG</b>      | Millennium Development Goals                          |
| <b>MDAs</b>     | Ministries, Departments and Agencies                  |
| <b>MoU</b>      | Memorandum of Understanding                           |
| <b>MP</b>       | Member of Parliament                                  |
| <b>MUHURI</b>   | Muslims Human Rights                                  |
| <b>MUST</b>     | Murang'a University of Science and Technology         |
| <b>NACCD</b>    | National Anti-Corruption Commission of Djibouti       |
| <b>NACCSC</b>   | National Anti- Corruption Campaign Steering Committee |
| <b>NCA</b>      | National Construction Authority                       |
| <b>NCPB</b>     | National Cereals and Produce Board                    |
| <b>NEAP</b>     | National Ethics and Anti-Corruption Policy            |
| <b>NGAAF</b>    | National Gender Affirmative Action Fund               |
| <b>NG-CDF</b>   | National Government – Constituency Development Fund   |
| <b>NIACA</b>    | National Integrity Academy                            |
| <b>NIB</b>      | National Irrigation Board                             |



|              |                                                       |
|--------------|-------------------------------------------------------|
| <b>NLC</b>   | National Land Commission                              |
| <b>NKCC</b>  | New Kenya Corporative Creameries                      |
| <b>NSSF</b>  | National Social Security Fund                         |
| <b>NWSC</b>  | Nairobi Water and Sewerage Company                    |
| <b>NYS</b>   | National Youth Service                                |
| <b>ODPP</b>  | Office of the Director of Public Prosecutions         |
| <b>PC</b>    | Performance Contracting                               |
| <b>PFMA</b>  | Public Finance Management Act, 2012                   |
| <b>PMCO</b>  | Performance Management and Coordination Office        |
| <b>POEA</b>  | Public Officer Ethics Act, 2003                       |
| <b>PPADA</b> | Public Procurement and Asset Disposal Act, 2015       |
| <b>PPDA</b>  | Public Procurement and Disposal Act, 2005             |
| <b>PPRA</b>  | Public Procurement Regulatory Authority               |
| <b>PSC</b>   | Public Service Commission                             |
| <b>RVWSB</b> | Rift Valley Water Service Board                       |
| <b>SFO</b>   | United Kingdom Serious Fraud Office                   |
| <b>SGR</b>   | Standard Gauge Railway                                |
| <b>TVETA</b> | Technical Vocational Education and Training Authority |
| <b>TI</b>    | Transparency International                            |
| <b>TOT</b>   | Training of Trainers                                  |
| <b>UNCAC</b> | United Nations Convention against Corruption          |
| <b>UNODC</b> | United Nations Office on Drugs and Crime              |
| <b>WSTR</b>  | Water Services Trust Board                            |





## MISSION STATEMENT

### VISION

An integrity driven Kenyan society

### MISSION

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

### MANDATE

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

### CORE VALUES

Integrity

Professionalism

Fidelity to the law

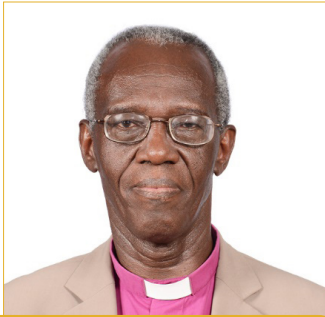
Courage

Teamwork

Innovation



## MEMBERS OF THE ETHICS AND ANTI-CORRUPTION COMMISSION



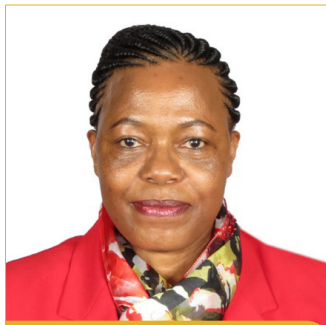
*Archbishop (Rtd) Dr. Eliud Wabukala, EBS*  
**Chairperson**



*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) is a constitutional body established pursuant to Article 79 of the Constitution of Kenya, 2010 and under Part II of the Ethics and Anti-Corruption Commission Act, 2011. The Commission is mandated to combat and prevent corruption through law enforcement, prevention, public awareness and promotion of standards and practices of ethics and anti-corruption.

The Commission aligns its strategies to the Kenya Vision 2030, UN Sustainable Development Goals, the 3<sup>rd</sup> Medium Term Plans 2018-2022 and the Big 4 Agenda, among other blue-prints in order to realize its mandate. The strategic focus of the Commission is on high impact investigations, asset tracing and recovery, corruption prevention through promotion of institutional and personal integrity and strategic partnerships.

This year's Annual Report presents the Commission's achievements in the fight against corruption and promotion of ethics. Throughout the year, the Commission made concerted efforts to expedite investigations into allegations of unethical conduct, corruption and economic crimes, especially those that were of high profile and of great public interest. The Commission also undertook preventive initiatives, such as systems reviews, public education and promotion of best practices in ethics and integrity.

The Commission in collaboration with the Office of the Attorney General and other key stakeholders formulated the National Ethics and Anti-Corruption Policy. The Policy forms the basis for decision making in prevention, public education and awareness creation, criminalization, law enforcement and jurisdiction, prosecution of corruption and economic crimes, asset recovery, international cooperation and Leadership and integrity. The Policy has enhanced engagement with the private sector and civil society in the fight against corruption, economic crimes and promotion of ethical standards.

The Commission remains committed to partnering with national, regional and international players in the fight against corruption and unethical conduct. This year the Commission benefited from technical support in the areas of financial investigation and skills development from the United Nations Office on Drugs & Crime (UNODC), the National Crime Agency (NCA) and United Kingdom Serious Fraud Office (SFO), the United States department of Homeland Security Investigation (HSI), the Federal Bureau of Investigation (FBI), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and other partners. At the National level, the Commission engaged stakeholders through the Kenya Leadership Integrity Forum (KLIF), the Multi-Agency Team (MAT) and the Referral Partners Platform.



I acknowledge the support accorded to the Commission by Government Agencies, development partners, civil society, non-governmental organizations and the public. I urge all Kenyans to be ambassadors of this noble cause.

God bless Kenya, God bless EACC.

**Archbishop (Rtd) Dr. Eliud Wabukala, EBS**  
**Chairperson**



## MESSAGE FROM THE SECRETARY/CHIEF EXECUTIVE OFFICER

The Ethics and Anti-Corruption Commission Annual Report and Financial Statements for the Financial Year 2019/2020 have been prepared pursuant to Section 27 of Ethics and Anti-Corruption Commission Act, 2011 and Section 45 of the Leadership and Integrity Act (LIA, 2012). The Report highlights the achievements made and challenges encountered during the year.

The Commission finalized and forwarded to the Director of Public Prosecutions (DPP) a total of 163 files on corruption, economic crime and ethical breaches. Public assets valued at approximately KES 12.1 billion were recovered and 14 applications processed to preserve assets valued at approximately KES 9.3 billion. Eighty-eight illegally acquired public assets with an estimated value of KES 25.3 billion were traced and the recovery process is ongoing. In addition, 31 proactive covert investigations were conducted, averting possible loss of public funds estimated at KES 10 billion.

To strengthen public systems and policies and support devolution, nine Corruption Risk Assessments (CRAs) were undertaken in Nyandarua, Kitui, Narok, Vihiga and Makueni and presented to the County Executives and Assemblies for implementation. The Commission also developed two corruption prevention guidelines in the ICT and records management functions in the Public Sector. Further, three reports on the examination into the systems, policies, procedures and practices at the Ministry of Environment and Forestry; Sheikh Khalifa Bin Zayed Al-Nahyan Secondary and Technical School-Mombasa; and in the centralized procurement of Information, Communication and Technology (ICT) items and services in the Ministry of ICT were finalized and presented.

In order to enlist the support of the public and enhance the capacity of public officers in the fight against corruption and unethical conduct the Commission undertook: general public and school outreach programmes; a media integrity programme targeting schools and general public; training of Integrity Assurance Officers and Corruption Prevention Committees; and general sensitization and dissemination of Information, Education and Communication Materials. Outreach programmes targeting the general public reached an estimated 2,700 participants while an additional 7,800 members of public were reached in Nairobi International Trade Fair, Mombasa International Trade Fair and Nyeri Agricultural Show of Kenya. The school media integrity education programmes reached approximately 9.6 million learners, teachers and other listeners across the country. The Commission conducted general sensitization on various topics including leadership, ethics and integrity where a total of 50 sessions sensitizing 3,417 persons were conducted while 34,774 IEC materials were disseminated.



Chapter 6 of the Constitution, LIA, 2012 and POEA, 2003 require the Commission to review and approve codes of conduct and ethics and oversee implementation of Declaration of Income Assets and Liabilities (DIALs). Compliance notices were issued to 85 responsible Commissions that comprised of 38 County Assembly Service Boards, 38 County Public Service Boards and 9 Constitutional Commissions, while codes of conduct and ethics from 41 public entities were reviewed.

In implementing its mandate, the Commission encountered a number of challenges. These include:

- slow judicial processes caused by frivolous judicial review applications and appeals filed against the Commission;
- weak legal and policy framework for implementing Chapter Six of the Constitution on areas such as integrity verification for persons seeking appointment or election to public office and inadequate offences and penalty to support implementation of LIA, 2012;
- delays due to complexities in matters involving Mutual Legal Assistance; and
- politicization of the fight against corruption and unethical conduct.

Notwithstanding the challenges, the Commission will continue to intensify its efforts in the implementation of its mandate and calls upon Kenyans to support the war against corruption and unethical conduct.

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

# Chapter 1

## BACKGROUND

### 1.1 Introduction

The Ethics and Anti-Corruption Commission is a statutory body established under the Ethics and Anti-Corruption Commission 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, No. 19 of 2012 (LIA, 2012). The Report presents the details of activities undertaken and achievements realized; information relevant to the enforcement of and compliance with the provisions of LIA; requisite statistical information; challenges encountered in the review period and audited financial statement of the Commission.

### 1.2 Mandate and Functions of the Commission

The mandate of the Commission is to combat and prevent corruption, economic crimes and unethical conduct in Kenya through law enforcement, prevention, public education and promotion of ethical standards and practices. This mandate is derived from Article 79 and 252 of the Constitution; the Ethics and Anti-Corruption Commission Act, 2011; the LIA, 2012; the Public Officer Ethics Act, No 4 of 2003 (POEA, 2003); the Anti-Corruption and Economic Crimes Act, No. 3 of 2003 (ACECA, 2003); and the Bribery Act, No. 47 of 2016 (Bribery Act, 2016) among other relevant laws.

The functions of the Commission are to:

- a) Develop codes of ethics and promote 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, 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

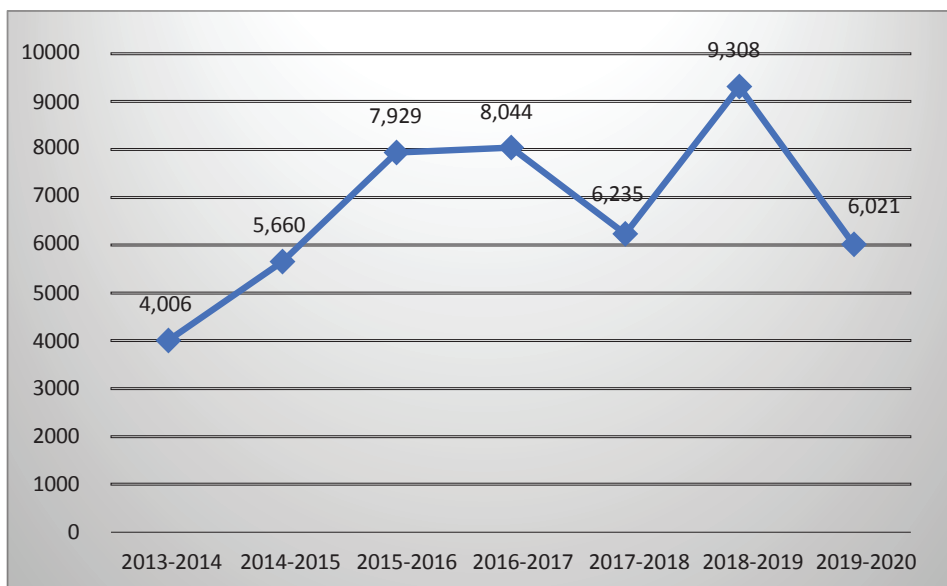
### LAW ENFORCEMENT

#### 2.1 Introduction

This Chapter highlights 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 and Processed

The Commission received and processed 6,021 reports on corruption and unethical conduct during 2019/2020 Financial Year, out of which 5,183 were from the Headquarters and Regional Offices while 838 were from Huduma Centers. Figure 2.1 illustrates the trend of reports received from 2013/2014 to 2019/2020 Financial Years.



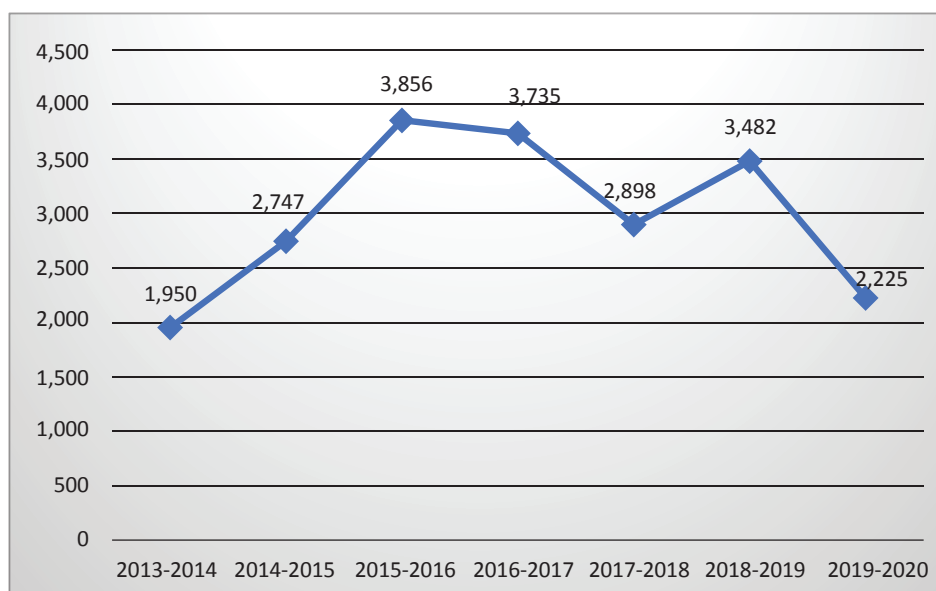
*Figure 2.1: Trends in Reports Received*

The 6,021 reports on corruption, economic crime and unethical conduct received were processed as illustrated in Table 2.1.

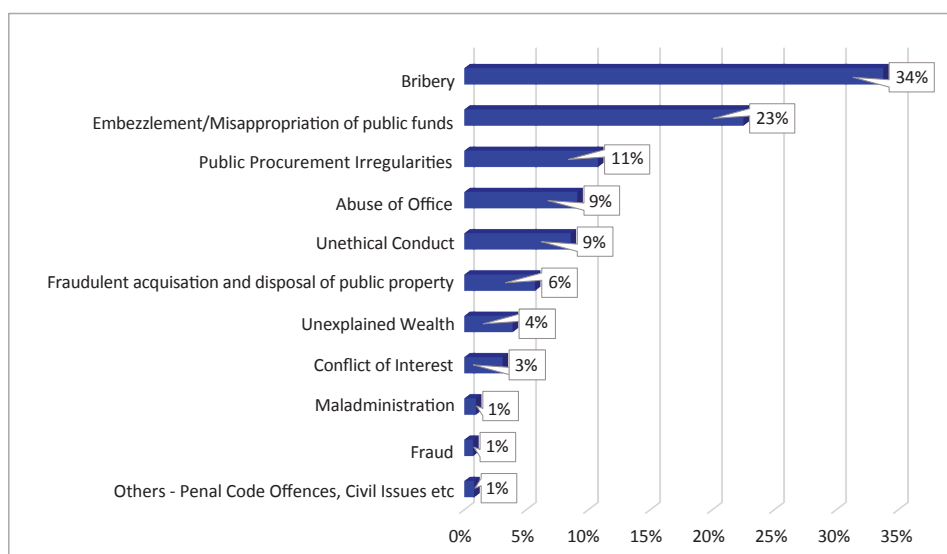
*Table 2.1: Action Taken on Reports Received*

| Action Taken                                                                        | No. of Reports |
|-------------------------------------------------------------------------------------|----------------|
| Reports recommended for investigation                                               | 2,225          |
| Reports marked for no further action                                                | 817            |
| Reports referred to relevant Ministries, Departments and Agencies (MDAs) for action | 546            |
| Reports for which clients were advised                                              | 2,433          |
| <b>Total</b>                                                                        | <b>6,021</b>   |

Out of the 6,021 reports received, 2,225 reports were relevant to the Commission's mandate, representing 36.9 percent. Figure 2.2 illustrates the trend of reports relevant to the Commission's mandate.

*Figure 2.2: No. of Reports Relevant to Commission Mandate*

Out of the 2,225 reports recommended for investigation, Bribery constituted 34 percent, Embezzlement 23 percent, Procurement Irregularities 11 percent and Abuse of Office 9 percent. Unethical conduct constituted 9 percent of reports taken up for investigation. Figure 2.3 illustrates the nature of reports received.



**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 620 cases under investigation, out of which 246 related to ethical breaches. Some of the cases are highlighted in Table 2.2.

**Table 2.2: Highlight of Cases under Investigation**

| S/No | Inquiry no.             | Nature of Inquiry/ allegation                                                                                                             | Institution                                                    | Amount (KES)   |
|------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------------|
| 1.   | EACC/MSA/FI/INQ/06/2019 | Inquiry into allegations of procurement irregularities in the award of tender to construct Kipevu Oil Terminal, at Kenya Ports Authority. | Kenya Ports Authority                                          | 40,000,000,000 |
| 2.   | EACC/NKR/FI/12/2018     | Inquiry into allegations of irregular and fraudulent acquisition of public land belonging to KALRO by private persons.                    | Kenya Agricultural and Livestock Research Organization (KALRO) | 8,900,000,000  |



| S/No | Inquiry no.              | Nature of Inquiry/ allegation                                                                                                                                                                                                                    | Institution                         | Amount (KES)  |
|------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------|
| 3.   | EACC/AT/ INQ/28/2018     | Inquiry into allegation of unexplained wealth against Evans Kidero, the former Governor, Nairobi City County Government                                                                                                                          | Nairobi City County                 | 8,000,000,000 |
| 4.   | EACC/AT/ INQ/25/2020     | Inquiry into allegations of fraudulent procurement of pharmaceutical and non-pharmaceutical items at the Kenya Medical Supplies Agency (KEMSA) by senior officials                                                                               | Kenya Medical Supply Agency (KEMSA) | 7,000,000,000 |
| 5.   | EACC/FI/ INQ/54/2019     | Inquiry into allegations of irregular variation of a contract for supply of Medical Equipment by the Ministry of Health from a contract sum of KES 3,600,000,000 to 4,500,000,000 in a contract awarded to Philips Medical Systems Nederland BV. | Ministry of Health                  | 4,500,000,000 |
| 6.   | EACC/NKR/ INQ/FI/15/2019 | Inquiry into allegations of embezzlement of funds by the Regional Manager KeRRA in Bomet County                                                                                                                                                  | Kenya Rural Roads Authority (KeRRA) | 2,300,000,000 |
| 7.   | EACC/AT/ INQ/13/2019     | Inquiry in allegations of illegal and unexplained wealth against Ferdinand Ndung'u Waititu, the former Governor Kiambu County Government                                                                                                         | Kiambu County                       | 2,000,000,000 |
| 8.   | EACC/KSI/ INQ/08/2017    | Inquiry into an allegation that Joseph Rading Otieno & 6 others embezzled standing imprest amounting to KES 2 billion                                                                                                                            | County Government of Homabay        | 2,000,000,000 |
| 9.   | EACC/FI/ INQ/52/2019     | An inquiry into allegation of procurement irregularities in the award of Tender No. NCC / ED/T/193/2017-2018 for the construction of Dandora Stadium to M/s Scanjet Construction Ltd in the Financial Year 2017/2018.                            | County Government of Nairobi City   | 1,000,300,000 |
| 10.  | EACC/AT/ INQ/01/2020     | Inquiry into allegations of illegal and unexplained wealth against Mike Mbuvi Sonko, the Governor County of Nairobi City                                                                                                                         | County Government of Nairobi City   | 1,000,000,000 |



| S/No | Inquiry no.              | Nature of Inquiry/ allegation                                                                                                                                                                                                                               | Institution                      | Amount (KES) |
|------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------|
| 11.  | EACC/ELD/FI/ INQ/15/2020 | Inquiry into allegations that Uasin Gishu County Government was in the process of purchasing a building in Eldoret owned by the National Bank of Kenya at an exaggerated cost of KES 570 million.                                                           | County Government of Uasin Gishu | 570,000,000  |
| 12.  | EACC/AT/ INQ/08/2019     | Inquiry into allegations of illegal and unexplained wealth against Moses Kassaine Lenolkulal, the Governor County Government of Samburu                                                                                                                     | County Government of Samburu     | 500,000,000  |
| 13.  | EACC/FI/ INQ/2/2020      | Inquiry into allegation of irregular sale of land emanating from the subdivision of L.R. No. 209/6507 Matumbato Upper hill measuring approximately 3.24 acres, among other properties owned by the Kenya Railways Staff Retirement Benefit Scheme (KRSRBS). | KRSRBS                           | 498,500,000  |
| 14.  | EACC/MSA/ FI/10/2019     | Inquiry into allegations of misappropriation of public funds meant for the construction of Kwale County Assembly Complex                                                                                                                                    | County Assembly of Kwale         | 456,170,560  |
| 15.  | EACC/KSI/FI/ INQ/8/2018  | Inquiry into allegations of irregular award of tender for the construction of Nyamira County Assembly office block                                                                                                                                          | County Assembly of Nyamira       | 367,000,000  |
| 16.  | EACC/NYR/FI/ INQ/18/2017 | Inquiry into allegation of financial impropriety in the procurement, payment and transfer of 34.5 acres of land meant for development of an Agro Marketing and Value Addition Centre                                                                        | County Government of Muranga     | 340,000,000  |
| 17.  | EACC/ISL/FI/ INQ/8/2020  | Inquiry into allegations of embezzlement of public funds by Isiolo County employees through procurement irregularities and questionable imprest payments through personal bank accounts.                                                                    | County Government of Isiolo      | 293,591,365  |
| 18.  | EACC/AT/ INQ/02/2020     | Inquiry into allegations of embezzlement of public funds by the CEO Garissa Municipality.                                                                                                                                                                   | County Government of Garissa     | 233,500,000  |



| S/No | Inquiry no.             | Nature of Inquiry/ allegation                                                                                                                                                                         | Institution                  | Amount (KES) |
|------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|--------------|
| 19.  | EACC/KSM/INQ/F1/18/2015 | Inquiry into allegations of irregular purchase of 32 acres of land by the County Government of Bungoma for the construction of the official residence of the Governor                                 | Government of Bungoma        | 192,000,000  |
| 20.  | EACC/NYR/FI/INQ/19/2017 | Inquiry into allegations of procurement irregularities and financial impropriety in the construction of the Embu-Kibugu Road                                                                          | County Government of Embu    | 180,000,000  |
| 21.  | EACC/ISL/FI/INQ/6/2020  | Inquiry into allegations of embezzlement of public funds by employees of County Government of Meru through irregular imprest and salary payments.                                                     | County Government of Meru    | 161,778,783  |
| 22.  | EACC/KSM/FI/INQ/01/2020 | Inquiry into allegation of irregular award of road contracts funded through the Road Maintenance Levy Fund and County Revenue Fund for 2018/2019 Financial Year                                       | County Government of Kisumu  | 143,300,092  |
| 23.  | EACC/AT/INQ/125/2016    | Inquiry into allegation of procurement irregularities and conflict of interest in the award of a publicity tender to Top Image Media Consultant Ltd by County Government of Muranga                   | County Government of Muranga | 140,000,000  |
| 24.  | EACC/FI/INQ/26/2018     | Inquiry into allegation of procurement irregularities and abuse of office in the supply and delivery of equipment and machines to National Youth Service (NYS) by M/s Greenberg Holdings              | NYS                          | 135,290,000  |
| 25.  | EACC/NYR/FI/INQ/10/2019 | Inquiry into allegations of conflict of interest, abuse of office and embezzlement of public funds against Officials of Ol-Kalou National Government Constituency Development Fund (NG-CDF) Committee | Ol-Kalou NG-CDF              | 120,000,000  |
| 26.  | EACC/MLD/FI/INQ/19/2019 | Inquiry into allegations of procurement irregularities during the procurement of land for construction of the Lamu County Assembly Speaker's residence                                                | County Assembly of Lamu      | 119,427,000  |



| S/No | Inquiry no.                  | Nature of Inquiry/ allegation                                                                                                                                              | Institution                       | Amount (KES) |
|------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------|
| 27.  | EACC/FI/ INQ/42/2019         | Inquiry into allegation of embezzlement of the NG-CDF funds in Gatundu South Constituency                                                                                  | Gatundu South Constituency NG-CDF | 105,000,000  |
| 28.  | EACC/MLD/FI/ INQ/1/2019      | Inquiry into allegations of procurement irregularities during the construction of the Hola Multipurpose Social Hall                                                        | County Government of Tana River   | 100,000,000  |
| 29.  | EACC/KSM/FI/ INQ/04/2020     | Inquiry into allegations of procurement irregularities in the proposed construction of Kisumu Stadium Complex.                                                             | County Government of Kisumu       | 100,000,000  |
| 30.  | EACC/KSI/FI/ INQ/3/2019      | Inquiry into allegations of procurement irregularities in the acquisition of two fire engines from Stratogen Ltd.                                                          | County Government of Kisii        | 72,600,000   |
| 31.  | EACC/FI/ INQ/43/2018         | Inquiry into allegations of conflict of interest and procurement irregularities against Mr. Wilson Ayiebei, a former Procurement officer at the County Government of Nandi | County Government of Nandi        | 71,748,900   |
| 32.  | EACC/ISL/FI/ INQ/7/2020      | Inquiry into allegations of conflict of interest and embezzlement of public funds against Hon. Kawira Mwangaza, Woman Representative, Meru County.                         | NGAAF, Meru County                | 63,000,000   |
| 33.  | EACC/FI/ INQ/27/2018         | Inquiry into allegation of procurement irregularities and abuse of office in the supply and delivery of equipment and machines by M/S Seluman Ltd                          | NYS                               | 59,250,000   |
| 34.  | EACC/ISL/FI/ INQ/26 (B)/2018 | Inquiry into allegations of procurement irregularities in the installation of medical oxygen plant at Isiolo County Referral Hospital by Hitmax Limited                    | County Government of Isiolo       | 52,280,856   |
| 35.  | EACC/ELD/EL/ INQ/09/2020     | Inquiry into allegations of irregular payment of bulk imprest to members of staff of West Pokot County Assembly on behalf of MCAs                                          | County Assembly of West Pokot     | 44,429,270   |



| S/No | Inquiry no.                 | Nature of Inquiry/ allegation                                                                                                                                                                                       | Institution                    | Amount (KES) |
|------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------|
| 36.  | EACC/KSM/INQ/F1/01/2013     | Inquiry into allegations of misappropriation of public funds by Mr. Octavian Jumbe the Finance Manager of Lake Victoria North Water Services Board (LVNWSB)                                                         | LVNWSB                         | 44,196,723   |
| 37.  | EACC/AT/INQ/18/2020         | Inquiry into allegation of illegal and unexplained wealth against Charles Muia Mutiso, the Head of the Debt Management Department at the National Treasury                                                          | National Treasury              | 40,000,000   |
| 38.  | EACC/KSM/PI/INQ/03/2020     | Inquiry into allegations of embezzlement of public funds by employees of County Government of Siaya through fictitious payments to casual employees                                                                 | County Government of Siaya     | 37,657,500   |
| 39.  | EACC/FI/INQ/47/2019         | Inquiry into allegations of conflict of interest against Eng. Lukas Wahinya in award of tenders to his companies                                                                                                    | County Government of Kiambu    | 30,000,000   |
| 40.  | EACC/ISL/FI/INQ/26 (A)/2018 | Inquiry into allegations of procurement irregularities in the award of tender No. CG/2017/2018 to Hitmax Limited for installation of medical oxygen plant at Garba Tulla Sub-County Hospital                        | County Government of Isiolo    | 27,572,882   |
| 41.  | EACC/ELD/FI/INQ/16/2020     | Inquiry into allegations of procurement irregularities during the construction of ECDE classes                                                                                                                      | County Government of Nandi     | 27,000,000   |
| 42.  | EACC/NYR/FI/INQ/38/2018     | Inquiry into allegations of procurement irregularities in the construction of pit latrines                                                                                                                          | County Government of Laikipia  | 25,000,000   |
| 43.  | EACC/KSM/FI/INQ/35/2018     | Inquiry into allegations of procurement irregularities in the purchase of a parcel of land for construction of the official residence of the Governor                                                               | County Government of Vihiga    | 23,900,000   |
| 44.  | EACC/NYR/FI/INQ/02/2020     | Inquiry into allegations of abuse of office and embezzlement of public funds against Anne Mumbi Waiguru, the Governor of County Government of Kirinyaga through payment of travel allowances for non-existent trips | County Government of Kirinyaga | 10,634,614   |





| S/No | Inquiry no.              | Nature of Inquiry/ allegation                                                                                                                                                                                                 | Institution                       | Amount (KES) |
|------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------|
| 45.  | EACC/NYR/FI/ INQ/48/2018 | Inquiry into allegations of embezzlement of public funds by Nyandarua County Government officials for a purported Investors' Conference                                                                                       | County Government of Nyandarua    | 13,000,000   |
| 46.  | EACC/KSM/FI/ INQ/05/2020 | Inquiry into allegations of misappropriation and embezzlement of funds meant for COVID 19 pandemic mitigation activities                                                                                                      | County Government of Vihiga       | 10,000,000   |
| 47.  | EACC/ OPS/46/2020        | Inquiry into allegations of bribery against RaKESid Ngaira, the Manager, Legal Services at Agricultural Finance Corporation (AFC)                                                                                             | AFC                               | 3,500,000    |
| 48.  | EACC/KSI/EL/ INQ/6/2019  | Inquiry into allegations of irregular recruitment and misappropriation of public funds through payment of double salaries to Vincent Okiomo Nyagwara by County Government of Kisii and Parliamentary Service Commission (PSC) | County Government of Kisii<br>PSC | 1,462,560    |
| 49.  | EACC/ OPS/198/2019       | Inquiry into allegations of bribery against Mr. Moffart Teya, the Speaker of County Assembly of Nyamira                                                                                                                       | County Assembly of Nyamira        | 500,000      |
| 50.  | EACC/KSM/EL/ INQ/08/2019 | Inquiry into allegations of abuse of office and fraudulent acquisition of public funds through irregular imprest claims by Members of County Assembly                                                                         | County Assembly of Siaya          | N/A          |
| 51.  | EACC/BGM/EL/ INQ/4/2019  | Inquiry into allegations of unethical behaviour by the Mt Elgon MP, Fred Chesebe Kapondi who assaulted a member of public at a funeral                                                                                        | National Assembly                 | N/A          |
| 52.  | EACC/NYR/EL/ INQ/49/2019 | Inquiry into allegations of irregular employment against the Vice Chancellor, Murang'a University of Science and Technology (MUST)                                                                                            | MUST                              | N/A          |
| 53.  | EACC/EL/ INQ/125/2017    | Inquiry into allegations of falsification of academic certificates and failure to honor financial obligations against CEO –Water Services Trust Fund (WSTF)                                                                   | WSTF                              | N/A          |

### 2.3.2 Investigatory Applications

The Commission filed applications and obtained warrants to investigate 767 bank accounts in respect of persons or associates of persons suspected of engaging in corruption, economic crimes or related offences.

### 2.3.3 Completed Investigation on Corruption, Economic Crimes and Ethical Breaches

The Commission completed 163 investigation files on corruption and economic crimes which were forwarded to the Director of Public Prosecutions (DPP) for review. The Commission also completed 86 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: Highlight of Completed Investigations**

| S/No. | Inquiry no.             | Nature of allegation                                                                                                                                                                               | Institution                          | Amount (KES)  |
|-------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------|
| 1.    | EACC/FI/INQ/52/2017     | Inquiry into allegations that forged documents relating to Purple Saturn Properties were used to facilitate fraudulent sales of land parcels No. 11288 measuring 1183 ha situated in Kiambu County | Ministry of Lands                    | 5,000,000,000 |
| 2.    | EACC/KSM/FI/INQ/48/2015 | Inquiry into allegations of procurement irregularities in the construction of the Lake Basin Development Authority (LBDA) Shopping mall                                                            | LBDA                                 | 2,500,000,000 |
| 3.    | EACC/FI/INQ/44/2019     | Inquiry into allegations of procurement irregularities in the supply and delivery of white-shelled maize in the Financial Year 2016/2017 under the Maize Subsidy Program                           | Ministry of Agriculture              | 2,000,000,000 |
| 4.    | EACC/PI/INQ/37/2019     | Inquiry into allegations of breach of contract by Hongkong Offshore Oil Services Limited for the drilling of 20 geothermal wells in Baringo County                                                 | Geothermal Development Company (GDC) | 1,400,000,000 |



| S/No. | Inquiry no.             | Nature of allegation                                                                                                                                 | Institution                                                                                        | Amount (KES)  |
|-------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------|
| 5.    | EACC/AT/INQ/19/2018     | Inquiry into allegations of illegal and unexplained wealth against Nicholas Owino Ochiel, a Valuer in the Ministry of Lands                          | Ministry of Lands                                                                                  | 1,365,054,008 |
| 6.    | EACC/AT/INQ/58/2017     | Inquiry into allegations of embezzlement of public funds in the contract to supply stationery and chemicals by Era Two Thousand Enterprises Limited  | State Departments of:<br>Planning and Statistics<br>Youth Affairs<br>Interior and Citizen Services | 1,173,234,004 |
| 7.    | EACC/AT/INQ/38/2018     | Inquiry into allegations of illegal and unexplained wealth against Engineer Benson Muteti, a Regional Manager at Kenya Rural Roads Authority (KeRRA) | KeRRA                                                                                              | 1,114,353,602 |
| 8.    | EACC/PI/INQ/043/2018    | Inquiry into allegations of procurement irregularities in the award of tender for the construction of Ngong Market in Kajiado County                 | Ministry of Transport, Infrastructure, Urban Development                                           | 705,000,000   |
| 9.    | EACC/FI/INQ/45/2019     | Inquiry into allegations of fraudulent transactions by M/s Misort Africa Ltd at Herufi and Treasury Data Centres                                     | National Treasury                                                                                  | 564,932,160   |
| 10.   | EACC/FI/INQ/52/2017     | Inquiry into allegations of tax evasion against M/S Rift Valley Railways (K) Ltd in the years 2014 and 2015                                          | RVR                                                                                                | 448,120,760   |
| 11.   | EACC/ISL/FI/INQ/06/2018 | Inquiry into allegations of procurement irregularities of the proposed design and construction of Tharaka Nithi County Assembly chambers             | County Assembly of Tharaka Nithi                                                                   | 369,642,688   |



| S/No. | Inquiry no.         | Nature of allegation                                                                                                                                                                                                                                                                                       | Institution                       | Amount (KES) |
|-------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------|
| 12.   | EACC/FI/INQ/06/2020 | Inquiry into allegations of conflict of interest against Simon Chelugui for being both Cabinet Secretary of the Ministry of Water and a Director at Afrety Global Logistics Ltd. The Company was awarded a tender by Rift Valley Water Works Development Agency, a parastatal under the Ministry of Water. | Ministry of Water                 | 355,000,000  |
| 13.   | EACC/AT/INQ/34/2019 | Inquiry into allegations of fraudulent acquisition and disposal of parcels of land KSM/Mun/Block 7/414, 7/415, 7/417, 7/419-7/422, 7/424-7/426, 7/429- 7/440 (Katangi)                                                                                                                                     | Kenya Railways Corporation (KRC)  | 315,000,000  |
| 14.   | EACC/AT/INQ/13/2020 | Inquiry into allegations of irregular allocation of parcels of land L.R. No. Kisii Municipality/Block II/112, 137, 168, 169, 170, 171, 173, 174, 175, 176, 189, 201, 212, 213, 242, 249 and 263, measuring a total of approximately 4.8743 ha                                                              | County Government of Kisii        | 219,800,000  |
| 15.   | EACC/AT/INQ/16/2019 | Inquiry into allegations of bribery against Ferdinand Waititu, the Governor of Kiambu County                                                                                                                                                                                                               | County Government of Kiambu       | 133,399,788  |
| 16.   | EACC/FI/INQ/30/2019 | Inquiry into allegations of irregular allocation and transfer of Land Nairobi/Block 103/793 belonging to the County Government of Nairobi City to Stephen Gathuita Mwangi, a private developer                                                                                                             | County Government of Nairobi City | 110,000,000  |
| 17.   | EACC/OPS/100/2019   | Inquiry into allegations of bribery against officers from the Office of the Auditor General                                                                                                                                                                                                                | Office of the Auditor General     | 100,000,000  |



| S/No. | Inquiry no.             | Nature of allegation                                                                                                                                                                                                            | Institution                           | Amount (KES) |
|-------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------|
| 18.   | EACC/GSA/FI/INQ/37/2018 | Inquiry into allegations of breach of contract in the supply of sub-standard generators by M/s Funan Company Limited                                                                                                            | National Irrigation Board (NIB)       | 100,000,000  |
| 19.   | EACC/MSA/PI/INQ/22/2017 | Inquiry into allegations of procurement irregularities in the acquisition of staff medical insurance cover for the Financial Year 2017/18                                                                                       | Technical University of Mombasa (TUM) | 78,000,000   |
| 20.   | EACC/FI/INQ/74/2017     | Inquiry into allegation of fraudulent acquisition of public funds against Okoth Obado, Governor, County Government of Migori through his children and proxies between the Financial Year 2013/2014 and Financial Year 2016/2017 | County Government of Migori           | 73,474,376   |
| 21.   | EACC/FI/INQ/25/2019     | Inquiry into allegations of conflict of interest against Moses Leluata, A Director of ICT at Samburu County Assembly, through M/s Sipat Limited                                                                                 | County Assembly of Samburu            | 60,204,772   |
| 22.   | EACC/PI/INQ/25/2020     | Inquiry into allegations of procurement irregularities in the award of tender to M/s Drescoll Ltd for the supply of fire engine equipment                                                                                       | County Government of Isiolo           | 58,560,000   |
| 23.   | EACC/BGM/FI/INQ/14/2019 | Inquiry into allegations of obstruction of justice against Mr Nicodemus Mulaku, the County Secretary, for failure to provide documents                                                                                          | County Government of Busia            | 56,000,000   |
| 24.   | EACC/KSI/FI/INQ/01/2019 | Inquiry into allegations of conflict of interest and abuse of office against officials of Homabay County Government for using their companies to claim payment for various works and services to the County Government          | County Government of Homabay          | 37,885,000   |



| S/No. | Inquiry no.             | Nature of allegation                                                                                                                                                                                                                   | Institution                       | Amount (KES) |
|-------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------|
| 25.   | EACC/FI/INQ/37/2018     | Inquiries into an allegation of embezzlement of public funds and conflict of interest against Henry Koech Maritim, former Chief Officer Finance County Government of Nandi, through M/s Makiki Agencies, a company associated with him | County Government of Nandi        | 19,781,551   |
| 26.   | EACC/KSM/FI/INQ/25/2015 | Inquiry into allegations of procurement irregularities in the purchase of tractors and motor cycles by the County Government of Migori                                                                                                 | County Government of Migori       | 15,368,216   |
| 27.   | EACC/ISL/FI/INQ/38/2016 | Inquiry into allegations of embezzlement of public funds and irregular employment of staff by the Secretary, County Public Service Board.                                                                                              | Meru County Public Service Board  | 8,139,401    |
| 28.   | EACC/NYR/FI/INQ/24/2015 | Inquiry into allegations of irregular payment of subsistence allowance to members and staff of the County Assembly on a foreign trip to Uganda                                                                                         | County Assembly of Muranga        | 6,400,000    |
| 29.   | EACC/MSA/FI/INQ/08/2014 | Inquiry into allegations of misappropriation of public funds in the Financial Year 2013/2014                                                                                                                                           | County Assembly of Mombasa        | 4,200,000    |
| 30.   | EACC/OPS/INQ/55/2018    | Inquiry into allegations of bribery against George Karanja Wambui and Billy Arocho. The bribe was an inducement to forestall seizure of construction materials belonging to a foreign national                                         | Kenya Revenue Authority           | 3,000,000    |
| 31.   | EACC/AT/INQ/99/2016     | Inquiry into allegations of bribery against Jimmy Mutuku Kiamba, a former Chief Officer Finance as an inducement to process payments                                                                                                   | County Government of Nairobi City | 3,000,000    |



| S/No. | Inquiry no.              | Nature of allegation                                                                                                                                                                                                             | Institution              | Amount (KES) |
|-------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------|
| 32.   | KACC/AT/INQ/56/2007      | Inquiry into allegations of embezzlement of public funds against Elias Tirop Tomno, Turkana South District Accountant by paying himself fraudulent imprest warrants                                                              | National Treasury        | 2,600,060    |
| 33.   | EACC/ISL/FI/INQ/64/2015  | Inquiry into allegations of embezzlement of public funds allocated for Kamweline Borehole Drilling Project                                                                                                                       | Igembe North CDF         | 1,850,000    |
| 34    | EACC/MCKS/FI/INQ/22/2018 | Inquiry into allegation of procurement irregularities against the Clerk Kitui County Assembly in the award of Tender No. CAKITUI/T/41/2018-2019 to M/s FaKEStech Computers Ltd                                                   | County Assembly of Kitui | 1,332,400    |
| 35.   | EACC/OPS/INQ/175/2019    | Inquiry into allegations of bribery against Duncan Matundura Ondimu, an officer at the ODPP as an inducement to terminate charges of terrorism                                                                                   | ODPP                     | 1,200,000    |
| 36.   | EACC/KSI/FI/INQ/07/2017  | Inquiry into allegation of wilful failure to comply with procurement law and abuse of office in regard to procurement of telemedicine equipment for Kendu Adventist Hospital against officials of Karachuonyo NG-CDF             | Karachuonyo NG-CDF       | 909,398      |
| 37.   | EACC/OPS/INQ/03/2019     | Inquiry into allegations of bribery against Peter Njuguna and Moses Ogone, employees of Nairobi Water and Sewerage Company (NWSC) as an inducement to forbear charging the complainant with offence of illegal water connection. | NWSC                     | 500,000      |



## 2.4 Proactive Investigations

The Commission undertakes proactive measures to strengthen systems in public institutions to minimize 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 31 proactive investigations which resulted in averting possible loss of public funds of approximately KES 10,000,000,000 as indicated in Table 2.4.

**Table 2.4: Highlight of Disruption Cases**

| S/No. | Institution                                           | Description                                                                                                                                                                                                                                         | Value of Loss Averted (KES) |
|-------|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 1.    | Kenya Railways Corporation (KRC)                      | Inquiry into allegation of irregular compensation for land parcel L.R. No. Ngong/Ngong/18549 affected by the SGR phase II construction. The land was alleged to have been overvalued and on a riparian reserve. The intended payment was cancelled. | 252,119,381                 |
| 2.    | County Government of Kiambu                           | Inquiry into allegations of an attempt to change user of public land parcel L.R. No. RUIRU/KIU BLOCK 3/1372 in Ruiru, from Educational to Residential by a private developer. The transfer was stopped.                                             | 250,000,000                 |
| 3.    | Rift Valley Water Works Development Agency (RVWWDA)   | Inquiry into allegations of procurement irregularities in the award of tender for proposed construction of Kases Dam Water Project in West Pokot County. The tender was cancelled.                                                                  | 250,000,000                 |
| 4.    | National Water Harvesting & Storage Authority (NWHSA) | Inquiry into allegations of procurement irregularities in the award of tender for proposed construction of Naku'etum peace dam in Turkana County. The tender was cancelled.                                                                         | 231,000,000                 |
| 5.    | County Government of Nakuru                           | Inquiry into allegations of irregular payment meant for the partial construction of a pavilion at Afraha Stadium in Nakuru town. The payment was cancelled.                                                                                         | 200,000,000                 |





| S/No. | Institution                             | Description                                                                                                                                                                                                                                                                                                                  | Value of Loss Averted (KES) |
|-------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 6.    | School Equipment Production Unit (SEPU) | Inquiry into allegation of procurement irregularities and misappropriation of public funds for supply of school equipment to selected secondary schools in the country by M/s Vulcan Lab Equipment Limited.<br><br>The appeal challenging the award of the cash by a lower court to Vulcan Lab Equipment Limited was upheld. | 150,000,000                 |
| 7.    | Kenya Ports Authority (KPA)             | Inquiry into allegation of embezzlement of funds by Mr. Antony Muhanji, a staff of KPA trading as Mukitek Investments during the excavation and concrete works at Mbaraki Wharf.<br><br>The funds in the relevant accounts were frozen pending recovery.                                                                     | 120,000,000                 |
| 8.    | Office of the Auditor General (OAG)     | Inquiry into allegations of embezzlement of funds meant for IFMIS training. The payment was cancelled.                                                                                                                                                                                                                       | 40,000,000                  |
| 9.    | Ministry of Mining                      | Inquiry into allegations of fraudulent manipulation of royalties expected from the gross sales of iron ore exports. The payment of the royalties was stopped.                                                                                                                                                                | 12,000,000                  |

#### 2.4.2 Integrity Testing

During the review period, the Commission carried out 25 random and targeted Integrity Tests within public institutions including Moi Teaching and Referral Hospital (MTRH), National Police Service (NPS), Kenya Revenue Authority (KRA), Ministry of Lands and National Transport and Safety Authority (NTSA), among others. Out of the 25 tests, 16 failed, 6 passed and 3 were inconclusive. For the officers who failed, the Commission recommended administrative action to the respective institutions.

#### 2.4.3 Investigations into Allegations of Bribery

The Commission carries out bribery investigation from time to time based on information gathered. A total of 267 bribery cases were received, out of which 99 were completed, 24 taken to Court, 55 closed, six referred to other institutions and 83 cases pending under investigations.

## 2.5 Reports to Office of the Director of Public Prosecution

Under Section 35 of the Anti-Corruption and Economic Crimes Act No. 3 of 2003 (ACECA, 2003), the Commission is required to report to the Office of the Director of Public Prosecutions the results of an investigation. A total of 163 files on corruption, economic crimes and unethical conduct were forwarded to the ODPP. Out of these files, the Commission recommended 116 for prosecution, 17 for administrative or other action and 30 for closure. Table 2.5 outlines the recommendations made to the ODPP on files submitted.

*Table 2.5: Reports to the ODPP*

| Action                                                      | 1 <sup>st</sup> Quarter | 2 <sup>nd</sup> Quarter | 3 <sup>rd</sup> Quarter | 4 <sup>th</sup> Quarter | Total |
|-------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------|
| No. of files recommended for prosecution                    | 41                      | 29                      | 19                      | 27                      | 116   |
| No. of files recommended for administrative or other action | 5                       | 6                       | 3                       | 3                       | 17    |
| No. of files recommended for closure                        | 6                       | 6                       | 6                       | 12                      | 30    |

## 2.6 Cases on Corruption, Economic Crime and Unethical Conduct pending before Court

The Commission had 504 cases pending before Court. This is an increase from the 414 cases that were reported the previous year. This increase is largely attributed to enhanced collaboration through the Multi Agency Team. Table 2.6 highlights some of the cases pending before Court.

*Table 2.6: Highlight of Cases Pending Before Court*

| S/No | Court File No.      | Persons Accused                    | Particulars of Offence                                                                                         | Amount Involved (KES) |
|------|---------------------|------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------|
| 1.   | ACC 4/2015 Milimani | Joseph Mbui Magari & 2 Others      | Conspiracy to commit an economic crime contrary to section 47A as read with Section 48 of ACECA, 2003          | 5,575,370,000         |
| 2.   | ACC 2/2015 Milimani | Deepak Chamanlal Kamani & 2 Others | Unlawful acquisition of public property contrary to section 45(1)(a) as read with section 48(1) of ACECA, 2003 | 3,736,326,664         |



| S/No | Court File No.          | Persons Accused                                       | Particulars of Offence                                                                                                                                                                                                                                                                                             | Amount Involved (KES) |
|------|-------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 3.   | ACC 3/2020<br>Machakos  | KESadrack Muli<br>Munyithia<br>& 4 Others             | Wilful failure to comply with the law relating to Procurement contrary to Section 45(2)(b) As Read with Section 48 of ACECA, 2003<br>Abuse of Office Contrary to Section 46 as read with Section 48 of ACECA, 2003                                                                                                 | 891,039,308.07        |
| 4.   | ACC 19/2013<br>Milimani | Adan Katello<br>Adano & 7 Others                      | Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 of ACECA, 2003                                                                                                                                                                                                   | 791,000,000           |
| 5.   | ACC 50/2018<br>Milimani | Charles Kiprotich<br>Tanui & 16 Others                | Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003                                                                                                                                                                                                                                      | 660,000,000           |
| 6.   | ACC 33/2018<br>Milimani | Prof. Mohammed<br>A. Swazuri & 16<br>Others           | Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 of ACECA, 2003<br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003<br>Unlawful acquisition of public property contrary to Section 45 (1) (a) as read with Section 48 of ACECA, 2003 | 221,375,000           |
| 7.   | ACC 32/2018<br>Milimani | Dr. Evans<br>Odhiambo Kidero<br>& 10 Others           | Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003                                                                                                                                                                                                                                      | 204,000,000           |
| 8.   | ACC 11/2020<br>Milimani | Prof. Maurice<br>Kiwinda<br>Mbondenyei & 11<br>Others | Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003<br>Unlawful acquisition of public property contrary to Section 45 (1) (a) as read with Section 48 of ACECA, 2003                                                                                                                     | 198,000,000           |



| S/No | Court File No.          | Persons Accused                       | Particulars of Offence                                                                                                                                                                                                                                                                                                     | Amount Involved (KES) |
|------|-------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 9.   | ACC 6/2019<br>Milimani  | Prof. Mohammed A. Swazuri & 23 Others | Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 of ACECA, 2003<br><br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003<br><br>Unlawful acquisition of public property contrary to Section 45 (1) (a) as read with Section 48 of ACECA, 2003 | 109,000,000           |
| 10.  | ACC 28/2019<br>Milimani | Stephen Ndung'u Kinuthia & 20 Others  | Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 of ACECA, 2003<br><br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003                                                                                                                      | 100,000,000           |
| 11.  | ACC 3/2019<br>Milimani  | Moses Kasaine & 13 Others             | Conspiracy to commit an offence of corruption contrary to Section 47A (3) as read with Section 48 (1) of ACECA, 2003<br><br>Unlawful acquisition of public property contrary to Section 45(1)(a) as read with Section 48(1) of ACECA, 2003                                                                                 | 84,695,996.55         |
| 12.  | ACC 29/2019<br>Milimani | Elizabeth Ongoro & 21 Others          | Conspiracy to commit an offence of corruption contrary to section 47A (3) as read with section 48 (1) of ACECA, 2003<br><br>Unlawful acquisition of public property contrary to section 45(1)(a) as read with section 48 (1) of ACECA, 2003                                                                                | 49,000,000            |



| S/No | Court File No.       | Persons Accused                           | Particulars of Offence                                                                                                                                                                                                                                                                                       | Amount Involved (KES) |
|------|----------------------|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 13.  | ACC 691/2018 Homabay | Otieno Bob Kephass & 6 Others             | Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003<br><br>Unlawful acquisition of public property contrary to Section 45(1)(a) as read with Section 48 (1) of ACECA, 2003                                                                                                         | 27,872,278            |
| 14.  | ACC 22/2019 Milimani | Ferdinand Ndung'u Waititu & 12 Others     | Conflict of interest contrary to Section 42(3) as read with Section 48 of ACECA, 2003<br><br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003                                                                                                                                   | 25,624,500            |
| 15.  | ACC 31/2019 Milimani | Mike Mbuvi Gideon Kioko Sonko & 21 Others | Conflict of interest contrary to Section 42 (3) as read with Section 48 of ACECA, 2003                                                                                                                                                                                                                       | 24,100,000            |
| 16.  | ACC 1/2018 Kisumu    | Kepha Marube & 2 Others                   | Wilful failure to comply with the law relating to procurement contrary to Section 45(2) (b) as read with Section 48 of ACECA, 2003<br><br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003<br><br>Forgery contrary to Section 347(a) as read with Section 349 of the Penal Code | 22,500,000            |
| 17.  | ACC 1/2019 Kisumu    | Tobias Odongo Oloo & 4 Others             | Conspiracy to commit an offence of corruption contrary to section 47A (3) as read with Section 48 (1) of ACECA, 2003<br><br>Unlawful acquisition of public property contrary to Section 45(1)(a) as read with Section 48(1) of ACECA, 2003                                                                   | 22,500,000            |



| S/No | Court File No.       | Persons Accused                                  | Particulars of Offence                                                                                                                                                                                                          | Amount Involved (KES) |
|------|----------------------|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 18.  | ACC 2/2019 Eldoret   | Dr. Mike Parklea & 4 Others                      | Wilful failure to comply with procurement procedures contrary to Section 45(2)(b) as read with Section 48(1) of ACECA, 2003<br><br>Uttering a false document contrary to Section 353 as read with Section 349 of the Penal Code | 18,000,000            |
| 19.  | ACC 27/2016 Milimani | Dennis Paul Manoti                               | Receiving a bribe contrary to section 6(1)(a) as read with Section 18 of the Bribery Act, 2016                                                                                                                                  | 6,000,000             |
| 20.  | ACC 7/2019 Milimani  | Jared Okoth Okode & 2 Others                     | Receiving a bribe contrary to section 6(1)(a) as read with Section 18 of the Bribery Act, 2016                                                                                                                                  | 1,000,000             |
| 21.  | ACC 8/2016 Eldoret   | Kennedy Obita Omwoyo                             | Receiving a bribe contrary to Section 6(1)(a) as read with Section 18 of the Bribery Act, 2016                                                                                                                                  | 400,000               |
| 22.  | ACC 8/2020 Milimani  | Peter Ndichu Njuguna                             | Receiving a bribe contrary to Section 6(1)(a) as read with Section 18 of the Bribery Act, 2016                                                                                                                                  | 300,000               |
| 23.  | ACC 1/2019 Kajiado   | Christine Mutua                                  | Receiving a bribe contrary to Section 6(1)(a) as read with Section 18 of the Bribery Act, 2016                                                                                                                                  | 150,000               |
| 24.  | ACC 6/2020 Milimani  | Gladys Cheron                                    | Receiving a bribe contrary to Section 6(1)(a) as read with Section 18 of the Bribery Act, 2016                                                                                                                                  | 100,000               |
| 25.  | ACC 3/2017 Milimani  | Paul Karogo Noru                                 | Receiving a bribe contrary to Section 6(1)(a) as read with Section 18 of the Bribery Act, 2016                                                                                                                                  | 100,000               |
| 26.  | ACC 16/2013 Milimani | James Humprey Oswago & Wilson Kiprotich KESollei | Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003                                                                                                                                                   | N/A                   |



| S/No | Court File No.            | Persons Accused                                 | Particulars of Offence                                                                                                                                                                                                                                              | Amount Involved (KES) |
|------|---------------------------|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 27.  | ACC 2/2017<br>Milimani    | James Humphrey<br>Oswago & 2<br>Others          | Wilful failure to comply with applicable procedures and guidelines relating to procurement contrary to Section 45(2) (b) as read with Section 48 of ACECA, 2003                                                                                                     | N/A                   |
| 28.  | ACC 11/2019<br>Milimani   | Joyce Nyambache<br>Osinde & 8 Others            | Wilful failure to comply with the law relating to procurement contrary to Section 45(2) (b) as read with Section 48 of ACECA, 2003                                                                                                                                  | N/A                   |
| 29.  | ACC 01/2020<br>Milimani   | Monica Nduku<br>Kimei & 3 Others                | Wilful failure to comply with the law relating to procurement contrary to Section 45 (2) (b) as read with Section 48 of ACECA, 2003<br><br>Forgery contrary to Section 349 of the Penal Code                                                                        | N/A                   |
| 30.  | ACC 14/2016<br>Milimani   | Oscar Kipchumba<br>Sudi                         | Forgery contrary to Section 349 of the Penal Code<br><br>Uttering a false document contrary to Section 353 as read with Section 349 of the Penal Code<br><br>False declaration contrary to Section 11 of the Oaths and Statutory Declarations Act, CAP 15 Rev. 2012 | N/A                   |
| 31.  | ACC 742/2015<br>NaivaKESa | Alfred Kiptoo<br>Keter<br>Sunjeev Kaur<br>Birdi | Causing disturbance and unbecoming behavior contrary to Section 95 (1)(b) of the Penal Code                                                                                                                                                                         | N/A                   |



| S/No | Court File No.          | Persons Accused                                | Particulars of Offence                                                                                                                                                                                                                                                                                                                                                                         | Amount Involved (KES) |
|------|-------------------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 32.  | ACC 1223/2017<br>Kitui  | Nelson Kivali<br>Musyoka                       | Uttering a false document<br>contrary to Section 353 of<br>the penal code<br><br>Making a document without<br>authority contrary to Section<br>357 (a) of the Penal Code.<br><br>Deceiving the EACC<br>contrary to Section 46 (1)<br>(b) as read with Section 46<br>(2) of the LIA, 2012                                                                                                       | N/A                   |
| 33.  | ACC 1/2018<br>Meru      | Dr. William Mura                               | Abuse of office contrary<br>to Section 46 as read with<br>Section 48 of ACECA, 2003                                                                                                                                                                                                                                                                                                            | N/A                   |
| 34.  | ACC 20/2018<br>Milimani | John Muiru<br>Mwaura & 4<br>Others             | Abuse of office contrary<br>to Section 46 as read with<br>Section 48 of ACECA, 2003<br><br>Conspiracy to defraud,<br>contrary to Section 317 of<br>the Penal Code                                                                                                                                                                                                                              | N/A                   |
| 35.  | ACC 2/2018<br>Nyeri     | Alice Waruguru<br>Muita & 6 Others             | Abuse of office contrary<br>to Section 46 as read with<br>Section 48 of ACECA, 2003                                                                                                                                                                                                                                                                                                            | N/A                   |
| 36.  | ACC 1/ 2018<br>Nakuru   | David Maswai<br>Alias Stanley<br>Kiprono Kirui | Providing false information<br>to Bomet County<br>Government contrary to<br>Section 46(1) (d) as read<br>with Section 46(2) of LIA,<br>2012<br><br>Uttering a false document<br>contrary to Section 353 as<br>read with Section 349 of the<br>penal code.<br><br>Personation of a person<br>named in a certificate<br>contrary to Section 384 as<br>read with Section 349 of the<br>Penal Code | N/A                   |





| S/No | Court File No.       | Persons Accused           | Particulars of Offence                                                                                                                                                                                                   | Amount Involved (KES) |
|------|----------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 37.  | 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<br><br>False declaration contrary to Section 11 of the Oaths and Statutory Declarations Act, CAP 15 Rev. 2012 | N/A                   |
| 38.  | ACC 27/2019 Milimani | Robert Githongo Kibe      | Deceiving the EACC contrary to Section 46 (1) (b) as read with Section 46 (2) of LIA, 2012<br><br>Uttering a false document contrary to Section 353 of the Penal Code                                                    | N/A                   |
| 39.  | ACC 87/2020 Nakuru   | Joseph Mogosi Motari      | Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003                                                                                                                                            | N/A                   |
| 40.  | ACC 1/2019 Migori    | Jane Pamela Odhiambo      | Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003<br><br>Giving false information contrary to Section 129 A of the Penal Code                                                                | N/A                   |
| 41.  | ACC 5/2019 Garissa   | Julius Mbithi M'ituamwari | Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003                                                                                                                                            | N/A                   |
| 42.  | ACC 2/2019 Garissa   | Julius Too                | Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003                                                                                                                                            | N/A                   |

## 2.7 Cases Finalized in Court

During the period under review, 87 cases on corruption, economic crime and unethical conduct were finalized in court out of which 39 were convictions, 18 acquittals and 30 withdrawals. The high number of withdrawals was occasioned by the ruling in Petition No 230 of 2015 as consolidated with Petition No 203, 305 & 324 all of 2015 (Eng. Michael Sistu Kamau and Others vs ODPP, EACC & Others). Table 2.7 gives highlights of the cases.

**Table 2.7: Highlight of Cases Finalized in Court**

| S/No | Court File No.          | Accused and charges                                                                                                                                                                                                                                                                                                            | Amount Involved (KES) | Judgment Details                                                                                                                                                                                                                                                                                             |
|------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.   | ACC 31/2018<br>Milimani | Grace Sarapay Wakhungu<br>John K. Waluke<br>Erad Suppliers & General Contractors Limited<br><br>Uttering false documents, contrary to Section 353 of the Penal Code<br><br>Perjury contrary to Section 108 (1) of the Penal Code<br><br>Fraudulent acquisition of public property contrary to Section 45(1) (a) of ACECA, 2003 | 577,000,000           | Convicted and sentenced as follows:<br><br>Grace Sarapay Wakhungu found guilty and fined a total of KES 707,651,062.80<br><br>John Koyi Waluke found guilty and fined a total of KES 727,451,062.80<br><br>Erad Suppliers & General Contractors Limited found guilty and fined a total of KES 627,451,062.80 |
| 2.   | ACC 5/2014<br>Milimani  | Robert Maina Ngumi<br><br>Corruptly soliciting and receiving a benefit contrary to Section 39 (3) (a) as read with Section 48(1) of ACECA, 2003                                                                                                                                                                                | 15,000,000            | Convicted and fined KES 1,000,000 in default to serve 18 months imprisonment                                                                                                                                                                                                                                 |
| 3.   | ACC 5/2019<br>Milimani  | Antony Juma Opondo<br>Martin Sao<br><br>Corruptly soliciting and receiving a benefit contrary to Section 39 (3) (a) as read with Section 48 of ACECA, 2003<br><br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003                                                                                | 15,000,000            | Convicted and fined KES 1,000,000 each in default to serve 10 years imprisonment                                                                                                                                                                                                                             |



| S/No | Court File No.          | Accused and charges                                                                                                                                                                                     | Amount Involved (KES) | Judgment Details                                                             |
|------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------|
| 4.   | ACC 30/2018<br>Milimani | Esther Nyambura Thongori & 2 Others<br><br>Conspiracy to commit an economic crime contrary to Section 47A (3) as read with Section 48 (1) of ACECA, 2003                                                | 6,281,943             | Convicted and fined a total of KES 30,718,986 in default 1 year imprisonment |
| 5.   | ACC 33/2011<br>Milimani | George Otieno Odhiambo<br><br>Fraudulent acquisition of public property contrary to Section 45(1) (a) of ACECA, 2003<br><br>Deceiving principal contrary to Section 41(1) of ACECA, 2003                | 2,936,000             | Convicted and fined a total of KES 6,369,200 in default 1 year imprisonment  |
| 6.   | ACC 6/2011<br>Nakuru    | Livingstone Nyaga Muthuri<br><br>Fraudulent disposal of public property contrary to Section 45(1)(b) as read with Section 48(1) of ACECA, 2003<br><br>Forgery contrary to Section 349 of the Penal Code | 1,650,000             | Acquitted under Section 215 of Criminal Procedure Code                       |
| 7.   | ACC 5/2013<br>Milimani  | John Njoroge Chege<br><br>Corruptly soliciting and receiving a benefit contrary to Section 39 (3) (a) as read with Section 48 (1) of ACECA, 2003                                                        | 100,000               | Convicted and fined KES 1,300,000 in default one-year imprisonment           |
| 8.   | ACC 27/2018<br>Milimani | Adeline Murunga and Joseph Ngigi<br><br>Corruptly requested and received a bribe contrary to Section 6(1)(a) as read with Section 18 of the Bribery Act, 2016                                           | 50,000                | Convicted and fined KES 1,600,000, in default to serve 2 years imprisonment. |



| S/No | Court File No.           | Accused and charges                                                                                                                                          | Amount Involved (KES) | Judgment Details                                                                                                                                                                             |
|------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9.   | ACC 4/2019<br>Milimani   | Francis Onyango<br><br>Corruptly requested and received a bribe contrary to Section 6(1)(a) as read with Section 18 of the Bribery Act, 2016                 | 40,000                | Convicted and fined KES 150,000 in default to serve 3 years imprisonment                                                                                                                     |
| 10.  | ACC 16/2017<br>Milimani  | Benedict Munyao<br>Lucy Wanjiru<br><br>Corruptly requested and received a bribe contrary to Section 6(1)(a) as read with Section 18 of the Bribery Act, 2016 | 12,000                | Convicted and fined as follows: -<br><br>1st accused fined 800,000 in default to serve 18 months imprisonment<br><br>2nd accused fined 400,000/= in default to serve 18 months imprisonment. |
| 11.  | ACC 16/2019<br>Milimani  | Caroline Wanjiku Njoroge<br><br>Corruptly requested and received a bribe contrary to Section 6(1)(a) as read with Section 18 of the Bribery Act, 2016        | 5,000                 | Convicted and fined KES 300,000 in default to serve one year imprisonment                                                                                                                    |
| 12.  | ACC 2/2018<br>Milimani   | Bernard Kasyoki Munyao<br><br>Corruptly requested and received a bribe contrary to Section 6(1)(a) as read with Section 18 of the Bribery Act, 2016          | 3,000                 | Convicted and fined 1,400,000 in default to serve 2 years imprisonment                                                                                                                       |
| 13.  | ACC 212/2018<br>Milimani | Caroline Achieng Odera<br><br>Impersonating an investigator contrary to Section 34 (1) as read with Section 34 (2) of ACECA, 2003                            | N/A                   | Convicted and sentenced to 15 months' probation                                                                                                                                              |



| S/No | Court File No.          | Accused and charges                                                                                                                                                       | Amount Involved (KES) | Judgment Details                                                                                                                                                                                          |
|------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 14.  | ACC 43/2018<br>Milimani | John Chacha Nyamohanga<br>alias Mwitwa Moses Mogaya<br><br>Personation of person<br>named in certificate contrary<br>to Section 384 as read with<br>349 of the Penal Code | N/A                   | Convicted and<br>fined 500,000 in<br>default 2 years<br>imprisonment                                                                                                                                      |
| 15.  | ACC 2/2018<br>Kisii     | Evans Nyaoga Rambeka<br><br>Forgery contrary to Section<br>349 of the Penal Code<br><br>Obtaining by false pretense<br>contrary to Section 313 of<br>the Penal Code       | N/A                   | Convicted and<br>fine at total of<br>KES 500,000 in<br>default 1 year<br>imprisonment                                                                                                                     |
| 16.  | ACC 3/2017<br>Kitale    | James Nyamari Osoro<br><br>Receiving a bribe contrary<br>to Section 6(1) as read with<br>Section 18(1) & (2) of the<br>Bribery Act, 2016                                  | 100,000               | Convicted and<br>fined KES 200,000<br>in default to serve 1<br>year imprisonment                                                                                                                          |
| 17.  | ACC 7/2018<br>Meru      | Erastus Kiogora<br>Eric Mwaniki<br><br>Corruptly soliciting and<br>receiving a benefit contrary<br>to Section 39(3) as read with<br>Section 48(1) of ACECA,<br>2003       | 20,000                | 1 <sup>st</sup> accused<br>convicted and fined<br>KES 400,000 in<br>default three years<br>imprisonment<br><br>2 <sup>nd</sup> accused<br>acquitted under<br>Section 215 of<br>Criminal Procedure<br>Code |
| 18.  | ACC 1/2018<br>Meru      | Fred Murithi Nyaga<br><br>Giving a bribe contrary to<br>Section 5(1) (a) as read with<br>Section 18(1) (2) and (3) of<br>the Bribery Act, 2016                            | 3,000                 | Convicted and<br>fined KES 200,000<br>in default to serve 2<br>years imprisonment                                                                                                                         |

| S/No | Court File No.       | Accused and charges                                                                                                                                                                                                                                                          | Amount Involved (KES) | Judgment Details                                                         |
|------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------|
| 19.  | ACC 6/2017 Nyeri     | Gabriel Wanjohi and 6 others<br><br>Wilful failure to Comply with the Law relation to procurement contrary to Section 45 (2) (b) as read with Section 48 of ACECA, 2003                                                                                                      | 1,200,000             | Convicted and fined KES 200,000 in default to serve 1-year imprisonment  |
| 20.  | ACC 1/2016 Malindi   | Joseph Charo Dzombo<br><br>Corruptly offering a benefit contrary to Section 39(3) (b) as read with Section 48 (1) of ACECA, 2003                                                                                                                                             | 2,000                 | Convicted and fined KES 500,000 in default to serve 2 years imprisonment |
| 21.  | ACC 3/2016 Malindi   | Mwangawe David Mwamtusi<br><br>Corruptly soliciting for a benefit contrary to Section 39(3)(a) as read with Section 27 of the Bribery Act, 2016                                                                                                                              | 2,000                 | Convicted and fined KES 200,000 in default to serve 1-year imprisonment  |
| 22.  | ACC 21/2015 Milimani | Evans Ngibuini & 7 Others<br><br>Abuse of office contrary to Section 46 as read with Section 48 of ACECA, 2003<br><br>Wilful failure to comply with the applicable law relating to procurement contrary to Section 45 (2) (b) as read with Section 48 (1) (a) of ACECA, 2003 | 10,000,000,000        | Acquitted                                                                |

## 2.8 Illegally Acquired and Unexplained Assets Traced

The Commission completed 88 asset tracing inquiries in respect of illegally acquired and unexplained assets. The total estimated value of the assets traced was KES 25,328,027,000. Some of the assets traced are highlighted in Table 2.8.

**Table 2.8: Highlight of Illegally Acquired and Unexplained Assets Traced**

| S/No | Nature of allegation                                                                                                                                                                       | Institution                 | Amount (KES)  |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------|
| 1.   | Inquiry into allegations of irregular auctioning of public land held in trust by Giriama Ranch measuring 66,000 acres in Bamba Kilifi County                                               | County Government of Kilifi | 3,000,000,000 |
| 2.   | Inquiry into allegation of irregular acquisition of public land LR 5211/1 and 5211/8 in Naivasha                                                                                           | KALRO                       | 2,903,855,500 |
| 3.   | Inquiry into allegations of illegal and unexplained wealth against Nicholas Owino Ochiel, a Valuer at the Ministry of Lands                                                                | Ministry of Lands           | 1,365,054,008 |
| 4.   | Inquiry into allegations of illegal and unexplained wealth against Engineer Benson Muteti, Coast Regional Manager, Kenya Rural Roads Authority (KeRRA)                                     | KeRRA                       | 1,114,353,602 |
| 5.   | Inquiry into allegations of misappropriation and irregular payment of public funds by the Kiambu County Government through 'Kaa Sober Programme' during FY 2017/18 & 2018/2019             | County Government of Kiambu | 500,000,000   |
| 6.   | Inquiry into allegations of fraudulent acquisition and disposal of land No KSM/MUN/BLOCK 7/404-207                                                                                         | KRC                         | 400,000,000   |
| 7.   | Inquiry into allegation of fraudulent acquisition and disposal of land KSM/MUN/BLOCK 7/414, 7/415, 7/417, 7/419-7/422, 7/424-7/426, 7/429-7/440                                            | KRC                         | 315,000,000   |
| 8.   | Inquiry into allegation of fraudulent payments by Kenya Railways Corporation (KRC) and National Land Commission (NLC) to persons and entities affected by the Standard Gauge Railway (SGR) | KRC<br>NLC                  | 221,375,000   |
| 9.   | Inquiry into allegations of irregular allocation of land No. Kisii Municipality/Block II/112, 137, 168, 169, 170, 171, 173, 174, 175, 176, 189, 201, 212, 213, 242, 249 and 263            | County Government of Kisii  | 219,800,000   |
| 10.  | Inquiry into allegations of bribery against Ferdinand Waititu, Governor County Government of Kiambu. He is alleged to have received bribes from contractors trading with the County        | County Government of Kiambu | 133,399,788   |

| S/No | Nature of allegation                                                                                                                                              | Institution                                                | Amount (KES) |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------|
| 11.  | Inquiry into allegations of irregular allocation of public land No.1703[title No. CR 27954] demarcated for the County Department of Fisheries in Malindi          | County Government of Kilifi                                | 74,000,000   |
| 12.  | Inquiry into allegations of irregular allocation of public land No. Nakuru Municipality/ Block 15/941/944, 4/396 and 945                                          | KRC                                                        | 59,000,000   |
| 13.  | Inquiry into allegations of embezzlement of public funds, intended for development of roads in Ol Kalou Constituency                                              | Ol Kalou NG-CDF                                            | 50,000,000   |
| 14.  | Inquiry into allegations of irregular allocation and alienation of public land No. Nyahururu Municipality/ Block 6/793, 6794,6/795/,6/79 6,6,797,6/798,6799 6/800 | Ministry of Transport Infrastructure and Urban Development | 40,000,000   |
| 15.  | Inquiry into allegations of irregular payment of employment benefits to Prof. Mucai Muchiri, Vice Chancellor, Karatina University                                 | Karatina University                                        | 26,000,000   |
| 16.  | Inquiry into allegations of irregular allocation and alienation of public land No. Uasin Gishu/Kimumu Scheme/6068                                                 | County Government of Uasin Gishu                           | 16,000,000   |
| 17.  | Inquiry into allegations of embezzlement of public funds from Chebororwa Agricultural Training Centre                                                             | Chebororwa Agricultural Training Centre                    | 11,490,000   |
| 18.  | Inquiry into allegations of embezzlement of funds, meant for Sports Activities in Ol Kalou Constituency                                                           | Ol Kalou NG-CDF                                            | 5,000,000    |

## 2.9 Civil Proceedings

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

### 2.9.1 Applications for Preservation of Assets

The Commission filed 14 applications for preservation of assets valued at approximately KES 9,389,997,485 and preservation and injunctive orders were granted. Table. 2.9 Show s highlights of these applications.



**Table 2.9: Highlight of Applications for Preservation of Assets**

| S/No | Asset                                                                                                                                                            | Case No & Parties                                                                                | Approximate Value (KES) |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-------------------------|
| 1.   | Kisumu Municipality Block 7/421, 422, 424, 425, 426, 429, 430, 433, 434, 435, 438, 439, 440 & 414, 415, 416, 417, 418, 419, 420, 431, 432, 434, 435, 436 and 437 | Kisumu ELC Misc. Application No. 35 of 2019<br>EACC vs Katangi Developers                        | 330,000,000             |
| 2.   | Nakuru Municipality Block 5/221                                                                                                                                  | ELC No. 242 of 2019<br>EACC vs Saleh Chepkole & 4 Others                                         | 300,000,000             |
| 3.   | Cash                                                                                                                                                             | ACEC Misc. Application No. 7 of 2020<br>EACC vs Standard Chartered Bank Kenya Limited & 4 Others | 123,000,000             |
| 4.   | L.R Mombasa Municipality/1/9776                                                                                                                                  | Mombasa ELC No. 145 of 2018<br>EACC vs Ann Wanjiku & 4 Others                                    | 40,000,000              |
| 5.   | Nakuru Municipality Block 5/144                                                                                                                                  | ELC No. 265 of 2019<br>EACC vs Harun Ng'eny Kipkemoi arap Mengich & 4 Others                     | 30,000,000              |
| 6.   | Nakuru Municipality Block 5/149                                                                                                                                  | ELC No. 266 of 2019<br>EACC vs William Kimaru and Another                                        | 30,000,000              |
| 7.   | Nakuru Municipality Block 5/150                                                                                                                                  | ELC No. 256 of 2019<br>EACC vs Jacob Baiya & Another                                             | 30,000,000              |
| 8.   | Nakuru Municipality Block 5/147                                                                                                                                  | ELC No. 267 of 2019<br>EACC vs Noreen Shariff Choge & 4 Others                                   | 30,000,000              |
| 9.   | Machakos Municipality Block 1/623                                                                                                                                | ELC No. 127 of 2019<br>EACC vs Wilson Gacanja & 2 Others                                         | 15,000,000              |
| 10.  | Cash                                                                                                                                                             | ACEC Misc. 9 of 2020<br>EACC vs Emily Nyambura Kang'ethe & Kenya Commercial Bank                 | 1,862,687.67            |

### 2.9.2 Recovery Suits Filed

The Commission filed 23 recovery suits, with an estimated value of KES 5,000,000,000 during the Financial Year as shown in Table 2.10.

**Table 2.10: Recovery Suits Filed**

| S/No. | Case No. & Parties                                                                   | Subject Matter                                               | Amount (KES)  |
|-------|--------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------|
| 1.    | ACEC No 8 of 2020<br>EACC vs Charles Nderitu Maitai & 13 Others                      | Suit for recovery of unexplained wealth                      | 430,788,984   |
| 2.    | ACEC NO 6 of 2020<br>EACC vs Michael Kamau Kuria & Others                            | Suit for recovery of unexplained wealth                      | 329,178,934   |
| 3.    | ACEC No. 16 of 2019<br>EACC vs Andrew Biketi Musuya & Others                         | Suit for recovery of unexplained wealth.                     | 284,087,664   |
| 4.    | ACEC No 1 of 2020<br>EACC vs Ferdinand Ndungu Waititu & Others                       | Suit for recovery of unexplained wealth                      | 172,914,555   |
| 5.    | ACEC No. 21 of 2019<br>EACC vs Moses Kasaine Lenolkulal T/A Oryx Service Station     | Civil suit for recovery of proceeds of corruption            | 80,763,715.35 |
| 6.    | Mombasa ELC No. 64 of 2020<br>EACC vs Zaharia Mohammed Mawia & 3 Others              | Suit for recovery of land No. Mombasa/Block I/526            | 80,000,000    |
| 7.    | Mombasa ELC No. 65 of 2020<br>EACC vs Zaharia Mohammed Mawia & 3 Others              | Suit for recovery of land No. Mombasa/Block I/525            | 80,000,000    |
| 8.    | Mombasa ELC No. 66 of 2020<br>EACC vs Kizingo Apartments Limited & 3 Others          | Suit for recovery of land No. Mombasa/Block XXVI/1137        | 80,000,000    |
| 9.    | Kakamega ELC No. 177 of 2019<br>EACC vs Paul Olando, Edith Lumire and Zablon Mabea   | Suit for recovery of public land No. KAK Mun. Block 3/230    | 30,000,000    |
| 10.   | Kakamega ELC No. 78 of 2019<br>EACC vs Rose Mideva and Sammy Komen Mwaita            | Suit for recovery of Public Land No. KAK Mun. Block 3/71     | 30,000,000    |
| 11.   | Kisumu ELC No. 56 of 2019<br>EACC vs Kennedy Obware Akoko & Gintu Holdings Ltd       | Suit for recovery of public land                             | 30,000,000    |
| 12.   | Malindi ELC No. 64 of 2009<br>Awadh Swaleh Batheif vs Hassan Said RaKESid & 2 Others | Suit for recovery of Land No. 10842 located in Malindi Town. | 30,000,000    |
| 13.   | Kakamega ELC No. 150 of 2019<br>EACC vs Tejveer Singh Rai Saraswati Patel & 2 Others | Suit for recovery of Public Land No. KAK Mun. Block 3/219    | 28,000,000    |



| S/No. | Case No. & Parties                                                                        | Subject Matter                                                                  | Amount (KES)   |
|-------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------|
| 14.   | Kakamega ELC No. 151 of 2019<br>EACC vs Saraswati Patel, Rina Patel and Tejveer Singh Rai | Suit for recovery of Public Land No. KAK Mun. Block 3/214                       | 15,000,000     |
| 15.   | Kakamega ELC No. 153 of 2019<br>EACC vs Saraswati Patel, Tejveer Singh Rai and 2 Others   | Suit for recovery of Public Land No. KAK Mun. Block 3/213                       | 15,000,000     |
| 16.   | NBI ACEC. HC 22 of 2019<br>EACC vs Nicholas Kaino & 4 Others                              | Suit for recovery funds embezzled from Chebororwa Agricultural Training Centre. | 11,490,000     |
| 17.   | Kakamega ELC No. 152 of 2019<br>EACC vs Redrubie Invest. Ltd, Anthony Mukembu & Another   | Suit for recovery of Public Land No. KAK Mun. Block 3/301                       | 7,000,000      |
| 18.   | Machakos ELC No. 127 of 2019<br>EACC vs Wilson Gacanja & 2 Others                         | Suit for recovery of Machakos Municipality Block 1/623                          | 3,000,000      |
| 19.   | CMCC No. 6701 of 2019<br>EACC vs Paul Odhiambo Akong'o                                    | Suit for recovery of misappropriated funds                                      | 507,650        |
| 20.   | Kakamega ELC No. 17 of 2020<br>EACC vs Jacqueline Musalia and Zablon Mabea                | Suit for recovery of Public Land No. KAK Mun. Block 3/64                        | Not yet valued |
| 21.   | Nyeri ELC No. 29 of 2019<br>EACC vs Registered Trustees NCKK and Kaitui Enterprises       | Suit for recovery of land No. Nyeri Municipality Block 1/1280                   | Not yet valued |
| 22.   | Nanyuki CM 75 of 2019<br>EACC vs Lydia Gathoni Kinyua & 2 Others                          | Suit for recovery of land No. Laikipia/Nanyuki/West Timau Block 2/290           | Not yet valued |
| 23.   | Nanyuki CM 76 of 2019<br>EACC vs Simon Ngunyi Mutahi & 7 Others                           | Suit for recovery of land No. Laikipia/Nanyuki/West Timau Block 2/290           | Not yet valued |

### 2.9.3 Cases Filed against the Commission

There were 79 petitions and appeals filed against the Commission in FY 2019/2020 as highlighted in Table 2.11.

**Table 2.11: Highlight of Petitions and Appeals**

| S/No | Case No.                                                        | Parties                                                                                        | Subject Matter                                                                                                                                                                                                                                                                                  |
|------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.   | Kisumu ELC<br>Petition No. 10 of<br>2019                        | Katangi Developers<br>vs The Attorney<br>General and<br>Kenya Railways<br>Corporation          | Petition seeking prohibitory and mandatory injunction restraining and prohibiting as well as orders compelling the CS Interior and Coordination of National Government, CS Transport Infrastructure and Urban Development and the Kenya Railways Corporation from dealing in 22 parcels of land |
| 2.   | Kakamega<br>Constitutional<br>Petition No. 14 of<br>2019        | Simon Mulama vs<br>EACC                                                                        | Claim for compensation for an alleged unlawful seizure of the petitioner's 220 bags of fertilizer                                                                                                                                                                                               |
| 3.   | Meru HC Petition<br>No. 1/2020                                  | Samson Akotha vs<br>EACC & 5 Others                                                            | Constitutional petition on alleged contravention of constitutional rights                                                                                                                                                                                                                       |
| 4.   | Kisumu Petition<br>No. 7 of 2019                                | Vivo Energy Kenya<br>Limited vs Kisumu<br>County Government,<br>3 Others & EACC                | Petition seeking enforcement of ownership rights over Kisumu Municipality/Block 7/4 which is part of land fenced off for the Kisumu Port.                                                                                                                                                       |
| 5.   | Kakamega Misc.<br>Civil Application<br>No. 265 of 2019          | Lawrence Mulama<br>Itolondo & Titus<br>Khamala Mukhwana<br>Vs EACC                             | Application for leave to file appeal out of time in relation to recovery suit ELC No. 323 of 2018                                                                                                                                                                                               |
| 6.   | Kisumu ELC No.<br>32 of 2019                                    | Sultan Khan aka<br>Khan Sultan Ali &<br>Another vs EACC<br>and County Land<br>Registrar Kisumu | Application seeking to remove restrictions put by EACC on Kisumu Municipality/Block 11/145 pending investigations                                                                                                                                                                               |
| 7.   | Nakuru Petition<br>No. 7 of 2020                                | Joseph Motari vs<br>EACC                                                                       | Petition for alleged violation and infringement of fundamental rights and freedoms                                                                                                                                                                                                              |
| 8.   | Misc. Criminal<br>Application No.<br>30 of 2019                 | Zeyun Yang &<br>Another vs EACC &<br>3 Others                                                  | An application seeking anticipatory bail                                                                                                                                                                                                                                                        |
| 9.   | Nairobi High<br>Court Criminal<br>Application No.<br>31 of 2019 | Ferdinand Ndung'u<br>Waititu vs EACC<br>& Chief Magistrate<br>Court Nairobi                    | Application seeking temporary injunction or suspension of the proceedings and/or investigations to the subject ACC No. 2135 of 2019                                                                                                                                                             |
| 10.  | Mombasa ELC<br>Petition No. 5 of<br>2019                        | Michael Njenga<br>Waweru vs National<br>Land Commission &<br>Others                            | Application seeking to enjoin the DPP and the EACC as interested parties                                                                                                                                                                                                                        |



| S/No | Case No.                                                                | Parties                                                                | Subject Matter                                                                                                                                                                                                  |
|------|-------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11.  | Garissa High Court Criminal Revision No. 108 of 2019                    | Daayo Construction and General Supplies Ltd vs EACC                    | Application seeking revision of Garissa CMCC criminal application No. 82 of 2018                                                                                                                                |
| 12.  | ACEC Petition No. 18 of 2019                                            | Michael Kamau Kuria vs EACC                                            | Petition seeking conservatory orders of stay of Notice of unexplained wealth                                                                                                                                    |
| 13.  | Kisumu High Court Petition No. 259 of 2019                              | Edermann Property Limited & 2 Others vs EACC & 4 Others.               | Petition seeking conservatory & prohibitory orders against EACC from charging the petitioners in respect of contract entered in respect to the construction of Lake Basin Development Authority mall            |
| 14.  | ACEC Misc. Application No. 25 of 2019                                   | Stephen Ogaga Osiro vs EACC, DPP & the Chief Magistrate, Kibera        | Judicial Review Application for inter-alia an Order of Certiorari to remove and quash the ex-parte Order issued at the Chief Magistrate's Court at Kibera pursuant to Misc. Application No. 1195 of 2015        |
| 15.  | ACEC Petition No. 30 of 2019 (Formerly Const. Petition No. 366 of 2019) | Dr. Evans Odhiambo Kidero vs EACC & Others                             | Petition seeking conservatory orders in ACC No. 8 of 2019                                                                                                                                                       |
| 16.  | ACEC Petition No. 27 of 2019                                            | Elkana Kathie Nyaga vs ODPP & EACC                                     | Petition seeking orders of Certiorari and Prohibition against the Commission from investigating and ODPP from prosecuting the petitioner for allegedly uttering a fake/ fraudulent Master's Degree in Education |
| 17.  | ACEC Petition No. 26 of 2019 (Formerly Const. Petition No. 392 of 2019) | Rose Muthoni Wamuiya vs Governor County Government of Nyandarua & EACC | A petition seeking declaration of rights and prohibiting the Commission from carrying out investigations in respect of the Nyandarua Investment Conference                                                      |
| 18.  | ACEC Petition No. 34 of 2019 (Formerly Const. Petition No. 453 of 2019) | Mike Gideon Mbuvi Kioko Sonko vs EACC & 6 Others                       | Petition seeking orders prohibiting the respondents from investigating the petitioner                                                                                                                           |
| 19.  | ACEC Petition No. 37 of 2019                                            | Tatu City Ltd & Another vs EACC & Others                               | Application seeking conservatory orders against the respondents and interested parties from investigating and prosecuting the applicants                                                                        |
| 20.  | ELRC Petition No 240 of 2019                                            | Prof. Mohammed Swazuri vs EACC & 3 Others                              | Petition seeking release of pension and retirement benefits of the former chairperson of the National Land Commission                                                                                           |

| S/No | Case No.                                                  | Parties                                              | Subject Matter                                                                                                                             |
|------|-----------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| 21.  | Judicial Review Misc. No 11 of 2020                       | Charles Mbugua Njuguna vs DPP & EACC                 | Application seeking orders for prohibition and certiorari against EACC to stop proceedings of ACC No. 28 of 2019                           |
| 22.  | Civil Appeal No 256 of 2019                               | Michael Sistu Mwaura Vs EACC & 3 Others              | Appeal from judgment of High Court ACC Petition No. 22 of 2018 (Formerly Constitutional Petition No 285 of 2018)                           |
| 23.  | Civil Appeal No. 464 of 2019                              | Jimmy Mutuku Kiambaa & Others vs EACC & Another      | Appeal from judgment of the High Court at Nairobi delivered by Hon. Justice H.I Ongudi on 24 <sup>th</sup> July, 2019 in ACC No. 1 of 2016 |
| 24.  | Civil Application No. 173 of 2020                         | EACC vs Catherine Nkirote & 2 Others                 | An application for Injunction under Rules 5(2) (b) of the Court of Appeal Rules                                                            |
| 25.  | Supreme Court Petition No. 21 of 2019                     | Stanley Mombo Amuti vs EACC                          | Appeal judgment and order of Court of Appeal in civil appeal No. 184 of 2018                                                               |
| 26.  | Supreme Court Application No. 21 of 2019 & No. 30 of 2019 | EACC & DPP vs Prof. Tom Ojienda & Others             | An appeal from Court of Appeal No. 109 of 2016                                                                                             |
| 27.  | Supreme Court Petition No. 39 of 2019                     | Praxidis Namoni Saisi vs EACC & Another              | An appeal in a judgment in Civil Appeal No. 2 of 2017 as consolidated with Civil Appeal No. 184 of 2016                                    |
| 28.  | Supreme Court Application No. 31 of 2019                  | Dr. Peter Ayodo Omenda & 6 Others vs EACC, &2 Others | Application for stay of execution of the decision of the Court of Appeal delivered on 20/9/2019 allowing Civil Appeal No. 313 of 2017      |

## 2.10 Recovered Assets

Illegally acquired and unexplained assets valued at approximately KES 12,120,073,449.30 were recovered through court proceedings and out-of-court settlements as shown in Table 2.12.

**Table 2.12: Recovered Assets**

| S/No                      | Institution Recovered for                              | Recovered from          | Asset                  | Estimated Value (KES) |
|---------------------------|--------------------------------------------------------|-------------------------|------------------------|-----------------------|
| <b>Immovable Property</b> |                                                        |                         |                        |                       |
| 1.                        | Kenya Agricultural and Livestock Research Organization | Prigal Limited & others | Naivasha L.R. No. 5212 | 3,464,051,500         |



| S/No | Institution Recovered for                              | Recovered from                                | Asset                                          | Estimated Value (KES) |
|------|--------------------------------------------------------|-----------------------------------------------|------------------------------------------------|-----------------------|
| 2.   | Kenya Agricultural and Livestock Research Organization | Kingpin Limited                               | Naivasha L.R. No. 5211/1                       | 1,970,195,500         |
| 3.   | Kenya Agricultural and Livestock Research Organization | Wazazi Farmers Ltd<br>Karati Farm<br>Top Farm | Naivasha L.R. No. 5211/2                       | 1,212,029,000         |
| 4.   | City Council of Nairobi                                | Paul Moses Ngetha & Others                    | Woodley Properties                             | 1,040,000,000         |
| 5.   | Kenya Agricultural and Livestock Research Organization | Savannah Breweries Ltd                        | Naivasha L.R. No. 5211/8                       | 933,660,000           |
| 6.   | City Council of Nairobi                                | Jackson Mbute & Others                        | L.R. No. 209/16441(IR 10069)                   | 700,000,000           |
| 7.   | Administration Police Service                          | Lima Ltd                                      | Eldoret Mun/Block4/52                          | 520,000,000           |
| 8.   | Administration Police Service                          | Lima Ltd                                      | Eldoret Mun/Block4/53                          | 370,000,000           |
| 9.   | County Government of Uasin Gishu                       | Lima Ltd                                      | Eldoret Mun/Block4/55                          | 320,000,000           |
| 10.  | County Government of Uasin Gishu                       | Kipsirgoi Investments Ltd                     | Eldoret Mun/Block3/28                          | 180,000,000           |
| 11.  | Administration Police Service                          | Lima Ltd                                      | Eldoret Mun/Block4/54                          | 110,000,000           |
| 12.  | City Council of Nairobi                                | Rosemary Njeri                                | Recovered Woodley Houses (LR No .209/13539/68) | 75,000,000            |
| 13.  | County Government of Uasin Gishu                       | Lima Ltd                                      | Eldoret Mun/Block4/129                         | 70,000,000            |
| 14.  | Ministry of Housing                                    | Lekyo Tours & Silas Komen Mwaita              | Government House No. HG 199-MN/1/3074          | 56,000,000            |
| 15.  | Kenya Railways Corporation                             | Peter Oloo Aringo                             | Kisumu/ Block 7/411                            | 50,000,000            |
| 16.  | Kenya Railways Corporation                             | Dr. Oburu Odinga                              | Kisumu Block 7/509                             | 35,000,000            |
| 17.  | Kenya Railways Corporation                             | Zurip Properties Limited                      | Kisumu/ Block 7/522                            | 35,000,000            |





| S/No | Institution Recovered for                         | Recovered from             | Asset                            | Estimated Value (KES) |
|------|---------------------------------------------------|----------------------------|----------------------------------|-----------------------|
| 18.  | Kenya Railways Corporation                        | Edick Omondi Anyanga       | Kisumu/ Block 7/519              | 35,000,000            |
| 19.  | City Council of Nairobi                           | Jimmy Mutuku Kiamba        | L.R. NRB 7785/605                | 35,000,000            |
| 20.  | State Department of Housing and Urban Development | Albert Kipkosgei Lessonet  | Nakuru Municipality Block 12/124 | 33,500,000            |
| 21.  | Kenya Railways Corporation                        | Kaseki Enterprises Limited | Kisumu/ Block 7/512              | 32,000,000            |
| 22.  | Kenya Railways Corporation                        | Peter Okong'o Oyoo         | Kisumu Block 7/542               | 30,000,000            |
| 23.  | Kenya Railways Corporation                        | Vincent Kipkirui Tuwei     | Kisumu/ Block 7/520              | 30,000,000            |
| 24.  | Kenya Railways Corporation                        | Vincent Kipkirui Tuwei     | Kisumu/ Block 7/521              | 30,000,000            |
| 25.  | Kenya Railways Corporation                        | Vincent Kipkirui Tuwei     | Kisumu/ Block 7/503              | 30,000,000            |
| 26.  | County Government of Nakuru                       | Anil Walia                 | Nakuru Municipality Block 4/396  | 30,000,000            |
| 27.  | County Government of Uasin Gishu                  | Lima Ltd                   | Eldoret Mun/ Block4/57           | 20,000,000            |
| 28.  | State Department of Housing and Urban Development | Fridah Asamba              | KAK Mun. Block 3/239             | 7,000,000             |
| 29.  | State Department of Housing and Urban Development | Michael Omusula            | KAK Mun. Block 3/276             | 4,500,000             |
| 30.  | State Department of Housing and Urban Development | Joel Kipchwi               | Kabarnet Municipality Block 143  | 3,000,000             |
| 31.  | County Government of Bomet                        | John Kipkorir Ngetich      | Kericho/Sotik townKESip/554      | 2,500,000             |
| 32.  | County Government of Bomet                        | John Kipkorir Ngetich      | Kericho/Sotik townKESip/555      | 2,500,000             |
| 33.  | County Government of Bomet                        | John Kipkorir Ngetich      | Kericho/Sotik townKESip/557      | 2,500,000             |
| 34.  | City Council of Nairobi                           | Jimmy Mutuku Kiamba        | Cash                             | 282,648,604           |
| 35.  | National Treasury                                 | Thomas Njogu               | Cash                             | 113,000,000           |





| S/No | Institution Recovered for                            | Recovered from                                    | Asset | Estimated Value (KES) |
|------|------------------------------------------------------|---------------------------------------------------|-------|-----------------------|
| 36.  | National Land Commission                             | Clarence Matheny<br>Leadership Training Institute | Cash  | 77,188,498            |
| 37.  | National Land Commission                             | Tornado Carriers                                  | Cash  | 55,269,363            |
| 38.  | National Water Conservation and Pipeline Corporation | Stanley Mombo Amuti                               | Cash  | 41,553,632            |
| 39.  | County Council of Makuyu                             | Peter Mwai Ndegwa                                 | Cash  | 28,655,709            |
| 40.  | National Land Commission & KeNHA                     | Salome Ludenyi Munubi                             | Cash  | 18,565,600            |
| 41.  | Kenya Meat Commission                                | Dr. Ibrahim Haji Issak                            | Cash  | 11,500,000            |
| 42.  | National Treasury                                    | Michael Gituto                                    | Cash  | 2,469,184             |
| 43.  | National Land Commission & KeNHA                     | Bether Wangithi Muthike                           | Cash  | 3,460,000             |
| 44.  | National Treasury                                    | Petty Mumbi                                       | Cash  | 1,900,000             |
| 45.  | Ministry of Education                                | Jap Motors                                        | Cash  | 1,900,000             |
| 46.  | National Treasury                                    | Dan Okoth                                         | Cash  | 1,750,000             |
| 47.  | National Land Commission & KeNHA                     | Francis Kibaru                                    | Cash  | 1,650,000             |
| 48.  | County Assembly of Nandi                             | Haron Kibet Komen                                 | Cash  | 1,500,000             |
| 49.  | County Government of Nandi                           | Barnaba G.K. Kosgei                               | Cash  | 1,203,000             |
| 50.  | Department of Refugee Affairs                        | Haron Komen Cheet                                 | Cash  | 1,052,938             |
| 51.  | National Land Commission & KeNHA                     | Stephen Maina                                     | Cash  | 1,000,000             |
| 52.  | County Assembly of Makueni                           | Members of the County Assembly                    | Cash  | 813,117               |
| 53.  | County Government of West Pokot                      | Fredrick Moerwa Omwoyo                            | Cash  | 700,000               |
| 54.  | National Land Commission & KeNHA                     | Michael Onyango Oloo                              | Cash  | 610,000               |
| 55.  | County Government of Nakuru                          | RaKESid Muktar                                    | Cash  | 544,400               |



| S/No | Institution Recovered for                        | Recovered from           | Asset | Estimated Value (KES) |
|------|--------------------------------------------------|--------------------------|-------|-----------------------|
| 56.  | County Government of Uasin Gishu                 | Alison Odera Mkangula    | Cash  | 500,000               |
| 57.  | County Government of Nandi                       | Everlyne Jepkazi Tororei | Cash  | 490,000               |
| 58.  | National Land Commission & KeNHA                 | Michael Njenga Waweru    | Cash  | 400,000               |
| 59.  | Ministry of Agriculture, Livestock and Fisheries | Simon Kamwenji           | Cash  | 276,360               |
| 60.  | County Assembly of Nandi                         | Wesley Kimeto            | Cash  | 200,000               |
| 61.  | County Government of Nandi                       | Luke Kimutai Cherutich   | Cash  | 200,000               |
| 62.  | County Government of Nandi                       | Henry Tarus              | Cash  | 160,000               |
| 63.  | County Government of Uasin Gishu                 | Marrion Paulyne Dome     | Cash  | 150,000               |
| 64.  | Kenya Reinsurance Corporation                    | Muriu Mungai Advocates   | Cash  | 132,504               |
| 65.  | County Government of Garissa                     | Abdiwahab Omar Gure      | Cash  | 50,000                |
| 66.  | County Government of Makueni                     | Bensley Mwanja Madhuku   | Cash  | 44,539                |
| 67.  | Kenya National Library Service                   | William Busienei         | Cash  | 30,000                |
| 68.  | County Government of Garissa                     | Ali Amin Hassan          | Cash  | 30,000                |
| 69.  | County Government of Makueni                     | Bernard Wambua Kiswii    | Cash  | 30,000                |
| 70.  | County Assembly of Makueni                       | Sammy Kiswii             | Cash  | 10,000                |

## 2.11 Issuance of Advisories, Notices and Cautions

The Commission, in enforcing Chapter Six of the Constitution, issued 332 advisories, 140 notices and 38 cautions to public entities and persons for violation of Chapter Six and LIA, 2012 during the reporting period. The advisories, notices and cautions issued are summarized in the table below.

**Table 2.13: Highlight of Advisories Issued**

| S/No. | Nature of advisory                                                                                                                                                                                                                | Recipients of the advisory                                                                                                                                                   |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.    | Compliance to requirements on integrity verification on recruitment of Members of County Public Service Boards                                                                                                                    | All Secretaries through the Council of Governors                                                                                                                             |
| 2.    | Failure to comply with requirements for integrity verification on recruitment of Chairperson and Members of the County Public Service Board                                                                                       | County Secretary/ Head of Public Service Boards, Kiambu and Bungoma Counties                                                                                                 |
| 3.    | Advisory opinion to verify allegations prior to nomination of Hon. Tiya Galgalo as member of National Lands Commission                                                                                                            | Clerk of National Assembly, Parliament Buildings                                                                                                                             |
| 4.    | Suspension of Dr. George Owino Oguna, Deputy Principal in-charge of Academics at Kenya Medical Training College in Port Reitz after being charged with forgery contrary to section 345 as read with section 349 of the penal code | Principal Secretary, Ministry of Health                                                                                                                                      |
| 5.    | Failure to submit self-declaration forms to EACC by board members in all state corporations                                                                                                                                       | Secretary, State Corporations Advisory Committee                                                                                                                             |
| 6.    | Giving of gifts (goats and cash) to public officers in a police station by a Member of Parliament                                                                                                                                 | MP Nyali Constituency                                                                                                                                                        |
| 7.    | Failure by police officers to declare gifts (goats and cash) received from a Member of Parliament                                                                                                                                 | Inspector General of Police, National Police Service                                                                                                                         |
| 8.    | Non-compliance with Chapter Six of the Constitution in the recruitment of public officers by Isiolo County Public Service Board                                                                                                   | Governor Isiolo County Government Chairperson, Isiolo County Public Service Board (CPSB)                                                                                     |
| 9.    | Failure to secure the boundary of university land measuring 5,000 acres leading to invasion by private developers.                                                                                                                | Vice Chancellor, South Eastern University of Kenya                                                                                                                           |
| 10.   | Personal branding of works and items purchased by the National and County governments in the ongoing implementation of mitigation measures against the spread of COVID-19                                                         | Governor of Nyeri County<br>Governor Bungoma County<br>CEO of Council of Governors<br>CEO National Government CDF<br>CEO National Government Affirmative Action Fund (NGAAF) |
| 11.   | Failure to submit names of Shortlisted candidates to the Commission for integrity verification                                                                                                                                    | Chairperson, Nairobi Water and Sewerage Co.<br>County Secretary, Homabay County<br>County Secretary, Kisumu County                                                           |



| S/No. | Nature of advisory                                                                                                                                 | Recipients of the advisory                                                        |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 12.   | Irregular recruitment/appointment of Ag. CEO New Kenya Planters Cooperative Union in violation of Section 62(1) of ACECA                           | Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Cooperatives |
| 13.   | Irregular recruitment of County Chief Officer–Gender and Culture by Bungoma County Public Service Board during FY 2017/2018.                       | CEO, Bungoma CPSB                                                                 |
| 14.   | Gaps in Shortlisting and interviewing procedure in the HRM policies and procedure manual in public service                                         | CEO, Public Service Commission                                                    |
| 15.   | Advisory to install CCTV cameras in the precincts of county assemblies                                                                             | CEO, County Assemblies Forum (CAF)                                                |
| 16.   | Advisory on ceasing payment of extraneous allowance to Members of County Assemblies                                                                | All clerks of county assemblies through CEO, County Assemblies Forum (CAF)        |
| 17.   | Advisory on implementation of EACC system review recommendations by Civil Registration Department to address complaints regarding service delivery | PS, State Department for Interior                                                 |

*Table 2.14: Highlight of Notices Issued*

| S/No. | Nature                                                                                                                             | Receptient of Notice                                      |
|-------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| 1.    | Neglect of Legal and Financial Obligations in payment of KES 33 million awarded in Judgement in Nairobi Civil Suit No. 770 of 2003 | Robinson Githae, Ambassador Vienna - Austria              |
| 2.    | Notices to provide information and documents and notice to appear before the Commission                                            | Various state and public officers                         |
| 3.    | Failure to comply with requirement for submission of self-declaration forms pursuant to Section 12A of LIA.                        | Notices issued to 290 Board Members in State Corporations |

*Table 2.15: Highlight of Cautions Issued*

| S/No. | Name              | Position                                       | Description                                                                                                      |
|-------|-------------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| 1.    | Ferdinand Waititu | Governor, Kiambu County                        | Neglect of legal and financial obligations in a judgment award of KES 697,208 in Civil Case No. 1388 of 2014     |
| 2.    | David Gikaria     | Member of Parliament, Nakuru East Constituency | Altercation with county officers during demolition of illegal structures along Kipkelion Road within Nakuru Town |
| 3.    | Mike Sonko        | Governor, Nairobi City County                  | Untoward utterances to Nairobi Women Representative                                                              |



| S/No. | Name                                                                                                                                                          | Position                                                       | Description                                                                                                                                                                                                                                                             |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.    | Johnstone Kavuludi                                                                                                                                            | Former Chairperson - NPSC                                      | Failure to honour financial obligations through issuance of bad cheques on diverse dates                                                                                                                                                                                |
| 5.    | Pauline Wanjira<br>Anthony Ndagita                                                                                                                            | Nyeri MCAs                                                     | Involvement in a fight while attending training in Arusha, Tanzania                                                                                                                                                                                                     |
| 6.    | Bonventure Wabwile<br>Wasikoyo<br>Elizabeth Jane Wanyonyi<br>Stephen Wesonga<br>Makokha<br>Peter Olia<br>Masengeri<br>Gideon Kirai                            | Members of the Bungoma County Public Service Board             | Irregular recruitment of unqualified person to the office of County Chief Officer- Gender and Culture                                                                                                                                                                   |
| 7.    | Ronald Sagurane<br>Paul Waweru<br>Mwangi<br>Martha Kenio<br>Maria Chao<br>Johnes Maskingi<br>Godwin Kilele<br>Frank Mmare                                     | MCAs, Taita Taveta County Assembly                             | Engaging in a physical confrontation at the County Assembly over the passage of the People's Assembly motion<br><a href="https://www.youtube.com/watch?v=-5LYOw1e1-A">https://www.youtube.com/watch?v=-5LYOw1e1-A</a>                                                   |
| 8.    | Ann Tanui<br>Benard Mutai<br>Cheruiyot Bett<br>David Mitei<br>Haron Rotich<br>Hesbon Tanui<br>Joseph Kirui<br>Paul Kibiegon<br>Philip Rono<br>Prisca Kipkoech | Kericho County MCA                                             | Engaging in a physical confrontation at the County Assembly during debate on allocation of funds for the proposed construction of an airport in Kericho County<br><a href="https://www.youtube.com/watch?v=Iwz88ruRmIs">https://www.youtube.com/watch?v=Iwz88ruRmIs</a> |
| 9.    | Jackson Chau Kagiri                                                                                                                                           | Jomo Kenyatta University of Agriculture and Technology (JKUAT) | Double employment by JKUAT and East African School of Aviation (EASA) between May 2016 and April 2018                                                                                                                                                                   |
| 10.   | Naftali Githua Karangu                                                                                                                                        | Chairperson, Board of Nyahururu Water and Sanitation Company   | He was the Chairperson of the Board of Nyahururu Water and Sanitation Company and influenced the recruitment of his son Anthony Karangu Githua as the General Manager of Rumuruti Water Scheme                                                                          |

## 2.12 Integrity Verification and Clearance

The Commission receives integrity verification requests and self-declaration forms from institutions and individuals in line with Section 12A of LIA, 2012. In the period under review, the Commission received 36,029 self-declaration forms and 4,008 integrity verification requests for appointment and election to public office. Table 2.16 gives a breakdown of integrity verification requests and the outcome.

*Table 2.16: Integrity Verification Requests*

| S/No. | Institution          | No. of officers cleared | No. of officers not cleared |
|-------|----------------------|-------------------------|-----------------------------|
| 1     | National Government  | 1,994                   | 20                          |
| 2     | County Governments   | 1,906                   | 9                           |
| 3     | Private Institutions | 79                      | 0                           |
|       | Totals               | 3,979                   | 29                          |

## 2.13 Review of Policy and Legal Framework in the Fight Against Corruption

The Commission contributed to the development and strengthening of the policy and legal anti-corruption framework in the Country by making recommendations for formulation and amendment of the following laws and regulations.

### *2.13.1 Review of the Lifestyle Audit Bill, 2019*

The Commission reviewed the Lifestyle Audit Bill, 2019 and submitted a Memorandum to the Senate. The Bill seeks to provide procedures for strengthening the legal framework for the conduct of life style audits, which are critical investigative tools in the fight against corruption. It also seeks to have a coordinated approach by investigative State agencies such as the Kenya Revenue Authority (KRA), Ethics and Anti-Corruption Commission (EACC) and Directorate of Criminal Investigations (DCI) when conducting a lifestyle audit on any targeted public officer.

### *2.13.2 Bribery Regulations, 2020*

The Commission in collaboration with the Office of the Attorney General and other stakeholders developed draft regulations for the implementation of the Bribery Act, 2016. The regulations were developed pursuant to Section 22 of the Bribery Act.



### ***2.13.3 Conflict of Interest Bill, 2020***

The Commission in collaboration with the Office of the Attorney General developed the Conflict of Interest Bill, 2020. The Bill seeks to harmonize and coordinate policy, legal and institutional framework for management of conflict of interest. It proposes to expand the scope of application for management of conflict of interest in the public sector, public private partnerships and entities rendering services of a public nature. The Bill once passed Shall be administered by the Ethics and Anti-corruption Commission. The object is to provide the management of conflict of interest by public officials in the discharge of their duties.

### ***2.13.4 Statute Law (Miscellaneous Amendments) Bill, 2020***

The Commission submitted a Memorandum to Parliament for incorporation into the Statute Law (Miscellaneous Amendments) Bill, 2020 to address gaps and weaknesses in the existing statutes governing the fight against corruption and promotion of ethics including the Leadership and Integrity Act, 2012, Public Officer Ethics Act, 2003.

## Chapter 3

### PREVENTION OF CORRUPTION AND UNETHICAL PRACTICES

#### 3.1 Introduction

This Chapter presents programmes implemented by the Commission during the reporting period pursuant to its preventive mandate. The programmes include: systems reviews; corruption prevention advisories; monitoring the implementation of prevention interventions; implementation of Chapter six of the Constitution and related integrity laws; public education and awareness creation; promotion of best standards and practices in ethics and integrity; and research.

#### 3.2 Systems Reviews

The aim of Systems Reviews as a strategy for prevention of corruption is to bring about changes in the systems by which organizations operate, in order to minimize opportunities for corruption. The Commission reviews systems of organizations through Examinations and Corruption Risk Assessments (CRAs).

##### 3.2.1 Examination of Systems

The Commission finalized and released three examination reports covering systems, policies, procedures and practices at the Ministry of ICT, Sheikh Khalifa Bin Zayed Al-Nahyan Secondary and Technical School-Mombasa and at the Ministry of Environment and Forestry. Table 3.1 presents some of the findings and recommendations as provided in the examination reports.

*Table 3.1: Findings and Recommendations of the Examinations*

| Focus Area                                                                                                                                                                           | Finding                                                                                       | Recommendation                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| System review into the policies, procedures and practices in the centralized procurement of ICT equipment and services at the Ministry of Information, Communications and Technology |                                                                                               |                                                                                                                                                                             |
| ICT standards                                                                                                                                                                        | Lack of adequate standards to inform specifications for common user ICT items being procured. | Review ICT standards to incorporate all categories of common user ICT items being procured by the Ministry of ICT on behalf of Ministries, Departments and Agencies (MDAs). |





| Focus Area                                                                              | Finding                                                                                                                                                                                                                                                                                                                                                                                  | Recommendation                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Accreditation of suppliers of ICT items                                                 | <p>Inadequate number of suppliers accredited by the ICT Authority to supply some categories of ICT items.</p> <p>Failure to undertake post accreditation assessment to ascertain compliance with the expected standards by accredited suppliers.</p>                                                                                                                                     | <p>Ensure that an adequate number of firms are accredited for each ICT item category. This may be achieved by sensitization of ICT firms on the need and requirements for accreditation.</p> <p>Undertake post accreditation assessments to ensure the registered firms retain the approved standards.</p> |
| <b>Catalogue for ICT common user items</b>                                              | Failure to include some commonly used ICT items in the catalogue for common user items.                                                                                                                                                                                                                                                                                                  | Review the catalogue for common user ICT items by analyzing the public sector with a view to identify common items that had been excluded from the catalogue.                                                                                                                                              |
| Administrative arrangement for undertaking centralized procurement at the Ministry      | Failure by the Ministry of ICT to segregate the roles of policy formulation, development and enforcement of ICT standards, policy implementation, including procurement of the items and general oversight.                                                                                                                                                                              | Develop and operationalize a framework that clearly separates the roles of policy formulation and oversight, development and enforcement of standards and procurement of ICT items.                                                                                                                        |
| <b>Enquiry management system (Help Desk) for MDAs</b>                                   | Lack of a system for MDAs to make follow-ups on the progress of execution of procurement requests.                                                                                                                                                                                                                                                                                       | Put in place a structured framework (help desk) that enables MDAs to obtain information and support related to centralized procurement more effectively.                                                                                                                                                   |
| System examination of Sheikh Khalifa Bin Zayed Al-Nahyan Secondary and Technical School |                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                            |
| <b>Instructional Materials</b>                                                          | Failure to maintain an inventory of all the instructional materials held by the school.                                                                                                                                                                                                                                                                                                  | Maintain an updated inventory of all instructional materials held by the school.                                                                                                                                                                                                                           |
| School rules and regulations                                                            | <p>Failure to provide for some offences provided for in the Basic Education Regulations, 2015 such as playing truancy, cheating in examinations and destruction of school property.</p> <p>Lack of procedural guidelines for implementing various corrective measures provided in the regulations such as confiscation of unauthorized items, manual work, suspension and expulsion.</p> | <p>Review school rules and regulations to expand the scope of offences to meet the minimum requirements of the Basic Education Regulations 2015.</p> <p>Develop procedure guidelines for implementing the proposed corrective measures in case of an offence.</p>                                          |



| Focus Area                                                                                                                    | Finding                                                                                                                                                                                                                                                                                                                                                                                                                                              | Recommendation                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Debt management</b>                                                                                                        | Weak debt collection strategy leading to high outstanding fees from current and former students.                                                                                                                                                                                                                                                                                                                                                     | Develop a debt management policy that provides for effective mechanisms for collecting fees before students exit the school and for writing off of those found to be impossible to recover.                                                                                                                                                                                |
| <b>Staff establishment</b>                                                                                                    | Lack of an approved staff establishment.                                                                                                                                                                                                                                                                                                                                                                                                             | Develop a staff establishment outlining the number of staff required and their related competencies.                                                                                                                                                                                                                                                                       |
| <b>Contract management</b>                                                                                                    | Engagement of suppliers to supply various items without a documented contract.                                                                                                                                                                                                                                                                                                                                                                       | Ensure all suppliers are engaged through a signed a contract.                                                                                                                                                                                                                                                                                                              |
| Examination into the service delivery systems, policies, procedures and practices at the Ministry of Environment and Forestry |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Loss of motor vehicles</b>                                                                                                 | <p>One vehicle, GK A 152Q, Toyota Prado was reported to have been stolen in 2013. No follow up to recover the vehicle had been made by the time of the examination.</p> <p>NPR ISUZU Minibus, registration No. GK A 970A, allocated to KMD was auctioned in 2015 by a garage dealer due to unsettled pending bill of KES 1,872,873.45 incurred from 2013.</p>                                                                                        | <p>Any loss of government asset Should be promptly investigated and settled accordingly.</p> <p>Vehicles under maintenance Should be paid for to stop flimsy reasons for auction.</p> <p>All staff Should be held accountable on matters related to security of Government assets as per the Government of Kenya Security Manual, 2005 on Responsibility for Security.</p> |
| Management of salary advance                                                                                                  | Failure to have a seamless system of managing salary advances. As of June 2018, the Ministry had accumulated KES 587, 413.20 in salary arrears out of which, KES 151,334.75 was attributed to default in repayment. Some of the officers with salary advance had been transferred from the Ministry of environment or had been seconded to other Government departments as indicated in the salary advance statement for the 2017/18 financial year. | Deductions for salary advance Should be done in line with the regulations. When an officer is transferred from the Ministry, the Last Pay Certificate Should clearly indicate the outstanding debt to facilitate continued recovery.                                                                                                                                       |

| Focus Area                | Finding                                                                                                                                                                                                                                                                                 | Recommendation                                                                                                                                                                          |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue management</b> | The Ministry collects revenue in cash in various areas which at times is used at source. Documents reviewed indicate that cashiers advanced cash in form of (I owe you) IOU from the revenue collected. The IOUs issued between 3rd July and 27th September 2018, totaled KES 664, 300. | Adhere and enforce PFM (National Government) Regulations.<br><br>Take disciplinary measures and report corrupt practices to the enforcement agencies for investigation and prosecution. |

### 3.22 Corruption Risk Assessments

The Commission released nine Reports on Corruption Risk Assessments (CRAs) undertaken in various Counties. The CRAs were undertaken in Nyandarua County Executive, Nyandarua County Assembly, Kitui County Executive, Kitui County Assembly, Vihiga County Executive, Makueni County Executive, Makueni County Assembly, Narok County Executive and Narok County Assembly.



*EACC Vice Chair- Sophia Lepuchirit, handing over a Corruption Risk Assessment(CRA) report for County Executive to Vihiga County Governor His Excellency Dr Wilber K. Otichillo at Vihiga County Government Offices.*

Highlights of the findings and recommendations of the CRA Reports are presented in Table 3.2.

**Table 3.2: Highlight of the Assessment Reports for County Executives**

| Focus Area                         | Finding                                                                                                                                                | Recommendation                                                                                                                                                                                                                                                               |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Nyandarua County Executive</b>  |                                                                                                                                                        |                                                                                                                                                                                                                                                                              |
| <b>Public participation</b>        | The requisite public participation is hindered by presenting documents which are too technical and provided to the public at the time of the meetings. | Prepare and issuance of simplified versions of the original documents for ease of understanding. Ensure that the documents are availed in advance for scrutiny by the public to ensure quality input.                                                                        |
| <b>Monitoring &amp; Evaluation</b> | Failure to develop tools for undertaking monitoring and evaluation of the execution of the County Integrated Development Plan and other plans.         | Develop appropriate monitoring and evaluation tools for assessing the progress of implementation of various County plans and programs.                                                                                                                                       |
| <b>Valuation Roll</b>              | Failure to prepare the Valuation Roll for all the ratable properties for effective collection of land rates.                                           | Prepare and implement a County Valuation Roll to levy land rates as per the Rating Act. The Roll Should be updated regularly.                                                                                                                                                |
| <b>Outstanding imprest</b>         | Failure by staff to surrender and account for imprest in time.                                                                                         | Imprest Should be surrendered and accounted for by staff within 7 working days after returning to their duty stations.<br><br>Recover outstanding imprests with interest from staff in line with Rule No. 93(6) of the PFM Regulations (County Government) Regulations 2015. |
| <b>Kitui County Executive</b>      |                                                                                                                                                        |                                                                                                                                                                                                                                                                              |
| <b>Accounts receivables</b>        | As at October, 2018, the Bus Park and market stalls' payment arrears amounted to KES 1,846,500.00.                                                     | Put in place suitable revenue collection systems and build a strong enforcement team to ensure collection of revenue in a timely manner.                                                                                                                                     |
| <b>Unapproved expenditure</b>      | There are instances when staff use their money to purchases items for the County Executive without prior approvals.                                    | Authorization of all expenditures must be made before spending in line with rule 51(1)(a) of the PFM (County Government) Regulations, 2015.                                                                                                                                  |
| <b>Registered suppliers</b>        | Awarding tenders to suppliers not in the registered list of suppliers                                                                                  | Only registered bidders Should be invited to participate in quotations in line with Public Procurement and Disposal Regulations 2006.                                                                                                                                        |



| Focus Area                             | Finding                                                                                                                                                                 | Recommendation                                                                                                                                                                                           |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Contractor competency</b>           | Construction works is sometimes awarded and executed by contractors not registered with the National Construction Agency (NCA).                                         | Ensure that all contractors engaged by the County Executive are appropriately registered by NCA as provided in rule number 17(2) of the NCA regulations, 2014.                                           |
| <b>Vihiga County Executive</b>         |                                                                                                                                                                         |                                                                                                                                                                                                          |
| <b>Policy and legal environment</b>    | The County Executive does not have a Creditors' Payment Policy.                                                                                                         | Develop and implement a creditors' payment policy. The policy Should provide the payment strategy for suppliers and contractors.                                                                         |
| <b>Budget monitoring and control</b>   | The Budget Section of the County Executive is not involved in budget monitoring and control.                                                                            | As a best practice, the Budget Section Should undertake budget control and monitoring for economic, effective and efficient use of planned financial resources.                                          |
| <b>Management of revenue</b>           | Rent deductions through the check off system from officers who occupy County houses is not always remitted to the County Revenue Fund (CRF).                            | Audit the house rent remittances made through check off system.<br><br>Remit all rental revenue to the CRF account monthly.<br><br>Develop and implement guidelines on the management of County Housing. |
| <b>Payroll management</b>              | Some officers receive net salaries less than a third of their basic pay contrary to the Employment Act, 2007 and the County Public Service Human Resource Manual, 2013. | Regularly audit the payroll to ensure that officers retain at least a third of their basic pay after all the deductions.                                                                                 |
| <b>Stalled and incomplete projects</b> | There are many stalled projects some of which have taken very long since commencement.                                                                                  | Plan and prioritize projects before execution.<br><br>Undertake projects feasibility studies to forestall any foreseeable challenges and to rally stakeholders buy in.                                   |
| <b>Makueni County Executive</b>        |                                                                                                                                                                         |                                                                                                                                                                                                          |
| <b>Imprest management</b>              | Use of imprest to procure and pay above the prescribed limit value which contravenes section 107 of the PPAD Act, 2015.                                                 | Imprest facility Should only be used for procurement which does not exceed KES 30,000.                                                                                                                   |



| Focus Area                                  | Finding                                                                                                                  | Recommendation                                                                                                                                                                                                                                                                                         |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Management of revolving fund</b>         | Poor execution of the Tetheka Revolving Fund leading to writing-off huge amounts of non-performing loans.                | Manage the Revolving Funds in compliance with the provisions of Section 116 of the PFM Act, 2012 and Regulation 10 of the Makueni County Youth, Men, Women, and Persons with Disabilities & Table Banking Groups Empowerment Fund Regulation 2018 which sets procedures and recovery of matured loans. |
| <b>Audit response and Action Plan</b>       | Failure to develop a response and action plan on the implementation of the internal audit recommendation.                | Ensure that internal audit reports are implemented in line with Rule 165 of the PFM (County Government) Regulations, 2015.                                                                                                                                                                             |
| <b>Narok County Executive</b>               |                                                                                                                          |                                                                                                                                                                                                                                                                                                        |
| <b>County Budget and Economic Forum</b>     | Inactive County Budget and Economic Forum.                                                                               | Revive the County Budget and Economic Forum and ensure that it meets at least twice a year in compliance with section 137 of the PFM Act, 2012 and rule 209 (2) of the PFM (CG) regulations, 2015.                                                                                                     |
| <b>Virement of funds</b>                    | Utilization of funds to implement programs which are not budgeted for leading to budget distortions.                     | Adhere to rule 47 of the PFM (CG) Regulations, 2015 on reallocation of appropriated funds between programs, or between sub-votes.<br><br>Payments Should only be made in line with rule 53(1) of PFM (CG) Regulations, 2015.                                                                           |
| <b>Unresolved bank reconciliation items</b> | Unresolved bank reconciliation items dating back as far as April, 2018 for the County Revenue Collection Account (CRCA). | Investigate and resolve bank reconciliation items.                                                                                                                                                                                                                                                     |
| <b>Collection of park fees</b>              | Failure to scan tourist's identification documents for payment of park entry fees                                        | Ensure scanning of relevant documents before issuance of the park entry receipts.<br><br>Install CCTVs to monitor revenue collection operation                                                                                                                                                         |



**Table 3.3: Highlight of Corruption Risk Assessment for County Assemblies**

| Focus Area                                        | Finding                                                                                                                                                                           | Recommendation                                                                                                                                                                                  |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>County Assembly of Nyandarua</b>               |                                                                                                                                                                                   |                                                                                                                                                                                                 |
| <b>Operational Policies and Procedure Manuals</b> | Lack of policies and operational manuals to guide in some operational areas such as ICT, Public Relations, Hansard, Media Relations, Records management and Public Participation. | Develop operational policies and procedure manuals to guide in the performance of various functional and in-service delivery in the County Assembly.                                            |
| <b>County Assembly Committees</b>                 | Failure to close Committees' attendance registers by the respective Chairpersons and Committee clerks.                                                                            | Uphold the integrity of the registers by closing at the end of every meeting for authenticity in payment of sitting allowances.                                                                 |
| <b>Management of standing imprest</b>             | Lack of guidelines on use of standing imprest in the procurement of goods and services and failure by imprest holders to maintain memorandum cash books.                          | Develop guidelines on the type and the limits of expenditures for use of standing imprest and enforce the use of memorandum cash books for all standing imprest through regular spot check.     |
| <b>County Assembly of Narok</b>                   |                                                                                                                                                                                   |                                                                                                                                                                                                 |
| <b>Staff establishment</b>                        | Lack of an approved staff establishment leading to recruitment of excess staff at the low levels leading to huge wage bill.                                                       | Undertake a staffing needs assessment and develop a staff establishment for the County Assembly.                                                                                                |
| <b>Standard tender documents</b>                  | Failure to use standard tender documents provided by PPRA for procurement of works                                                                                                | Ensure standard bidding documents provided by PPRA are adopted in line with Section 58 (1) of PPADA, 2015                                                                                       |
| <b>Security of personnel files</b>                | Personnel files are easily accessible to unauthorized persons who enter the registry at will.                                                                                     | Control accessibility to the personnel registry in order to maintain accurate records of all staff.                                                                                             |
| <b>County Assembly of Kitui</b>                   |                                                                                                                                                                                   |                                                                                                                                                                                                 |
| <b>Cash payments</b>                              | There are instances when huge sums of money are withdrawn from the County Assembly bank accounts and such funds are used to make cash payments.                                   | All payments Should be made through IFMIS by transferring funds directly from the accounts held at the CBK to the payees' bank accounts in adherence to National Treasury Circular No 6 / 2005. |

| Focus Area                            | Finding                                                                                                                                                                                                                                                      | Recommendation                                                                                                                                                                                                                                    |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Unsupported payments</b>           | Paying using payment vouchers which do not have adequate supporting documents.                                                                                                                                                                               | All payment vouchers Should only be processed for payment only when all relevant supporting documents are attached and appropriate approvals obtained in adherence to rule 104 of PFM (CG) regulations, 2015.                                     |
| <b>Independence of Internal Audit</b> | Internal Audit Unit is involved directly in management operations. This makes it difficult to maintain independence in auditing.                                                                                                                             | Internal Auditors Should not be involved in operational responsibilities or have authority over any of the activities they review as clearly stated in Rule 155 (6) of the PFM (CG) regulation, 2015 on the independence of the internal auditor. |
| <b>County Assembly of Makueni</b>     |                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                   |
| <b>Records management</b>             | The County Assembly maintains records even those which are confidential in places that are accessible to unauthorized persons.                                                                                                                               | Adequately secure and limit access to the records room to authorized personnel only.                                                                                                                                                              |
| <b>Disaster management</b>            | The County Assembly does not have adequate back-up mechanism for storing data. For instance, Hansard recordings are only stored in hard disks.                                                                                                               | Develop a risk and business continuity programme. One of the immediate actions Should be creating an offsite back up system.                                                                                                                      |
| <b>Pending Bills</b>                  | The County Assembly has a huge a pending bill for the 2019/2018 Financial Year. This opens the County Assembly to incurring penalties for breach of contract. It may also lead to Single sourcing and cash-based procurement which is prone to malpractices. | Evaluate all pending bills and categorize the genuine ones for payments in accordance to the provisions of PFM Regulation 41(2) (County Govt), 2015.                                                                                              |

### 3.3 Corruption Prevention Advisories

The Commission provides advisories to institutions and individuals on prevention of bribery and corruption pursuant to Section 11(1)(g) of the EACC Act, 2011 and Section 9 of the Bribery Act, 2016. In the period under review, the Commission provided advisories on the Public Service Performance Contracting Framework, on Prevention of Corruption and Bribery under the Bribery Act, 2016 and in the formulation of Corruption Prevention Guidelines.





### ***3.2.1 Advisories under the Public Service Performance Contracting Framework***

The Commission partnered with the Performance Management and Coordination Office (PMCO) in the Office of the President to oversee the implementation of corruption prevention indicators in the Performance Contracts that Ministries, Departments and Agencies (MDAs) sign.

During the reporting period, the Commission analyzed a total of 948 quarterly reports submitted by MDAs under the Corruption Prevention criteria in the Performance Contract. The reports were reviewed based on the guidelines provided and each MDA was provided with feedback on its performance.

### ***3.2.2 Advisories on Prevention of Corruption and Bribery under the Bribery Act, 2016***

Section 9 (1) of the Bribery Act 2016 makes it mandatory for public or private entities to put in place procedures appropriate to their size and scale for the prevention of bribery and corruption. The Act also requires the Commission to assist private entities, public entities, and any interested person, to develop and put in place procedures for prevention of bribery and corruption. In view of this, the Commission advised 15 MDAs on the Bribery Act. The MDAs which were advised included: Moi Teaching and Referral Hospital, Kenya Seed Company, Kitale National Polytechnic, Kenya Ordinance Factories Corporation, Kerio Valley Development Authority, Meru National Polytechnic, Nkabune Technical Training Institute, Meru University of Science & Technology, Meru Teachers Training College, Egoji Teachers Training College, TVETA Authority, Ministry of Health, Kenya Universities and Colleges Central Placement Service, New Kenya Corporative Creameries (NKCC) and Kenya Bureau of Standards.

### ***3.2.3 Corruption Prevention Guidelines***

The Commission developed two Corruption Prevention Guidelines in the functional areas of Information, Communication and Technology and Records Management. The guidelines were Shared with the Ministry of ICT and the National Archives and Documentation Service. The guidelines provided advice to all public organizations on the areas prone to corruption in the specific functions and recommended measures to seal the corruption loopholes.



### **3.4 Monitoring the Implementation of Prevention Interventions**

In the period under review, the Commission monitored the implementation system review recommendations and advisories.

#### ***3.4.1 Monitoring Implementation of Systems Review Recommendations***

The Commission monitored the implementation of systems review recommendations and completed four monitoring reports for Vihiga County Executive, Pensions Department, Embu County Executive and Immigration Department. The institutions are at different levels of implementing the recommendations.

#### ***3.4.2 Monitoring Implementation of Advisories***

The Commission monitored the implementation of the Anti-Corruption Indicator under the Performance Contracting (PC) framework in 48 MDAs. The monitoring revealed that the implementation of the indicator is affected by low financial commitment, lack of trained Integrity Assurance Officers (IAO) and poorly constituted Corruption Prevention Committees (CPC).

### **3.5 Sectoral Corruption Prevention Fora**

In the period under review, the Commission held two corruption prevention fora with the Council of Governors and other institutions.

#### ***3.5.1 Consultative Forum with Council of Governors***

The Commission held a consultative forum with the Council of Governors (COG) whose theme was “Enhancing corruption prevention in county governments”. The Forum discussed the achievements, challenges and practical solutions in the fight against Corruption nationally and at the County level. A joint communiqué highlighting the resolutions to guide the structured collaboration and cooperation between EACC and County Governments was issued.

#### ***3.5.2 Consultative Forum with various Institutions***

The Commission coordinated a consultative forum aimed at developing principles that can be applied in using supply chain management as a key driver for prevention



of corruption. Participants were drawn from EACC, Kenyatta University, Ministry of Finance and the Kenya Institute of Supplies Management (KISM). The consultative forum culminated into identifying areas of collaboration between EACC and KISM for purposes of drafting a Memorandum of Understanding (MOU).

### **3.6 Enforcement of Leadership and Integrity Laws**

To promote Leadership and integrity, the Commission undertook a number of initiatives. They include development and review of Leadership and Integrity Codes for State Officers and Codes of Conduct and Ethics for Public Officers, management of Declaration of Income, Assets and Liabilities (DIALs), regulation of bank accounts and capacity building for compliance with Chapter Six of the Constitution.

#### ***3.6.1 Leadership and Integrity Codes for State Officers***

Section 37 of the Leadership and Integrity Act, 2012 (LIA) requires each public entity with state officers to develop a specific Leadership and integrity code for the state officers serving in that entity. The specific codes so developed are, in accordance with Section 39, to be submitted to the Commission for approval. All state officers appointed or elected to state offices are required under section 40 of LIA to sign or commit to the codes at the time of taking oath of office or within seven days of assuming office. In the period under review, the Commission coordinated the signing and commitment to the Leadership and integrity codes of seven newly appointed State Officers. The Officers included: Governors and Deputy Governors of Bomet and Kiambu County Governments; Controller of Budget; Commissioner, Teacher Service Commission and Commander, Kenya Navy.

#### ***3.6.2 Codes of Conduct and Ethics for Public Officers***

Section 5 of Public Officers Ethics Act, 2003 (POEA) requires responsible Commissions to develop codes of conduct and ethics for their public officers and publish them in the Kenya Gazette in accordance with Section 6 of the Act. In addition, Section 52(2) of LIA empowers the responsible Commissions to also implement the integrity requirements set out in LIA. The role of the Commission is to coordinate and facilitate all responsible Commissions and Public entities in the development of the codes to align to Chapter 6 of the Constitution and LIA.

The Commission reviewed codes of conduct and ethics from 41 public entities bringing the total number to 223 and issued compliance notices to 85 responsible Commissions comprising of 38 County Assembly Service Boards, 38 County Public



Service Boards and nine Constitutional Commissions which have not submitted their codes for review. The 41 public entities whose codes were reviewed comprised of one Ministry, two Parastatals, two private entities, eight Constitutional Commissions, 12 County Assembly Service Boards and 16 County Public Service Boards.

### **3.6.3 Management of Declaration of Income, Assets and Liabilities (DIALs)**

Part IV of the Public Officer Ethics Act, 2003 (POEA) provides for mandatory declaration of income, assets and liabilities by all state and public officers. The declarations are made at three levels namely within 30 days of assuming office, once every two years and within 30 days of a public officer ceasing to hold office.

Responsible Commissions are mandated to implement these requirements under the oversight of EACC. The main responsibilities include receipt of the declaration forms, storage, verification of the content of the declarations, seeking clarifications from public officers, taking administrative actions against non-compliant officers and submission of returns to EACC. To facilitate these responsibilities, each responsible Commission is required under section 33 of POEA to develop and gazette administrative procedures. The Commission is expected to provide technical support to responsible Commissions so as to ensure effective compliance with declaration requirements as well as to monitor compliance.

In this respect the Commission facilitated 69 responsible Commissions to develop and gazette administrative procedures. The Responsible Commissions comprised of three Constitutional Commissions, seven County Assembly Powers and Privileges Committees, 26 County Assembly Service Boards (CASBs) and 33 County Public Service Boards (CPSBs). Further, the Commission issued a compliance Notice to nine Constitutional Commissions and 40 County Assembly Powers and Privileges Committees that have not complied with the law on development of administrative procedures.

During the reporting year, the Commission developed and disseminated a DIALs status report for the 2017 declaration year. A total of 47 out of 118 Responsible Commissions (39.8%) submitted their returns. The 47 Commissions included 11 from the national government, 19 CPSBs and 17 CASBs. In addition, the Commission issued notices to all Responsible Commissions to submit returns for the 2019 declaration year before 31st July 2020.

### **3.6.4 Regulation of Bank Accounts**

Under Section 19 of LIA, the Commission is mandated to approve the operation of



bank accounts held outside the country by a state or public officer. The law requires any state or public officer intending to open or operate a bank account outside Kenya to seek approval of the Commission and each year submit annual bank statements for analysis by the Commission. The purpose of this analysis is to ensure that the bank accounts are not utilized to perpetuate corruption or illicit financial flows. Holders of such bank accounts are also required to notify the Commission upon closure of the bank accounts.

During the reporting period, the Commission processed 87 applications to operate bank accounts outside Kenya, analyzed 58 bank statements and processed seven notifications for closure of bank accounts. In addition, the Commission, undertook the first audit on compliance by public officers serving in Foreign Missions under the Ministry of Foreign Affairs. The Audit identified 297 officers serving in foreign missions out of which 139 had not sought approval to operate bank accounts outside Kenya while 158 officers had sought approval. The Audit further identified 43 officers who had not submitted bank statements to the Commission for analysis. The Audit report will inform interventions in order to enhance compliance.

### ***3.6.5 Capacity Building on the Implementation of Chapter 6 of the Constitution***

The Commission builds capacity of public entities to promote compliance with Chapter 6 and the related laws through development of technical advisories and various compliance tools. The Commission undertook capacity building workshops for 220 newly appointed County Public Service Board (CPSB) Members drawn from 41 boards to effectively implement Chapter 6. In addition, the Commission undertook capacity building in 26 public institutions to equip them to effectively implement the law on declaration of income, assets and liabilities.

### ***3.6.6 Automation of Processes for Compliance with Chapter 6 of the Constitution***

The Commission completed automation of processes to facilitate public entities, state and public officers in complying with the requirements of Chapter 6 of the Constitution, LIA and POEA. The automated processes include the processing of the self-declaration forms under Section 12A of LIA, application to operate a bank account outside Kenya, and gifts and conflict of interest declaration forms. During this period, the Commission undertook a Training of Trainers (TOT) course on the automated modules.



### **3.7 Education, Training and Public Awareness Programmes**

The Commission is required to conduct education, training and create public awareness on anti-corruption and ethical issues to enlist support and build capacity of various sectors in the fight against corruption. This is achieved through various programmes namely: capacity building, targeted outreach and public awareness through community and professional networks, media engagement and mainstreaming of integrity in institutions of learning.

#### **3.7.1 Public Outreach**

The Commission conducted public outreach programmes targeting the business community, corruption hotspots and community networks through market outreach and public fora in the counties of Kajiado, Nairobi, Kiambu, Kisumu, Homa Bay and Garissa Counties. In addition, public outreach targeting members of the public were conducted in: Kisii County, Constitutional Commissions' Conference at Kericho, CAJ Forum in Isiolo County, TI Integrity Walk during the International Day for Universal Access to Information, and the African Union Anti-Corruption Commemoration. An estimated total of 2,700 participants were reached.

The Commission participated in Nairobi International Trade Fair, Mombasa International Trade Fair and Nyeri Agricultural Show of Kenya (ASK) where an estimated 7,805 members of public were sensitized on ethics and anti-corruption, corruption reports received and various assorted IEC (Information, Education and Communication) materials distributed. These fora enhanced the visibility and awareness of the Commission.

#### **3.7.2 Mainstreaming Integrity in Institutions of Learning**

##### **3.7.2.1 School Outreach Programmes**

During the year under review, the Commission undertook School Outreach Programmes aimed at character development and the inculcation of social values among learners. These programmes involved delivery of integrity talks to the students/pupils, management and staff of various institutions, follow up visits for schools with integrity clubs and training of student leaders. The activity covered: 11th Annual Research Clubs of Africa National Competition on Moral Values which brought ten schools; Staff and students of Vocational Technical Institutes such as Ngerenya, Jilore, Ganda; Students of Kenyatta University; and Students of Technical University of Mombasa Lamu Campus. In addition, outreach was implemented in various schools in Garissa, Kisii, Nyeri, Bungoma and Taita Taveta counties, among others.



The Commission also conducted other activities under the school outreach programmes. These included school managers programmes implemented for Integrity Club Patrons for Lamu and Nyamira Counties and follow up of integrity clubs established in various schools in Garissa, Kisii and Lower Coast. The Commission further participated in virtual validation and technical support in review of the Curricula for TVET institutions to embed ethics and integrity content for Competency Based Education and Training Curriculum.



*An EACC staff sensitizing learners during a school sensitization program*

### ***3.7.2.2 School Media Integrity Education Programme***

The Commission carried out robust media education programmes targeting the youth both in school and out of school. The school media integrity education programmes reached approximately 9.6 Million learners, teachers and other listeners across the Country. The learners and teachers were reached through Citizen TV coverage of Integrity Club Forum in Kilifi, Lolwe Radio and four programmes during Integrity Wave in Coastal region as well as on audio messages.

### ***3.7.2.3 Development of a Digital Adili Programme***

The Commission conducted a workshop to review the digital script for the manual for establishment of Integrity Clubs. The process involved data collection of content for finalization of digital version of integrity clubs' manual which was done in



various regions namely; Nairobi, Nyanza, Western, North Rift, Lower Eastern and Coast. Recording of Digital Instructional Manual was undertaken in four schools: Visa Oshwal, Kahawa Baptist Academy (KBA), Wangu and Nairobi Primary. Further, the Commission amalgamated and integrated data it had gathered together with the Kenya Institute of Curriculum Development (KICD) in the development of a simplified digital version of Integrity Club Manual. It is envisioned that the digital version of the Manual will enable efficient dissemination and enhance the establishment of clubs in schools.

#### **3.7.2.3.4 *Training of Integrity/Corruption Prevention Committees***

Corruption Prevention Committees (CPCs) training is anchored in the Public Service Integrity Programme aimed at corruption eradication in the public service. The objective of training the CPCs is to build capacity of public institutions to mainstream ethics and integrity in their organizations with a view to institutionalizing ethics and integrity in day-to-day operations in the public sector in line with Performance Contracting targets. The Commission trained a total of 821 members of CPCs from 37 institutions. The institutions included: The Presidency (State House CPC); Anti FGM Board; Ministry of Water, Sanitation and Irrigation; Water Trust Fund; Tanathi Water Works Agency; ICT Authority; Kenya Electricity Generating Company (KenGen); National Hospital Insurance Fund; University of Nairobi; Makueni County Government; Uasin Gishu County Government; Ministry of Foreign Affairs; Bumble Technical Training Institute; Meru Technical Training Institute and National Cereals and Produce Board (NCPB) among others.

#### **3.7.2.5 *General Sensitizations***

The Commission conducted general sensitization on various topics including Leadership, ethics and integrity targeting Ministries, Departments and Agencies (MDAs), County Governments, members of the public, community-based groups, learners, teachers and parents. During the reporting period, a total of 50 sessions sensitizing 3,417 persons were conducted.

During the reporting year, the Commission implemented ethics and integrity programmes aimed at building the capacity of the Civil Society Organizations (CSOs) to bolster the fight against corruption by demanding for accountability, transparency and efficiency in service delivery and management of public funds. The targeted awareness programmes for CSOs were conducted in Isiolo, Bomet, Waso CBO, Heart of Love Foundation in Muranga County, advocacy seminar organized by Muslim Human Rights (MUHURI) and Transparency International Forum in Kwale. Through the Civil Society Engagements, a total of 418 participants were reached.





### ***3.7.2.6 Media Integrity Education***

The Commission conducted media integrity programs in eight Television stations and 38 FM stations. Commission staff made guest appearances in these media stations, profiling the Commission – its mandate and functions, achievements and challenges, and educating members of the public on matters anti-corruption, ethics and integrity, with the view to enlisting public support in the fight against corruption. Further, 10 articles featured in print media and the Commission’s Website. Approximately 44 million people were reached.

### ***3.7.2.7 Dissemination of Information, Education and Communication Materials***

To support its awareness creation activities, the Commission reviewed and developed assorted types of IEC materials. The materials include: Flyers on corruption reporting, branded wristbands and stickers for public outreach; 19,000 scripture reference materials; and 9,000 wall calendars for the year 2020. A total of 28,000 assorted IEC materials were printed while a total of 34,774 were disseminated. New IEC materials developed included: Five IEC materials that were translated into Kiswahili for ease of access and reach by all Kenyans; draft brochure on “The Role of Students/Student Leaders in School Governance”; draft booklet, brochure and seven posters of the simplified versions of the Bribery Act 2016; two digital educational videos; and one brochure on children rights.

In order to bolster the capacity of the public on compliance with the requirements of Chapter 6, LIA and POEA, the Commission printed 10,000 copies of the English and Kiswahili versions of the EACC Citizen’s Guide and reviewed the EACC Telephone On-hold Messages to incorporate emerging compliance issues.

## **3.8 National Integrity Academy**

The National Integrity Academy is mandated to empower public officers and non-state actors with requisite knowledge, attitude, skills and competencies to prevent and combat corruption, economic crime and unethical practices.

Through the Academy, the Commission rolled out Integrity Assurance Officers training for public institutions in the country. The training was aimed at promoting a culture of integrity and enhancing the capacity of officers to detect and prevent corruption. A total of 540 Integrity Assurance Officers were trained. In addition, 23 Supply Chain Management Officers were trained on Ethics in Supply Chain



Management and 30 EACC officers on Leadership and Integrity. The Academy also hosted an international webinar conference on promoting integrity, accountability and transparency in the public service; held academy marketing talk Shows and disseminated information and communication materials.

### **3.9 Public Officer Integrity Survey 2019**

The Commission conducted the Public Officer Integrity Survey (POIS) 2019 between the months of October and November 2019 with the aim of establishing the level of corruption and unethical conduct in the delivery of service from the perspective of public officers. The survey used mixed research design by using both qualitative and quantitative data collection methods. A total of 2,714 public officers were interviewed from a random sample of 25 counties. National government employees contributed 39 percent of the public officers interviewed while 25.5 percent of the public officers were from the 25 county governments, 25.4 percent from parastatals, 5 percent from schools, 3.2 percent from county hospitals and 1.9 percent from courts. The following are highlights of the findings of the survey:

#### **3.9.1 National Values and Principles of Governance**

Most Public Officers (72.3%) indicated that they are aware of National Values and Principles of Governance as captured in Article 10 of the Constitution. However, 27.6 per cent of Public Officers interviewed were not aware of these values.

The three national values that were most easily identified by Public Officers included Integrity (72.0%), Transparency and Accountability (50.3%) and Patriotism (23.8%). However, Protection of the Marginalized, Sharing and Devolution of Power and Human Rights were the three least recognized national values. The easily identifiable values were also identified as the most violated.

#### **3.9.2 Bribery**

About 16.9 percent of Public Officers interviewed indicated that they were aware of bribery instances in Public Service. They identified the three most likely circumstances under which a person would pay a bribe as during arrest by a traffic Police Officer, seeking for employment and registration and issuance of birth certificates. No action was taken against 84.5 percent of the bribery incidences that were identified by Public Officers. The Kenya Police (22.6%), Civil Registrar of Persons (6.4%), county hospitals (6.4%), Land Registries in the Ministry of Land (4.1%) and Kenya Prisons (3.5%) were ranked top five public institutions on bribery



incidences. The study unearthed 381 cases involving bribery amounting to KES 132,377,200 with the highest amount of bribe reported as KES 50,000,000 and the lowest amount as KES 50.

### **3.9.3 *Illicit Enrichment***

Instances where Public Officers used their offices to improperly enrich themselves or others were identified by 12.6 per cent of the respondents. Misappropriation of public revenues, land grabbing, illegal acquisition of property, bribery and inflation of tendering prices are some of the more prevalent avenues through which Public Officers improperly enrich themselves.

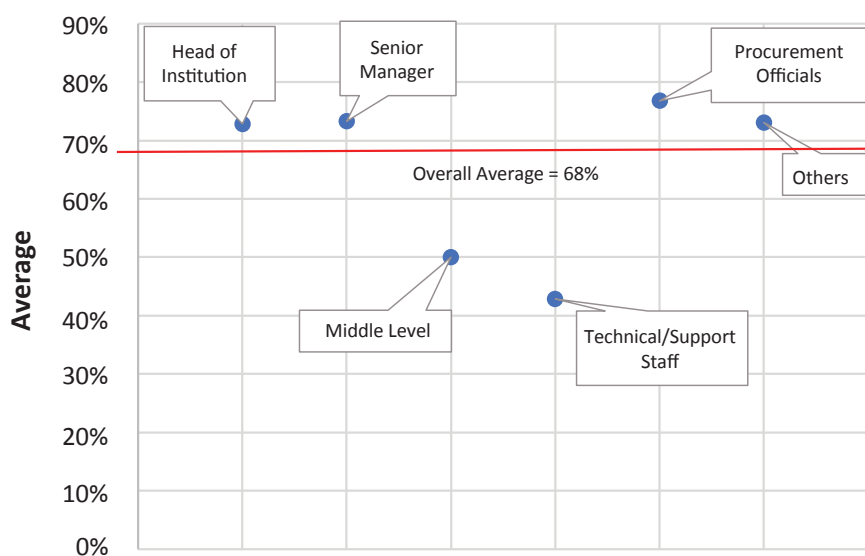
Land grabbing was more prevalent in Nairobi (18.7%), Nakuru (10.7%), Uasin Gishu (8%) and Kirinyaga (8%). In addition, misappropriation of public revenue was prevalent in Kisumu (20.6%), Nairobi (13%), Homabay (10.7%), Uasin Gishu (9.9%) and Busia (7.6%).

Public Officers in the Ministry of Lands were mostly mentioned in either grabbing land for themselves or aiding others. Muhoroni Sugar Company and County Government of Homabay leads in misappropriation of funds.

### **3.9.4 *Conflict of Interest***

Instances of conflict of interest among Public Officers totaling 394 were identified by 14 per cent of the respondents. Re-carpeting and construction of roads and bridges, construction and renovation of buildings and supply of computer accessories exhibited the most cases of conflict of interest.

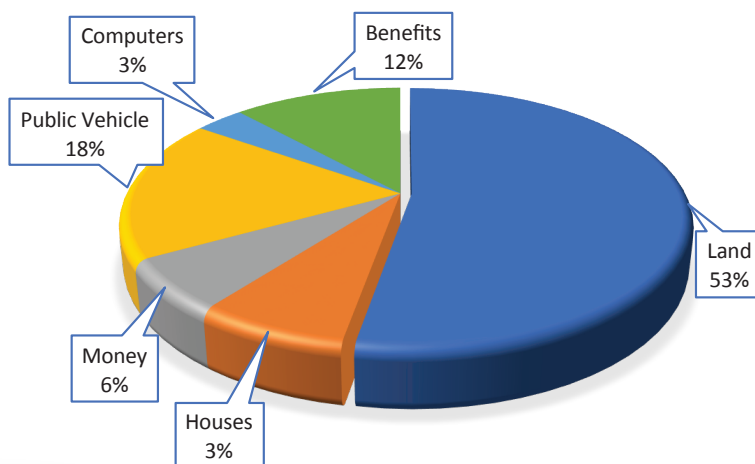
Out of the 394 conflict of interest cases identified, 38.5 percent involved Heads of institutions, senior managers (36.1%), procurement officials (15.3%), middle level managers (5.5%) and technical or support staff (1.9%). It is therefore evident that the higher the position or level of influence one has in an organization, the more likely they are to be involved in conflict of interest. In fact, the average number of cases of conflict of interest involving Head of Institution, Senior Managers and Procurement Officials and where no action was taken was higher than the overall average of cases (Figure 3.1).



*Figure 3.1: Cases of Conflict of Interest where no action was taken*

### 3.9.5 Unlawful Acquisition of Public Property

A total of 253 public properties were acquired unlawfully or fraudulently by public officers. Public Land (53%) constituted the bulk of the types of public property that were unlawfully acquired by public officers (Figure 3.2).



*Figure 3.2: Types of Public Property Acquired Unlawfully*



Out of the 253 public properties that had been unlawfully or illegally acquired by Public Officers, 125 properties were collectively valued at KES 5,401,765,280. In 42 percent of cases where public property was acquired unlawfully, no action was taken.

### 3.9.6 Damage to Public Property

The Public Officer's Ethics Act and Leadership and Integrity Act requires public officers to take all reasonable steps to ensure that public property in the officer's custody, possession or control is taken care of and is in good repair and condition. About 17.9 percent of public officers interviewed identified cases where public property was damaged by public officers. Motor vehicles constituted the largest proportion (61.6%) of public properties damaged followed by office equipment (13.3%) and furniture and fittings (11.3%).

Most cases of damage to public property were treated as accidents (28.3%) and there was a noteworthy number of cases (16.3%) in which no action was taken (Figure 3.3). In fact, there is a large proportion of cases of motor vehicle accidents due to alcohol or drug abuse, intentional breakage of furniture/equipment/utensils, unauthorized/improper use of a vehicle/equipment and negligence leading to vehicle damage that were treated as accidents or against which no action was taken.

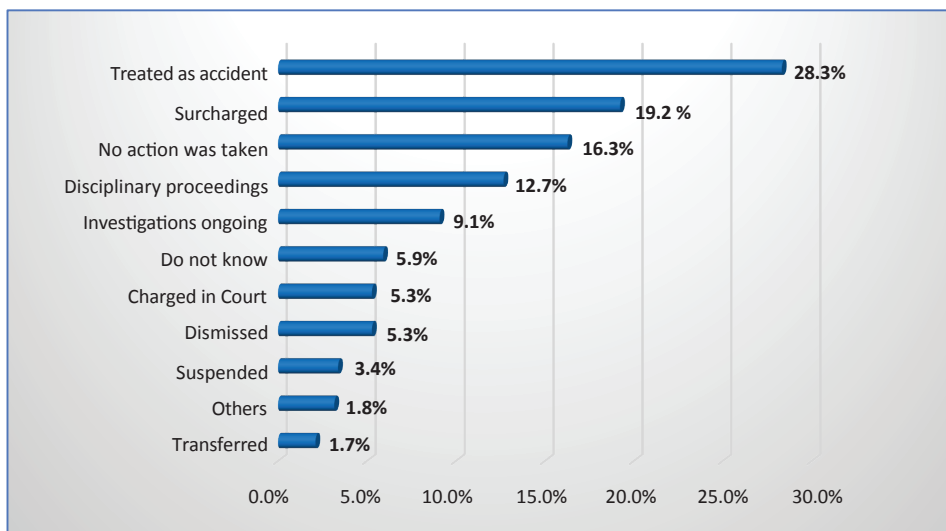


Figure 3.3: Action Against Damage to Public Property



Among the public institutions mentioned with most incidences of damage to public properties include County Hospitals (6.6%), Ministry of Agriculture and Livestock (4.0%), Prisons (3.3%), County Government of Homabay (2.8%), County Government of Uasin Gishu (2.8%) and the Police (2.8%).

### **3.9.7 Recommendations**

The Study recommends integrating national values into public service, more reforms be undertaken within the Kenya Police, impose stiffer penalties against damage to public property, develop measures to protect public land, build strong public institutions, minimize discretion by Public Officers by rolling out more automation and strict monitoring of public officers, make adequate provision for government services to reduce scarcity and streamline employment and promotion in public service.

## Chapter 4

### PARTNERSHIPS AND NETWORKS

#### 4.1 Introduction

The Commission established and maintained strategic linkages and partnerships with national, regional and international organizations so as to enhance the fight against corruption and optimize 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

The Ethics and Anti-Corruption Commission Act, 2011 provides for involvement of partners in the implementation of the Commission's mandate. Section 11(3), states that; The Commission may cooperate and collaborate with other state organs and agencies in the prevention, investigation and prosecution of corruption. Further, Section 11(6)(c) states that; the Commission Should established and maintain strategic linkages and partnerships with other stakeholders in the rule of law and other governance sectors.

##### 4.2.1 *Kenya Leadership and Integrity Forum (KLIF)*

Kenya Leadership Integrity Forum (KLIF) is a multi-sector forum that brings together stakeholders in the fight against corruption. KLIF comprises of state and non-state actors categorized in 20 sectors namely: Executive, Legislature, Judiciary, County Governments, Labor, Anti-Corruption Agencies, Enforcement, Watchdog Agencies, Media, Private, Professional Bodies, Education, Civil Society, Religious Organizations, Constitutional Commissions, Development partners, Transport, Regional and sub-regional bodies, Regulatory Boards and Financial Services.

The Commission supported KLIF in the following areas: -

1. Development of End Term Review report for the Kenya Integrity Plan 2015-2019 through a participatory evaluation;
2. Development and adoption of the Kenya Integrity Plan 2019-2023 through a consultative and comprehensive stakeholder engagement;
3. Commemoration of the 3rd edition of the African Anti-Corruption Day (AACD)



- 2019 with the theme “Towards a Common African Position on Asset Recovery”; and
4. Commemoration of International Anti-Corruption Day (IACD), 2019, under the theme “We are United Against Corruption for Sustainable Development”. The IACD 2019 commemoration was held in Makueni, West Pokot and Nyandarua counties.



*Cabinet Secretary Joe Mucheru, Governor Hon. Kivutha Kibwana, EACC Chairperson, Archbishop (Rtd.) Dr. Eliud Wabukala, EBS, County Commissioner Mr. Maalim Mohammed and other dignitaries before the anti-corruption procession to the public baraza on 9<sup>th</sup> December, 2019 at Makueni County*

#### 4.2.2 Multi-Agency Team

The Multi-Agency Team (MAT) is a Government initiative established to create synergy among law enforcement agencies to enhance cooperation, collaboration, and coordination in the fight against corruption. Highlights of joint investigations are outlined in Table 4.1.

**Table 4.1: Joint Investigations under Multi-Agency Team**

| No | Particulars of the Allegations                                      | Institution Affected              | Amount (KES)  |
|----|---------------------------------------------------------------------|-----------------------------------|---------------|
| 1. | An allegation of accumulated fraudulent pending bills on legal fees | County Government of Nairobi City | 9,800 000,000 |





| No | Particulars of the Allegations                                                                                                                                               | Institution Affected              | Amount (KES)  |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------|
| 2. | An allegation of misappropriation of public funds by the County officials, contractors and a lawyer, between the years 2014-2018                                             | County Government of Nairobi City | 7,100,000,000 |
| 3. | An allegation that the contract between AAR insurance and Nairobi City County was inflated in the financial year 2017/2018 by exaggerating the number of staff in the county | County Government of Nairobi City | 700,000,000   |
| 4. | An allegation that Webtribe Company Limited supplied taxable services to the NHIF and the Nairobi City county among other clients, but did not pay the requisite taxes.      | Webtribe Company Limited          |               |

### 4.2.3 Partnerships with other National Sectors

The Commission launched Faith Based scripture reference IEC materials in partnership with Inter Religious Council of Kenya stakeholders and National Anti-Corruption Campaign Steering Committee (NACCSC). The scripture reference materials are for the Hindu, Muslim and Christian faiths.

The Commission also conducted awareness for various faith sector stakeholders namely: The Anglican Church of Kenya (ACK) clergy, Justice Peace and Reconciliation Committee of PCEA Kitengela, Church fora for faithful in Makueni, West Pokot and Nyandarua Counties.

The Commission hosted a delegation from the British Chamber of Commerce in Kenya who visited the Commission to discuss a Business Integrity Initiative to fight bribery in business and Transparency International –Kenya, the Kenya Editors Guild among others.

## 4.3 Regional Engagements

The Commission hosted a delegation from Malawi Energy Regulatory Authority. The objective of the visit was to learn, and Share experiences on how public institutions in Kenya mainstream corruption prevention in their work processes. In addition, the Legal Unit of the Inspectorate of Government of Uganda visited the Commission to benchmark on Asset Tracing and Recovery. Other delegations that visited the Commission included: The African Parliamentarian Network Against Corruption (APNAC), the Eastern African Association of Anti-Corruption Authorities (EAAACA) and African Development Bank (AfDB) Abidjan.



The Commission participated in workshops organized by various organizations such as: Ongoing Global efforts to Build Capacity in fighting corruption held in Kigali, Rwanda and organized by the United Nations Institute for Training and Research; 2nd Cycle Peer Review on implementation of the United Nation Convention Against Corruption (UNCAC) held in Algiers, Algeria; and East Africa Regional meeting on focal point in fast tracking the implementation of UNCAC held in Kampala, Uganda.

Officials of the Anti-Corruption Commission of Namibia, the Prevention of Corruption Bureau of Tanzania and the Inspectorate of Government of Uganda visited the Commission for a Peer to Peer Learning Alliance of Anti-Corruption Authorities. The visits were facilitated by GIZ. A delegation from the Commission also undertook a benchmarking tour to the Ethics Secretariat of Tanzania with the objective of learning best practices on Declaration of Income Assets and Liabilities (DIALs).

The Commission was represented in the 19th Executive Committee meeting of the East Africa Association of Anti-Corruption Authorities (EAAACA). The agenda of the meeting was to discuss the progress of the implementation of the Association's Strategic Plan, the challenges and way forward in the war against graft in the region.

#### **4.4 International Engagements**

The Commission hosted the British High Commissioner to Kenya, H.E. Ms. Jane Marriott OBE; the Ambassador of Italy to Kenya, H.E. Mr. Alberto Pieri; the European Union Ambassador to Kenya, H.E. Mr. Simon Mordue; the Ambassador of the United States to Kenya H.E. Kyle McCarter; the Ambassador of the Kingdom of Morocco to Kenya, H.E. Dr. El Mokhtar Ghambou; the Ambassador of Poland to Kenya, H.E. Jacek Bazansk, the Regional Anti-Corruption Advisor East Africa United Nations Office on Drugs and Crime (UNODC), and officials from the Basel Institute on Governance-Switzerland. The purpose of their visits was to discuss areas of collaboration and support to strengthen the Commission's capacity to fight corruption and recover illicitly acquired public assets.



*The European Union Ambassador to Kenya, H.E. Mr. Simon Mordue receiving a plaque from the EACC Chairperson, Archbishop (Rtd.) Dr. Eliud Wabukala, EBS and Secretary/CEO Twalib Mbarak, CBS*

International Institutions that supported the Commission in various specialized skills enhancement included: The United Nations Office of Drugs & Crime, the National Crime Agency and United Kingdom Serious Fraud office, The United States department of Homeland Security Investigation, the Federal Bureau of Investigation, and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). Additionally, the Commission participated in a number of international anti-corruption fora, such as: Global Combating Transnational Organized Crime workshop which was held in Washington DC; and Anti Money Laundering and Countering the Financing of Terrorism Training of Trainers sponsored by the European Union held in France; Africa Europe Dialogue on Assets Recovery Conference which was held in Berlin, Germany; First Resumed 10th Session of the Implementation review group of the UNCAC; and INTERPOL Anti-Corruption and Asset Recovery Global Conference held in Medellin, Colombia

## Chapter 5

# ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

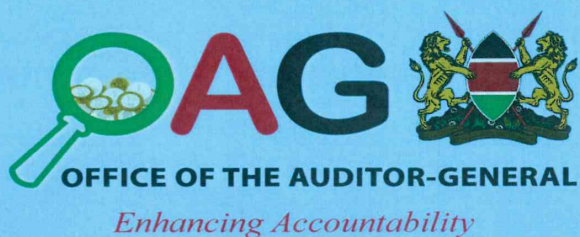
### 5.1 Financial Resources

#### 5.1.1 *Budgetary Allocation and Utilization*

The budgetary allocation to the Commission for 2019/2020 financial year in the Printed Estimate was KES 2,941,620,000. Recurrent allocation was later increased by KES 163,000,000 in Supplementary Budget Estimates II increasing the total budgetary allocation to KES 3,104,620,000. The Commission utilized KES 3,022,000,000 to cater for compensation of employees, purchase of fixed assets, overall operations and maintenance. The expenditure represented a 99 percent budget absorption.



REPUBLIC OF KENYA



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**ETHICS AND ANTI-CORRUPTION**  
**COMMISSION**

**FOR THE YEAR ENDED**  
**30 JUNE, 2020**



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**ETHICS AND ANTI - CORRUPTION COMMISSION**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020.**

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



## 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 and Coordination
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. Abdi A. Mohamud    |
| 3. Directorate of Preventive Services             | Mr. Vincent Okong'o    |
| 4. Directorate of Legal Services                  | Mr. David Too          |
| 5. Directorate of Ethics and Leadership           | Ms. Lucy Kinuthia      |
| 6. Directorate of Field Services and Coordination | Mr. Jackson Mue        |
| 7. Directorate of Finance and Planning            | Mr. Joel Mukumu        |
| 8. Directorate of Human Resources Management      | Ms. Ellyjoy Bundi      |
| 9. Department of Supply Chain Management          | Mr. Robert Kanyi       |

**Fiduciary Oversight Arrangements**

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

**(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  
P.O. Box 61130-00200, Nairobi  
E-mail: [eacc@Integrity.go.ke](mailto:eacc@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

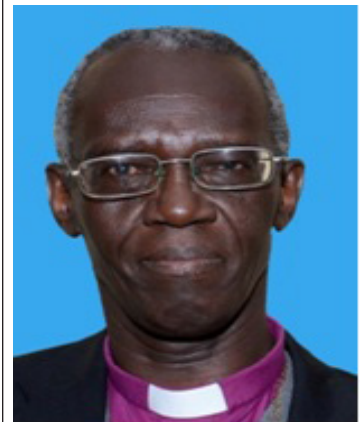
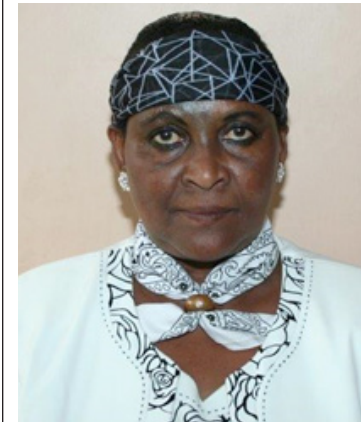
**(i) Independent Auditors**

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>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>            |



| 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><b>Dr. Dabar Abdi Maalim</b><br/><b>Commissioner</b></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><b>Paul Mwaniki Gachoka,</b><br/><b>EBS</b><br/><b>Commissioner</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| COMMISSION MEMBERS                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Rose Mghoi Macharia</b><br/><b>Commissioner</b></p>      | <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><b>Mr. Twalib Mbarak, CBS</b><br/><b>Secretary/CEO</b></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> |



### III. MANAGEMENT TEAM

| MANAGEMENT TEAM                                                                     |                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                          |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|    | <p>Master of Arts in Armed Conflict &amp; 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,</p> <p>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> |
| <b>Mr. Twalib Mbarak, CBS - Secretary/CEO</b>                                       |                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                          |
|   | <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>                                                             |
| <b>Mr. Abdi A. Mohamud, MBS - Director, Investigation</b>                           |                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                          |
|  | <p>Master of Business Administration</p> <p>Bachelor of Laws (LLB)</p> <p>Diploma in Law</p> <p>Strategic Leadership Development Programme Course</p> <p>Senior Management Course;</p> <p>Corporate Governance Training Course</p>                                                                                                                                              | <p>Head of Legal Services Directorate</p>                                                                |
| <b>Mr. David K. Too, OGW - Director, Legal Services</b>                             |                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                          |





|                                                                                    |                                                                                                                                                                                                                                                                     |                                           |
|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
|   | <p>Master of Social Science (Development Administration)</p> <p>Bachelor of Arts (Political Science)</p> <p>Strategic Leadership Development Programme Course</p> <p>Certification in Governance Ethics and Anti -Corruption Reforms</p>                            | Head of Ethics and Leadership Directorate |
| <b>Ms. Lucy W. Kinuthia - Director, Ethics &amp; Leadership</b>                    |                                                                                                                                                                                                                                                                     |                                           |
|   | <p>Master of Arts (Economics &amp; Social Studies)</p> <p>Master of Arts in Economic Policy Management</p> <p>Bachelor of Arts (Economics)</p> <p>Strategic Leadership Development Programme Course</p> <p>Corporate Governance Course</p>                          | Head of Preventive Services Directorate   |
| <b>Mr. Vincent O. Okong'o - Director, Preventive Services</b>                      |                                                                                                                                                                                                                                                                     |                                           |
|  | <p>Master of Business Administration (Finance)</p> <p>Bachelor of Commerce -Accounting Option.</p> <p>Certified Public Accountant-K</p> <p>Strategic Leadership Development Programme Course</p> <p>Corporate Governance Course</p> <p>Senior Management Course</p> | Head of Finance and Planning Directorate  |
| <b>Mr. Joel I. Mukumu – Ag. Director – Finance and Planning</b>                    |                                                                                                                                                                                                                                                                     |                                           |



|                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                   |                                           |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
|    | <p>Master of Science in ICT Policy and Regulation</p> <p>Bachelor of Science (Mathematics &amp; 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><b>Mr. Jackson K. Mue - Ag. Director, Field Services and Coordination</b></p>    |                                                                                                                                                                                                                                                                                                                                                                                   |                                           |
|   | <p>Master of Science (Procurement &amp; Logistics)</p> <p>Bachelor of Science (Mathematics &amp; Physics)</p> <p>Diploma in Purchasing &amp; 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><b>Mr. Robert K. Wachira - Deputy Director, Supply Chain Management</b></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>Corporate Governance Course</p> <p>Senior Management Course</p>                                                                                                                              | <p>Head of Human Resource Management</p>  |
| <p><b>Ms. Ellyjoy G. Bundi - Head of Human Resource Management</b></p>              |                                                                                                                                                                                                                                                                                                                                                                                   |                                           |





#### IV. STATEMENT OF THE CHAIRPERSON

The Ethics and Anti-Corruption Commission (EACC) is Constitutional body established pursuant to Article 79 of the Constitution and under Section 3 of the Ethics and Anti-Corruption Commission Act No. 22 of 2011, with the mandate to combat and prevent corruption through law enforcement, prevention, public education and promotion of standards and practises of integrity, ethics and anti-corruption.

The Commission contributes to the national aspirations espoused under the Vision 2030 and the Big Four Agenda through the discharge of the aforementioned mandate. The Government of Kenya has recorded several milestones aimed at strengthening institutions mandated to exercise oversight and accountability in public financial management. I am pleased to note that there is significant progress being made strengthening governance structures and transparency in management of public resources. The EACC appreciates the continued support by the Government of Kenya through allocation of resources.

Currently, the Commission is implementing its Strategic Plan for the period 2018-2023. In the Plan, the Commission has rationalized its strategies to focus 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 importance of collaborations and partnerships in the fight against corruption. In this regard, the Commission works with both State and Non- State Actors. The EACC is a member of the National Council on the Administration of Justice (NCAJ) that is mandated to tackle cross cutting issues that affect the administration of justice at the policy level. Some of the members include; Judiciary, Office of the Attorney General, Office of the Director of Public Prosecutions, Law society of Kenya, National Police Service, among others.

In addition, 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 Commission continues to play an active role in various regional and international forums which are key in deepening strategic partnerships in the fight against corruption. In particular, the Commission is a member of the Eastern African Association of Anti-Corruption Authorities, a body the brings together Anti-Corruption Authorities in the Eastern Africa Region.

I wish to appreciate all our strategic partners for their continued support in strengthening the anti-corruption institutional, policy and legal framework. In particular, I also acknowledge with gratitude the support from the United Nations Development Programme (UNDP) and the National Crime

Agency (NCA) of the United Kingdom for their support in the acquisition of Personal Protective Equipment and ICT infrastructure to enable business continuity in the midst of the global COVID-19 pandemic.



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**

**CHAIRPERSON**



## V. REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER

The Ethics and Anti-Corruption Commission hereby submit its Financial Statements for Financial Year 2019/2020. During the period under review, the Commission was allocated by the National Treasury a total of KES. 3,104,620,000 to undertake its programmes and activities.

The Financial Statements comprise of the Statement of the Financial Performance, Statement of the Financial Position, Statement of Changes in Equity and Statement of Cash Flows. The Commission has continued to ensure probity and prudence in the management of its resources in accordance to the provisions of the Public Finance Management Act, 2012 and the attendant Regulations. The Statements of the Commission are also prepared in conformity to the International Public Sector Accounting Standards (IPSAS) on prudent financial management and reporting.

The mandate of the Commission is derived from the Constitution and various Statutes such as; the Ethics and Anti-Corruption Commission Act No. 22 of 2011, The Anti-Corruption and Economic Crimes Act No. 3 of 2003, the Public Officer Ethics Act of 2003, the Leadership and Integrity Act of 2012 and the Bribery Act of 2016, among 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 Mission of EACC is to promote integrity and combat corruption through law enforcement, prevention and education. This is reflected in the reinvigorated interventions and outcomes thereof in pursuit of an integrity driven Kenyan Society. During the reporting period, the Commission recorded an improvement in the number of cases concluded in court, value of loss of public funds averted through disruption of corruption network, value of assets traced and recovered. The Commission has also reviewed its ICT Modernization Plan to enhance its efficiency and effectiveness.

To this end, during the financial year 2019-2020, the Commission finalized and forwarded to Office of the Director of Public Prosecutions (ODPP) a total of 163 files on corruption, economic crime and ethical breaches. A total of 86 investigations were completed on violations of Chapter Six of the Constitution and Leadership and Integrity Act, 2012. The value of assets recovered was approximately KES.12.1 billion and filed in court 14 applications for preservation of assets valued at approximately KES. 9.4 billion. Further, 88 illegally acquired public assets with an estimated value of KES. 25 billion were traced and the recovery process is ongoing. Disruption of corruption networks was undertaken averting a possible loss of estimated at KES. 10 billion.



The Commission facilitated 41 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. REVIEW OF ETHICS AND ANTI-CORRUPTION FY 2019/2020

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 Article 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.

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Ethics and Anti-Corruption Commission has 4 strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

**Pillar 1: Policy, Legal and Regulatory Framework**

**Pillar 2: Enforcement**

**Pillar 3: Prevention and Public Awareness**

**Pillar 4: Institutional Capacity**

Ethics and Anti-Corruption Commission develops its annual work plans based on the above four (4) pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Ethics and Anti-Corruption Commission achieved its performance targets set for the FY 2019/2020 period for its four (4) strategic pillars, as indicated in the diagram below:

| Strategic Pillar                                 | Objective                                            | Activities                                                                                                                                                                                                                                                                                               | Key Performance Indicators                                                                                                                                                                                                                                                                         | Achievements                                                                                                                         |
|--------------------------------------------------|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Pillar 1: Policy, Legal and Regulatory Framework | To strengthen policy, legal and regulatory framework | <ol style="list-style-type: none"> <li>Review and propose new laws, amendments and regulations</li> <li>Support finalization of the national ethics and anti-corruption policy</li> <li>Review asset tracing and recovery laws, processes and procedures</li> <li>Review and amend ADR policy</li> </ol> | <ol style="list-style-type: none"> <li>Effective policy, legal and regulatory framework</li> <li>Compliance with international and regional instruments</li> <li>National Policy on Ethics and Anti-Corruption</li> <li>Enhanced recovery of corruptly acquired and un explained assets</li> </ol> | <ul style="list-style-type: none"> <li>Published National Ethics and Anti-Corruption Policy: sessional paper No.2 of 2018</li> </ul> |



|                                 |                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pillar 2:<br><b>Enforcement</b> | To enhance law enforcement against corruption and unethical conduct | <ol style="list-style-type: none"> <li>1. Analyze reports</li> <li>2. Undertake investigations</li> <li>3. Integrate intelligence in investigations</li> <li>4. Integrate technology in investigations</li> <li>5. Analyze evidence and make recommendations</li> <li>6. Support prosecution of corruption, economic crimes and ethical breaches</li> <li>7. Undertake asset tracing and recovery</li> </ol> | <ol style="list-style-type: none"> <li>1. Improved quality of investigations</li> <li>2. Improved recovery of corruptly acquired assets</li> </ol> | <ul style="list-style-type: none"> <li>• 6,021 reports on corruption, economic crime and unethical conduct were received and processed out of which 2225 reports received were relevant to the Commission's mandate.</li> <li>• 163 case files on corruption and economic crime were finalized and submitted to the Office of the Director of Public Prosecution (DPP) for action.</li> <li>• Completed 86 investigations on violations of Chapter Six of the Constitution and Leadership and Integrity Act,</li> <li>• 31 proactive investigations which resulted in averting loss of public funds of approximately KES. 10,000,000,000</li> <li>• 65 sting and trap operations in bribery-prone areas in various Government MDAs and private sector were carried out</li> <li>• Eighty-seven (87) cases on corruption, economic crime and unethical conduct were finalized in court out of which 39 were convictions, 18 acquittals and 30 withdrawals</li> <li>• Eighty-eight (88) asset tracing inquiries in respect of illegally acquired and unexplained assets were carried. the assets traced was KES. 25,328,027,000</li> <li>• Fourteen (14) applications for preservation of assets were filed. The assets were valued at approximately KES. 9,389,997,485.4</li> <li>• 23 recovery suits involving assets with an estimated value of KES. 5,000,000,000 were filed</li> <li>• Public assets with an estimated value of KES. 12,120,073,449.30 were recovered</li> </ul> |
|---------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



|                                                              |                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Pillar 3:<br/>Prevention<br/>and Public<br/>Awareness</b> | To enhance public education, communication and awareness | <ol style="list-style-type: none"><li>1. Conduct public education and awareness</li><li>2. Entrench ethics and anti-corruption in institutions of learning</li><li>3. Position the Commission to enhance corporate brand</li><li>4. Create and maintain effective collaboration with the media and other stakeholders</li><li>5. Established the Academy</li><li>6. Develop and implement curriculum</li></ol> | <ol style="list-style-type: none"><li>1. Improved levels of awareness on corruption and ethics</li><li>2. Increased public support in the fight against corruption and unethical conduct</li><li>3. Improved levels of integrity in the private and civil society sectors</li><li>4. Commission visibility improved</li><li>5. Improved access to EACC services Commission visibility improved</li><li>6. Improved access to EACC services</li><li>7. Timely Sharing of information internally and externally</li><li>8. Improved levels of knowledge, skills and attitude on corruption and unethical conduct</li><li>9. Improved levels of transparency and accountability</li><li>10. Improved levels of professionalism.</li><li>11. Improved technical capacity Increased awareness about the commission</li><li>12. Improved levels of knowledge, skills and attitude on corruption and unethical conduct</li><li>13. Improved levels of transparency and accountability.</li><li>14. Improved levels of professionalism</li><li>15. Improved technical capacity Improved levels of knowledge, skills and attitude on corruption and unethical conduct</li><li>16. Improved levels of transparency and accountability</li><li>17. Improved levels of professionalism</li><li>18. Improved technical capacity</li></ol> | <ul style="list-style-type: none"><li>• 45 professional networks and approximately 30,056 members were reached</li><li>• To undertake proactive sensitization in targeted spots the commission had 23 shot spots</li><li>• General sensitization in various institutions was done where 3417 persons were sensitized</li><li>• 821 members of Corruption Prevention Committees (CPCs) from 37 institutions were trained</li><li>• Another 45 sensitization programs were carried out in which 5,864 people in their respective institutions were sensitized.</li><li>• The school media integrity education programmes reached over 9.6 Million learners, teachers and other listeners across the Country.</li></ul> |
|--------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|





|                                                                                                                   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>To enhance the prevention of corruption and unethical practices</li> </ul> |  | <ol style="list-style-type: none"> <li>Undertake system reviews in public institutions</li> <li>Support sectors, institutions and stakeholders in mainstreaming corruption prevention under the Bribery Act</li> <li>Provide advisory services on corruption prevention</li> <li>Develop and promote standards and best practices in ethics and integrity</li> <li>Monitor the implementation of prevention interventions</li> <li>Conduct integrity verifications for elective and appointive positions</li> <li>Support public entities to mainstream ethics and integrity</li> <li>Monitor compliance with provisions of Chapter 6 and LIA</li> <li>Support compliance and management of Declaration of Income, Assets and Liabilities (DIALs) system</li> <li>Established purposive partnerships and coalitions</li> <li>Undertake research and planning</li> </ol> | <ol style="list-style-type: none"> <li>Reduced corruption loopholes in systems of work</li> <li>Improved deterrence of corruption and unethical conduct</li> <li>Reduced incidences of corruption in the private sector</li> <li>Improved levels of professionalism</li> <li>1.Improved quality of Leadership in society</li> <li>Increased accountability in Leadership</li> <li>Improved societal values</li> </ol> | <ul style="list-style-type: none"> <li>Fifteen (15) MDAs were advised in the light of supporting sectors, institutions and stakeholders in mainstreaming corruption under the Bribery Act</li> <li>9 reports of Corruption Risk Assessments (CRAs) undertaken in various Counties. The CRA reports covered: Nyandarua County Executive; Kitui County Executive; Kitui County Assembly; Narok County Executive; Narok County Assembly; Vihiga County Executive; Makueni County executive; and Makueni County Assembly.</li> <li>Three (3) examination reports covering systems, policies, procedures and practices were finalized and released in the Ministry of Environment, KESeikh Khalifa Bin Zayed Al-Nahyan Secondary and Technical School Mombasa, and in the centralized procurement of ICT items and services by the ministry of ICT</li> </ul> |
|-------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



|                                            |                                                     |                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            |                                                     |                                                                                                                                                                                                                                                                                                            | <ol style="list-style-type: none"> <li>8. Enhanced participation</li> <li>9. Reduced corruption and unethical conduct</li> <li>10. Evidence based anti-corruption intervention</li> <li>11. Anti-corruption interventions informed by research</li> </ol> | <ul style="list-style-type: none"> <li>• Nine hundred and forty-eight (948) advisories were provided to MDAs on corruption prevention</li> <li>• 36,029 declaration forms and 4,008 verification requests were processed with the view to conduct integrity verifications for elective and appointive positions</li> <li>• Forty-one (41) codes for 49 institutions were approved so as to build technical capacity of public entities to mainstream ethics and integrity</li> <li>• In enforcing Chapter Six of the Constitution, 332 advisories were issued, 140 notices and 38 cautions to public entities and persons for violation of Chapter Six and LIA, 2012</li> <li>• Development of Kenya Integrity Plan (KIP 2019-2023) increased the number of partnerships from 15 to 20 sectors</li> <li>• Commemorated the African Anti-Corruption Day and International Anti-Corruption day was undertaken</li> </ul> |
| Pillar 4:<br><b>Institutional Capacity</b> | To enhance institutional capacity of the Commission | <ol style="list-style-type: none"> <li>1. Grow staff compliment</li> <li>2. Improve staff skills and competencies</li> <li>3. Manage performance</li> <li>4. Review terms and conditions of service and welfare</li> <li>5. Mobilize financial resources</li> <li>6. Manage financial resources</li> </ol> | <ol style="list-style-type: none"> <li>1. Enhanced performance</li> <li>2. Improved staff welfare</li> </ol>                                                                                                                                              | <ul style="list-style-type: none"> <li>• A total of 487 staff were trained</li> <li>• Fifty-six (56) car loans and mortgages were approved (17 car loans and 39 mortgages)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



## VII. CORPORATE GOVERNANCE STATEMENT

The Ethics and Anti-Corruption Commission (EACC) is established under Section 3 of the Ethics and Anti-Corruption Commission Act No. 22 of 2011. The Commission consist of a Chairperson and four other Members appointed in accordance with the provisions of the Constitution and the EACC Act.

The functions of the Commissioners include; policy formulation, strategic direction, established and maintaining strategic linkages and partnerships with other stakeholders in the rule of law and other governance sector, among others. The chairperson and members of the Commission are appointed for a single term of six years. They serve on a part-time basis and their remuneration and allowances are set by the Salaries and Remuneration Commission.

The office of the Chairperson or a Member of the Commission may fall vacant if the holder dies, resigns, is convicted, absent from three consecutive meetings of the Commission without good cause, or is removed from office under any of the circumstances specified in Article 251 of the Constitution.

The Commission's operations and financial management are overseen by the Chief Executive Officer who is the Accounting Officer and Secretary to the Commission. The current operations are guided by the Strategic Plan 2018-2023, and an approved annual Budget based on programs and activities. The Budget is derived from detailed Work Plans which inform and guide the development of annual Procurement Plans.

In order to ensure efficiency and effectiveness in the implementation of its programmes and activities, the Commission has established the following Committees:

| S/No. | Committee                                               | Chairpersons                                              |
|-------|---------------------------------------------------------|-----------------------------------------------------------|
| 1.    | Finance and Supply Chain Management                     | Vice Chairperson / Commissioner<br>Sophia Lepuchirit, EBS |
| 2.    | Law Enforcement                                         | Commissioner Paul Mwaniki Gachoka, EBS                    |
| 3.    | Support Services                                        | Commissioner Rose Mghoi Macharia                          |
| 4.    | Corruption Prevention, Education and Public Engagements | Commissioner Dr. Dabar Abdi Maalim                        |

These Committees co-opt their membership from technical directorates of the Commission to ensure seamless implementation of the strategic direction provided by the Commission.



In addition to the Internal Audit Department, which is charged with the responsibility to continuously review systems and internal controls, the Commission has established the Risk and Audit Committee to undertake the statutory functions as provided under the Public Finance Management Act, 2012.

During the year under review, the Commission met regularly as was deemed necessary to dispatch its business through its Ordinary and Special meetings. In all the Commission and Committee meetings, there was adequate quorum to conduct the business of the Commission. Disclosure of conflict of interest is a requirement under the establishing law and a member is obligated to disclose the fact and not to take part in the consideration or deliberations thereof.

The Commission continues to strengthen its policies and procedures manuals and has initiated the development of a Service Charter to provide a mechanism of assessing its efficiency and effectiveness in service delivery. In addition, the Commission was inducted upon appointment and continuously undertake high-level capacity building programmes in the areas of corporate governance and leadership.

Finally, the quarterly financial statements are produced to facilitate continuous evaluation of the overall financial performance of the commission. The Commission is also required to prepare annual statutory financial statements which are audited by the Office of Auditor General.



## VIII. MANAGEMENT DISCUSSION AND ANALYSIS

### 8.1 Reports on Corruption Received by the Commission

The Commission received, analyzed and processed 6,021 reports on corruption and unethical conduct during 2019/20 Financial Year, out of which 2,225 reports were within the Commission's mandate and therefore recommended for investigations. Figure 1 illustrates the trend of reports received from 2013/2014 to 2019/2020 Financial Years.

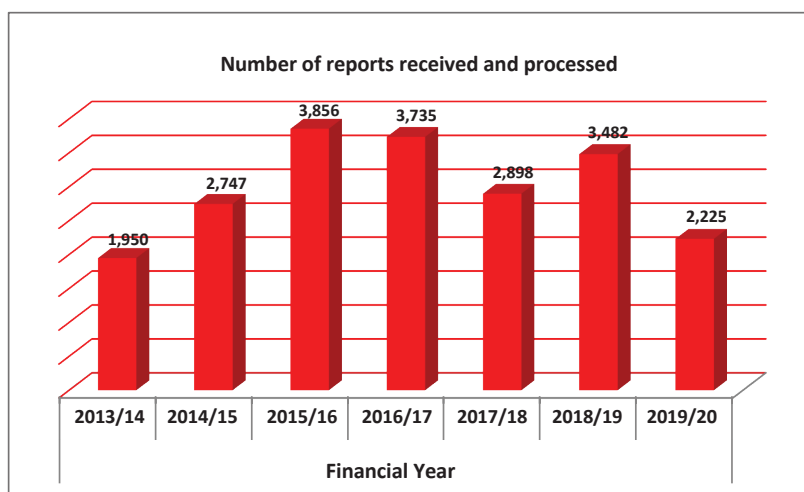


Figure 1: Summary of Reports received and processed

### 8.2 Cases Forwarded to the Office of the Director of Public Prosecutions

Once the cases for investigation are identified, investigation is carried and the files are submitted to the prosecutor for scrutiny and recommendation. Table 1-3 show the results of the cases forwarded to the Office of the Director of Public Prosecutions (ODPP).

Table 1 Shows the average concurrence rate to prosecute between EACC and DPP is 89 percent. Furthermore, the Table 1 depicts increase in the flow of the reports until the year under review 2019/20 when there was a drop.

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%              |
| 2019/20      | 43             | 40         | 3            | 93%              |
| <b>Total</b> | <b>616</b>     | <b>548</b> | <b>25</b>    | <b>89%</b>       |

Table 2 presents the results of reports to ODPP with recommendation for administrative action. On average, 89 percent concurrence rate is observed.

**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%             |
| 2019/20 | 10             | 9        | 1            | 90%              |
| Total   | 61             | 54       | 7            | 89%              |

Table 3 Shows reports to ODPP with recommendation for closure for the six-year period. The Commission has achieved a concurrence rate of 89 percent

**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%              |
| 2019/20 | 19             | 17       | 2            | 89%              |
| Total   | 171            | 152      | 19           | 89%              |

Table 4 presents reports to ODPP with recommendation for further investigation for the year 2019-2020 as well as those awaiting the DPPs recommendation by quarter.

**Table 4: Reports returned for further investigation and waiting DPP recommendation**

| Action                                                 | 1 <sup>st</sup> Quarter | 2 <sup>nd</sup> Quarter | 3 <sup>rd</sup> Quarter | 4 <sup>th</sup> Quarter | Total |
|--------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------|
| Files returned for further investigations              | 13                      | 12                      | 11                      | 14                      | 50    |
| Files awaiting Director of Public Prosecutions' action | 11                      | 18                      | 0                       | 13                      | 42    |



### 8.3 Outcome of Cases Finalized in Court

The cases that are scrutinized by ODPP and seen fit for prosecution are taken to court and table 4 provides the results of 64 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%             |
| 2019/20 | 55                    | 23         | 28        | 4         | 41%             |
| Total   | 220                   | 140        | 67        | 12        | 64%             |

### 2.1 Assets Recovered

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

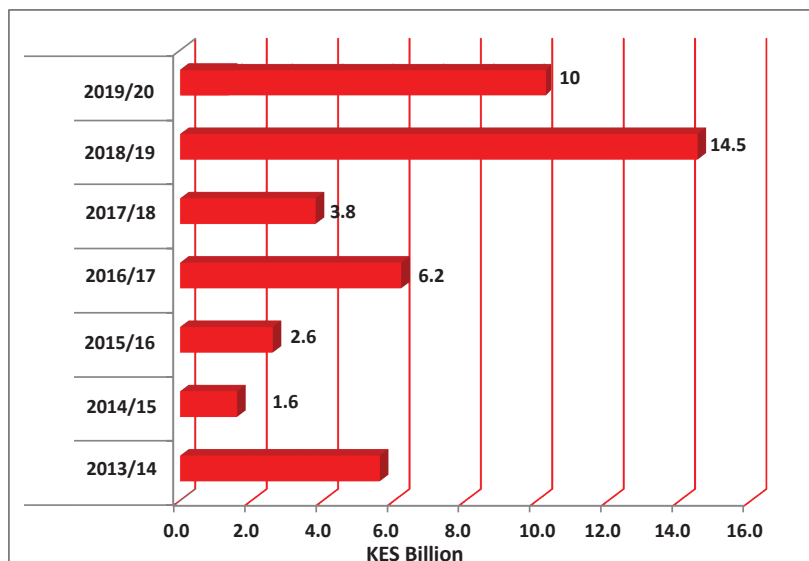
**Table 5: Assets Recovered**

| Assets Recovered from 2013-2020         |         |         |         |         |         |         |         |
|-----------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Year                                    | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Value of public assets Recovered (KES.) | 2.0 b   | 140.3m  | 700m    | 256m    | 352.2m  | 4.5b    | 12.5b   |

### 8.4 Loss averted through Disruption of Corruption Networks

Intelligence gathering has helped the Commission avert possible loss of the public funds as Shown in Figure 2.





**Figure 2: Loss averted through Disruption of Corruption Networks in KES Billion**

### **8.5 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 |
| 2019/20 | Examination into the systems, policies, procedures and practices of the Ministry of Environment, Sheikh Khalifa Bin Zayed Al-Nahyan Secondary and Technical School Mombasa, and in the centralized procurement of ICT items and services by the ministry of ICT                                     |



## **8.6 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 3,979 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 6: Integrity verification statistics**

| S/No. | Institution                     | No. of officers cleared | No. of officers not cleared |
|-------|---------------------------------|-------------------------|-----------------------------|
| 1.    | National Government             | 1994                    | 20                          |
| 2.    | County Governments              | 1906                    | 9                           |
| 3.    | Private Institutions            | 79                      | 0                           |
| 4.    | Self-declaration forms received | 3,979                   | 29                          |

## **1.3 Financial Performance**

The Commission is committed in carrying out financial management in line with Public Finance Management Act, 2012. The Commission is funded by the Government through The National Treasury. The Commission recorded budget absorption of 97 percent with approved budget for FY 2019/2020. This is 2% lesser than the budget absorption for the Financial Year 2018/2019, mainly occasioned by Covid-19 pandemic.



## IX. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

EACC exists to combat and prevent corruption and economic crimes and unethical conduct in Kenya. It's what guides us to deliver our strategy, which is founded on four pillars:

Below is a brief highlight of our achievements in each pillar

### 1. Ethics and Anti-Corruption Commission Sustainability

Articles 79 and 252 that anchor the Commission in the Constitution of Kenya 2010, have been the greatest boon to the sustainability of the Commission and the war against corruption in Kenya. Correspondingly, the National Assembly has enacted and or amended several Statutes that enable the Commission to carry out its mandate, among which are, the Ethics and Anti-Corruption Act, 2011, the leadership and Integrity Act, 2012 and the Anti-Corruption and Economic Crimes Act, 2003.

Moreover, there have been continuous and incremental disbursements from the exchequer to the Commission each year. The Commission's budget has increased from KES. 2,957,220,000 to KES. 3,072,200,000 between 2015 and 2020. This indicates government commitments in fight against corruption. Further, recent developments in the war against graft have sparked greater interest and commitment from partners and donors. Donors have been participating by offering both operational and technical support.

The establishment of the Anti-Corruption Division of the High Court that is premised on the fact that corruption matters are heard on a continuous basis has contributed to the sustainability of the war against graft.

### 2. Employee Welfare

The Commission has a policy on recruitment which states the Commission's commitment to ensuring that the one third gender rule is observed as well promotes affirmative action to ensure diversity in the workplace. In addition, the Commission's Shortlisting and Interview Guidelines ensure that recruitment processes are geared towards observing and promoting regional and gender balance. Currently the percentage gender distribution is 39.8% female and 60.2% male, while the ethnic representation within the Commission is thirty-one (31) ethnic tribes out the forty (46) existing ethnic communities. The Commission also has a Career Progression Guidelines which outlines the growth of job holders and specifies the requirements of each position thus making officers aware of the requisite skills required



to grow in their careers. The policies are reviewed from time to time as the Commission determines but within two (2) to three (3) years. The Commission has an Annual Training Plan which is funded to ensure that all staff get an opportunity to be trained based on the training needs identified in the course of their work and during the performance appraisal. The Commission also supports officers to be in good professional standing with their professional bodies by facilitating their Annual Subscription and Continuous Professional Development (CPD) training. Further staff are trained in career development courses, specialised skills and seminars and workshops.

The Commission has a robust Performance Management System that comprise tools such as the Target Setting Form and the Annual Performance Appraisal Form which guides the target setting and appraisal processes in the Commission. Targets are set at the beginning of the financial year and appraisal is done at the end of the year based on the targets agreed between the supervisor and the supervisee at the beginning of the year. All staff are sensitised on the use of the tools which are reviewed every two to three years. The Commission recommends officers for National honours and awards and issues commendation letters in recognition of exemplary performance. Further proposals to consider reviewing allowances paid to staff have been submitted to Salaries and Remuneration Commission (SRC) for consideration, within the financial year under review. The Commission has a Health and Safety Policy that is in compliance with the Occupational Safety and Health Act of 2007.

### **3. Market Place Practices**

Ethics and Anti-Corruption Commission operates in an environment with a wide range of risk profiles, making anti-bribery a central focus of our concern for compliance. Public Procurement Code of Ethics for Procuring Entities provides comprehensive coverage on anti-bribery and anti-corruption guidelines, addressing such issues as fraud, bribery, conflicts of interest, among others. Further, the Commission has established guidelines on management of conflict of interest geared towards promoting ethics and integrity in the workplace. Together, these policies emphasize the fact that Ethics and Anti-Corruption Commission strictly prohibits bribery in any form, including but not limited to kickbacks, indirect bribery, unlawful political contributions, and improper charitable contributions.

The Commission has consistently applied the most competitive procurement methodology based on the prevailing procurement circumstances with emphasis on maximizing value for money. The Commission also conducts due diligence on third parties to ensure that it engages the right supplier in its procurement.



The Commission has established responsible supplier relationship by strict compliance to the public procurement and asset disposal processes and principles as laid down in the public procurement and asset disposal legislative framework. Further, the Commission has enhanced its communication as a tool in bettering the management of the existing suppliers. The use of online procurement modules has further enhanced efficiency hence increased trust in our procurement process. This has made suppliers to have a better understanding of the Commission's business goals.

#### **4. Community Engagements**

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. During the year under review, the Commission, offered support to the families affected by the landslide in West Pokot County.



## **X. REPORT OF THE COMMISSION**

The Commission submits its report together with the audited financial statements for the year ended June 30, 2020 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, 2020 are set out on page 117 to 134.

### **Commissioners**

The Commission members who served during the year under review, are shown on pages 84 to 86, in accordance with Ethics and Anti-Corruption Act, 2011.

### **Dividends/Surplus remission**

The entity did not make any surplus during the year 2019/2020 and hence no remittance to the consolidated fund.

### **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, 2015 and the Ethics and Anti-Corruption Commission Act, 2011.



## XI. 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, 2020. 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, 2020, 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 October 6, 2020 and signed on its behalf by:

**Archbishop (Rtd) Dr. Eliud Wabukala, EBS**  
Chairperson

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





## REPUBLIC OF KENYA

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### REPORT OF THE AUDITOR-GENERAL ON ETHICS AND ANTI-CORRUPTION COMMISSION FOR THE YEAR ENDED 30 JUNE, 2020

#### 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 of the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in equity, statement of cash flow and the 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 the Ethics and Anti-Corruption Commission as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the 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 the Ethics and Anti-Corruption Commission Management 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 opinion.

##### Emphasis of Matter

##### Declining Financial Performance

During the year under review, the Commission reported a deficit of Kshs.116,545,540 (2018/2019 - deficit Kshs.20,108,198). The cumulative deficits for the two years have

*Report of the Auditor-General on Ethics and Anti-Corruption Commission for the year ended 30 June, 2020*





resulted in depletion of revenue reserves by Kshs.136,653,738 from Kshs.712,225,241 in the prior year to Kshs.167,480,766 as at 30 June, 2020. Although Management has disclosed at Note 29 to the financial statements that the deficits are mainly due to depreciation and unremitted Exchequer, the Commission's performance is on a downward trend and if strategies are not put in place to reverse the trend, the Commission is likely to experience financial difficulties in future.

My opinion is not modified in respect of this matter.

### 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 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 Commission remitted Kshs.1,518,000,000 to the National Land Commission (NLC) 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 NLC valued the property at Kshs.1,543,382,916 as detailed below: -

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

Although the NLC had requested for valuation services from the Ministry of Lands and Physical Planning, available records indicate that the valuation of the property was however done by the NLC itself. No evidence was availed by the National Land

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Commission to clarify whether the Ministry of Lands and Physical Planning played any role in the valuation of the property. This is despite the fact that the Department of Land Valuation in the Ministry is mandated to provide valuation services for and by all National and County Government entities. This exposes the National Land Commission to the risk of conflict of interest which may arise from the Commission conducting the valuation and thereafter paying the compensation thereof.

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.

Further, according to a letter Ref, B35/NB/9720B/VOL.2/67 dated 4 March, 2020 from the State Department for Public Works, copies of the development plans (architectural, structural, electrical, mechanical and civil works drawings) submitted to the EACC by the NLC in respect of the property were not acceptable on the basis that:

- (i) The drawings were copies of structural details and without calculations;
- (ii) Architectural drawings were not provided;
- (iii) Services drawings were not provided; and
- (iv) The structural drawings provided were not the approved ones as required by the Nairobi City County Government.

According to the Management, this has hampered effective planning for the maintenance of essential electro-mechanical services and possible refurbishment and redevelopment of the Integrity Centre building.

Consequently, 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.

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 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 overall governance were

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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 Commissioners**

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 maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Commission's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the Commission or 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.

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 resources are applied in an effective way.

The Commissioners are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Commission 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 overall 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 and weakness 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,

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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 overall 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 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.
- 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 applicable 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 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 and business activities of the Commission 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**

**12 January, 2021**



## STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2020

|                                               |       | 2019-2020            | 2018-2019            |
|-----------------------------------------------|-------|----------------------|----------------------|
|                                               | Notes | KES                  | KES                  |
| <b>Revenue from non-exchange transactions</b> |       |                      |                      |
| Exchequer Receipts-Recurrent                  | 3     | 2,993,167,811        | 3,156,104,310        |
| Other Income                                  | 9     |                      | 537,932              |
| <b>Total Revenue</b>                          |       | <b>2,993,167,811</b> | <b>3,156,642,242</b> |
| <b>Expenses</b>                               |       |                      |                      |
| Employee costs                                | 4     | 2,194,867,605        | 2,178,114,612        |
| Commissioners Expenses                        | 5     | 26,442,573           | 28,242,802           |
| Depreciation and amortization expense         | 6     | 103,794,589          | 107,451,074          |
| Repairs and maintenance                       | 7     | 24,226,775           | 36,325,074           |
| General expenses                              | 8     | 672,247,902          | 787,052,418          |
| Transfer to KCB Loan Scheme                   | 26    | 90,000,000           | 40,000,000           |
| <b>Total Expenses</b>                         |       | <b>3,111,579,444</b> | <b>3,177,185,980</b> |
| <b>Other gains/(losses)</b>                   |       |                      |                      |
| Gain/Loss on sale of assets                   | 9     | 1,866,093            | 435,540              |
| <b>Deficit for the period</b>                 |       | <b>(116,545,540)</b> | <b>(20,108,198)</b>  |



**STATEMENT OF FINANCIAL POSITION**

AS AT JUNE 30, 2020

|                                                                 | Notes | 2019-2020<br>KES.    | 2018-2019<br>KES.    |
|-----------------------------------------------------------------|-------|----------------------|----------------------|
| <b>ASSETS</b>                                                   |       |                      |                      |
| <b>CURRENT ASSETS</b>                                           |       |                      |                      |
| Cash and Cash equivalents                                       | 10    | 45,841,778           | 129,378,315          |
| Receivables from non-exchange transactions                      | 11    | 28,942,145           | 22,963,150           |
| Inventories                                                     | 12    | 15,563,728           | 16,985,519           |
|                                                                 |       | <b>90,347,651</b>    | <b>169,326,984</b>   |
| <b>NON-CURRENT ASSETS</b>                                       |       |                      |                      |
| Property, plant and equipment                                   | 14    | 1,829,221,956        | 2,033,805,081        |
| Asset recovery Bank Account                                     | 20    | 164,745,743          | 111,082,327          |
| Intangible Assets                                               | 15    | 13,992,958           | 20,988,387           |
| Long term receivables from exchange (Gratuity bank/ investment) | 16    | 34,466,834           | 59,070,411           |
|                                                                 |       | <b>2,042,427,491</b> | <b>2,224,946,206</b> |
| <b>Total Assets</b>                                             |       | <b>2,132,775,142</b> | <b>2,394,273,190</b> |
| <b>Liabilities</b>                                              |       |                      |                      |
| <b>Current Liabilities</b>                                      |       |                      |                      |
| Trade and other payables from exchange transactions             | 18    | 26,741,805           | 22,019,908           |
| Current portion of borrowings (Accrued liabilities and charges) | 19    | 26,774,916           | 26,078,916           |
|                                                                 |       | <b>53,516,721</b>    | <b>48,098,824</b>    |
| <b>Non-Current Liabilities</b>                                  |       |                      |                      |
| Non-Current provisions (Asset recovery account)                 | 20    | 164,745,743          | 111,082,327          |
| Non-current employee benefit obligation (Gratuity fund)         | 17    | 36,701,540           | 62,536,426           |
|                                                                 |       | <b>201,447,283</b>   | <b>173,618,753</b>   |
| <b>Total liabilities</b>                                        |       | <b>254,964,004</b>   | <b>221,717,577</b>   |
| <b>Equity</b>                                                   |       |                      |                      |
| Acquisition Development Fund                                    | 22(b) | 1,518,000,000        | 1,268,000,000        |
| Revenue Reserves                                                | 22(a) | 167,480,766          | 712,225,241          |
| Accumulated Fund                                                | 21    | 192,330,372          | 192,330,372          |
|                                                                 |       | <b>1,877,811,138</b> | <b>2,172,555,613</b> |
| <b>Total equity and liabilities</b>                             |       | <b>2,132,775,142</b> | <b>2,394,273,190</b> |

**Archbishop (Rtd) Dr. Eliud Wabukala, EBS**  
**Chairperson****Joel I. Mukumu, ICPAK No: 5917**  
**Ag. Director Finance & Planning****Twalib Mbarak, CBS**  
**Secretary/Chief Executive Officer**



## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2020

|                                                    | Note | Accumulated fund   | Acquisition Development Fund | Revenue reserve    | Total                |
|----------------------------------------------------|------|--------------------|------------------------------|--------------------|----------------------|
|                                                    |      | KES                |                              | KES                | KES                  |
| Balance as at 30 June 2018                         |      | 192,330,372        | 1,268,000,000                | 732,333,439        | 2,192,663,811        |
| Deficit for the period                             |      |                    |                              | (20,108,198)       | (20,108,198)         |
| <b>Balance as at 30 June 2019</b>                  |      | <b>192,330,372</b> | <b>1,268,000,000</b>         | <b>712,225,241</b> | <b>2,172,555,613</b> |
| Acquisition Development Fund                       |      |                    | 250,000,000                  | (250,000,000)      |                      |
| Transfer of unspent exchequer to National Treasury | 27   |                    |                              | (57,782,438)       | (57,782,438)         |
| Deficit for the period                             |      |                    |                              | (116,545,540)      | (116,545,540)        |
| Land transfer to Parliamentary Service Commission  | 30   |                    |                              | (120,416,497)      | (120,416,497)        |
| <b>Balance as at 30 June 2020</b>                  |      | <b>192,330,372</b> | <b>1,518,000,000</b>         | <b>167,480,766</b> | <b>1,877,811,138</b> |

**STATEMENT OF Cash FLOW****FOR THE YEAR ENDED JUNE 30, 2020**

|                                                         | <b>2019-2020</b>    | <b>2018-2019</b>       |
|---------------------------------------------------------|---------------------|------------------------|
|                                                         | KES                 | KES                    |
| <b>Cash flows From Operating Activities</b>             |                     |                        |
| Surplus/ (Loss) from operations                         | (116,545,540)       | (20,108,198)           |
| Add back non-Cash payment (Depreciation)                | 96,799,160          | 96,958,454             |
| Add back non-Cash payment (Amortization)                | 6,995,429           | 10,492,620             |
| Profit on disposal of Assets                            | (1,866,093)         | (435,540)              |
|                                                         | <b>(14,617,044)</b> | <b>86,907,336</b>      |
| <b>Income from Operations</b>                           |                     |                        |
| (Increase)/Decrease in inventories                      | 1,421,791           | (1,463,095)            |
| (Increase)/Decrease in receivables & Prepayments        | (5,978,995)         | 19,807,636             |
| (Increase)/Decrease in receivables -NLC                 | -                   | 1,518,000,000          |
| Increase/(Decrease) in payables                         | 5,417,897           | 32,105,866             |
| <b>Net Cash flows from operating activities</b>         | <b>(13,756,351)</b> | <b>1,655,357,743</b>   |
| <b>Cash flows From Investing Activities</b>             |                     |                        |
| Purchase of property, plant and equipment               | (14,349,916)        | (83,542,862)           |
| Purchase of Land and Buildings                          | -                   | (1,543,382,916)        |
| Transfer of unspent exchequer to Treasury               | (57,782,438)        | -                      |
| Purchase of Intangible Assets                           | -                   | (2,525,279)            |
| Asset recovery                                          | 53,663,416          | (111,082,326)          |
| Proceeds from disposal of plant, property and equipment | 3,583,477           | 1,092,956              |
| Gratuity Fund                                           | (25,834,886)        | 62,536,427             |
| <b>Net Cash utilized in investing activities</b>        | <b>(40,720,347)</b> | <b>(1,676,904,000)</b> |
| <b>Cash flows From Financing Activities</b>             |                     |                        |
| Asset recovery                                          | (53,663,416)        | 67,195,129             |
| Gratuity Fund                                           | 24,603,577          | (54,665,130)           |
| <b>Net Cash used in Financing activities</b>            | <b>(29,059,839)</b> | <b>12,529,999</b>      |
| <b>Net increase in Cash and Cash equivalents</b>        | <b>(83,536,537)</b> | <b>(9,016,258)</b>     |
| Bank and Cash equivalents at beginning of year          | 129,378,315         | 138,394,573            |
| <b>Bank and Cash equivalent at end of year</b>          | <b>45,841,778</b>   | <b>129,378,315</b>     |



## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

| STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS |                      |                    |                      |                            |                        |
|------------------------------------------------------|----------------------|--------------------|----------------------|----------------------------|------------------------|
|                                                      | Original budget      | Adjustments        | Final budget         | Actual on comparable basis | Performance difference |
|                                                      | 2019-2020            | 2019-2020          | 2019-2020            | 2019-2020                  | 2019-2020              |
| Revenue                                              | KES                  | KES                | KES                  | KES                        | KES                    |
| Government grants and subsidies                      | 2,941,620,000        | 163,000,000        | 3,104,620,000        | 2,993,167,811              | 111,452,189            |
| Development Expenditure                              | -                    | -                  | -                    | -                          | -                      |
| Gain on Disposal                                     | -                    | -                  | -                    | 1,866,093                  | (1,866,093)            |
| <b>Total income</b>                                  | <b>2,941,620,000</b> | <b>163,000,000</b> | <b>3,104,620,000</b> | <b>2,995,033,904</b>       | <b>109,586,096</b>     |
| Expenses                                             |                      |                    |                      |                            |                        |
| Compensation of employees                            | 1,910,826,898        | 302,303,222        | 2,213,130,120        | 2,194,867,605              | 18,262,515             |
| Goods and services                                   | 827,500,529          | (136,733,222)      | 690,767,307          | 620,665,237                | 70,102,070             |
| Commissioners expenses                               | 26,442,573           | -                  | 26,442,573           | 26,442,573                 | -                      |
| Finance cost                                         | 600,000              | (250,000)          | 350,000              | 270,162                    | 79,838                 |
| Rent paid                                            | 71,250,000           | 12,680,000         | 83,930,000           | 75,539,277                 | 8,390,723              |
| Staff Loan                                           | 105,000,000          | (15,000,000)       | 90,000,000           | 90,000,000                 | -                      |
| <b>Total expenditure</b>                             | <b>2,941,620,000</b> | <b>163,000,000</b> | <b>3,104,620,000</b> | <b>3,007,784,854</b>       | <b>96,835,146</b>      |
| <b>Deficit for the period</b>                        |                      |                    |                      | <b>(12,750,950)</b>        | <b>12,750,950</b>      |

## Deficit reconciliation

|                                                           |                      |
|-----------------------------------------------------------|----------------------|
| Deficit as per the statement of budget and actual amounts | (12,750,950)         |
| Less Depreciation                                         | 103,794,589          |
| Deficit as per the statement of financial performance     | <b>(116,545,540)</b> |



## 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 ownerKESip 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 their 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**

|                             |           | <b>2019-2020</b>     | <b>2018-2019</b>     |
|-----------------------------|-----------|----------------------|----------------------|
| <b>Unconditional grants</b> |           | <b>KES</b>           | <b>KES</b>           |
| Operational Grant           |           |                      |                      |
|                             | Quarter 1 | 896,093,752          | 832,932,600          |
|                             | Quarter 2 | 678,345,330          | 676,682,650          |
|                             | Quarter 3 | 632,696,554          | 851,837,400          |
|                             | Quarter 4 | 786,032,175          | 794,651,660          |
| <b>Total 2019/2020</b>      |           | <b>2,993,167,811</b> | <b>3,156,104,310</b> |
| Development Grant           |           | -                    | -                    |
| <b>Total Exchequer</b>      |           | <b>2,993,167,811</b> | <b>3,156,104,310</b> |

**4. Employee costs**

|                                                  | <b>2019-2020</b>     | <b>2018-2019</b>     |
|--------------------------------------------------|----------------------|----------------------|
|                                                  | <b>KES</b>           | <b>KES</b>           |
| Salaries and wages                               | 1,209,483,406        | 1,128,076,836        |
| Employee related costs                           | 256,775,514          | 232,773,275          |
| Travel, Motor car, Accommodation and Subsistence | 226,927,836          | 341,760,969          |
| Housing Benefits and allowances                  | 501,680,849          | 475,503,532          |
| <b>Total Employee Costs</b>                      | <b>2,194,867,605</b> | <b>2,178,114,612</b> |

Subsistence expense includes KES 125,300 unrecovered claims under investigation.



| <b>5. Commissioners Expenses</b>                    | <b>2019-2020</b>  | <b>2018-2019</b>  |
|-----------------------------------------------------|-------------------|-------------------|
|                                                     | <b>KES</b>        | <b>KES</b>        |
| Commissioners travelling and accommodation expenses | 7,052,573         | 8,962,802         |
| Commissioners sitting Allowances                    | 18,730,000        | 18,620,000        |
| Commissioners Airtime Allowances                    | 660,000           | 660,000           |
| <b>Total Commissioners Expenses</b>                 | <b>26,442,573</b> | <b>28,242,802</b> |

| <b>6. Depreciation and Amortization costs</b> | <b>2019-2020</b>   | <b>2018-2019</b>   |
|-----------------------------------------------|--------------------|--------------------|
|                                               | <b>KES</b>         | <b>KES</b>         |
| Property, plant and equipment                 | 96,799,160         | 96,958,454         |
| Intangible Assets                             | 6,995,429          | 10,492,620         |
| <b>Total depreciation Costs</b>               | <b>103,794,589</b> | <b>107,451,074</b> |

| <b>7. Repairs and maintenance</b>      | <b>2019-2020</b>  | <b>2018-2019</b>  |
|----------------------------------------|-------------------|-------------------|
|                                        | <b>KES</b>        | <b>KES</b>        |
| Property                               | 767,239           | 4,140,105         |
| Equipment                              | 2,026,820         | 866,954           |
| Vehicles                               | 20,010,968        | 28,597,555        |
| Other                                  | 1,421,748         | 2,720,460         |
| <b>Total Repairs &amp; Maintenance</b> | <b>24,226,775</b> | <b>36,325,074</b> |

| <b>8. General expenses</b>           | <b>2019-2020</b> | <b>2018-2019</b> |
|--------------------------------------|------------------|------------------|
|                                      | <b>KES</b>       | <b>KES</b>       |
| Advertising, Publishing and Printing | 25,349,444       | 52,909,711       |
| Audit fees                           | 696,000          | 696,000          |
| Conferences and delegations          | 54,114,008       | 64,684,490       |
| Consulting fees                      | 6,084,505        | 5,103,864        |
| Consumables                          | 22,829,031       | 27,422,374       |
| Electricity                          | 13,970,828       | 13,494,481       |



|                                            |                    |                    |
|--------------------------------------------|--------------------|--------------------|
| Fuel and Oil                               | 25,487,599         | 30,061,687         |
| Insurance                                  | 185,367,120        | 187,785,150        |
| Legal Expenses                             | 2,837,183          | 9,221,822          |
| Licenses and permits                       | 24,501,781         | 50,507,088         |
| Specialized materials                      | 342,000            | 2,118,091          |
| Postage                                    | 4,211,473          | 4,627,472          |
| Rental                                     | 75,539,277         | 71,198,160         |
| Confidential Expenses                      | 112,211,229        | 107,447,217        |
| Sewerage and water costs                   | 582,520            | 1,254,122          |
| Research and Development                   | 9,121,490          | 17,445,947         |
| Telecommunication                          | 15,035,393         | 13,054,217         |
| Training                                   | 60,670,994         | 84,732,857         |
| Refurbishment of Non-Residential buildings | 7,047,173          | 15,570,251         |
| Bank charges                               | 270,162            | 153,329            |
| Other Expenses                             | 25,978,692         | 27,564,088         |
|                                            | <b>672,247,902</b> | <b>787,052,418</b> |

**9. Other Income**

|                                          | <b>2019-2020</b> | <b>2018-2019</b> |
|------------------------------------------|------------------|------------------|
|                                          | <b>KES</b>       | <b>KES</b>       |
| Sale of boarded Items                    | -                | 537,932          |
| Gain/Loss on sale of Assets              | 1,866,093        | 435,540          |
| <b>Total gain/Loss on sale of assets</b> | <b>1,866,093</b> | <b>973,472</b>   |

**10. Cash and Cash equivalents**

|                                        | <b>2019-2020</b>  | <b>2018-2019</b>   |
|----------------------------------------|-------------------|--------------------|
|                                        | <b>KES</b>        | <b>KES</b>         |
| Current bank Accounts                  | 45,556,149        | 126,634,715        |
| Cash on hand and in transit            | 285,629           | 2,743,600          |
| <b>Total Cash and Cash equivalents</b> | <b>45,841,778</b> | <b>129,378,315</b> |

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

| <b>Current receivables</b>       | <b>2019-2020</b>  | <b>2018-2019</b>  |
|----------------------------------|-------------------|-------------------|
|                                  | <b>KES</b>        | <b>KES</b>        |
| Staff Imprest                    | 4,168,755         | 2,677,270         |
| Staff Advances                   | 182,567           | 332,000           |
| Rent Deposit and Prepayments     | 24,590,823        | 19,953,880        |
| <b>Total current receivables</b> | <b>28,942,145</b> | <b>22,963,150</b> |

**12. Inventories**

|                                                                        | <b>2019-2020</b>  | <b>2018-2019</b>  |
|------------------------------------------------------------------------|-------------------|-------------------|
|                                                                        | <b>KES</b>        | <b>KES</b>        |
| Consumable stores                                                      | 6,877,491         | 8,299,282         |
| Provision for loss of inventory                                        | (2,923,920)       | (2,923,920)       |
| Library books                                                          | 11,610,157        | 11,610,157        |
| <b>Total inventories at the lower of cost and net realizable value</b> | <b>15,563,728</b> | <b>16,985,519</b> |

**13. Receivable from exchange transaction**

|                                | <b>2019-2020</b> | <b>2018-2019</b> |
|--------------------------------|------------------|------------------|
|                                | <b>KES</b>       | <b>KES</b>       |
| Opening balance                | -                | 1,518,000,000    |
| Transfer to land and building  | -                | (1,518,000,000)  |
| <b>Total Land and Building</b> | <b>-</b>         | <b>-</b>         |

**14. Property Plant and equipment - Refer to the PPE schedule page 17**

**15. Intangible assets-software**

| <b>Cost</b>                        | <b>KES</b>         |
|------------------------------------|--------------------|
| As At July 2018                    | 183,595,652        |
| Additions during the year          | 2,525,279          |
| <b>As At July 2019</b>             | <b>186,120,930</b> |
| <b>Additions during the year</b>   | <b>-</b>           |
| <b>As at June 2020</b>             | <b>186,120,930</b> |
| <b>Amortization and Impairment</b> |                    |
| As at July 2019                    | 165,132,543        |
| Charge for the year                | 6,995,429          |
| <b>As at June 2020</b>             | <b>172,127,972</b> |
| <b>Net Book Value 2020</b>         | <b>13,992,958</b>  |
| <b>Net Book Value 2019</b>         | <b>20,988,387</b>  |

**16. Gratuity Fund Bank Account**

|                          | <b>2019-2020</b>  | <b>2018-2019</b>  |
|--------------------------|-------------------|-------------------|
| Balance brought forward  | 59,070,412        | 4,405,281         |
| Additions                | 36,171,156        | 54,665,130        |
| Payments                 | (85,774,734)      | -                 |
| Fixed Deposit Investment | 25,000,000        |                   |
| <b>Total</b>             | <b>34,466,834</b> | <b>59,070,411</b> |

**17. Gratuity Fund Account**

|                         | <b>2019-2020</b>  | <b>2018-2019</b>  |
|-------------------------|-------------------|-------------------|
| Balance brought forward | 62,536,427        | 287,227           |
| Additions               | 37,461,156        | 46,643,066        |
| Payments                | (63,296,044)      | (109,466,720)     |
| <b>Total</b>            | <b>36,701,540</b> | <b>62,536,426</b> |

**18. Trade and other payables from exchange transactions**

|                                       | <b>2019-2020</b>  | <b>2018-2019</b>  |
|---------------------------------------|-------------------|-------------------|
|                                       | <b>KES</b>        | <b>KES</b>        |
| Creditors                             | 9,566,644         | 10,248,622        |
| Refundable Deposits                   | 11,780,919        | 4,598,919         |
| Treasury advances                     | 4,598,919         | 6,169,896         |
| Payroll payables                      | 720,853           | 756,712           |
| Unpaid Over Expenditure               | 74,470            | 245,759           |
| <b>Total trade and other payables</b> | <b>26,741,805</b> | <b>22,019,908</b> |

**19. Accrued liabilities and charges**

|                                              | <b>2019-2020</b>  | <b>2018-2019</b>  |
|----------------------------------------------|-------------------|-------------------|
|                                              | <b>KES</b>        | <b>KES</b>        |
| Accrued audit fees                           | 1,392,000         | 696,000           |
| National lands Commission                    | 25,382,916        | 25,382,916        |
| <b>Total Accrued liabilities and charges</b> | <b>26,774,916</b> | <b>26,078,916</b> |

**20. Asset Recovery Fund Account**

|                             | <b>2019-2020</b>   | <b>2018-2019</b>   |
|-----------------------------|--------------------|--------------------|
|                             | <b>KES</b>         | <b>KES</b>         |
| Balance brought forward     | 111,082,327        | 43,887,197         |
| Funds recovered in the year | 208,193,383        | 66,015,561         |
| Payments                    | (154,529,967)      | -                  |
| Interest                    | -                  | 1,179,569          |
| <b>Total</b>                | <b>164,745,743</b> | <b>111,082,327</b> |

**21. Accumulated Fund**

|                         | <b>2019-2020</b>   | <b>2018-2019</b>   |
|-------------------------|--------------------|--------------------|
|                         | <b>KES</b>         | <b>KES</b>         |
| Balance brought forward | 192,330,372        | 192,330,372        |
| Payments                | -                  | -                  |
| <b>Total</b>            | <b>192,330,372</b> | <b>192,330,372</b> |



**22 (a). Revenue Reserve**

|                                                    | <b>2019-2020</b>   | <b>2018-2019</b>   |
|----------------------------------------------------|--------------------|--------------------|
|                                                    | <b>KES</b>         | <b>KES</b>         |
| Balance brought forward                            | 712,225,241        | 732,333,439        |
| Transfer of unspent exchequer to National Treasury | (57,782,438)       |                    |
| Transfer to Acquisition Fund                       | (250,000,000)      |                    |
| Land transfer to Parliamentary Service             | (120,416,497)      |                    |
| Deficit for the year                               | (116,545,540)      | (20,108,198)       |
| <b>Total</b>                                       | <b>167,480,766</b> | <b>712,225,241</b> |

**22(b). Acquisition Fund**

|                               | <b>2019-2020</b>     | <b>2018-2019</b>     |
|-------------------------------|----------------------|----------------------|
|                               | <b>KES</b>           | <b>KES</b>           |
| Balance brought forward       | 1,268,000,000        | 1,268,000,000        |
| Transfer from Revenue Reserve | 250,000,000          |                      |
| <b>Total</b>                  | <b>1,518,000,000</b> | <b>1,268,000,000</b> |

**23. Events After the reporting period**

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

**24. Currency**

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

**25. Acquisition Development fund**

These were funds received for purchase of Integrity Centre

| <b>26. Exchequer transfer to loan scheme</b>   | <b>2019-2020</b>  | <b>2018-2019</b>  |
|------------------------------------------------|-------------------|-------------------|
|                                                | <b>KES.</b>       | <b>KES.</b>       |
| Transfer to staff Mortgage and Car loan Scheme | <b>90,000,000</b> | <b>40,000,000</b> |

**27. Refund of Unspent Exchequer to National Treasury**

The Commission had unspent exchequer of KES 57,782,438 relating to financial years 2017/2018 and 2018/2019. The Amount was refunded to Treasury during the year under review



*Notes to financial statements continued...*

| 14                                 | PROPERTY, PLANT AND EQUIPMENT |              |                |                              |                    |                    |                     | Computer Equipment | Security Equipment | Plant and Equipment | Total |
|------------------------------------|-------------------------------|--------------|----------------|------------------------------|--------------------|--------------------|---------------------|--------------------|--------------------|---------------------|-------|
|                                    | Land                          | Building     | Motor vehicles | Furniture, Fixture & fitting | Computer Equipment | Security Equipment | Plant and Equipment |                    |                    |                     |       |
| <b>Cost or Valuation:</b>          | KES                           | KES          | KES            | KES                          | KES                | KES                | KES                 | KES                | KES                | KES                 | KES   |
| <b>Depreciation Rates</b>          | -                             | 2.5%         | 25%            | 12.5%                        | 33.33%             | 12.5%              | 12.5%               | 12.5%              | 12.5%              | 12.5%               |       |
| <b>As at 1st July 2018</b>         | 120,416,497                   | -            | 462,210,747    | 75,233,835                   | 210,554,730        | 164,538,264        | 102,528,228         | 1,135,482,301      |                    |                     |       |
| Additions                          | 1,543,382,916                 | -            | 50,911,000     | 9,400,592                    | 21,708,024         | 693,912            | 829,334             | 1,626,925,778      |                    |                     |       |
| Disposals                          | -                             | -            | (2,080,580)    | (80,000)                     | (3,147,257)        | -                  | (1,965,267)         | (7,273,104)        |                    |                     |       |
| Transfers/adjustments              | -                             | -            | -              | -                            | -                  | -                  | -                   | -                  |                    |                     |       |
| <b>As at 30th June 2019</b>        | 1,663,799,413                 | -            | 511,041,167    | 84,554,427                   | 229,115,497        | 165,232,176        | 101,392,295         | 2,755,134,975      |                    |                     |       |
| Additions                          |                               |              |                | 380,500                      | 13,911,121         |                    | 58,295              | 14,349,916         |                    |                     |       |
| Disposals                          |                               |              | (15,422,956)   | (799,020)                    | (5,092,353)        |                    | (1,141,893)         | (22,456,222)       |                    |                     |       |
| Transfers/adjustments              | (120,416,497)                 |              | -              | -                            | -                  | -                  | -                   | (120,416,497)      |                    |                     |       |
| Land Improvements                  | (747,899,166)                 | 747,899,166  |                |                              |                    |                    |                     |                    |                    |                     |       |
| <b>As at 30th June 2020</b>        | 795,483,750                   | 747,899,166  | 495,618,211    | 84,135,907                   | 237,934,265        | 165,232,176        | 100,308,697         | 2,626,612,172      |                    |                     |       |
| <b>Depreciation and impairment</b> |                               |              |                |                              |                    |                    |                     |                    |                    |                     |       |
| At 1 July 2018                     | -                             |              | (337,927,121)  | (33,769,547)                 | (151,953,444)      | (60,122,484)       | (47,214,533)        | (630,987,129)      |                    |                     |       |
| Depreciation                       | -                             |              | (43,789,389)   | (6,356,172)                  | (26,725,183)       | (13,138,712)       | (6,949,000)         | (96,958,456)       |                    |                     |       |
| Disposals                          | -                             |              | 2,043,508      | 64,194                       | 3,093,754          | -                  | 1,414,235           | 6,615,691          |                    |                     |       |
| <b>At 30 June 2019</b>             | -                             | -            | (379,673,002)  | (40,061,525)                 | (175,584,873)      | (73,261,196)       | (52,749,298)        | (721,329,894)      |                    |                     |       |
| Depreciation                       | -                             | (18,697,479) | (32,591,839)   | (5,590,338)                  | (22,375,016)       | (11,496,373)       | (6,048,115)         | (96,799,160)       |                    |                     |       |
| Disposals                          | -                             |              | 14,422,146     | 648,320                      | 4,842,849          | -                  | 825,523             | 20,738,838         |                    |                     |       |
| <b>As at 30 June 2020</b>          | -                             | (18,697,479) | (397,842,695)  | (45,003,543)                 | (193,117,040)      | (84,757,569)       | (57,971,890)        | (797,390,216)      |                    |                     |       |
| Net book values                    |                               |              |                |                              |                    |                    |                     |                    |                    |                     |       |
| At 30 June 2020                    | 795,483,750                   | 729,201,687  | 97,775,516     | 39,132,364                   | 44,817,225         | 80,474,607         | 42,336,807          | 1,829,221,956      |                    |                     |       |
| At 30 June 2019                    | 1,663,799,413                 | -            | 131,368,165    | 44,492,902                   | 53,530,624         | 91,970,980         | 48,642,997          | 2,033,805,081      |                    |                     |       |



*Notes to financial statements continued...*

**28. 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 39,615,372. 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.

**29.** The deficit is mainly caused by depreciation and accrued expenses resulting from unfunded exchequer.

**30.** Following consultative discussions between Parliament, The National Treasury and EACC, during the FY 2017-2018 budgetary process, it was agreed that the land be transferred to Parliamentary Service Commission (PSC).

In return the PSC was to cede KES 1 Billion budgetary allocation to EACC for acquisition of EACC headquarters. Consequently, EACC was allocated additional development budget of KES 1Billion which was utilized for the acquisition of Integrity Centre



## 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                                                | Court case ongoing                | The Commission is pursuing the individual. The time frame 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                                                | 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.                                                               |



| 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)                                                                                                |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4                                     | <b>Acquisition of Integrity Centre</b> <ul style="list-style-type: none"> <li>Incomplete acquisition process</li> <li>Valuation of the Integrity Centre</li> <li>Inadequate building Plan/ Drawings</li> </ul> | <p>The acquisition process of the Integrity Centre was being handled by National Land Commission (NLC)</p> <p>The valuation and acquisition of the building was being handled by NLC on behalf of EACC</p> <p>The submitted drawings were not sufficient as pointed by the Ministry of Lands and Physical Planning</p> | <p>Mr. Enock Otiko</p> <p>Mr. Enock Otiko</p> <p>Mr. Enock Otiko</p> | <p>Resolved</p> <p>The procuring entity (NLC) is handling the matter</p> <p>Unresolved</p> | <p>Copies of Ownership documents received</p> <p>The procuring entity (NLC) is handling the matter</p> <p>The procuring entity (NLC) is handling the matter</p> |

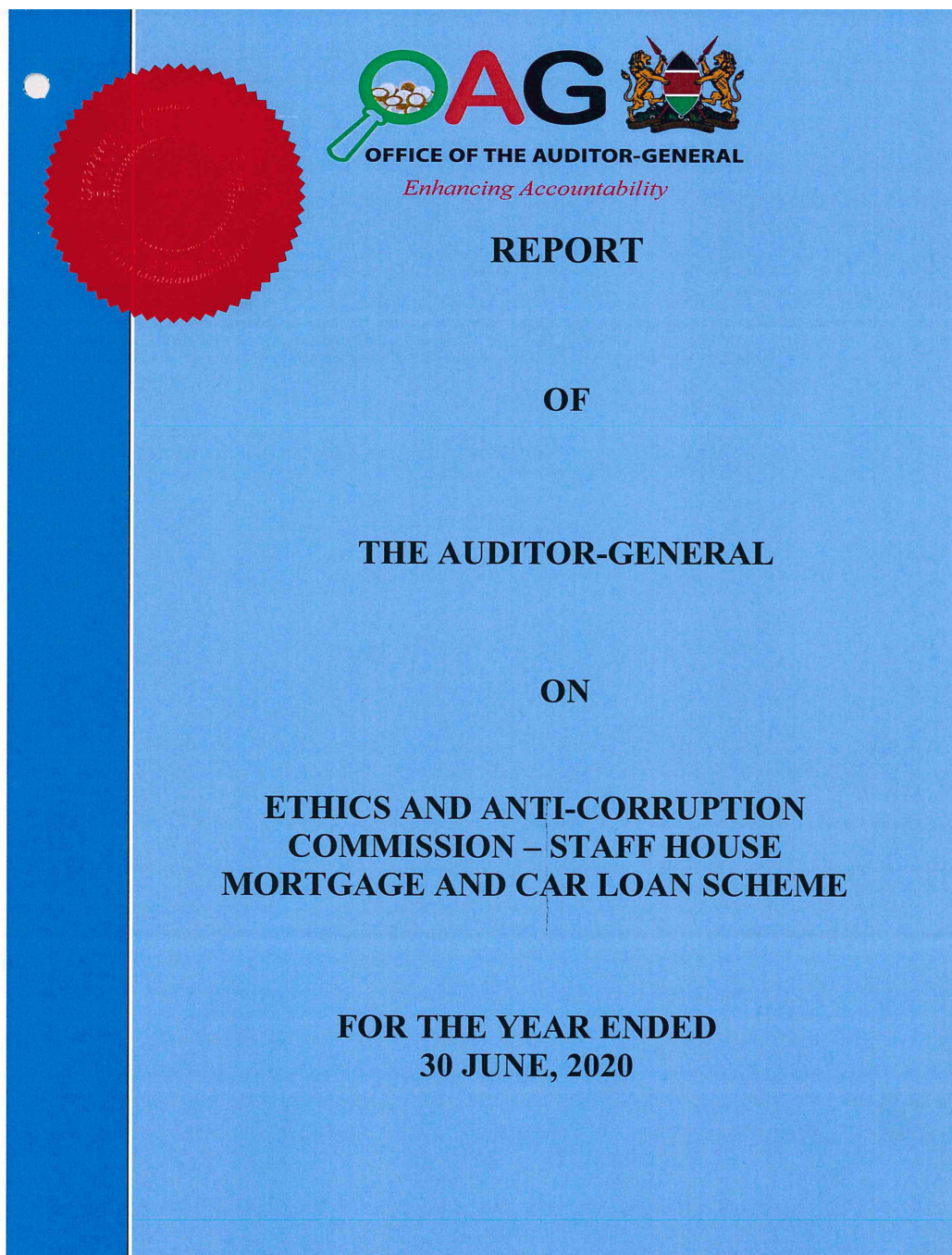
**Archbishop (Rtd) Dr. Eliud Wabukala, EBS**  
Chairperson

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

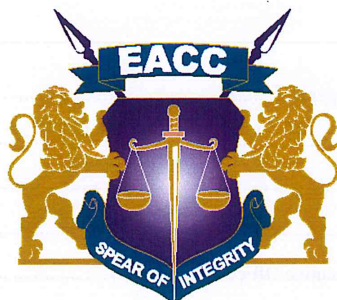


## Chapter 6

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







OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

- 1 DEC 2020

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

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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**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. Director of Investigation
4. Director of Preventive Services
5. Director of Legal Services
6. Director of Ethics and Leadership
7. Director of Field Services and Coordination
8. Director of Finance and Planning
9. Assistant Director of Human Resources 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. Abdi A. Mohamud    |
| 3. Director of Preventive Services                  | Mr. Vincent Okong'o    |
| 4. Director of Legal Services                       | Mr. David Too          |
| 5. Director of Ethics and Leadership                | Ms. Lucy Kinuthia      |
| 6. Director of Field Services and Coordination      | Mr. Jackson Mue        |
| 7. Director of Finance and Planning                 | Mr. Joel Mukumu        |
| 8. Assistant Director of Human Resources Management | Ms. Ellyjoy Bundi      |

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

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

**(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](mailto: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 Ethics and Anti-Corruption Commission (EACC) 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 (SRC) Regulations and Guidelines. The benefits derived by staff from the Scheme are enormous, and contributes towards the attraction and retention of the requisite human capital for the discharge of the mandate of the Commission.

The National Treasury has continued to provide funds for the Scheme in the previous reporting periods cumulating to a total of KES. 770 Million as at the time of reporting. This is encouraging and we are grateful to the National Treasury for their continued support.

It is noteworthy, that the uptake of the mortgage and car loan has been on an increase and the Commission continues to review the products available to ensure optimal utility of the facility. Some of the recent products introduced include; the Sharia compliant products, as well as, equity release, plot purchase, and buy and build arrangements, among others.

The governance and management of the fund is conducted as set out in the loan entitlement and conditions stipulated in the Staff Mortgage and Car Loan Scheme Policies and Regulations. I urge all staff to utilize the opportunity to improve on their wellbeing as well as that 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.

God Bless Kenya,

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

**CHAIRPERSON**



## **V. REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER**

The Ethics and Anti-Corruption Commission (EACC) Staff Mortgage and Car Loan Scheme was initiated to create an enabling environment for optimal productivity by providing a competitive loan Scheme for members of Staff. The Scheme has been beneficial to staff and has witnessed increasing membership and contribution from the members of staff.

The Scheme is established and governed in line with existing Government regulations which also requires preparation of Financial Statements. In this regard, the EACC hereby presents the Financial Statements of the Staff Mortgage and Car Loan Scheme for the year ending 30th June, 2020. The Financial Statements presented comprises of; the Statement of Financial Performance, Statement of the Financial Position, Statement of Changes in Net Assets and Statement of Cash Flow.

The Commission 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). As result, the administration of the Scheme has been efficient and effective in meeting the intended purpose.

The implementation and administration of the Scheme is overseen by a Staff Mortgage and Car Loan Scheme Advisory Committee in liaison with external professional service providers. The Committee meets regularly to consider loans applications and make recommendations to the Service provider.

During the period under review, the Scheme facilitated 97 applicants for mortgage and 85 applicants for car loan. The total amount disbursed to facilitate Staff Mortgage was KES 732,901,572 while Car Loan was KES. 110,958,300

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 MBARAK, CBS**

**SECRETARY/CHIEF EXECUTIVE OFFICER**

## VI. CORPORATE GOVERNANCE STATEMENT

The Ethics and Anti-Corruption Commission (EACC) is established under Section 3 of the Ethics and Anti-Corruption Commission Act No. 22 of 2011. The Commission consist of a Chairperson and four other Members appointed in accordance with the provisions of the Constitution and the EACC Act.

The functions of the Commissioners include; policy formulation, strategic direction, establishing and maintaining strategic linkages and partnerships with other stakeholders in the rule of law and other governance sector, among others. The chairperson and members of the Commission are appointed for a single term of six years. They serve on a part-time basis and their remuneration and allowances are set by the Salaries and Remuneration Commission.

The office of the Chairperson or a Member of the Commission may fall vacant if the holder dies, resigns, is convicted, absent from three consecutive meetings of the Commission without good cause, or is removed from office under any of the circumstances specified in Article 251 of the Constitution.

The Commission's operations and financial management are overseen by the Chief Executive Officer who is the Accounting Officer and Secretary to the Commission. The current operations are guided by the Strategic Plan 2018-2023, and an approved annual Budget based on programs and activities. The Budget is derived from detailed Work Plans which inform and guide the development of annual Procurement Plans.

In order to ensure efficiency and effectiveness in the implementation of its programmes and activities, the Commission has established the following Committees:

| S/No. | Committee                                               | Chairpersons                                           |
|-------|---------------------------------------------------------|--------------------------------------------------------|
| 1.    | Finance and Supply Chain Management                     | Vice Chairperson / Commissioner Sophia Lepuchirit, EBS |
| 2.    | Law Enforcement                                         | Commissioner Paul Mwaniki Gachoka, EBS                 |
| 3.    | Support Services                                        | Commissioner Rose Mghoi Macharia                       |
| 4.    | Corruption Prevention, Education and Public Engagements | Commissioner Dr. Dabar Abdi Maalim                     |

These Committees co-opt their membership from technical directorates of the Commission to ensure seamless implementation of the strategic direction provided by the Commission.



In addition to the Internal Audit Department, which is charged with the responsibility to continuously review systems and internal controls, the Commission has established the Risk and Audit Committee to undertake the statutory functions as provided under the Public Finance Management Act, 2012.

During the year under review, the Commission met regularly as was deemed necessary to dispatch its business through its Ordinary and Special meetings. In all the Commission and Committee meetings, there was adequate quorum to conduct the business of the Commission. Disclosure of conflict of interest is a requirement under the establishing law and a member is obligated to disclose the fact and not to take part in the consideration or deliberations thereof.

The Commission continues to strengthen its policies and procedures manuals and has initiated the development of a Service Charter to provide a mechanism of assessing its efficiency and effectiveness in service delivery. In addition, the Commission was inducted upon appointment and continuously undertake high-level capacity building programmes in the areas of corporate governance and leadership.

Finally, the quarterly financial statements are produced to facilitate continuous evaluation of the overall financial performance of the commission. The Commission is also required to prepare annual statutory financial statements which are audited by the Office of Auditor General.





## VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

EACC exists to combat and prevent corruption and Economic crimes and unethical conduct in Kenya. It's what guides us to deliver our strategy, which is founded on four pillars:

Below is a brief highlight of our achievements in each pillar

### 1. Ethics and Anti-Corruption Commission Sustainability

Articles 79 and 252 that anchor the Commission in the Constitution of Kenya 2010, have been the greatest boon to the sustainability of the Commission and the war against corruption in Kenya. Correspondingly, the National Assembly has enacted and or amended several Statutes that enable the Commission to carry out its mandate, among which are, the Ethics and Anti-Corruption Act, 2011, the Leadership and Integrity Act, 2012 and the Anti-Corruption and Economic Crimes Act, 2003.

Moreover, there have been continuous and incremental disbursements from the exchequer to the Commission each year. The Commission's budget has increased from KES. 2,957,220,000 to KES. 3,072,200,000 between 2015 and 2020. This indicates government commitments in fight against corruption. Further, recent developments in the war against graft have sparked greater interest and commitment from partners and donors. Donors have been participating by offering both operational and technical support.

The establishment of the Anti-Corruption Division of the High Court that is premised on the fact that corruption matters are heard on a continuous basis has contributed to the sustainability of the war against graft.

### 2. Employee Welfare

The Commission has a policy on recruitment which states the Commission's commitment to ensuring that the one third gender rule is observed as well promotes affirmative action to ensure diversity in the workplace. In addition, the Commission's Shortlisting and Interview Guidelines ensures that recruitment processes are geared towards observing and promoting regional and gender balance. Currently the percentage gender distribution is 39.8% female and 60.2% male, while the ethnic representation within the Commission is thirty-one (31) ethnic tribes out the forty six (46) existing ethnic communities. The Commission also has a Career Progression Guidelines which outlines the growth of job holders and specifies the requirements of each position thus making officers aware of the requisite skills required to grow in their careers. The policies are reviewed from time to time as the Commission



determines but within two (2) to three (3) years. The Commission has an Annual Training Plan which is funded to ensure that all staff get an opportunity to be trained based on the training needs identified in the course of their work and during the performance appraisal. The Commission also supports officers to be in good professional standing with their professional bodies by facilitating their Annual Subscription and Continuous Professional Development (CPD) training. Further staff are trained in career development courses, specialised skills and seminars and workshops.

The Commission has a robust Performance Management System that comprise tools such as the Target Setting Form and the Annual Performance Appraisal Form which guides the target setting and appraisal processes in the Commission. Targets are set at the beginning of the financial year and appraisal is done at the end of the year based on the targets agreed between the supervisor and the supervisee at the beginning of the year. All staff are sensitised on the use of the tools which are reviewed every two to three years. The Commission recommends officers for National honours and awards and issues commendation letters in recognition of exemplary performance. Further proposals to consider reviewing allowances paid to staff have been submitted to Salaries and Remuneration Commission (SRC) for consideration, within the financial year under review. The Commission has a Health and Safety Policy that is in compliance with the Occupational Safety and Health Act of 2007.

### **3. Market Place Practices**

Ethics and Anti-Corruption Commission operates in an environment with a wide range of risk profiles, making anti-bribery a central focus of our concern for compliance. Public Procurement Code of Ethics for Procuring Entities, provides comprehensive coverage on anti-bribery and anti-corruption guidelines, addressing such issues as fraud, bribery, conflicts of interest, among others. Further, the Commission has established guidelines on management of conflict of interest geared towards promoting ethics and integrity in the workplace. Together, these policies emphasize the fact that Ethics and Anti-Corruption Commission strictly prohibits bribery in any form, including but not limited to kickbacks, indirect bribery, unlawful political contributions, and improper charitable contributions.

The Commission has consistently applied the most competitive procurement methodology based on the prevailing procurement circumstances with emphasis on maximizing value for money. The Commission also conducts due diligence on third parties to ensure that it engages the right supplier in its procurement.



The Commission has established a responsible supplier relationship by strict compliance to the public procurement and asset disposal processes and principles as laid down in the public procurement and asset disposal legislative framework. Further, the Commission has enhanced its communication as a tool in bettering the management of the existing suppliers. The use of online procurement modules has further enhanced efficiency hence increased trust in our procurement process. This has made suppliers to have a better understanding of the Commission's business goals.

#### **4. Community Engagements**

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. During the year under review, the Commission, offered support to the families affected by the landslide in West Pokot County.



## VIII. MANAGEMENT DISCUSSIONS AND ANALYSIS

The Scheme was introduced in the financial year 2015/2016 and has steadily grown from the initial KES 300,000,000 to a capital base of KES 935,156,863 as reported in the financial year under review.

The number of staff who have shown interest in Mortgage and Car Loan facility has continued to grow. It has grown overtime recording 99 successful applications for mortgage amounting to KES 732,901,572 and 85 successful applications for Car loan amounting to KES 110,958,300 as at the end of the period under review.

Performance for the periods 2015/2016 to 2019/2020

|                                  | <b>Mortgage</b>    | <b>Car Loan</b>    | <b>Total</b>         |
|----------------------------------|--------------------|--------------------|----------------------|
| Financing from National Treasury | 800,000,000        | 60,000,000         | 860,000,000          |
| Principal repayments received    | 92,835,664         | 54,237,352         | 147,073,016          |
| Interest earned                  | 95,247,034         | 30,042,614         | 125,289,647          |
| <b>Total Inflows</b>             | <b>988,082,698</b> | <b>144,279,965</b> | <b>1,132,362,663</b> |
| Loans Issued                     | 732,901,572        | 110,958,300        | 843,859,872          |
| Scheme Administration Cost       | 45,209,506         | 4,923,276          | 50,132,782           |
| <b>Total Outflows</b>            | <b>778,111,078</b> | <b>115,881,576</b> | <b>893,992,654</b>   |
| <b>Net Inflows</b>               | <b>209,971,620</b> | <b>28,398,389</b>  | <b>238,370,009</b>   |

Sharia compliant product for the members of staff professing Islam faith that was introduced in the previous financial year has shown tremendous interest, with 15 successful applicants enjoying the service.



## **IX. REPORT OF THE COMMISSION AND THE SCHEME**

The Commission submits its report together with the audited financial statements for the year ended June 30, 2020 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, 2020 are set out on page 157 to 170.

### **Commissioners**

The Commission members of who served during the year are shown on page 84 to 86 in accordance with Ethics and Anti-Corruption Act, 2011.

### **Dividends/Surplus remission**

The entity did not make any surplus during the year 2019/2020 and hence no remittance to the consolidated fund.

### **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, 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, 2020. 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, 2020, 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 October 6, 2020 and signed on its behalf by:

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

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





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

### REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
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, 2020

##### 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 2 to 16, which comprise the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in equity, statement of cash flows and the 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, 2020, 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, Ethics and Anti-Corruption Commission (EACC Staff House Mortgage Scheme) Regulations, 2017 and the Public Finance Management Act, 2012.

##### 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 Management 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.

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*Report of the Auditor-General on Ethics and Anti-Corruption Commission - Staff House Mortgage and Car Loan Scheme for the year ended 30 June, 2020*



**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, 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 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 overall 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 Commissioners**

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

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*Report of the Auditor-General on Ethics and Anti-Corruption Commission - Staff House Mortgage and Car Loan Scheme for the year ended 30 June, 2020*



due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Scheme's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to liquidate the Scheme or to 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.

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 resources are applied in an effective way.

Commissioners are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Scheme 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 overall 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

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*Report of the Auditor-General on Ethics and Anti-Corruption Commission - Staff House Mortgage and Car Loan Scheme for the year ended 30 June, 2020*





of internal controls, risk management and overall 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 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.
- 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 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 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.

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*Report of the Auditor-General on Ethics and Anti-Corruption Commission - Staff House Mortgage and Car Loan Scheme for the year ended 30 June, 2020*



- 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**

**04 November, 2020**

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*Report of the Auditor-General on Ethics and Anti-Corruption Commission - Staff House Mortgage and Car Loan Scheme for the year ended 30 June, 2020*



## STATEMENT OF FINANCIAL PERFORMANCE

AS AT 30 JUNE 2020

|                                                            | Notes | 2019-2020<br>KES  | 2018-2019<br>KES  |
|------------------------------------------------------------|-------|-------------------|-------------------|
| <b>Revenue from exchange transactions</b>                  |       |                   |                   |
| Interest on Bank Balance                                   | 5     | 7,244,085         | 13,462,514        |
| Interest on Individuals Staff House Mortgage and Car Loans | 6     | 26,096,486        | 20,975,263        |
| <b>Total Revenue</b>                                       |       | <b>33,340,571</b> | <b>34,437,777</b> |
| <b>Expenses</b>                                            |       |                   |                   |
| 3% Commission to Service Provider                          | 7     | 19,572,365        | 15,731,447        |
| Bank Service Charges                                       |       | 1,785             | -                 |
| <b>Total Expenses</b>                                      |       | <b>19,574,150</b> | <b>15,731,447</b> |
| <b>Surplus for the period</b>                              |       | <b>13,766,421</b> | <b>18,706,330</b> |

**STATEMENT OF FINANCIAL POSITION**

AS AT JUNE 30, 2020

|                                                  | Notes | 2019-2020<br>KES   | 2018-2019<br>KES   |
|--------------------------------------------------|-------|--------------------|--------------------|
| <b>Assets</b>                                    |       |                    |                    |
| <b>Current Assets</b>                            |       |                    |                    |
| Cash and cash equivalents                        | 8     | 238,370,009        | 236,915,361        |
| Short term receivables from staff House Mortgage | 9     | 42,054,731         | 30,887,419         |
| Short term receivables from staff Car Mortgage   | 9     | 20,229,636         | 17,685,327         |
|                                                  |       | <b>300,654,377</b> | <b>285,488,107</b> |
| <b>Non-Current Assets</b>                        |       |                    |                    |
| Long term receivables from staff House Mortgage  | 10    | 598,011,175        | 509,248,054        |
| Long term receivables from staff Car Mortgage    | 10    | 36,491,312         | 38,490,679         |
|                                                  |       | <b>634,502,486</b> | <b>547,738,733</b> |
| <b>Total Assets</b>                              |       | <b>935,156,863</b> | <b>833,226,840</b> |
| <b>Liabilities</b>                               |       |                    |                    |
| Current Liabilities                              | 11    | -                  | 1,836,397          |
| Non-Current Liabilities                          |       |                    | -                  |
| <b>Total liabilities</b>                         |       | <b>-</b>           | <b>1,836,397</b>   |
| <b>Equity</b>                                    |       |                    |                    |
| Reserves(Accumulated fund)                       | 12    | 75,156,863         | 61,390,443         |
| Mortgage and Car Loan Revolving fund             | 13    | 860,000,000        | 770,000,000        |
|                                                  |       | <b>935,156,863</b> | <b>831,390,443</b> |
| <b>Total Equity and liabilities</b>              |       | <b>935,156,863</b> | <b>833,226,840</b> |

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

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

**Joel I. Mukumu****ICPAK No: 5917****Ag. Director Finance & Planning**



## STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2020

|                                   | Notes | Staff Car<br>Loan and<br>Mortgage<br>Fund | Revenue<br>Reserve | Total              |
|-----------------------------------|-------|-------------------------------------------|--------------------|--------------------|
|                                   |       | KES                                       | KES                | KES                |
| <b>Balance as at 30 June 2018</b> |       | <b>730,000,000</b>                        | <b>42,684,113</b>  | <b>772,684,113</b> |
| Staff car loan and mortgage fund  |       | 40,000,000                                |                    | 40,000,000         |
| Surplus for the period            |       | -                                         | 18,706,330         | 18,706,330         |
| <b>Balance as at 30 June 2019</b> |       | <b>770,000,000</b>                        | <b>61,390,443</b>  | <b>831,390,443</b> |
| Staff car loan and mortgage fund  | 15    | 90,000,000                                |                    | 90,000,000         |
| Surplus for the period            |       | -                                         | 13,766,421         | 13,766,421         |
| <b>Balance as at 30 June 2020</b> |       | <b>860,000,000</b>                        | <b>75,156,864</b>  | <b>935,156,863</b> |



**STATEMENT OF CASH FLOW****FOR THE YEAR ENDED 30 JUNE 2020**

|                                                    | Notes | <b>2019-2020</b><br><b>KES</b> | <b>2018-2019</b><br><b>KES</b> |
|----------------------------------------------------|-------|--------------------------------|--------------------------------|
| <b>Cash flows From Operating Activities</b>        |       |                                |                                |
| Surplus from operations                            |       | 13,766,421                     | 18,706,330                     |
|                                                    |       | <b>13,766,421</b>              | <b>18,706,330</b>              |
| <b>Income from Operations</b>                      |       |                                |                                |
| Staff Mortgage and Car Loan short term receivables |       | (13,711,622)                   | (14,127,561)                   |
| (Decrease) in payables                             |       | (1,836,397)                    | -                              |
| <b>Net cash flows from operating activities</b>    |       | <b>(1,781,597)</b>             | <b>4,578,769</b>               |
| <b>Cash flows From Investing Activities</b>        |       |                                |                                |
| Staff Mortgage and Car Loan long term receivables  |       | (86,763,753)                   | (146,916,209)                  |
| <b>Net cash utilized in investing activities</b>   |       | <b>(86,763,753)</b>            | <b>(146,916,209)</b>           |
| <b>Cash flows From Financing Activities</b>        |       |                                |                                |
| Staff Mortgage and Car Loan Fund                   | 15    | 90,000,000                     | 40,000,000                     |
| <b>Net cash used in Financing activities</b>       |       | <b>90,000,000</b>              | <b>40,000,000</b>              |
| <b>Net increase in cash and cash equivalents</b>   |       | <b>1,454,649</b>               | <b>(102,337,440)</b>           |
| Bank and Cash equivalents at beginning of year     |       | 236,915,361                    | 339,252,802                    |
| <b>Bank and cash equivalent at end of year</b>     | 8     | <b>238,370,009</b>             | <b>236,915,361</b>             |



## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FY 2019/2020

|                                 | Original budget<br>2019-2020<br>KES | Adjustments<br>2019-2020<br>KES | Final budget<br>2019-2020<br>KES | Actual on comparable<br>basis<br>2019-2020<br>KES | Performance<br>difference<br>2019-2020<br>KES |
|---------------------------------|-------------------------------------|---------------------------------|----------------------------------|---------------------------------------------------|-----------------------------------------------|
| <b>Revenue</b>                  |                                     |                                 |                                  |                                                   |                                               |
| Government grants and subsidies | -                                   | -                               | -                                | -                                                 | -                                             |
| Development Expenditure         | -                                   | -                               | -                                | -                                                 | -                                             |
| Staff mortgage Car loan         | 90,000,000                          | -                               | 90,000,000                       | 90,000,000                                        | -                                             |
| Other Income                    |                                     |                                 |                                  | 33,340,571                                        | 33,340,571                                    |
| <b>Total income</b>             | <b>90,000,000</b>                   | <b>-</b>                        | <b>90,000,000</b>                | <b>123,340,571</b>                                | <b>33,340,571</b>                             |
| <b>Expenses</b>                 |                                     |                                 |                                  |                                                   |                                               |
| Compensation of employees       | -                                   | -                               | -                                | -                                                 | -                                             |
| Use Goods and services          | -                                   | -                               | -                                | 19,574,150                                        | (19,574,150)                                  |
| Staff Loan                      | 90,000,000                          | -                               | 90,000,000                       | 90,000,000                                        | -                                             |
| <b>Total expenditure</b>        | <b>-</b>                            | <b>-</b>                        | <b>-</b>                         | <b>109,574,150</b>                                | <b>(19,574,150)</b>                           |
| <b>Surplus for the period</b>   |                                     |                                 |                                  | <b>13,766,421</b>                                 | <b>13,766,421</b>                             |

*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 actual budgetary allocation during the financial year.



## NOTES TO THE FINANCIAL STATEMENTS

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

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

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

### 2. Summary of significant accounting policies

#### a) Revenue recognition

##### Revenue from non-exchange transactions – IPSAS 23

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

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

##### Transfers from other government entities

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

##### *Sale of goods*

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

##### *Interest income*

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

**b) Budget information – IPSAS 24**

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

**c) Investment property – IPSAS 16**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if 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.



#### **f) Research and development costs**

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

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

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

#### **g) Inventories – IPSAS 12**

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

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

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

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

#### **h) Provisions – IPSAS 19**

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

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



### ***Contingent liabilities***

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

#### **i) Changes in accounting policies and estimates – IPSAS 3**

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

#### **j) Cash and cash equivalents**

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

#### **k) Comparative figures**

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

#### **i) 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

### 3. Adoption of new and Revised Standards

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

| Standard                    | Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IPSAS 39: Employee Benefits | <p>Applicable: 1st January 2018:</p> <p>The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.</p> <p>(This is not applicable for EACC since there are no employees paid to work for the scheme)</p> |

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

| Standard                             | Effective date and impact:                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IPSAS 40: Public Sector Combinations | <p>Applicable: 1st January 2019:</p> <p>The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations. (This is not applicable for EACC)</p> |

### 4. 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. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds (The Commission did not receive transfers from any government Institution)



**5 Income from Bank Balance**

|                                        | 2019-2020        | 2018-2019         |
|----------------------------------------|------------------|-------------------|
| Item                                   | KES              | KES               |
| Staff Mortgage Bank Account HFC        | 1,953,322        | 3,971,687         |
| Staff Mortgage Bank Account KCB        | 4,585,377        | 5,958,222         |
| Interest overstated in previous period | (6,394)          | (985,805)         |
| Interest Car Loan Bank Account         | 711,779          | 4,518,411         |
| <b>Total Income from Bank Balance</b>  | <b>7,244,085</b> | <b>13,462,514</b> |

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

|                                        | 2019-2020         | 2018-2019         |
|----------------------------------------|-------------------|-------------------|
|                                        | KESs              | KESs              |
| Individual Staff Mortgage 4% Interest  | 23,704,368        | 18,913,027        |
| Individual Car Loan 4% Interest        | 2,392,118         | 2,062,236         |
| <b>Total Individual Staff Interest</b> | <b>26,096,486</b> | <b>20,975,263</b> |

**7 Expenses; 3% Commission for service Provider**

|                                       | 2019-2020         | 2018-2019         |
|---------------------------------------|-------------------|-------------------|
|                                       | KESs              | KESs              |
| Individual Staff Mortgage 3% Interest | 17,778,276        | 14,184,770        |
| Individual Car Mortgage 3% Interest   | 1,794,088         | 1,546,677         |
| <b>Total Expenses</b>                 | <b>19,572,365</b> | <b>15,731,447</b> |

**8 Cash and Cash Equivalent**

|                                 | 2019-2020          | 2018-2019          |
|---------------------------------|--------------------|--------------------|
|                                 | KESs               | KESs               |
| HFC Staff Mortgage Bank Account | 63,329,701         | 84,949,973         |
| KCB Staff Mortgage Bank Account | 146,641,319        | 122,490,965        |
| HFC Car Loan Bank Account       | 28,398,989         | 29,474,423         |
| <b>Total</b>                    | <b>238,370,009</b> | <b>236,915,361</b> |

**9 Short -Term Receivables from non-exchange contracts**

|                                      | 2019-2020         | 2018-2019         |
|--------------------------------------|-------------------|-------------------|
|                                      | KES               | KES               |
| EACC Mortgage Issuance               | 42,054,731        | 30,887,419        |
| EACC Car Loan Issuance               | 20,229,636        | 17,685,327        |
| <b>Total Short -Term Receivables</b> | <b>62,284,368</b> | <b>48,572,745</b> |

**10 Long -Term Receivables from non-exchange contracts**

|                                     | <b>2019-2020</b>   | <b>2018-2019</b>   |
|-------------------------------------|--------------------|--------------------|
|                                     | <b>KES</b>         | <b>KES</b>         |
| EACC Mortgage Issuance              | 598,011,175        | 509,248,054        |
| EACC Car Loan Issuance              | 36,491,312         | 38,490,679         |
| <b>Total Long -Term Receivables</b> | <b>634,502,486</b> | <b>547,738,733</b> |

**11 Current Liabilities**

|                                  | <b>2019-2020</b> | <b>2018-2019</b> |
|----------------------------------|------------------|------------------|
|                                  | <b>KES</b>       | <b>KES</b>       |
| Interest Due to HFC              | -                | 1,836,397        |
| <b>Total Current Liabilities</b> | <b>-</b>         | <b>1,836,397</b> |

**12 Revenue Reserve**

|                         | <b>2019-2020</b>  | <b>2018-2019</b>  |
|-------------------------|-------------------|-------------------|
|                         | <b>KES</b>        | <b>KES</b>        |
| Balance Brought Forward | 61,390,442        | 42,684,112        |
| Surplus for the year    | 13,766,421        | 18,706,330        |
| <b>Total</b>            | <b>75,156,863</b> | <b>61,390,442</b> |

**13 Fund Balances**

|                         | <b>2019-2020</b>   | <b>2018-2019</b>   |
|-------------------------|--------------------|--------------------|
| <b>Item</b>             | <b>KES</b>         | <b>KES</b>         |
| Balance Brought Forward | 770,000,000        | 730,000,000        |
| Staff House Mortgage    | 90,000,000         | 40,000,000         |
| Staff Car Loan          | -                  | -                  |
| <b>Total</b>            | <b>860,000,000</b> | <b>770,000,000</b> |

**14. Fund Performance**

The Scheme recorded 22 applications for Mortgage amounting to KES 138,963,202 and 17 for Car Loan amounting to KES. 22,017,000 as at the end of the period under review compared with 25 successful applications for Mortgage and 25 successful applications for Car loan in the previous financial year as analysed below.

**Statement of Fund Performance**

|                | <b>2019-2020</b>                       |                    | <b>2018-2019</b>                       |                    |
|----------------|----------------------------------------|--------------------|----------------------------------------|--------------------|
| <b>Scheme</b>  | <b>Number of successful applicants</b> | <b>Amount</b>      | <b>Number of successful applicants</b> | <b>Amount</b>      |
| Staff Mortgage | 22                                     | 138,963,201        | 23                                     | 176,407,429        |
| Staff Car loan | 17                                     | 22,017,000         | 25                                     | 32,648,500         |
|                | <b>39</b>                              | <b>160,980,201</b> | <b>48</b>                              | <b>209,055,929</b> |



## 15. EACC Staff Car Loan and House Mortgage Scheme

The Commission funded; KES 90,000,000/- for Staff Car Loan and Mortgage Scheme.

### Fund accountability Statement as at 30th June 2020

|                                      | House<br>Mortgage<br>Scheme<br>Interest | House<br>Mortgage<br>Scheme | Car Loan<br>Scheme<br>Interest | Car Loan<br>Scheme | Total              |
|--------------------------------------|-----------------------------------------|-----------------------------|--------------------------------|--------------------|--------------------|
| <b>Scheme Funding:</b>               |                                         |                             |                                |                    |                    |
| Opening Balance 01.07.2019           |                                         | 747,576,411                 |                                | 85,650,428         | 833,226,839        |
| Funding for the year                 |                                         | 90,000,000                  |                                | -                  | 90,000,000         |
| <b>Total Capital Funding</b>         |                                         | <b>837,576,411</b>          |                                | <b>85,650,428</b>  | <b>923,226,839</b> |
| <b>Interest</b>                      |                                         |                             |                                |                    |                    |
| Interest earned on Bank Balance HFC  |                                         | 1,953,322                   |                                | 711,779            | 2,665,101          |
| Interest refundable to HFC 2018-2019 |                                         |                             |                                | (1,836,397)        | (1,836,397)        |
| Interest earned on Bank Balance KCB  |                                         | 4,585,377                   |                                | -                  | 4,585,377          |
| Interest overstated in Previous Year |                                         | (2,490)                     |                                | (3,904)            | (6,394)            |
| Interest earned ;4% on Loans Issued  | 23,704,368                              |                             | 2,392,118                      |                    |                    |
| Less:3% Administration fees          | (17,778,276)                            | 5,926,092                   | (1,794,088)                    | 598,029            | 6,524,122          |
| Bank Service Charges                 |                                         | (1,785)                     |                                |                    | (1,785)            |
| <b>Total net Interest</b>            |                                         | <b>12,460,516</b>           |                                | <b>(530,492)</b>   | <b>11,930,024</b>  |
| <b>Total Fund</b>                    |                                         | <b>850,036,927</b>          |                                | <b>85,119,936</b>  | <b>935,156,863</b> |
| Total Loans Issued: KCB Mortgage     | (85,915,487)                            |                             |                                | -                  | -                  |
| Total Principal Repaid: KCB Mortgage | 1,618,373                               | (84,297,114)                |                                | -                  | (84,297,114)       |
| Total Loans Issued: HFC Mortgage     | (646,986,085)                           |                             |                                |                    | -                  |
| Total Principal Repaid: HFC Mortgage | 91,217,292                              | (555,768,793)               |                                | -                  | (555,768,793)      |
| Total Loans Issued: HFC Car loan     |                                         |                             | (110,958,300)                  |                    |                    |
| Total Principal Repaid: HFC Car loan |                                         |                             | 54,237,353                     | (56,720,947)       | (56,720,947)       |
| <b>Fund Balance 30.06.2020</b>       |                                         | <b>209,971,021</b>          |                                | <b>28,398,989</b>  | <b>238,370,009</b> |



#### **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 Scheme did not have any Audit follow up issues for the previous Audited Financial Year 2018/19.

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

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







