STRENGTHENING PUBLIC AUDIT ACCOUNTABILITY IN KENYA

A Baseline Survey Report
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A BASELINE SURVEY REPORT
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<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>AGSA</td>
<td>Auditor General of South Africa</td>
</tr>
<tr>
<td>ALAC</td>
<td>Advocacy and Legal Advice Centre</td>
</tr>
<tr>
<td>A4T</td>
<td>Action for Transparency</td>
</tr>
<tr>
<td>APNAC</td>
<td>African Parliamentarians’ Network Against Corruption</td>
</tr>
<tr>
<td>BFIU</td>
<td>Banking Fraud Investment Unit</td>
</tr>
<tr>
<td>CID</td>
<td>Criminal Investigation Department</td>
</tr>
<tr>
<td>CoK</td>
<td>Constitution of Kenya</td>
</tr>
<tr>
<td>CSO</td>
<td>Civil Society Organizations</td>
</tr>
<tr>
<td>EACC</td>
<td>Ethics and Anti-Corruption Commission</td>
</tr>
<tr>
<td>FS</td>
<td>Financial statements</td>
</tr>
<tr>
<td>ICPAK</td>
<td>Institute of Certified Public Accountants of Kenya</td>
</tr>
<tr>
<td>IEC</td>
<td>Information, Education, Communication materials</td>
</tr>
<tr>
<td>IFAC</td>
<td>International Federation of Accountants</td>
</tr>
<tr>
<td>KII</td>
<td>Key Informant Interviews</td>
</tr>
<tr>
<td>LIA</td>
<td>Leadership and Integrity Act</td>
</tr>
<tr>
<td>OAG</td>
<td>Office of the Auditor General</td>
</tr>
<tr>
<td>OCB</td>
<td>Office of the Controller of Budget</td>
</tr>
<tr>
<td>PAA</td>
<td>Public Audit Act</td>
</tr>
<tr>
<td>PAC</td>
<td>Parliamentary Accounts Committee</td>
</tr>
<tr>
<td>PAFA</td>
<td>Pan-African Federation of Accountants</td>
</tr>
<tr>
<td>PFMA</td>
<td>Public Finance Management Act</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical package for Social Sciences</td>
</tr>
<tr>
<td>TI</td>
<td>Transparency International</td>
</tr>
</tbody>
</table>
Acknowledgements

Transparency International Kenya appreciates all those who were involved in undertaking this survey. TI-Kenya is grateful to the stakeholders (APNAC, ICPAK, IEA, OAG, EACC, Citizens, CSOs, CAJ) who were involved in this study. Your input into this study and support towards enhancement of public accountability will be cherished forever.

Many thanks to Titus Ogalo, the author of the Project Concept and Coordinator the baseline survey. His guidance throughout the survey period is ultimately mirrored in the results. Great appreciation to the Social Accountability Project Officer Eric Kinaga, for the time dedicated and support accorded towards the study.

Sincere gratitude to the TI-Kenya staff working in the regional offices for their dedication and invaluable support in data collection within six counties. The successful completion of this survey is a reflection of their commitment.

The conclusion of this study owes great credit to Dennilison Musau, the Quality Assurance Executive at Transparency International Kenya. TI-Kenya cherishes the time and commitment dedicated to the planning and execution of this study.

Special appreciation to Sheila Masinde (Programs Manager) and Samuel Kimeu (Executive Director) for their overall guidance and support in development and production of the report.

Finally, TI-Kenya expresses sincere gratitude to The Ford Foundation for their support towards the study and the enhancement of Public Audit Accountability in Kenya. This study is an eye opener in to the challenges facing Public Audit Accountability and provides practical solutions to these challenges.
Executive Summary

Public audit is an integral part of public financial management in Kenya. The Public Finance Management Act (2012) provides a framework for effective management of public finances by the national and county governments and spells out the oversight responsibilities of Parliament and county assemblies.

Oversight efforts in Kenya are undertaken by various institutions which include; Parliamentary and County Assemblies’ committees, Ethics and Anticorruption Commission (EACC), Office of the Auditor General (OAG), the Inspectorate of State Corporations and the internal audit departments. The OAG is an independent office mandated by the constitution to provide statutory review of government operations and report to Parliament (PFM Act, 2012).

Article 229 of the CoK, establishes the office of the Auditor General, “There shall be an Auditor-General who shall be nominated by the President and, with the approval of the National Assembly, appointed by the President.”

The OAG is tasked with auditing and reporting, in respect to a particular financial year, on the accounts of the National and County Governments; all funds and authorities of the national and county governments; all courts; every commission and independent office established by the Constitution; the National Assembly, the Senate and the County Assemblies; political parties funded from public funds; public debt; and the accounts of any other entity that legislation requires the Auditor-General to audit. This is submitted within six months after the end of each financial year.

The audit process in Kenya has critical gaps that affect the efficacy of the reports and implementation of the recommendations that emanate from the audit process. Key challenges include; Inaction on documented financial malpractices by state actors, poor/ lack of cooperation by accounting officers during the audit process, technical language used in audit reports, institutional capacity gaps within the Office of the Auditor General hence inefficiencies in the audit process and poor tracking of the public audit cycle by critical stakeholders like the civil society and the media.
These challenges not only require a multiplex approach, but also multidimensional interventions meant to address the myriad of challenges facing the audit accountability process in Kenya. It is out of this background that TI-Kenya in collaboration with the OAG under the support of Ford Foundation conducted a baseline study to scrutinize these challenges while also seeking appropriate and practical solutions. The study was conducted in Nairobi, Uasin Gishu, Elgeyo Marakwet, Siaya, Bungoma, Kakamega and Mombasa counties through a mixed method approach.

This study revealed that the public audit process is bedeviled by legislative, policy, technical and operational challenges. To begin with, the OAG faces major challenges in financial resources, insufficient human resource, inadequate capacity in specialized areas like mining, gas, tax and military audits, insufficient equipment, lack of adequate training to address staff capacity gaps, inadequate preparedness towards oncoming audits and delay in preparation of audit reports. These technical and operational challenges have adversely affected the efficiency and effectiveness of the operations of the OAG.
Summary of Findings

1.1.1 Questioned costs 2009-2016

1.1.2 Challenges faced by various institutions in the public audit process

a. Office of the Auditor General
   i. Inadequate financial resources
   ii. Inadequate logistics
   iii. Human resource capacity gaps
   iv. Inadequate (lack of) preparation by auditees
   v. Limited mandate of the OAG

b. Parliamentary/ County Oversight Committees
   i. Lengthy, complex, and technical reports
   ii. Delay in preparation and dissemination of audit reports.
   iii. Inadequate support staff.
   iv. Unresponsive government officers
   v. Limited mandate of the senate
   vi. Political interference and interests
   vii. Partisan political positions
   viii. Lack of time/commitment and discipline.
   ix. Lack of oversight capacity.
c. County Oversight Committees
   i. Lengthy, complex, and technical reports
   ii. Delay in preparation and dissemination of audit reports.
   iii. Inadequate support staff.
   iv. Political interference and interests
   v. Lack of time/commitment and discipline.
   vi. Lack of oversight capacity

d. Civil society Organizations
   i. Hostility and non-cooperation from government.
   ii. Lack of emphasis on civil and political rights
   iii. Ineffective networking and coordination
   iv. Lack of clarity in CSO mandate.
   v. Unstable resource base

e. Media
   i. Limited capacity of investigative journalists
   ii. Inaccessibility of public audit report and lack of clarification on audit issues
   iii. Independence of media houses
   iv. Preference to current issues as opposed to historical audit issues
   v. Competition among media houses leading to focus on different issues and stories
   vi. Complex and technical nature of audit reports
   vii. Self-censorship due to lack of authenticity of audit report

f. Ethics and Anti-Corruption Commission (EACC)
   i. Slow judicial process
   ii. Political influence/ interference.
   iii. Inadequate evidence to support suspected corruption/ mismanagement of public funds
   iv. Inadequate cooperation between the EACC and the OAG
   v. Inadequate capacity to investigate suspected misuse of public resources.

g. Director of Public Prosecutions
   i. Delays in production, deliberation and implementation of the public audit reports
   ii. Reluctance of witnesses to testify due security concerns or witness interference
   iii. Inadequate evidence to support prosecution of suspected corruption
   iv. Inadequate financial resources to hire and train adequate prosecutors
   v. Poor terms and conditions of service
   vi. Political influence/ interference
h. Director of Criminal Investigations
   i. Delays in production, deliberation and implementation of the public audit reports
   ii. Political influence/interference
   iii. Lack of modern technological equipment to conduct forensic investigations
   iv. Inadequate capacity to handle emerging crimes such as money laundering and cybercrime
   v. Corruption within the National Police Service
   vi. Inadequate financial resources to hire and train adequate investigators

1.1.3 Citizen awareness of the public audit

<table>
<thead>
<tr>
<th>Awareness</th>
<th>Number of respondents</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
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<td>250</td>
<td>79.9%</td>
</tr>
<tr>
<td>No</td>
<td>63</td>
<td>20.1%</td>
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1.1.4 Sources of citizen information on public audit

<table>
<thead>
<tr>
<th>Source</th>
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<th>Percentage</th>
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<tr>
<td>Mainstream media</td>
<td>118</td>
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<tr>
<td>Public forum</td>
<td>84</td>
<td>26.8%</td>
</tr>
<tr>
<td>Social media</td>
<td>96</td>
<td>30.7%</td>
</tr>
<tr>
<td>Other</td>
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<td>4.8%</td>
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1.1.5 Citizens awareness on their role in public finance management

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<tbody>
<tr>
<td>90</td>
<td>223</td>
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</tbody>
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1.1.6 Citizen participation in public audit

<table>
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<tr>
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<th>No</th>
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<tbody>
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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>14.1%</td>
<td>85.9%</td>
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</table>
1.1.7 Citizen awareness on the role of the OAG.

<table>
<thead>
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<td>Yes</td>
<td>229</td>
<td>73.2%</td>
</tr>
<tr>
<td>No</td>
<td>84</td>
<td>26.8%</td>
</tr>
</tbody>
</table>

1.1.8 Hindrances to active public participation

**Hindrances**

1. Inaction on public concerns (public views are not considered)
2. Ignorance (Lack of knowledge on citizen responsibility in public audit)
3. Inadequate Information (The public isn’t adequately informed and in good time, Lack of awareness, Poor communication channels)
4. Lack of effective public involvement
5. Lack of adequate time for public participation)
6. Lack of transparency (The process is done without public awareness and involvement)
7. Lack of adequate opportunities for public participation
8. Lack of proper access to audit reports
9. Lack of confidence in the public audit process
10. Personal commitments driven by the high cost of living
11. Corruption resulting to lack of objective public engagement
12. Lack of Interest

1.1.9 Availability of public audit reports

<table>
<thead>
<tr>
<th></th>
<th>Number of respondents</th>
<th>Percentage</th>
</tr>
</thead>
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<tr>
<td>No</td>
<td>213</td>
<td>68.1%</td>
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1.1.10 Feasibility of Public audit reports

<table>
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<tr>
<th></th>
<th>Number of respondents</th>
<th>Percentage</th>
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<tbody>
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<td>Yes</td>
<td>51</td>
<td>16.3%</td>
</tr>
<tr>
<td>No</td>
<td>262</td>
<td>83.7%</td>
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</table>
1.1.11 Ways of enhancing citizen participation in the public audit

**Enhancement strategy**

1. Citizen awareness through public forums, training sessions, use of community representatives
2. Public involvement in public audit process, tonsure transparency and inclusiveness in the process
3. Use of innovative technology and creativity to engage the public on the public audit process
4. Ensuring accessibility of the public audit report/ Dissemination of public audit reports to community members
5. Providing more avenues for citizen participation
6. Follow up and protection of whistle blowers to boost public confidence in whistle blowing
7. Simplification of audit reports by experts for public use.
8. Holding leaders responsible to increase citizen interest and confidence in the process
9. Timely release of the audit reports and enhanced awareness on the availability of the reports.

1.1.12 Recommendations from the Survey

**a. Office of the Auditor General**

i. Enhancement of the mandate of the OAG to cover enforcement of audit findings.

ii. Incorporation of an interagency taskforce to follow and ensure action on the audit report and queries

iii. Increasing publicity and awareness of the public audit report through TV, radio, internet and other media platforms.

iv. Enhancing communication between OAG and the media.

v. Training and capacity building of oversight committees in Parliament and County Assemblies

vi. Capacity building of the media on investigative journalism, analysis and reporting on the public audit report.

vii. Production of simplified/ abridged versions of the public audit reports
viii. Public awareness/ sensitization on the public audit process and the role of citizens

ix. Development of innovative ways of disseminating the audit report

x. Partnerships with key stakeholders including ICPAK, Parliament, county assemblies, CSOs and media to enhance the capacity of the OAG.

xi. Decentralization of the Audit function to all 47 Counties of Kenya to increase efficiency in the public audit process.

xii. Adoption of accrual basis of accounting for all public entities

xiii. Work more closely with other watch dog institutions (EACC, Parliamentary and County Assembly Committees, DCI, DPP)

xiv. Enhanced interagency collaboration in the audit process especially EACC, DPP, Parliament, DCI, relevant Committees.

xv. Timely dissemination of audit report to the relevant Standing Committee of Parliament and relevant County Assembly Committee for discussion and initiation of suitable follow up actions to the audit queries.

b. Parliament

i. Improved Political will and support for oversight functions

ii. Enforcement of strict timelines within which compliance and enforcement of parliament’s recommendations should be undertaken.

iii. Periodic trainings, refresher courses, benchmarking and, documentation of best practices to enhance oversight capacity.

iv. Legislators should be restricted to serving in not more than two committees to ensure focus, effectiveness oversight.

v. Enactment of laws to enhance public audit process e.g. Whistle Blower’s Protection Bill and False Claims Bill.

vi. Development of citizen participation mechanisms for public participation through live coverage of parliamentary committee summons, public participation in the oversight committee hearings as well as county-based oversight committee hearings.

vii. Establishment of a framework of cooperation between parliament and civil society on research and oversight.

viii. Enactment of legislation to facilitate social audits

ix. Amendment of the PFMA to enhance autonomy of oversight committees and inhibit the culture of tokenism.
c. **County Governments**  
   i. Ensure all Chief Financial Officers (Head of Finance) and Senior Finance Officers are members of ICPAK for regulation.  
   ii. Hire internal auditors to ensure compliance to financial management and reporting frameworks/procedures and minimise risks.  
   iii. Capacity building of staff and relevant county assembly committees, finance, budget to build their capacity on financial management.

d. **Civil society Organizations**  
   i. Partner with the OAG to sensitize the public on public audit process  
   ii. Reviewing and publishing of abridged versions of the public audit report  
   iii. Conduct specialized trainings to the media in collaboration with the OAG on analysis and reporting of the public audit reports as well as investigative journalism.
   iv. Organize county specific forums at grass root levels to discuss the Public Audit report  
   v. Development of innovative platforms for dissemination of public audit reports.  
   vi. Increase advocacy initiatives and strategies towards enhancement of public audit function.  
   vii. Scale up of social audits/budget implementation auditing  
   viii. Undertake research on public audit accountability and conduct public education.

e. **Media**  
   i. Spearheading live coverage of the public audit report dissemination  
   ii. Training of journalists on investigative journalism and public audit reporting in collaboration with CSOs, and the OAG.  
   iii. Presentation of the public audit report in vernacular/community radio/TV stations for increased public awareness and public action.  
   iv. Analysis and dissemination of the public audit report.
Introduction

2.2.1 Transparency International–Kenya

Transparency International–Kenya (TI-Kenya) is a not-for-profit organization founded in 1999 in Kenya with the aim of developing a transparent and corruption-free society through good governance and social justice initiatives. TI-Kenya is one of the autonomous chapters of the global Transparency International movement that are all bound by a common vision of a corruption-free world. The global movement provides a platform for sharing knowledge and experience, developing strategies to respond to regionally distinct patterns of corruption and initiating advocacy campaigns at both the regional and sub-regional level. TI-Kenya’s vision is that of “A corruption-free Kenya” and the mission is to “Champion the fight against corruption by promoting integrity, transparency and accountability at all levels.”

TI-Kenya has 19 years’ experience in governance work at the national and county levels. These include direct engagement with the government, the private sector, individuals and groups with advocacy being its signature approach, complemented by other approaches such as partnerships’ development, research, capacity building and civic engagement.

TI-Kenya has its main office in Nairobi and a regional presence in the Coast, Rift Valley, the larger Western Kenya and parts of Eastern Kenya through its four Advocacy and Legal Advisory Centres (ALACs) in Mombasa, Eldoret, Kisumu and Nairobi. Through the ALACs TI-Kenya has increased the coverage and reach of its services at the community level.

2.2.2 Project Overview

The Office of the Auditor General (OAG) is an independent office created under Article 229 of the Constitution of Kenya and charged with the primary oversight role of ensuring accountability within the three arms of government (Legislature, the Judiciary and the Executive); as well as Constitutional Commissions and Independent Offices.
Article 229 (4) specifies that within six months after the end of each financial year, the Auditor-General shall audit and report in respect to that financial year on the accounts of National and County government, accounts of all funds and authorities of the National and County governments, the accounts of all courts, accounts of every Commission and Independent office established by the Constitution, accounts of the National Assembly, the Senate and the County Assemblies, accounts of political parties funded from public funds, the public debt and the accounts of any entity that legislation requires the Auditor General to audit.

Article 229 (6) of the CoK requires the Auditor-General to confirm whether or not public money has been applied lawfully and in an effective way.

The Office of the OAG is mandated to provide this assurance on accountability of public resources through; Certification of Accounts, Continuous Audit presence and Service Delivery to all Kenyans.

The audit reports generated by the Office of the Auditor General (OAG) are therefore important accountability tools that not only highlight the use of public resources but also reflect the levels of transparency and accountability in the use of public resources as envisaged by the Constitution of Kenya 2010. However, the audit process in Kenya has critical gaps that affect the efficacy of the reports and implementation of the recommendations that emanate from the audit process. Key challenges include;

a. Inaction on documented financial malpractices by state actors
b. Poor/lack of cooperation by accounting officers during the audit process
c. Technical language used in audit reports impedes understanding and usability by the wider public and key actors
d. The institutional capacity gaps within the Office of the Auditor General hence inefficiencies in the audit process.
e. Poor tracking of the public audit cycle by critical stakeholders like the civil society and the media has also been a critical gap due to inadequate capacity, inadequate resources and focus on current issues in the part of the media.
f. Lengthy reports that fail to highlight the most urgent issues and do not summarize what has been resolved and what is still unresolved.
g. Lack of proper understanding of the reports amongst most members of the public, media, civil society and other actors, which affects action on the reports.
h. Lack of clarity and analysis from the media during reporting. This is as a result of inadequate capacity of the media as well as lack of a formal relationship with the OAG.
These challenges not only require a multiplex approach, but also multidimensional interventions meant to address the myriad of challenges facing the audit accountability process in Kenya.

It’s out of these challenges that TI-Kenya in collaboration with the Office of the auditor general through the support of the Ford foundation is undertaking the public audit accountability project to address some of the challenges in the public audit process. This project seeks to institute interventions at the advanced stages of the audit process in collaboration with other key stakeholders.

TI-Kenya will work with other stakeholders including public accountability institutions such as the Office of the Auditor General, Office of the Controller of Budgets, Parliament, Ethics and Anti-Corruption Commission, Commission on Administrative Justice among others, and civil society organizations to provide practical proposals in tackling systemic, institutional and legal framework bottlenecks in public resource accountability efforts. The engagements will put members of the public at the center to empower them on the noted gaps and ensure civic demand for accountability is raised at the national level.

**Long-Term Goal**
- Improved accountability in the utilization of public resources as a result of strengthened audit accountability processes through civic engagement, information sharing and institutional strengthening.

**Medium-Term Outcome**
- The Office of the Auditor General and Parliament (the Senate and National Assembly) are more effective in monitoring the utilization of public resources through policy and legislative reforms and advocacy for good practices in audit accountability processes.

- Citizens empowered in public financial management and oversight management mechanisms for increased monitoring of public resources and demand for better service delivery in Kenya.

**Immediate Outcome.**
- a. Improved analysis and reporting of public audit reports
- b. Improved, user friendly audit and budget reports and documents for public consumption.
- c. A formal working relationship with the Office of the Auditor General established; joint work plans in pursuing common cases drafted and utilized.
- d. Database for tracking public audit queries
e. Increase in no. of Kenyans engaging with audit reports and demanding action on abuse or misuse of public resources.

f. Improved capacity of citizens in the use of public audit reports

g. Improved capacity of journalists to analyze and report on public audit reports.

2.2.3 Project Area
Public audit process entails auditing and reporting in respect to the accounts of National and County government, accounts of all funds and authorities of the National and County governments, the accounts of all courts, accounts of every Commission and Independent office established by the Constitution, accounts of the National Assembly, the Senate and the County Assemblies, accounts of political parties funded from public funds, the public debt and the accounts of any entity that legislation requires the Auditor General to audit.

The project will be undertaken at national level and within selected counties in Kenya. TI-Kenya will take advantage of its regional presence to rollout projects interventions in these counties. TI-Kenya will also collaborate with the OAG through an MoU, joint planning and implementation of project activities. This will be handy in tapping the existing knowledge and expertise of the OAG in the public audit process.

The project will majorly target local citizens for increased awareness and participation in the public audit report and the media so as to increase their capacity in analysis and reporting on the public audit report.

2.2 Survey Objectives
The study sought to establish;

- The role of different stakeholders in the Public audit process
- Awareness on the public audit process in Kenya
- Participation of key stakeholders in the public audit process in Kenya
- Responsiveness of duty bearers to the public audit process
- Challenges facing key stakeholders in the public audit process
- Availability and feasibility of public audit reports
- Recommendations for enhancement of the public audit process

2.3 Survey Methodology and Limitations

2.4.1 Methodology
The study was an assessment of the public audit process in Kenya with a major focus on the role of Key stakeholders in the process, challenges facing the public audit process as well as recommendations for enhancing the public audit process.
For the purposes of this study, both qualitative and quantitative data was acquired through a multi-stage approach. This was meant to get secondary data as well as primary experience and data on the study subject from key stakeholders in the public audit process. The activities in the first stage involved acquisition of secondary data through desk review of publications, documents and reports on the public audit process in Kenya. This provided a foundation for the study and gave insights into the public audit process and the operating environment which guided the study.

The second stage involved the collection of qualitative data from key stakeholders identified during literature review. Key informants in the evaluation were interviewed at the policy and implementation levels. The study population comprised all the relevant stakeholders involved in the public audit process. Persons were eligible to participate solely on the basis of the inclusion and exclusion criteria.

The third stage involved the collection of quantitative data using citizen targeted tool. This was a structured interview questionnaire aimed at assessing citizen awareness of the public audit process. It also sought to assess the accessibility of the public audit report to citizens as well as feasibility of the audit report. These questionnaires were administered by TI-Kenya regional staff in Nairobi, Uasin Gishu, Elgeyo Marakwet, Kakamega and Bungoma Counties. TI-Kenya took advantage of public forums organized by the regional offices to administer the questionnaires.

**Inclusion criteria:**

1. Male or females aged 18 years and above
2. Willingness to voluntarily participate in the study
3. Kenyan citizens

**Exclusion criteria:**

1. Unable to understand the purpose of study and answer the interview questions
2. Minors
3. Foreigners

The study excluded foreigners in the public audit process since it aimed at getting deep understanding of the public audit process, challenges facing the process as well as recommendations for improvement.

The study tools employed in the survey included;
a. **Questionnaires**: This tool was used to obtain required data on the knowledge, experience and opinions about the public audit process in Kenya from different respondents. TI-Kenya took advantage of the public forums in the regional offices to administer the questionnaires. Data was collected from men, women and youth attending public forums in Nairobi, Uasin Gishu, Elgeyo Marakwet, Bungoma and Siaya counties.

b. **Key Informant Interview (KII) Guide**: This tool was used to conduct qualitative in-depth interviews with key stakeholders in the public audit process.

Data cleaning was conducted by running frequency distributions to track missing information and re-organize misplaced codes. Data coding and analysis was undertaken using SPSS v22.0.

The KII s were separately analyzed to develop an understanding of the knowledge, experiences, practice, challenges and perceived solutions surrounding public audit in Kenya.

**Table 1. Respondents demographics**

<table>
<thead>
<tr>
<th>County</th>
<th>Gender</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nairobi</td>
<td>Male</td>
<td>54</td>
<td>69.2%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>24</td>
<td>30.8%</td>
</tr>
<tr>
<td>Siaya</td>
<td>Male</td>
<td>25</td>
<td>56.8%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>19</td>
<td>43.2%</td>
</tr>
<tr>
<td>Bungoma</td>
<td>Male</td>
<td>23</td>
<td>60.5%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>15</td>
<td>39.5%</td>
</tr>
<tr>
<td>Kakamega</td>
<td>Male</td>
<td>19</td>
<td>52.8%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>17</td>
<td>47.2%</td>
</tr>
<tr>
<td>Uasin Gishu</td>
<td>Male</td>
<td>35</td>
<td>62.5%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>21</td>
<td>37.5%</td>
</tr>
<tr>
<td>Elgeyo Marakwet</td>
<td>Male</td>
<td>39</td>
<td>63.9%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>22</td>
<td>36.1%</td>
</tr>
<tr>
<td>Total</td>
<td>Male</td>
<td>195</td>
<td>62.3%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>118</td>
<td>37.7%</td>
</tr>
</tbody>
</table>
Table 2. Education level

<table>
<thead>
<tr>
<th>County</th>
<th>Education level</th>
<th>No. of Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nairobi</td>
<td>Secondary</td>
<td>6</td>
<td>7.7%</td>
</tr>
<tr>
<td></td>
<td>Tertiary</td>
<td>72</td>
<td>92.3%</td>
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<tr>
<td>Siaya</td>
<td>Primary</td>
<td>7</td>
<td>15.9%</td>
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<tr>
<td></td>
<td>Secondary</td>
<td>15</td>
<td>34.1%</td>
</tr>
<tr>
<td></td>
<td>Tertiary</td>
<td>22</td>
<td>50.0%</td>
</tr>
<tr>
<td>Bungoma</td>
<td>Primary</td>
<td>3</td>
<td>7.9%</td>
</tr>
<tr>
<td></td>
<td>Secondary</td>
<td>5</td>
<td>13.2%</td>
</tr>
<tr>
<td></td>
<td>Tertiary</td>
<td>30</td>
<td>78.9%</td>
</tr>
<tr>
<td>Kakamega</td>
<td>Primary</td>
<td>3</td>
<td>8.3%</td>
</tr>
<tr>
<td></td>
<td>Secondary</td>
<td>18</td>
<td>50.0%</td>
</tr>
<tr>
<td></td>
<td>Tertiary</td>
<td>15</td>
<td>41.7%</td>
</tr>
<tr>
<td>Uasin Gishu</td>
<td>Secondary</td>
<td>7</td>
<td>12.5%</td>
</tr>
<tr>
<td></td>
<td>Tertiary</td>
<td>49</td>
<td>87.5%</td>
</tr>
<tr>
<td>Elgeyo Marakwet</td>
<td>Secondary</td>
<td>24</td>
<td>39.3%</td>
</tr>
<tr>
<td></td>
<td>Tertiary</td>
<td>37</td>
<td>60.7%</td>
</tr>
</tbody>
</table>

2.4.2 Limitations
This research was subject to a wide range of limitations.

- **Financial resources**: Being a small project with budget limitations, the survey used public forums to collect data through TI-Kenya’s regional offices and focused on Key informants within Nairobi.

- **Selection bias**: The survey focused on key participants in the public audit process (OAG, OCB, CSOs, ICPAK, Parliament, County Assemblies, EACC, DPP, citizens, media, DCI)

- **Unresponsive respondents**: Some stakeholders targeted for the survey(KIIs) were not responsive hence occasioning alternative data collection method (e.g. desk review).
3.1 Public Audit in Kenya

3.1.1 Public audit process

3.1.2 Types of Public Sector Audits:

According to the Public Audit Act, the OAG conducts the following types of audits;

a. **Financial Audits**

   Focuses on determining whether an entity’s financial information is presented in accordance with the applicable financial reporting and regulatory framework. This is accomplished by obtaining sufficient and appropriate audit evidence to enable the auditor to express an opinion as to whether the financial information is free from material misstatement due to fraud.

   This audit is conducted within six months after the end of the end of each financial year.
b. **Performance Audits**

Focuses on whether interventions, programmes and institutions are performing in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. Performance is examined against criteria set out in Section 36 of the PAA. In line with Section 36 of the PAA;

1. The Auditor-General shall conduct performance audit to examine the economy, efficiency and effectiveness with which public money has been expended pursuant to Article 229 of the Constitution.

2. The Auditor-General may undertake a comprehensive performance audit within six months after the completion of any National or County project to evaluate, whether the citizen has gotten value for money in the project and submit the report to Parliament or County Assembly for tabling and debate.

The aim is to assess value for money and provide recommendations for improvement.

c. **Compliance audits**

Focuses on whether a particular subject matter is in compliance with authorities identified as criteria. Compliance auditing is performed by assessing whether activities, financial transactions and information are, in all material respects, in compliance with the authorities which govern the audited entity. These authorities may include rules, laws and regulations, budgetary resolutions, policy, established codes, agreed terms or the general principles governing sound public sector financial management and the conduct of public officials.

d. **Periodic audits.**

The Auditor-General may, upon request or at his or her own initiative conduct periodic audits which shall be proactive, preventive, and deterrent to fraud and corrupt practices, systemic and shall be determined with a view to evaluating the effectiveness of risk management, control and governance processes in State Organs and public entities.

e. **Forensic Audits**

The Auditor-General may, upon request by Parliament, conduct forensic audits to establish fraud, corruption or other financial improprieties.
3.1.3 Key Queries raised by the Auditor general

a. Unsupported expenditure
This is spending that lacks adequate documentation, such as: approvals, authorizations, receipts & vouchers etc. Although it is often equated to “unaccounted for” spending, that is not always the case. In some cases, it is very clear what the spending went for, but it was not authorized properly. A transaction is also unsupported where there are goods and services that cannot be verified as received.

b. Excess expenditure
This is overspending without authorization. In this case, spending is above the budget for a particular vote, but there is no supplementary budget or other authorization to exceed the spending limit in law. This should be differentiated from cases of illegal expenditure, where a law other than the Appropriation Act limits spending on particular items. For example, if members of the County Assembly approve an increase in their own salaries and allowances violating the ceilings stipulated by the Salary and Remuneration Commission. This is simply illegal expenditure (even if they do not exceed what was budgeted).

c. Pending Bills
These are monies that have yet to be paid out to contractors/ suppliers for goods delivered or services rendered. The same could have been invoiced and supported by certain documentation. This is an audit query because it implies mandatory allocation of funds to offset the pending bills in the following financial year. Bills carried forward pose a challenge because they must be budgeted for in the subsequent year yet spending agencies do not have authority to make their own budgets for future years. Only Parliament/ County Assemblies are legally mandated to approve appropriation of public funds. The government operates on an annual budget on a cash basis and does not recognize multi-year commitments. So, when an agency forces a rollover of spending to a new year, it is a violation of the law.
d. **Management of imprest.**

This becomes an audit query where imprests (cash advances when government officers travel to attend meetings that must be returned of accounted for with proper records) are unaccounted for, or where officers receive new imprests while they still have outstanding imprests. Government officials must return receipts and other appropriate documentation showing expenditure or else surrender unused imprests.

3.1.4 **Types of Audit Opinion.**

a. **Unqualified opinion:**

A clean opinion expressed when the auditor concludes that the financial statements give a true and fair view in accordance with the identified financial reporting framework. The auditor in this case is convinced that funds were managed properly and that there were no problems with the documentation.

b. **Modified opinion**

Modified opinion can either be inform of qualified opinion, an adverse opinion or a disclaimer opinion. A modified opinion depends on;

1. The nature of the matter giving rise to the modification i.e. whether the financial statements are materially misstated
2. The auditor’s professional judgement about the pervasiveness of the effects of the matter on the financial statements

c. **Qualified Opinion**

A statement that would have been considered clean but for a few audit queries. The queries are not pervasive (whilst there are or may be material misstatements, they are confined to specific element of the financial statements, but the rest may be relied upon) or systemic and the problems identified can be rectified easily.

d. **Adverse Opinion**

There are pervasive (systematic) problems with the financial operations of government agencies. These problems require considerable changes to rectify. This kind of finding should be of particular concern to oversight bodies. The auditor, having obtained sufficient appropriate audit evidence, concludes that the misstatements, individual or in aggregate are both material and pervasive to the financial statements.
e. **Disclaimer Opinion**

This was identified as occurring when there is shoddy record keeping and the auditor is unable to fully review the entity’s documentation to form an opinion and concludes that the possible effects of undetected misstatements on the financial statements if any could be both material and pervasive. This is a serious lapse in compliance and should be of major concern to oversight bodies. Unfortunately, the relatively well-organized national audit report format is not fully followed in the county reports. This makes it difficult to track the most important findings or to group findings in categories as at national level.

### 3.1.5 Analysis of the auditor generals reports in Kenya

#### Table 3. Summary of OAG’s public audit opinion between 2011 and 2016

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FS</td>
<td>%</td>
<td>FS</td>
<td>%</td>
<td>FS</td>
<td>%</td>
<td>FS</td>
<td>%</td>
<td>FS</td>
<td>%</td>
</tr>
<tr>
<td>Unqualified</td>
<td>15</td>
<td>6%</td>
<td>41</td>
<td>12%</td>
<td>26</td>
<td>26%</td>
<td>27</td>
<td>25%</td>
<td>30</td>
<td>27%</td>
</tr>
<tr>
<td>Qualified</td>
<td>130</td>
<td>52%</td>
<td>172</td>
<td>50%</td>
<td>50</td>
<td>50%</td>
<td>51</td>
<td>47%</td>
<td>51</td>
<td>47%</td>
</tr>
<tr>
<td>Adverse</td>
<td>24</td>
<td>10%</td>
<td>45</td>
<td>13%</td>
<td>16</td>
<td>16%</td>
<td>19</td>
<td>18%</td>
<td>13</td>
<td>12%</td>
</tr>
<tr>
<td>Disclaimer</td>
<td>83</td>
<td>33%</td>
<td>85</td>
<td>25%</td>
<td>9</td>
<td>9%</td>
<td>11</td>
<td>10%</td>
<td>15</td>
<td>14%</td>
</tr>
<tr>
<td>Total</td>
<td>252</td>
<td>100%</td>
<td>343</td>
<td>100%</td>
<td>101</td>
<td>100%</td>
<td>108</td>
<td>100%</td>
<td>109</td>
<td>100%</td>
</tr>
</tbody>
</table>


#### Table 4. Graphical presentation of public audit opinion
Table 5. Summary of Questioned Costs.

<table>
<thead>
<tr>
<th>Audit report findings</th>
<th>2009/10</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsupported expenditure</td>
<td>6,956M</td>
<td>8,618M</td>
<td>5,214M</td>
<td>33,923M</td>
<td>66,783M</td>
<td>40,287M</td>
</tr>
<tr>
<td>Un-surrendered Imprest</td>
<td>793M</td>
<td>442M</td>
<td>2,143M</td>
<td>633M</td>
<td>351M</td>
<td>351M</td>
</tr>
<tr>
<td>Pending bills</td>
<td>16,641M</td>
<td>811M</td>
<td>4,477M</td>
<td>43,634M</td>
<td>16,638M</td>
<td>20,472M</td>
</tr>
<tr>
<td>Excess expenditure</td>
<td>44M</td>
<td>362M</td>
<td>7,048M</td>
<td>38M</td>
<td>24,566M</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>24,433M</td>
<td>10,233M</td>
<td>18,882M</td>
<td>78,228M</td>
<td>108,338M</td>
<td>61,109M</td>
</tr>
</tbody>
</table>

*The questioned costs entail gross public expenditure audited by the OAG within the referenced period.


Table 6 Graphical presentation of Questioned Costs

Analysis of Questioned Costs (%)

Total questioned costs were Kshs. 301,226M. The Mombasa-Nairobi SGR cost Sh327 billion, a variance of Kshs. 26B

Most of the questioned costs in the public audit report are of a recurring nature. This is occasioned by delays in preparation and dissemination of the public audit report by the OAG and as such delaying follow up and audit accountability. By the time of follow up a number of duty bearers have moved on, switched jobs or even retired hence hindering effective audit accountability.
Further, the mandate of the OAG covers auditing and reporting as opposed to auditing, reporting, follow up, implementation and enforcement of audit findings. Going by this practice, the Office of the Auditor General is only able to audit and submit the audit reports to Parliament (National Assembly and Senate) and the County Assemblies for debate and action. However, there lacks an effective mechanism for follow up on implementation of recommendations and as such most audit queries repetitively appear in subsequent audit reports without proper action.

It’s also worth noting that a number of duty bearers are non-cooperative and don’t respond adequately to audit queries, therefore occasioning repetitive audit queries. The absence of a time limit within which compliance and enforcement of parliament’s recommendations should be undertaken and lack of a tracking mechanism on the implementation of Parliamentary oversight committee recommendations when the life of parliament ends after general elections greatly hinders public audit accountability and hence the repetitive audit queries.

2.1.6 Role of state and non-state actors in the Public audit process

a. The Office of the Auditor General.

According to article 229 of the CoK, within six months after the end of each financial year, the Auditor-General should audit and report, in respect of that financial year, on the:

- accounts of the national and county governments;
- accounts of all funds and authorities of the national and county governments;
- the accounts of all courts;
- accounts of every commission and every independent office set up by the Constitution;
- accounts of the National Assembly, the Senate, and the county assemblies;
- the accounts of political parties that receive funding from public funds;
- public debt (how much the government owes to lenders); and
- accounts of any other entity that legislation requires the Auditor-General to audit.

The Auditor-General may audit and report on the accounts of any entity that receives money from public funds.

The audit report should confirm whether or not public money has been applied lawfully and in an effective way.
The Auditor General should submit the audit reports to Parliament (National Assembly and Senate) or the relevant county assembly for each county. Within three months after receiving an audit report, Parliament or the county assembly should debate and consider the report and take appropriate action.

b. Controller of Budget
The roles and functions of the office of the Controller of Budget as stipulated in the Constitution are as follows:

(i) **Oversight** - Overseeing the implementation of the budgets of both national and county governments i.e. monitoring the use of public funds in-year and reporting to Parliament on how the funds have been utilized.

(ii) **Controlling** - Authorizing withdrawals from public funds. Before authorizing any withdrawal from Public funds, the Controller of Budget must first be satisfied that the said withdrawal is authorized by law, as per Article 228 (5) of the Constitution. These funds include:

Consolidated Fund
The fund in which all money raised or received by or on behalf of the national government is paid. This is the fund that keeps the national government and the county government running. The Controller of Budget is mandated under Article 206 (4) of the Constitution of Kenya to ensure that the fund is utilized on accordance with the law.

County Revenue Fund
This is the fund into which all money raised or received by or on behalf of the county government including money raised from property rates, entertainment taxes, levies, fees, charges, etc. is paid (Article 207 (1). Article 207 (3) of the Constitution of Kenya states that the Controller of Budget has the sole mandate and/or power to approve any withdrawal from the revenue Fund.

Equalization Fund
The fund will be used by the national government to provide basic services including water, roads, health facilities and electricity to the marginalized areas so as to bring the quality of services in those areas to the same level as generally enjoyed by the rest of the nation. This fund was created by Article 204 (1) of the Constitution of Kenya.

(iii) **Reporting** - Entails the preparation of quarterly, annual and special reports to the legislature and executive on budget implementation matters of the national and county governments as provided by law according to (Article 228 (6))
Type of Reports include but not limited to;
- Quarterly Reports on Budget Implementation to the Executive and Parliament Article 228 (6)
- Annual Reports on Budget Implementation to the President and Parliament Article 254 (1)

To ensure transparency all the reports must be published and publicized as per Article 254 (3) which states that “Every report required from a commission or holder of an independent office under this Article shall be published and publicized”.

(iv) Advisory role - Advising parliament on financial matters where a Cabinet Secretary has stopped transfer of funds to a State organ or public entity. The suspension of funds cannot be lifted or sustained before the Controller of Budget gives a report to Parliament.

(v) Investigation - Under Article 252 (1) (a) of the Constitution, the Controller of Budget (independent office) can conduct investigations on its own initiative or following a complaint made by a member of the public on budget implementation matters.

c. Parliament/ Senate/ County Assemblies oversight committees.
   i. Public Accounts Committee
   Public Accounts Committee is one of the traditional oversight committees of Parliament that scrutinizes the budget ex post. Audited government accounts and financial statements constitute the main raw materials for the work of the Public Accounts Committee.

Roles of the Public Accounts Committee.
   i. PAC is responsible for examining all the reports prepared by the Auditor General after the audit of government ministries, departments and state corporations. The Committee then prepares a report with comments and recommendations or formulates a draft resolution by parliament. Based on their findings, PACs often make recommendations to government ministries, departments and state corporations requiring that they change certain policies and procedures to improve their operations.
   ii. Through the Powers and Privileges Act, the PAC summons ministers, permanent secretaries, heads of state corporations, other ministry/other state corporation officials to the committee for questioning, and issue a report of their findings subsequent to a government budget audit.
iii. The PAC initiates independent investigation into any matter of public interest. Parliamentary Standing Orders empower PAC to initiate independent investigation into any matter of public interest but this is subject to the approval of the House.

iv. PAC tracks the implementation of its recommendations on the public audit report. However within the PAC, there lacks an effective mechanism of initiating follow up and action on the status of its recommendations.

v. Collaborate with other anti-corruption institutions without let or hindrance. PAC has an informal collaboration with a number of anticorruption institutions including APNAC, a parliamentary caucus that crusades against corruption.

II. Senate Committee on County Public Accounts and Investment

Roles of the Senate Committee on County Public Accounts and Investment

i. Determine the allocation of national revenue among counties, as provided in Article 217

ii. Exercise oversight over national revenue allocated to the county governments through discussion of the Controller of Budget reports (reviews the county expenditure every financial quarter and should come out within one month after the end of every quarter) and the Auditor Generals reports (audit reports of the county expenditure that should come out within six months after the end of every financial year)

iii. Periodic summons to governors and other county executive officials to provide information or evidence on revenue expenditure based on the Controller of Budget and Auditor Generals reports.

III. County Assemblies, Public Accounts/Investment Committees

The Committee is established under the Standing Orders of the respective County Assembly as a Select Committee.

Roles of Public Accounts/Investments Committee

The Committee is responsible generally, for the following functions:

i. Receiving and discussing reports from the Auditor General on the audit of the respective County Assembly Accounts.

ii. With the assistance of the Auditor General, develop and implement recommendations from the public audit report. The Auditor General is required to follow up to confirm whether the recommendations have been implemented.

iii. Examine accounts showing appropriations by the County Assembly to meet public expenditure.
iv. Examine whether affairs of the county public investments are managed with sound financial or business principles and prudent commercial practices.

d. Institute of Certified Public Accountants of Kenya (ICPAK)
The Institute of Certified Public Accountants of Kenya (ICPAK) was established in 1978. The Institute is a member of the Pan-African Federation of Accountants (PAFA) and the International Federation of Accountants (IFAC), the global umbrella body for the accountancy profession. Its mission is to develop and promote internationally recognised accountancy profession that upholds public interest through effective regulation, research and innovation.

ICPAK plays the following roles;
  i. To promote standards of professional competence and practice amongst members of the Institute
  ii. To promote research into the subject of accountancy and finance and related matters, and the publication of books, periodicals, journals and articles in connection therewith.
  iii. To advise the Minister on matters relating to financial accountability in all sectors of the economy;
  iv. Supporting public audits in partnership with the Office of the Auditor General
  v. Capacity building of Parliamentary and county committees, media, public and other stakeholders on financial management, audits
  vi. Voicing out issues of corruption and mismanagement of public funds

e. Civil society organizations.
  i. Ensuring the rule of law is upheld by state officers and public officers while discharging their duties
  ii. Ensuring that there is transparency, fairness in the distribution and use of public resources
  iii. Exposing corrupt conduct of public officials and advocate for accountability and good governance reforms.
  iv. Ensuring accountability by government officers by instituting public litigation cases, creating public pressure and advocacy.
  v. Acting as the voice of the citizens and providing an arena for the expression of diverse interests, advocate for the needs and concerns of their public and special groups.
  vi. Supporting the development of Policy and legal frameworks in partnership with other stakeholders like parliament
  vii. Capacity building of citizens on their rights and obligations as democratic citizens and encouraging them to participate in social accountability processes and initiatives.
f. Media
   i. Dissemination of the public audit report to the public
   ii. Dissemination of public opinion, perception and reaction on public issues
   iii. Investigating and reporting on misuse of public resources
   iv. Follow up on audit queries raised for public information

g. Citizens
   i. Active participation in the public audit process
   ii. Active participation in national and county development projects implementation
   iii. Demanding for accountability from public service providers at the county and national level
   iv. Active participation in financial planning and budgetary activities
   v. Whistle blowing on suspected corruption or misuse of public funds

h. Judiciary
   i. Protecting constitutional rights and freedom of individuals.
   ii. Guarantee rule of the law by exercising justice.
   iii. Administer justice i.e. a guilty person is punished according to the law
   iv. Act as the guardian of the constitution.

i. Ethics and Anti-Corruption Commission (EACC)
   i. Investigate “corruption, economic crimes and violation of codes of ethics” particularly those named in Sec 39 to 45 of the Anti-Corruption and Economic Crimes Act (ACECA) and the Leadership and Integrity Act (LIA).
   ii. Develop and oversee enforcement of the “Codes of Conduct and Ethics”
   iii. Promote best practices on integrity
   iv. File recovery proceedings including forfeiture of unexplained assets
   v. Recover public property acquired through corruption, Sec 13 of EACC Act
   vi. Promote standards and practices of integrity, ethics and anti-corruption.

j. Director of public prosecutions
   i. Instituting and undertaking criminal proceedings against any person before any court of law except the court-martial
   ii. Taking over and continuing with any criminal proceedings commenced in any court by any person or authority with the permission of the person or authority.
   iii. Undertake the public prosecution of cases forwarded by all investigation agencies including the Police, Ethics and Anti-Corruption Commission, Criminal Investigations Department (CID), Banking Fraud Investigations Units (BFIU),
and cases taken over from private prosecutors
iv. Addressing complaints raised by members of the public, watchdog bodies and other institutions
v. Ensure due regard to the public interest, the interest of the administration of justice and the prevention and avoidance of abuse of legal process.

k. Director of Criminal Investigations
i. Undertake Investigations on serious crimes including money laundering and economic crimes.
ii. Detect and prevent economic crimes
iii. Apprehend economic crime offenders
iv. Execute the directions given to the Inspector General by the Director of Public Prosecutions pursuant to article 157(4) of the constitution

3.1.7 Challenges faced in the public audit process

a. Office of the Auditor General
i. The office does not receive adequate financial resources in line with its expanded mandate as per the PAA.
ii. Inadequate logistics (motor vehicles, office space, computers, software) to facilitate Public Audit process
iii. Human resource capacity gaps (Staff training, expertise in key specific areas e.g. tax, mining, oil)
iv. Inadequate preparation by auditees hence leading to lack of cooperation during the audit process (capacity, cooperation)
v. Limited mandate of the OAG (The mandate currently includes auditing and reporting, follow up and enforcement is within the mandate of other institutions)

b. Parliamentary Oversight Committees.
i. Lengthy, complex, and technical reports from the Auditor General which are difficult to understand for most Members of Parliament.
ii. Delay in preparation of audit reports and therefore audit reports are often released long after government officials needed for questioning have either been transferred or left the civil service.
iii. Inadequate staff capacity-Parliament needs professional staff to break down the audit reports for their consumption, but they are often not available.
iv. Unresponsiveness of duty bearers-Government officers are often unresponsive to parliament, and there are few tools at parliament’s disposal to compel government officers, compliance.
v. Limited mandate of the Senate Oversight Committee-The role of the Senate in Kenya in oversight is limited as it only plays oversight over the national revenue allocated to Counties every year. However, it cannot do so for the other sources
of revenue for the counties. That is the role of the County Assembly.

vi. Political interference and interests which occasionally hinders the objectivity of the committees’ work

vii. **Lack of objectivity** - Partisan positions sometimes taken by legislators result in the tendency to dismiss even critical issues offhand. This lack of objectivity and failure to be faithful to facts has greatly affected parliament’s oversight function.

viii. **Lack of commitment and discipline** as legislators devote little or no time at all to their oversight responsibilities.

ix. Lack of oversight capacity and individual members’ incompetence leading to poor quality of oversight functions with reagards to te public audit report.

c. **County Oversight Committees**

i. Lengthy, complex, and technical reports from the Auditor General which are difficult to understand for most Members of County Assembly.

ii. Delay in preparation of audit reports and therefore audit reports are often released long after government officials needed for questioning have either been transferred or left the civil service.

iii. Inadequate staff capacity - County Assemblies need professional staff to break down the audit reports for their consumption, but they are often not available.

iv. Political interference and interests which occasionally hinders the objectivity of the committees’ work

v. Lack of commitment and discipline as legislators devote little or no time at all to their oversight responsibilities.

vi. Lack of oversight capacity and individual members’ incompetence leading to poor quality of oversight functions with reagards to te public audit report.

d. **Civil society Organizations**

i. Hostility and non-cooperation by some government agencies and individuals

ii. Lack of emphasis on civil and political rights including inadequate attention to basic citizen rights.

iii. Ineffective networking and coordination of CSO activities in key thematic areas like social accountability.

iv. Lack of clarity in CSO mandate hence leading to misunderstanding and conflict with government, high expectations from citizens and mismatched goals.

v. Unstable resource base, particularly financial and other non-human resources
e. Media
i. Limited capacity of investigative journalists and media houses don’t invest in training journalists on investigative journalism and reporting due to limited resources
ii. Inaccessibility of public audit report and lack of clarification on audit issues
iii. media houses and hence lack of emphasis on public audit report findings and issues.
iv. Preference to current issues rather than audit reports/ issues that are historical and hence not given preference in reporting.
v. Competition among media houses leading to focus on different issues and stories
vi. Complex and technical nature of audit reports makes it difficult for journalist to analyze and report.
vii. Self-censorship due to inaccessibility of approved copies of audit report at the time of reporting (Indirect reporting where the reporter doesn’t report the issue as it is since he/ she doesn’t have approved copy of the report)

f. Ethics and Anti-Corruption Commission (EACC)
i. Slow judicial process in Kenya hence delaying the process of determining culpability of duty bearers and recovery of public resources.
ii. Political influence/ interference which hinders the quality of investigations and the fight against corruption.
iii. Inadequate evidence to support suspected corruption/ mismanagement of public funds hence delaying the prosecution of economic offenders and weakening the determination of culpability of duty bearers
iv. Inadequate cooperation between the EACC and the OAG

g. Director of Public Prosecutions
i. Delays in production of the public audit reports hence delaying investigations and prosecution of economic offenders.
ii. Reluctance of witnesses to testify due security concerns or witness interference by key suspects
iii. Inadequate evidence to support prosecution of suspected corruption/ mismanagement of public funds
iv. Inadequate financial resources to hire and train adequate and highly competent prosecutors
v. Poor terms and conditions of service for staff e.g. poor remuneration that leads to high attrition and exposure to corruption by staff
vi. Political influence/ interference which hinders the quality of investigations and the fight against corruption
h. Director of Criminal Investigations
   i. Delays in production of the public audit reports hence delaying investigations and prosecution of economic offenders.
   ii. Political influence/interference which hinders the quality of investigations and the fight against corruption
   iii. Limitations in application of modern and effective technology in forensic investigations.
   iv. Inadequate capacity to handle emerging and complex crimes such as money laundering and cybercrime
   v. Corruption within the National Police Service which compromises investigations into suspected mismanagement of public funds
   vi. Inadequate financial resources to hire and train adequate and highly competent investigators

2.1.8 Citizen awareness and participation in the public audit process.

Table 7. Citizen awareness of the public audit.

![Citizen awareness of the public audit](image)

From the survey, 79.9% of respondents (citizens) are aware of the public audit process. However, their knowledge is limited to the role of the Office of the Auditor General in auditing public entities. This can be attributed to sources of information on the public audit process and the levels of citizen participation as well as the hinderances to public participation. It is therefore necessary for the Office of the Auditor General in collaboration with media, CSOs and other stakeholders to undertake citizen awareness on the public audit process and the role of citizens in the public audit process.
Table 8. Sources of citizen information on public audit.

<table>
<thead>
<tr>
<th>County</th>
<th>Number of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nairobi</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mainstream media</td>
<td>36</td>
<td>46.2%</td>
</tr>
<tr>
<td>social media</td>
<td>36</td>
<td>46.2%</td>
</tr>
<tr>
<td>Any other</td>
<td>6</td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>Siaya</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mainstream media</td>
<td>12</td>
<td>27.3%</td>
</tr>
<tr>
<td>social media</td>
<td>14</td>
<td>31.8%</td>
</tr>
<tr>
<td>Public forum</td>
<td>18</td>
<td>40.9%</td>
</tr>
<tr>
<td><strong>Bungoma</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mainstream media</td>
<td>3</td>
<td>7.9%</td>
</tr>
<tr>
<td>public forum</td>
<td>19</td>
<td>50.0%</td>
</tr>
<tr>
<td>social media</td>
<td>14</td>
<td>36.3%</td>
</tr>
<tr>
<td>any other</td>
<td>2</td>
<td>5.3%</td>
</tr>
<tr>
<td><strong>Kakamega</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mainstream media</td>
<td>9</td>
<td>25.0%</td>
</tr>
<tr>
<td>public forum</td>
<td>17</td>
<td>47.2%</td>
</tr>
<tr>
<td>social media</td>
<td>10</td>
<td>27.8%</td>
</tr>
<tr>
<td><strong>Uasin Gishu</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mainstream media</td>
<td>27</td>
<td>48.2%</td>
</tr>
<tr>
<td>public forum</td>
<td>16</td>
<td>28.6%</td>
</tr>
<tr>
<td>social media</td>
<td>13</td>
<td>23.2%</td>
</tr>
<tr>
<td><strong>Elgeyo Marakwet</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mainstream media</td>
<td>31</td>
<td>50.8%</td>
</tr>
<tr>
<td>public forum</td>
<td>14</td>
<td>23.0%</td>
</tr>
<tr>
<td>social media</td>
<td>9</td>
<td>14.8%</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>11.5%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mainstream media</td>
<td>118</td>
<td>37.7%</td>
</tr>
<tr>
<td>public forum</td>
<td>84</td>
<td>26.8%</td>
</tr>
<tr>
<td>social media</td>
<td>96</td>
<td>30.7%</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>4.8%</td>
</tr>
</tbody>
</table>
From the findings of the baseline, main stream media is the main source of information on public audit in Nairobi followed by social media. This is as a result of the high accessibility of mainstream media in Nairobi (TVs, Radios, including live radio and TV due to accessibility to internet.

Due to urbanization and the high number of youth connected to the internet, social media ranks second in Nairobi. In the Western region, public forums are the main source of information on public audit accountability followed by social media, then main stream media.

Averagely, main stream media is the main source of information on public audit followed by public forum and social media. The OAG, CSOs, media and other key stakeholders should therefore utilize these three sources of information to sensitize public on public audit process.

Social media is also an important information outlet with wide coverage and should be used to disseminate public audit information. The development of innovative platforms tied to social media is ideal for increased awareness of public audit process.

However, in the rural setting, public forums and dissemination of IEC materials will increase awareness on the public audit process. Mainstream media can also be used across the regions though the highest impact would be realized in urban setting.

Table 9. Citizens awareness on their role in public financial management
71.2% of respondents are not aware of their role in the public audit process. This resonates well with the findings in table 10 where citizens information on public audit process is limited to the role of the office of the Auditor General. Majority of citizens cite lack of awareness/ inadequate information and publicization of the audit process as key contributors.

Table 10. Citizen participation in public audit.

<table>
<thead>
<tr>
<th>Percent</th>
<th>Nairobi Yes</th>
<th>Nairobi No</th>
<th>Siaya Yes</th>
<th>Siaya No</th>
<th>Bungoma Yes</th>
<th>Bungoma No</th>
<th>Kakamega Yes</th>
<th>Kakamega No</th>
<th>Uasin Gishu Yes</th>
<th>Uasin Gishu No</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.0%</td>
<td>76.9%</td>
<td>23.1%</td>
<td>92.1%</td>
<td>7.9%</td>
<td>86.1%</td>
<td>3.6%</td>
<td>82.0%</td>
<td>8.0%</td>
<td>85.9%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

86% of citizens do not participate in the public audit process in Kenya. This can be attributed to; lack of awareness/ inadequate communication, ineffective communication, inaction on public audit queries and lack of timely communication. Due to the devolved system of government, there is need for stakeholders to act on the barriers to citizen participation on the public audit process so as to enhance accountability on the use of public resources. The OAG and CSOs should upscale social audits and also create avenues for public participation in the public audit process.

Table 11. Citizen awareness on the role of the OAG.
73% of respondents know the role of the Office of the Auditor General in auditing and reporting on the accounts of the national and county governments and accounts of all funds and authorities of the national and county governments. However, there are information gaps in the timing and the process of the audit. To increase citizen awareness and participation, there is need for initiatives geared towards dissemination of this public audit information and involvement of the public in the public audit process. More over, decentralization of the audit function to county level would increase visibility, awareness and engagement of the office of the Auditor General.

Table 12. Hinderances to active public participation

<table>
<thead>
<tr>
<th>County</th>
<th>Hinderances</th>
</tr>
</thead>
</table>
| Nairobi      | 1. In action on public concerns (Public views are not considered)  
2. Ignorance (Lack of knowledge on citizen responsibility as well as the know-how on how to participate)  
3. Inadequate Information (The public isn’t informed in good time on available participation opportunities)  
4. Lack of public involvement (Call for public participation)  
5. Time constraints (Lack of adequate time for public participation) |
| Bungoma      | 1. Lack of information on the process/ inadequate access to information  
2. Inadequate sensitization on the public audit process.  
3. Lack of transparency (The process is done without public awareness and involvement)  
4. Resistance/ lack of cooperation from some government institutions  
5. Lack of opportunities for public participation  
6. Lack of timely communication  
7. Ignorance (Lack of knowledge on citizen responsibility as well as the know-how on how to participate) |
| Kakamega     | 1. Inadequate communication and information on the public audit process and public participation  
2. Lack of communication on public participation.  
3. Lack of knowledge on public responsibility towards public audit accountability  
4. Lack of public sensitization and awareness. |
| Siaya        | 1. Lack of information on the public audit process and budgeting processes.  
2. Inaccessibility of the public audit reports  
3. Lack of information on citizen participation in the public audit.  
4. Untimely information on the public audit process |
| Uasin Gishu  | 1. Lack of awareness on the public audit process  
2. Lack of confidence in the public audit process  
3. Personal commitments/ High cost of living  
4. Poor communication channels hence ineffective or lack of communication  
5. Lack of citizen engagement on the public audit and budgeting processes. |
1. Corruption resulting to lack of objective public engagement
2. Lack of citizen awareness on the public audit process.
3. Personal commitments
4. Lack of interest in the public audit process

| Elgeyo Marakwet | 1. Corruption resulting to lack of objective public engagement | 2. Lack of citizen awareness on the public audit process. | 3. Personal commitments | 4. Lack of interest in the public audit process |

Table 13. Availability of public audit reports

In Nairobi, 75.6% of the respondents perceive that the public audit reports are available at the Office of the Auditor General due to its proximity to the city residents. In the western region, majority of the respondents perceive that the reports are not available and that the County Governments are unwilling to share the report with the public due to the audit queries raised and lack of transparency.

There is therefore a deliberate need for the OAG in collaboration with other key stakeholders like the CSOs and media to avail the public audit report. However, the preparation and dissemination of the report is occasioned by delays within the OAG due to its human resource, logistics and financial challenges. This further hinders the availability of the public audit report. The OAG should therefore consider timely auditing, preparation and dissemination of the public audit report.
Table 14. Feasibility of Public audit reports

![Feasibility of public Audit Reports](image)

83.4% of citizens of perceive that the audit reports are technical for public consumption. This however is just a perception due to the low levels of involvement in the public audit process and accessibility of the public audit report. From the KII’s, most of the respondents had interacted with the public audit report and found it too technical for wide consumption.

As a remedy, the publication of abridged versions of public audit report for dissemination in the citizen awareness forums could increase the awareness, feasibility and consumption of the public audit report. This could be complemented by advocacy efforts through local/ vernacular radio stations and other avenues for public engagement. Its however necessary to ensure that the abridged versions summarize the key issues of public interest to elicit public reaction.

Table 15. Enhancement of citizen participation in the public audit.

<table>
<thead>
<tr>
<th>County</th>
<th>Enhancement strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nairobi</td>
<td>1. Wide publicity through mass media, social media and administrative offices</td>
</tr>
<tr>
<td></td>
<td>2. Follow up and protection of whistle blowers to boost public confidence in whistle</td>
</tr>
<tr>
<td></td>
<td>3. Simplification of audit reports by experts for public use.</td>
</tr>
<tr>
<td></td>
<td>4. Public engagement and sensitization through different platforms e.g. public</td>
</tr>
<tr>
<td></td>
<td>forums, social media platforms and mass media programs</td>
</tr>
<tr>
<td>County</td>
<td>Actions</td>
</tr>
<tr>
<td>---------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Siaya</td>
<td>1. Increased public engagement through public forums</td>
</tr>
<tr>
<td></td>
<td>2. Dissemination of public audit reports to community members.</td>
</tr>
<tr>
<td></td>
<td>3. Improvement of information access channels in within County and Public Offices</td>
</tr>
<tr>
<td></td>
<td>4. Use local media/ vernacular stations to ensure proper dissemination of audit information</td>
</tr>
<tr>
<td></td>
<td>5. Simplification of the public audit report and dissemination of IEC materials.</td>
</tr>
<tr>
<td></td>
<td>6. Increased public awareness on the importance of public participation in audit processes.</td>
</tr>
<tr>
<td></td>
<td>7. Increased mobilization of public to attend public audit/ budgetary forums</td>
</tr>
<tr>
<td>Bungoma</td>
<td>1. Involving the public in the public audit process</td>
</tr>
<tr>
<td></td>
<td>2. Enhanced awareness creation to the public since most people/citizens are totally unaware of the audit process through mass media, social media, outreach forums, civic education forums, chiefs and assistant chiefs barazas.</td>
</tr>
<tr>
<td></td>
<td>3. Use of innovative technology and creativity to engage the public on public audit</td>
</tr>
<tr>
<td></td>
<td>4. Publication and dissemination of simplified audit report</td>
</tr>
<tr>
<td>Kakamega</td>
<td>1. Sensitizing citizens on importance of public participation in the public audit process.</td>
</tr>
<tr>
<td></td>
<td>2. Increasing awareness of the public audit process and report through mass media, social media barazas, churches, local leaders.</td>
</tr>
<tr>
<td></td>
<td>3. Timely release of the audit reports and enhanced awareness on the availability of the reports.</td>
</tr>
<tr>
<td></td>
<td>4. Publication and dissemination of simplified audit report</td>
</tr>
<tr>
<td>Uasin Gishu</td>
<td>1. Involvement of citizens directly or through community-based committees/ community leaders.</td>
</tr>
<tr>
<td></td>
<td>2. Ensuring transparency and inclusiveness in the public audit process</td>
</tr>
<tr>
<td></td>
<td>3. Ensuring accessibility of the public audit report</td>
</tr>
<tr>
<td></td>
<td>4. Community awareness and training on the public audit report</td>
</tr>
<tr>
<td></td>
<td>5. Provision of avenues for citizen participation</td>
</tr>
<tr>
<td>Elgeyo Marakwet</td>
<td>1. Citizen awareness through public forums, training sessions, use of community representatives</td>
</tr>
<tr>
<td></td>
<td>2. Citizen engagement in the public audit process/ community representation in the public audit process</td>
</tr>
<tr>
<td></td>
<td>3. Holding leaders responsible to increase citizen interest and confidence in the process</td>
</tr>
<tr>
<td></td>
<td>4. Publication and dissemination of simplified audit report</td>
</tr>
</tbody>
</table>
Recommendations

a. Office of the Auditor General

i. Decentralization of the Audit function-The Office of Auditor-General should establish offices in each county to ensure efficiency and effectiveness in the public audit process, as opposed to the current practice where auditors operate from nine (9) Regional Hubs. The OAG should also consider auditing County Governments at the county level to ensure efficiency in the process. Decentralization to counties will draw the audit function closer to citizens for enhanced participation, awareness and collaboration. The OAG should also consider delocalization of auditors at the regional hubs to ensure objective and impartial audit reports.

ii. Mandate of the OAG needs to be enhanced to cover enforcement of audit findings. Going by the current practice, the Office of the Auditor General is only able to audit and submit the audit reports to Parliament (National Assembly and Senate) and the County assemblies for debate and action. However, there lacks an effective mechanism for follow up on implementation of audit recommendations and as such most audit queries repetitively appear in subsequent audit reports without proper action. Further, duty bearers are non-cooperative and don’t respond adequately to audit queries.

iii. The incorporation of an interagency taskforce to follow and ensure action on the audit reports and queries would also increase responsiveness of duty bearers and action on the audit report.

iv. The release the public audit report should be enhanced to increase publicity and awareness. The release should include an analysis of key issues and repetitive queries to elicit public interest and media action. Most of the citizens during the study felt that the process is surreptitious, and the media felt that they were isolated in the process. The OAG should therefore consider the official release of the audit report as a key event with live coverage by majority of the media houses and with invitation of key state and nonstate actors. A number of actions on the public audit queries emanated from public outcry and demand for action by different actors e.g. It was as a result of the OAG findings on mismanagement of public funds in Busia county, where
wheelbarrows were bought at exorbitant prices, that public outcry grew and prosecution of those responsible was immediately initiated. The OAG should do more to publicize the public audit report.

v. **There is need to enhance communication between OAG and the media.** Whereas the media is keen on reporting on the audit report and especially issues of critical concern to the public, the office of the Auditor General isn’t readily available to either provide this information or authenticate public audit information in the media houses. The result is that the media often reports on information obtained from secondary sources with glaring information gaps and this leads to self-censorship in the media houses. The communications department in the Office of the Auditor General and the media need to work closely for enhanced reporting.

vi. **Training and capacity building of oversight committees in Parliament and County Assemblies.** The oversight committees within Parliament and County Assemblies lack the necessary skills and knowledge to interrogate and understand the Public Audit report for their oversight functions. It is therefore necessary for the OAG together with other stakeholders like ICPAK, CSOs, APNAC e.t.c. to undertake periodic trainings of these oversight committees to enhance their capacity. **A lot more focus however should be on the County Assemblies as majority of them are new in office.**

vii. **Capacity building of the media** is key to correct and enhance objective reporting on the public audit report. A lot of media houses feel that public audit is an insignificant component of media reporting and there would be no value for money in investing in training of journalists. There exist capacity gaps in media comprehension and reporting on the public audit report.

viii. **Production of simplified/ abridged versions of the public audit reports for citizen and stakeholders’ consumption.** The OAG should consider breaking down the audit findings into soluble components that the citizens can take in and improve their capacity for active participation and demand for better accountability. Majority of the respondents during the survey felt that the reports are too technical for consumption by ordinary people who lack knowledge and expertise on auditing.

ix. **Public awareness/ sensitization on the public audit process** and the role of citizens through public forums and dissemination of abridged versions of the public audit report and other IEC materials. This would increase citizen awareness, responsibility and action on the public audit process and report.
x. Development of innovative ways of disseminating the audit report to increase public knowledge and engagement with the public audit report. Focus should be given to social media and other IT related platforms like the A4T that are already in existence for greater impact. Other suggestions include SMS subscription for information on public audit report.

xi. The OAG should consider holding media sessions on TV and radios to demystify the public audit reports, trends and key issues in the reports.

xii. Due to human and financial resource constraints, the OAG should consider partnerships with key stakeholders including ICPAK, Parliament, county assemblies, CSOs and media to enhance operational efficiency and effectiveness. Avenues for collaboration throughout the audit process can be identified and working partnerships drawn.

xiii. Champion the adoption of accrual basis of Accounting Framework so that expenditure is recognized once the funds have been fully accounted for hence increased accountability.

xiv. Enhanced interagency collaboration in the audit process between OAG, EACC, DPP, Parliament, DCI and relevant Committees.

xv. Incorporate social audits /civilian oversight/ budget implementation auditing in the public audit process to ensure effectiveness of government/non-government programmes and projects, citizen participation, accountability of government officers, promote transparency at all levels within government, find out the economic and social gaps and create awareness among the beneficiaries and development actors.

xvi. Ensure timely dissemination of audit report to the Parliament and County Assemblies for discussion and initiation of suitable follow up actions to the audit queries.

xvii. Development of a database for tracking public audit queries and disseminating the results to the public for public consumption and action.

xviii. The OAG should develop a training manual for CSOs, journalists and citizens on the public audit process and approaches for effective discharge of their mandate in the public audit process.
b. Parliament

i. There’s need for improved political will and support for oversight function through institutionalization of the oversight role of parliament rather leaving it to the individual MPs and partisan politics.

ii. There is need for a limit on the time within which compliance and enforcement of parliament’s recommendations should be undertaken. This should include penalties and sanctions in the event that the Executive fails to implement recommendations. There is also a need for a tracking mechanism on the implementation of Committee recommendations when the life of parliament ends after general elections. The 2010 Constitution, which now requires cabinet ministers to be drawn from outside parliament, has strengthened parliament as an oversight institution and enables it to demand compliance with recommendations.

iii. Parliamentary oversight committees should be resourced financially, support staff increased, and their capacity enhanced through periodic trainings and refresher courses, benchmarking and, documentation of best practices which can be preserved by Parliamentary Service Commission for adoption by subsequent oversight committees. Capacity building of legislators and the technical staff should be prioritized and made mandatory. It should be scheduled as part of the agenda at the start of the next parliament. Clerks assigned to Committees need to have expertise in their thematic areas of operation. The research office needs to be strengthened so that it can support Committees. There is need for Committees to develop Strategic Plans based on their mandate, to guide their activities.

iv. Strengthen transparency and accountability of the hitherto highly secretive ministries of defense and security. The suffocating secrecy that characterizes such transactions should appropriately be amended to enhance transparency and accountability on the use of public resources.

v. Legislators should be restricted to serving in not more than two Committees to ensure focus, effectiveness and thus high impact oversight in a given field. There should be special oversight measures in an election year to stem election related embezzlement of public resources.

vi. Strengthen extra-parliamentary offices: The offices of the Controller of Budgets and the Auditor General should be strengthened at both the national and county level. There should also be a special unit in both offices within the Ethics and Anti-Corruption Commission to specifically deal with audit issues at both levels of government. The fact that the Constitution accords the Controller of Budgets and the Auditor General independence should help improve oversight. Parliament should also ensure adequate resources are allocated to these two offices for decentralization and county presence.
x. Enactment of laws to encourage and protect whistle blowers who report on misuse of public resources so as to boost confidence through protection of whistle blowers and investigative journalists. E.g. Whistle Blower’s Protection Bill and False Claims Bill.

vii. Development of Citizen Participation Mechanisms for public participation through live coverage of parliamentary committee summons, public participation in the oversight committee hearings as well as county-based oversight committee hearings. The public also ought to be able to access Committee decisions.

viii. Establishment of a framework of cooperation between parliament and civil society on research and oversight. Continuous engagement between CSOs and Committees also needs to be encouraged. Citizens need to elect people of integrity who can exercise oversight with impartiality. CSOs could help in development of a strategy for monitoring devolved funds in the counties.

ix. Proposals on Social Audits - Enact legislation to facilitate social audits as a mechanism through which citizens can interrogate public expenditures. The legislation will enable public officials to recognize Social Audits and thus minimize resistance. The survey found out that there are no established channels of citizen engagement in the public audit process. As such majority of citizens are uninformed on the public audit process and as such they don’t participate in the public audit process.

x. The PFMA should be amended to enhance autonomy of the oversight committees and inhibit the culture of tokenism. Presently, national and county executives allocate resources to parliament and county assemblies for oversight function. As such, the financial and operational capacity of the oversight committees is determined by the executive arm of County and national Government.

xi. Increasing financial allocation to the OAG to enhance discharge of its mandate. Parliament should allocate more resources to the OAG to enhance the public audit function with respect to the OAG mandate.

c. County Governments

i. Due to financial management challenges faced, counties in collaboration with ICPAK should ensure that all Chief Financial Officers (Heads of Finance) and senior finance officers are members of ICPAK for regulation by ICPAK and compliance to ICPAK’s standards.

ii. County Governments should also be encouraged to hire internal auditors to ensure compliance to financial management and reporting frameworks/procedures and minimise risks.

iii. Counties should also endeavour to establish audit committees for enhanced oversight, compliance to financial reporting frameworks as well as follow up and implementation of audit queries from the OAG report.
iv. County Governments should develop financial reporting procedures for purposes of submitting financial statements to the Auditor-General and other entities envisaged under sections 163 to 165 of the Public Finance Management Act and ensure synchronization of timelines under Articles 228 and 229 of the Constitution

v. Capacity building of staff and relevant county assembly committees, finance, budget to build their capacity on financial management. In most counties in Kenya, oversight committees within counties lack the requisite knowledge to effectively exercise oversight over the executive. The OAG should therefore endeavor to build the capacity of relevant county committees and staff in collaboration with the OCB, ICPAK and other stakeholders

vi. County Governments and duty bearers should also endeavor to provide financial information to the public and interested stakeholders for increased transparency and accountability

d. Civil society Organizations.

i. Due to lack of awareness and information on the public audit process, CSOs should partner with the OAG to sensitize the public on public audit process and more precisely on the role of citizens in the public audit process. This way citizen awareness and demand for accountability in the use of public resources will be enhanced.

ii. CSOs should also consider enhancing the dissemination and consumption of the public audit report through review and publishing of abridged versions of the public audit report. These simplified reports would be shared during public forums for public consumption and action. Due to limitations in resources as well as the complex nature of the audit report, CSOs undertaking governance work should partner or develop a working framework so as amplify the impact of their work and avoid duplication. With the working framework in place, each CSO could focus on a particular government sector, project or county.

iii. Conduct specialized training on analysis and reporting on the public audit report as well as investigative journalism. This is due to the capacity gaps on public audit reporting among media stakeholders. CSOs could partner with the OAG, OCB and ICPAK to enhance the capacity of journalists.

iv. Organize county specific forums at grass root level to discuss the Public Audit report and elicit public interest and demand for action from leaders. CSOs could also train community representatives on the on the public audit and link them with the county government/ OAG to ensure sustained public interest in the audit process.

v. Develop innovative platforms for dissemination of public audit reports. Increased use of social media and IT across the rural and urban areas provides opportunities for development of technology aided platforms for dissemination public audit report
vi. Increase advocacy initiatives and strategies to hold public officers accountable and exert pressure on duty bearers to act responsibly while managing public resources

vii. Scale up of social audits /civilian oversight/ budget implementation auditing to ensure effectiveness of government/non-government programmes and projects, citizen participation, accountability of government officers, promote transparency at all levels within government, find out the economic and social gaps and create awareness among the beneficiaries and development actors.

viii. Enactment and adherence to existing Legislation- Over a long period CSOs have contributed significantly to the development of legislations in Kenya. However, CSOs have not done enough to ensure these legislations are adhered to. This presents an opportunity for CSOs to act and ensure public officers adhere to guiding legislations and policies while discharging their duties. However, CSOs need to work closely with parliament for the enactment of the False Claims Bill and Whistle Blower’s Protection Bill which if effected, will boost the fight against corruption.

ix. Undertake research on public audit accountability and conduct public education, influence public policy and advise on best practices in public audit process

e. Media

i. Analysis and dissemination of the public audit report. Often times due to competing interests the media focuses on advertisements, entertainment and prime news allocating very little time to the public audit reports. This could be enhanced by having live discussions on audit accountability with key stakeholder such as the OAG during prime time. The media could also increase dissemination of the public audit report through in both electronic and print.

ii. Spearheading live coverage of the public audit report dissemination to boost public awareness. This could be done in collaboration with the OAG and CSOs with focus on key issues in the public audit report in order to increase responsiveness to public audit queries.

iii. Training of journalists on investigative journalism and public audit reporting to ensure objective analysis and reporting on the public audit report. Trained journalists would also follow up on the implementation of the recommendations of the public audit report as well as responsiveness of accounting officers.

iv. Presentation of the public audit report in vernacular/ community radio/ TV stations for increased public awareness and public action.
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