REVIEW OF AUDITOR GENERAL REPORTS FOR MINISTRIES, DEPARTMENTS AND AGENCIES

FY (2020/21–2022/23)

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SEPTEMBER 2025

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ACRONYMS AND ABBREVIATION

AiA	-	Appropriations in Aid
CPA	-	Certified Public Accountant
CoB	-	Controller of Budget
CoG	-	Council of Governors
CPD	-	Continuous Professional Development
FiRe	-	Financial Reporting Awards
FY	-	Financial Year
ICPAK	-	Institute of Certified Public Accountants of Kenya
IFMIS	-	Integrated Financial Management Information System
IPDD	-	Integrated Payroll Processing Database
MDA	-	Ministries, Departments and Agencies
MoU	-	Memorandum of Understanding
NT	-	National Treasury
PSASB	-	Public Sector Accounting Standards Board
PFM	-	Public Finance Management
OAG	-	Office of the Auditor General
SAGAs	-	Semi-Autonomous Government Agencies
VfM	-	Value for Money

FOREWORD

The pursuit of accountability, transparency, and prudent use of public resources remains a basis of good governance and economic development. Public audits play a central role in achieving this objective by providing independent assurance on the lawful and effective application of public funds.

In line with its mandate under the Accountants Act, CAP 531, the Institute has undertaken a comprehensive public audit review in three phases: Phase One covered County Governments, Phase Two focused on County Assemblies, and this current Phase Three examines audit reports relating to Ministries, Departments, Agencies (MDAs) of the National Government.

This review is anchored in the principles enshrined in Article 229 of the Constitution and Section 7(1)(a) of the Public Audit Act, 2015, which empower the Office of the Auditor-General to assess the use of public funds and to provide assurance on the effectiveness of internal controls, governance, and risk management frameworks across public entities.

There have been reported challenges in the financial management of public institutions. Cases of mismanagement, weak internal controls, and non-compliance with regulatory requirements continue to be reported across various MDAs. This analysis seeks to distill key findings from the audit reports to support public discourse, inform policy reforms, and enhance institutional oversight by stakeholders including Parliament, civil society, development partners, academia, and regulatory agencies.

The Institute remains committed to supporting accountability mechanisms and promoting improved financial governance in the public sector. It is our hope that the findings and recommendations drawn from this report will contribute meaningfully to strengthening public sector accountability and advancing public trust.

CPA Prof. Elizabeth Kalunda
Chairman
ICPAK

PREFACE

This third phase of the public audit review by the Institute focuses on Ministries, Departments, and Agencies (MDAs), building on previous analyses undertaken for County Governments and County Assemblies. The report responds to the growing need for more effective use of audit findings to support value for money in government, policy reforms, and institutional performance.

In this review, the Institute examined trends and audit outcomes of MDAs for the financial years 2020/21 to 2022/23 on aspects such as professional status of the financial prepares and the types of audit opinions issued. The results were compared across the three years under review to determine the change in the performance.

The findings point to the need for consistent application of financial regulations, strengthened oversight, and increased institutional accountability. The report provides practical recommendations to address these gaps and calls for collaboration among key stakeholders including Parliament, regulatory agencies, and public sector leadership to ensure full implementation of audit recommendations.

Through this initiative, the Institute seeks to promote transparency and continuous improvement in the management of public funds at both levels of Government.

FCPA Benard Amukah
Vice-Chairperson
ICPAK

ACKNOWLEDGEMENT

The Institute acknowledges the valuable contributions of individuals and institutions whose support made this Public Audit Review possible.

We extend our sincere appreciation to the Council of the Institute for its strategic guidance and oversight. Special recognition goes to the Public Audit Ad Hoc Committee, whose dedication and technical input were instrumental in the development and finalization of this report.

We are particularly thankful to the Office of the Auditor-General for its continued cooperation in facilitating access to the audited financial statements for Ministries, Departments, and Agencies for the financial years 2020/21, 2021/22, and 2022/23.

We acknowledge the commitment and professionalism of the Secretariat, particularly the Public Policy and Research Directorate, whose tireless efforts and coordination throughout the various stages of the review process were critical to the successful completion of this report.

Finally, we thank all stakeholders, both within and outside government, who contributed their insights, time, and support toward the realization of this important initiative. It is our collective hope that the findings and recommendations presented herein will contribute meaningfully to the advancement of sound financial governance and accountability in the public sector.

CPA Dr. Grace Kamau
Chief Executive Officer
ICPAK

BACKGROUND

The Institute of Certified Public Accountants of Kenya (ICPAK) is a statutory body established under the Accountants Act CAP 531, to regulate, develop, and promote the accountancy profession in Kenya. As a member of international accountancy bodies such as the International Federation of Accountants (IFAC) and the Pan African Federation of Accountants (PAFA), the Institute is guided by globally accepted standards of ethics, practice, and accountability.

In fulfilment of its mandate under Section 8 of the Accountants Act and in line with the constitutional principles of public finance, the Institute undertakes various initiatives to promote transparency, sound financial reporting, and good governance in the management of public resources. Among these is the Public Audit Review, aimed at reviewing the audited financial statements to determine the relationship between the professional status of the financial prepares and the types of audit opinions issued.

This report presents Phase Three of the Public Audit Review and focuses on the National Government, specifically Ministries, Departments, Agencies (MDAs). This follows the completion of Phase One (County Executives) and Phase Two (County Assemblies), both of which yielded important insights into county financial accountability.

A. PUBLIC AUDIT REVIEW OF MINISTRIES, DEPARTMENTS AND AGENCIES

Kenya has continued to make progress in strengthening its institutional framework for auditing and financial management. However, despite ongoing reforms and the existence of audit regulations, the public financial management at the national level continues to face challenges. Audit reports from the Office of the Auditor-General frequently point to recurring issues such as financial misstatements, unsupported expenditures, poor internal controls, and procurement irregularities.

The Audit review considered the audited financial statements of Ministries, Departments and Agencies for the financial years 2020/21, 2021/22, and 2022/23. This review aims to bridge the gap in the analysis and synthesis of audit findings, especially given the concerns raised on preparers of financial statements. It further seeks to generate insights that encourage value for money and more effective oversight by key stakeholders including Parliament, regulatory agencies, civil society, academia, and the public.

B. KEY FINDINGS FROM MDA REPORTS

The review revealed a number of cross-cutting issues affecting the overall effectiveness of public financial management at the national level. The key issues are as follows

(i) Professional status of signatories

In several entities, signatories to financial statements had not regularized their membership with ICPAK and therefore not in good standing. This was noted as a concern for compliance with the Accountants Act and associated regulations.

(ii) Recurrent and Unresolved Audit Queries

A significant number of entities exhibited repeat audit findings from previous financial years, indicating insufficient follow-up and lack of institutional commitment to address audit concerns. These include unsupported expenditures, irregular procurements, and failure to maintain complete and accurate records.

(iii) Weak Oversight and Governance Structures

There is evidence of persistent weaknesses in governance, particularly in the oversight of financial reporting processes. Many entities demonstrated limited capacity to monitor compliance with financial regulations, effectively manage risks, or accountability for public resources entrusted to them.

(iv) Inadequate Internal Controls

Internal control frameworks across various MDAs were found to be weak or inconsistently applied. Common gaps include lack of updated asset registers, unsupported imprests, misstatements in financial statements, and poor cash flow management practices.

C. CALL TO ACTION

The findings of this review underscore the need for coordinated and sustained action to strengthen financial governance within national public institutions. The following key stakeholders are identified

(i) *Financial Preparers and Signatories* to ensure full compliance with PFM regulations and professional standards in financial reporting and management of public resources.

(ii) *The Office of the Auditor-General* to reinforce the requirement that preparers of public financial statements are qualified and members of ICPAK in good standing. This would enhance the quality and credibility of financial reports across public entities and strengthen accountability.

(iii) *Professionals, civil society, academia, and development partners* should work collaboratively to advocate for reforms, build capacity, and promote a culture of transparency and integrity in public finance.

(iv) *Parliament* should enforce feedback mechanism on implementation of audit recommendations to enable monitoring and reporting on the implementation status of audit recommendations by public entities for improvement in audit compliance.

FINDINGS ON AUDITOR GENERAL REPORTS

As part of the audit review, the Institute assessed audited financial statements of MDAs by the Office of the Auditor-General for the financial years 2020/21, 2021/22, and 2022/23 as follows

Financial Year	No. of OAG Reports on National Government MDAs	No. of ICPAK Reviewed OAG reports on National Government MDAs	% of ICPAK Reviewed OAG reports on National Government MDAs
2022/23	80	53	66.3%
2021/22	67	59	88.1%
2020/21	67	58	86.6%

The variance in the number of OAG reports reviewed by ICPAK across the review period is attributable to the following:

(i) Audited financial statements for certain voted entities were classified as sensitive by OAG due to their involvement in national security operations. Consequently, audit reports for these entities were not availed, which limited ICPAK's access and ability to review them. The entities include

- The Executive Office of the President
- Office of the Deputy President
- Office of the Prime Cabinet Secretary
- State Department for Immigration and Citizen Services
- National Police Service
- State Department for Internal Security and National Administration
- State Department for Defense
- State Department for Foreign Affairs
- State Department for Diaspora
- National Intelligence Service
- Independent Policing Oversight Authority

(ii) Pursuant to Executive Orders, there was an increase in the number of MDAs within the National Government for FY 2022/23. This led to a higher volume of audit reports for that period that could not be compared to previous years.The entities include:

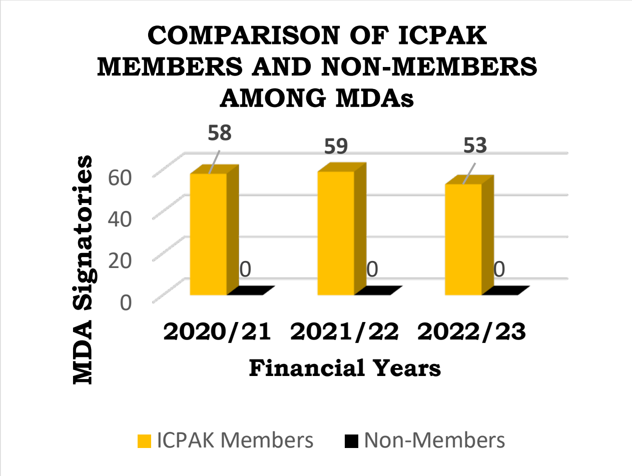
- State Department for Environment & Climate Change
- State Department for Forestry
- State Department for Medical Services
- State Department for Professional Standards
- State Department for Investments Promotion
- State Department for Trade
- State Department for Industry
- State Department for Culture & Heritage
- State Department for Tourism & Wildlife
- State Department for Micro, Small and Medium Enterprises (MSMEs)
- State Department for Public Service

Given that the ICPAK public audit review focused on conducting a comparative analysis across three financial years, only audit reports that were consistently available for all years were included in the analysis. This resulted in a reduction in the actual number of reports used for the review. The following is an analysis of the findings

A. PROFESSIONAL STATUS OF SIGNATORIES

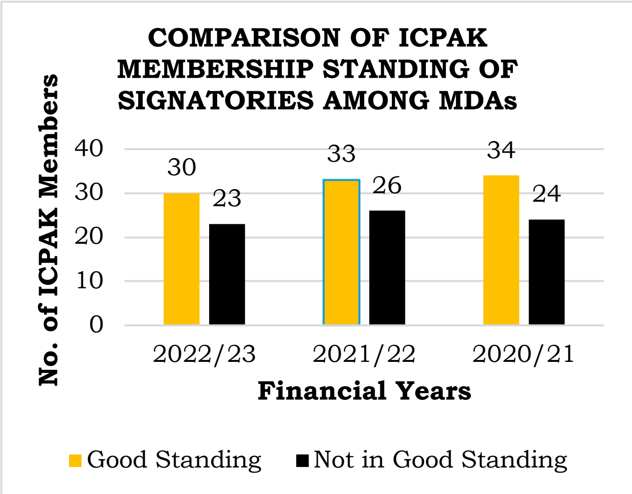
The report reviewed the professional membership status of the signatories to financial statements identifying the number of ICPAK Members and Non-members.

The analysis of audited financial statements for MDAs over the three-year period, revealed that all accounting leadership and signatories to the statements were members of ICPAK. This trend indicates a sustained commitment by the National Government to the professionalization of public financial management.



In addition to confirming that all signatories to the audited financial statements were members of ICPAK, the analysis further examined their membership standing status, specifically whether they were in good standing.

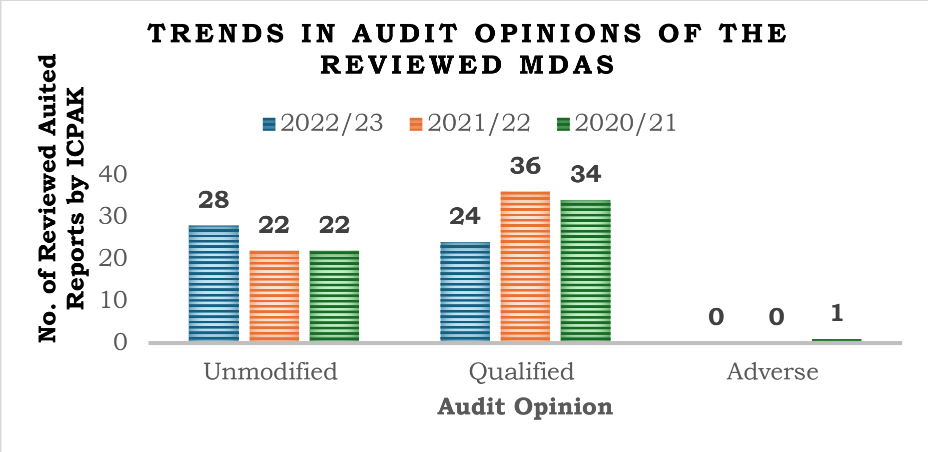
It was observed that there has been a slight decline in the proportion of members in good standing from 34 in 2020/21 to 30 in 2022/23. The presence of signatories not in good standing raises concerns regarding adherence to professional standards, as it may affect the credibility and quality of financial reporting.



This trend highlights an opportunity for both ICPAK and the relevant public sector entities to strengthen professional accountability mechanisms to ensure continued compliance with professional requirements.

B. TRENDS IN AUDIT OPINIONS OF THE REVIEWED MDAs

The analysis of audit opinions issued over the three financial years reveals the following trends.



(i) The number of unmodified opinions increased from 22 in 2020/21 to 28 in 2022/23.

(ii) Conversely, qualified opinions remain prevalent, though they decreased from a high of 36 in 2021/22 to 24 in 2022/23, suggesting improvements in addressing prior audit issues.

(iii) Adverse opinions were minimal, with only one instance recorded in 2020/21 and none thereafter. This points to a general avoidance of severe audit findings in recent years

C. TRENDS IN AUDITED EXPENDITURE (FY 2020/21 – 2022/23)

Over the three-year period under review, the total audited expenditure for the National Government continued to increase which indicates an expanding public sector and increasing fiscal commitments. As illustrated in Table 1, actual gross expenditure rose from Ksh. 3.21 trillion in FY 2020/21 to Ksh. 3.61 trillion in FY 2022/23, representing a growth of 12.5%.

Similarly, the gross expenditure estimates grew from Ksh 3.38 trillion in FY 2020/21 to Ksh 4.07 trillion in FY 2022/23, which represents an increase of 20%. However, actual spending consistently fell short of the approved budgets, with under-expenditure widening year-on-year from 5% in FY 2020/21, to 9% in FY 2021/22, and 11% in FY 2022/23.

Table 1: Trends in Audited and Estimated Expenditure (FY 2020/21 – 2022/23)

Financial Year	Estimated Gross Expenditure Ksh. (Billions)	Actual Gross Expenditure Ksh. (Billion)	Under Expenditure Ksh. (Billions)	% Under Expenditure
2020/21	3,379.90	3,211.49	168.41	5%
2021/22	3,832.09	3,473.14	358.95	9%
2022/23	4,068.76	3,614.18	454.58	11%

Source: Auditor-General's Reports

This trend of growing under-expenditure points to persistent challenges in budget execution, absorption capacity, and fiscal planning. Key factors contributing to under-expenditure may include delayed disbursements and over-ambitious revenue forecasting.

In addition, the increased levels of actual expenditure highlight the increasing volume of public resources being entrusted to state entities. This trend places a heightened responsibility on public officers and institutions to uphold the principles of transparency, accountability, and prudent financial management.

D. TRENDS IN PENDING BILLS FOR MINISTRIES, DEPARTMENTS, AND AGENCIES

Pending bills remain a persistent challenge in public entities. Over the three financial years under review, the value of pending bills within MDAs fluctuated signaling fiscal distress. As shown in Table 3, pending bills stood at Ksh 72.32 billion in FY 2020/21, reduced to Ksh 57.47 billion in FY 2021/22, but sharply increased to Ksh 130.81 billion in FY 2022/23.

Table 3: Trends in Pending Bills for MDAs (FY 2020/21 – 2022/23)

Financial Year	Pending Bills (Ksh)	Annual Change (%) + increase/- decrease
2020/21	72,315,870,508	-
2021/22	57,469,530,401	(20.5) %
2022/23	130,810,823,729	127.5%

Source: Auditor-General, Annual Audit Reports

REVIEW OF MINISTRIES, DEPARTMENTS AND AGENCIES SPECIFIC FINANCIAL STATEMENTS AND AUDITOR GENERAL REPORTS

The Institute reviewed the financial statements audited for MDAs and observed the following

THE NATIONAL TREASURY AND ECONOMIC PLANNING

The following is an analysis of findings and observations of the audited financial statements for the National Treasury and Economic Planning, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA George K Gichuru	Head of Accounting Unit	9262	Not in good standing	• Long Outstanding Salary Advances • Loans to Kenya Airways Limited • Unapproved Expenditure on Purchase of Shares • Failure to Account for Promotional Materials • Wasteful/Avoidable Expenditure on Court Award • Non-Compliance with the One-Third of Basic Salary Rule • Lack of Fixed Assets Register • Failure to Dispose Obsolete Inventory • Budgetary Control and Performance • Pending Accounts Payable
21/22	Qualified	CPA Nemwel Montanya	Head of Accounting Unit	2367	Not in good standing	• Unconfirmed expenditure balances • Long outstanding reconciling bank items • Lack of a fixed assets register • Non compliance with one third of basic salary rule

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
20/21	Qualified	CPA Nemwel Montanya	Head of Accounting Unit	2367	Not in good standing	• Inaccuracies in the financial statements. • Inaccuracies in acquisition of assets. • Unconfirmed expenditure in purchase of specialized materials and services • Unauthorized utilization of surplus • Budgetary control and performance • Lack of a fixed assets register.

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity has consistently received a qualified audit opinion over the three financial years under review.
- There was a change of signatory in FY 2022/23, whereas FY 2020/21 and 2021/22 had maintained the same signatory.
- Both signatories were confirmed to be members of ICPAK, however, neither was in good standing as at June 2025.
- Recurring audit issues observed across the review period include
  (i) Lack of a Fixed Assets Register in all three years;
  (ii) Issues with budgetary control and performance;
  (iii) Non-compliance with the One-Third of Basic Salary Rule in at least two years;
  (iv) Unconfirmed or unsupported expenditure balances.

Recommendations

To address the recurring issues identified, the following actions are recommended:

- The Accounting Department and Asset Management Unit, should develop and operationalize a compliant Fixed Assets Register by the end of the current financial year to enhance asset accountability.
- The Internal Audit Committee, working with the Finance Directorate, should operationalize an Audit Issue Resolution Matrix with assigned responsibilities and timelines to ensure systematic follow-up on audit recommendations.
- The Head of Accounting Unit should lead quarterly financial performance review meetings with Heads of Departments to monitor budget execution, address expenditure pressures, and guide timely corrective actions.

- Establish targeted training and capacity-building initiatives for accounting personnel and financial statement preparers to improve adherence to financial reporting and compliance requirements.
- There is need to support all financial preparers and signatories to regularize their membership and maintain good standing statuts with ICPAK membership.
- The Head of Accounting Unit to ensure that financial statements are signed and approved in accordance with PFM Act to allow for thorough reconciliation, documentation, and audit readiness.

STATE DEPARTMENT FOR PLANNING

The following is an analysis of findings and observations of the audited financial statements for the State Department for Planning, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Nemwel Montanya	Head of Accounting Unit	2367	Not in good standing	No key audit matters to report
21/22	Unmodified	CPA Veronicah Kamau	Head of Accounting Unit	10669	Not in good standing	• Unresolved prior year matters • Pending bills
20/21	Qualified	CPA Veronicah Kamau	Head of Accounting unit	10669	Not in good standing	• Unsupported pending bills • There were no other key audit matters to report

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- There was an improvement in audit opinion, with the entity receiving unmodified opinions in FY 2021/22 and 2022/23, following a qualified opinion in FY 2020/21.
- There was a change in signatory in FY 2022/23, indicating changes in accounting leadership.
- Both signatories were confirmed members of ICPAK, however, none were in good standing as at June 2025.
- FY 2022/23 had no key audit matters, indicating improvements in financial controls from FY 2021/22 and FY2020/21.

Recommendations

To address the recurring issues identified, the following actions are recommended:

- The Head of Accounting Unit should strengthen internal financial controls and audit preparedness to sustain unmodified audit opinions and improve compliance with public sector accounting standards.
- Management to support all financial statement preparers and signatories regularize and maintain their ICPAK good standing status.
- The Accounting Unit should institutionalize procedures that guarantee timely preparation, internal review, and sign-off of financial statements within the statutory three-month period following the end of each financial year.
- The Accounting Unit, in consultation with the Procurement Units, should develop and implement a structured framework for verifying, recording, and settling pending bills to enhance transparency and reduce audit exposure.
- The Accounting unit should establish a formal transition protocol for incoming accounting officers and signatories to ensure continuity in financial reporting and audit follow-up.

STATE DEPARTMENT FOR INTERIOR AND CITIZEN SERVICES

The following is an analysis of findings and observations of the audited financial statements for the State Department of Interior and Citizen Services, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Fredrick Muhul	Deputy Accountant General	6591	Good Standing	There were no material issues to report.
21/22	Qualified	CPA James K Karori	Deputy Accountant General	3972	Not in good standing	• Long Outstanding and Un-Reconciled Bank Balance • Unsupported Pending Bills • Non-Provision of Quarterly Reports • Under Budgeting for Comprehensive Group Life Cover • Unsupported Adjustment of Premiums • Unpaid Claims on Last Expense • Lack of Standing

F/Y	Opinion	Name of signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						Committee Reports • Ex-Gratia/Excess of Loss Benefits • Acquisition of Assets
20/21	Qualified	James K Korir	Deputy Accountant General	3972	Not in good standing	• Variances between balances in the financial statements and trial balances. • Long outstanding and unreconciled bank balances. • Irregular procurement - rehabilitation and extension of Homabay county commissioner's residence. • Inaccuracies in cash and cash equivalents balances of Kshs. 1,904,585,295.

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received qualified audit opinions in FY 2020/21 and 2021/22, followed by an unmodified audit opinion in FY 2022/23. This indicates improvements in financial reporting and audit issue resolution.
- There was a change in signatories in FY 2022/23 from FY 2020/21 and 2021/22, indicating a change in accounting leadership.
- Both signatories were confirmed as members of ICPAK, however, one was not in good standing as at June 2025.
- FY 2022/23 had no material issues reported, which indicates improvement in the entity's financial management practices.

Recommendations

To ensure continued improvement in financial accountability and reporting, the following actions are recommended:

- The Head of Accounting Unit should consolidate gains from the unmodified audit opinion in FY 2022/23 by institutionalizing internal control enhancements within all financial reporting processes.
- Management to support all financial statement preparers and signatories regularize and maintain their ICPAK good standing status.
- The Accounting Unit should enhance adherence to statutory timelines by ensuring all financial statements are finalized and signed in compliance with the PFM Act.
- The Accounting Department should develop and implement a formal transition protocol for outgoing and incoming signatories to safeguard institutional memory and ensure continuity in financial reporting and audit issue resolution.

STATE DEPARTMENT FOR DEVOLUTION

The following is an analysis of findings and observations of audited financial statements for the State Department for Devolution, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Audit Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership No.	Confirmation of Good Standing as at June 2025	Issues of Concern
2022/23						
2021/22	Qualified	CPA Robert Asumani	Head of Accounting Unit	10100	Good standing	• Unaccounted for district suspense • Non-payment of pending bills • Budgetary control and performance • Prior year matters • Lack of functioning audit committee • Lack of public finance committee
2020/21	Qualified	CPA Johnson Njuguna	Principal Accounts Controller	7626	Good standing	• Inaccuracies in compensation of employees account balances • Unsupported expenditures

						• Unsupported transfers to other government entities • Inaccuracies in cash and cash equivalents • Unsupported account balances • Inaccuracies in pending bills

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21 and 2021/22:

- The entity received qualified audit opinions for FY 2020/21 and FY 2021/22.
- There was a change in signatory between FY 2020/21 and FY 2021/22, indicating a shift in key accounting leadership.
- The signatories for FY 2020/21 and 2021/22 were confirmed as members of ICPAK and in good standing as at June 2025.
- Recurring audit issues were noted over the two years including; inaccuracies in financial statements; unsupported expenditures and account balances; unpaid or unsupported pending bills and lack of functioning audit and finance committees.

Recommendations

To address the recurring financial reporting and accountability issues identified, the following actions are recommended:

- The Accounting department should strengthen internal financial reporting processes to ensure preparation, approval, and signing of financial statements within the statutory three-month deadline, in compliance with the PFM Act.
- The Head of Accounting Unit should implement formal handover procedures for finance personnel transitions to safeguard institutional memory, documentation continuity, and audit issue resolution.
- The Internal Audit Unit and Finance Department should enhance internal control systems by reinforcing expenditure authorization, ensuring cash flow accuracy, and maintaining timely account reconciliations, supported by a centralized document management system.
- The Accounting Officer should establish and adequately resource the Audit Committee to provide independent oversight on financial matters and enforce implementation of audit recommendations.
- The Head of Accounting Unit should roll out targeted capacity-building initiatives for accounting and finance staff in areas of financial reporting, audit preparedness, and budget execution to improve audit outcomes and reduce qualification risks.

STATE DEPARTMENT FOR ASALS AND REGIONAL DEVELOPMENT

The following is an analysis of findings and observations of audited financial statements for the State Department for Arid and Semi-Arid Lands and Regional Development, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23						
21/22	Qualified	CPA Rose Baraza	Head of Accounting Unit	5586	Not in good standing	• Unsupported expenditure. • Unsupported account payable. • Pending account payable. • Unresolved prior year matters. • Lack of an effective internal audit function.
20/21	Qualified	CPA Irene Mbogo	Principal Accounts Controller	6867	Good standing	• Unsupported Expenditure Unsupported Accounts Payables • Pending Accounts Payable. • Lack of an Effective Internal Audit Function

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21 and 2021/22:

- The entity received qualified audit opinions for both FY 2020/21 and FY 2021/22.
- There was a change of signatories between FY 2020/21 and FY 2021/22 indicating possible organizational or staffing changes.
- While both signatories were confirmed members of ICPAK, the signatory for FY 2021/22 was not in good standing as at June 2025.
- Recurring audit concerns were noted over the two years, including: unsupported expenditure and accounts payables; pending accounts payables; unresolved prior year audit matters and lack of an effective internal audit function.

Recommendations

To strengthen financial accountability and reporting, the following actions are recommended:

- The Accounting Unit should ensure the timely preparation, approval, and signing of financial statements within three months of the end of the financial year, in strict adherence to the PFM Act.
- The Accounting Officers should establish and operationalize an independent and adequately resourced internal audit unit to enhance risk management, internal control assurance, and compliance monitoring.
- Management should ensure all financial preparers and signatories regularize and maintain good standing with ICPAK in accordance with the Accountants Act.
- The ICT and Accounting Departments should implement a centralized, digitized documentation management system to ensure that all financial transactions are properly authorized, supported, and verifiable for audit purposes.
- The Head of Accounting Unit should support ongoing capacity-building programs for finance personnel focused on audit preparedness, internal controls, and financial accountability practices.
- The Accounting Department should institutionalize structured handover protocols during changes in accounting leadership to preserve institutional memory, ensure continuity in financial management, and maintain momentum on audit issue resolution.

STATE DEPARTMENT FOR TECHNICAL, VOCATIONAL EDUCATION AND TRAINING

The following is an analysis of findings and observations of audited financial statements for the State Department for Technical, Vocational Education and Training, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Jospeh M Kiraita	Deputy Accountant General	3644	Good standing	• Unreconciled Bank balances • Misclassification of transactions in the ledger • Inaccuracies in compensation of employees • Over disbursement of capitation due to use of unverified data • Disbursement of capitations to institutions

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						during the lockdown period. • Budgetary control and performance • Unresolved prior year audit matters.
21/22	Qualified	CPA Joseph M. Kiraita	Deputy Accountant General	3644	Good standing	• Unsupported revenues • Loss of cash through the use of duplicate accounts in IFMIS • Long outstanding accounts receivables • Lack of PFM standing committee • Non compliance with the one third of basic salary rule • Voided payments • Failure to process payments that have taken place in IFMIS
20/21	Qualified	CPA Joseph M. Kiraita	Deputy Accountant General	3644	Good standing	• Unreconciled bank balances • Misclassification of transactions in the ledger • Unsupported transfers to other government entities • Unresolved prior year matters

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity consistently received qualified audit opinions across all three financial years under review.
- The signatory remained consistent across all three years, indicating continuity in the accounting leadership.
- The signatory was confirmed to be a member of ICPAK and was in good standing as at June 2025 indicating adherence to professional standards.
- Recurring and unresolved audit issues were observed throughout the review period, including: unreconciled bank balances; misclassification of transactions in the ledger; unresolved prior year audit matters; weaknesses in budgetary control and performance and Compensation inaccuracies and non-compliance with salary rules.

Recommendations

To resolve the identified audit issues, the following actions are recommended:

- The Internal Audit Unit, in coordination with the Accounting department, should implement a structured audit issues resolution framework with designated officers, timelines, and oversight to address persistent issues such as unreconciled bank balances, ledger misclassifications, and unsupported transactions.
- The Accounting Department should enhance planning and coordination mechanisms to ensure timely preparation, approval, and submission of financial statements within the three-month statutory window required under the PFM Act.
- The ICT and Accounting Units should undertake a comprehensive audit of IFMIS operations to identify and resolve duplicate accounts, voided payments, and systemic control weaknesses contributing to financial misstatements.
- The Accounting Officers should strengthen and empower internal committees to provide active oversight over budget execution, audit implementation, and control compliance across all departments.
- The Accounting Department should establish a robust verification mechanism for beneficiary data to prevent overpayments and ensure accuracy of transfers, particularly during institutional disruptions.
- The Payroll Unit should enforce compliance with the one-third basic salary rule and ensure employee compensation is accurately captured and reported in financial statements.
- Given the continuity and professional standing of the current accounting signatory, the Accounting Department should leverage this leadership to institutionalize reforms, preserve institutional memory, and drive timely resolution of audit issues

STATE DEPARTMENT FOR HIGHER EDUCATION AND RESEARCH

The following is an analysis of findings and observations of the audited financial statements for the State Department for Higher Education and Research, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025.	Issues of Concern
22/23	Qualified	CPA Margaret W. Kariuki	Senior Deputy Accountant General	4291	Not in Good Standing	• Irregularities in transfers to other government unit. • Unconfirmed transfers to other government units. • Discrepancies between expected and actual capitation funding. • Unconfirmed fuel expenditure. • Irregularities in grants transfers to private universities. • Irregularities in compensation of employee costs. • Unbalanced budget. • Failure to prepare and submit separate board financial statements for audit. • Non-submission of financial statements for audit – Open University of Kenya.
21/22	Qualified	CPA Johnson W. Njuguna	Deputy Accountant General	7626	Good standing	• Unsupported grants and transfers • Failure to prepare bank reconciliations

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025.	Issues of Concern
						• Undisclosed foreign travels • Wrong classification of expenditures • Unsupported capital grants to other government entities • Non compliance with one third of basic salary rule • Lack of an audit committee • Lack of an asset register
20/21	Qualified	Robert Asumani Samuel	Assistant Accountant General	10100	Good standing	• Inaccuracies in cash and cash equivalents • Unsupported payments • Unconfirmed transfers to private universities • Unsupported disbursements

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received a qualified audit opinion for all three financial years.
- There were changes in the signatories for each year which indicates possible or frequent rotation in accounting leadership.
- All signatories were members of ICPAK. In FY 2022/23 the signatory was not in good standing as at June 2025.
- Recurring audit issues noted over the review period include: unconfirmed or unsupported transfers and disbursements; irregular grants to private universities; inaccuracies in compensation of employees and expenditure classifications; Undisclosed foreign travel and unsupported fuel expenses; Failure to prepare or

submit required financial statements in FY 2022/23 for the Open University of Kenya and other board-related entities.

Recommendations

To address audit concerns, the following actions are recommended:

- The Internal Audit Unit should establish a time-bound audit issue resolution matrix with assigned responsibilities to address recurring concerns, particularly regarding unsupported payments and inaccurate disclosures.
- The Accounting Department should strengthen internal reporting workflows to ensure all financial statements are prepared, signed, and submitted by September 30th annually, in line with Section 80(4) of the PFM Act.
- The Accounting Officers should minimize frequent changes in signatories by promoting continuity in finance leadership and institutionalizing structured handover protocols.
- Managemnent should ensure that all financial preparers and signatories maintain good standing with ICPAK in accordance with the Accountants Act.
- The Accounting Officer should establish and operationalize a fully functional audit committee and PFM oversight team to enhance internal controls, risk management, and compliance monitoring.
- The Accounting Deapartment should implement stringent review and quality assurance procedures to correct classification errors and ensure full disclosure of foreign travel, grants, and other financial activities.
- The Accounting Department should mandate and enforce the timely preparation and submission of standalone financial statements for all semi-autonomous entities and newly established institutions, including the Open University of Kenya, to ensure transparency and compliance with audit requirements.
- The Head of Accounting Unit should facilitate ongoing training for finance staff on IPSAS, public financial management practices, and audit compliance to reduce qualification risks in future audit cycles.

STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION

The following is an analysis of findings and observations of the audited financial statements for theState Department for Early Learning and Basic Education, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Emilio Mukria Gichigo	Deputy Accountant General	19940	Not in good standing	• Unconfirmed Capitation for Free Primary Education and Free Day Secondary Education

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						• Non-Preparation and Submission of Financial Statements for Audit. • Non-Remittance of Excess AIA Collections. • Outstanding Imprests and Clearance Accounts. • Pending accounts payable • Unresolved prior year matters.
21/22	Qualified	CPA Emilio Mukira Gichigo	Deputy Accountant General	19940	Not in good standing	• Unsupported Revenue from Registration and Re-Registration of Schools. • Inaccuracies in Cash and Cash Equivalents - Holding/Suspense Accounts • Misclassification and Payment of Rent without Valid Lease Agreements • Irregular Disbursements of Free Primary Education Funds • Irregularities in Free Day Secondary School Education Subsidies Disbursements • Misstatement of Reported Imprests and Advances • Unsupported Long Outstanding Accounts Payables • Unauthorized Reallocation of Funds for Construction of CBC Classrooms.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						• Incomplete Asset Register. • Lack of an Inventory Management System. • Failure to Hold Minimum Number of Audit Committee Meetings.
20/21	Qualified	CPA Emilio Mukira Gichigo	Assistant Accountant General	19940	Not in good standing	• Accuracy and validity of transfers to other government units could not be confirmed • Outstanding imprest and clearance accounts • Inaccuracies in compensation of employees

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity consistently received a qualified audit opinion across all three financial years.
- The signatory remained consistent across the three years, which indicates continuity in accounting leadership.
- The signatory was not in good standing with ICPAK as at June 2025, therefore being non-compliant with the professional standards as per the Accountants Act and attendant regulations.
- Recurring audit issues identified include: unconfirmed transfers or capitation funds, especially in Free Primary and Secondary Education programs; unsupported or inaccurately recorded revenues and payables; outstanding imprests and clearance accounts and weak internal control mechanisms.

Recommendations

To address identified audit concerns and improve financial accountability, the following actions are recommended:

- Internal audit unit should develop a structured audit action plan and tracking matrix to close outstanding issues, particularly around imprests, unsupported revenues, pending payables, and unconfirmed capitation disbursements.
- Support the financial preparers and signatories to be in good standing with ICPAK.

- Strengthen internal procedures to ensure timely preparation and submission of financial statements by 30th September each year, as required under the PFM Act.
- Address the failure to submit financial statements for specific programs or institutions, ensuring that all government units and sub-entities are covered in audit processes.
- Operationalize and monitor audit committees to ensure the minimum number of meetings is met and that audit recommendations are implemented within defined timelines.
- Strengthen Internal Financial Controls as follows
  - (i) Establish or upgrade an inventory management system to ensure completeness and accountability of assets.
  - (ii) Regularize all lease agreements for rent payments and introduce stronger verification processes for classification and disbursement of funds.
  - (iii) Reassess internal procedures for AIA (Appropriation-in-Aid) collection and remittance to avoid excess retention or misreporting.
- Implement a data validation mechanism to confirm eligibility and accuracy of capitation disbursements, especially in education funding, to mitigate overpayments and irregular transfers.
- Provide targeted training for finance personnel on IPSAS standards, public financial management frameworks, and audit readiness, with a focus on improving documentation, reporting, and accountability.

STATE DEPARTMENT FOR POST TRAINING AND SKILLS DEVELOPMENT

The following is an analysis of findings and observations of financial statements for the State Department for Post Training and Skills Development, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Milly Eve Akoth	Head of Accounting Unit	20112	Good Standing	• Unresolved Prior Year Matters. • Irregular Advance Payments.
21/22	Qualified	CPA John M. Bogonko	Deputy Accountant General	5445	Not in good standing	• Inaccuracies in the financial statements • Variances in the bank reconciliation statements • Unsupported and unreconciled differences in the statement of assets and liabilities

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						• Irregular advance payments
20/21	Unmodified	CPA Jamess Barasa Oundo	Deputy Accountant General	18974	Good standing	• Pending bills • There were no other key audit matters to report

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received a qualified opinion in FY 2021/22 followed by an unmodified opinion in FY 2022/23**,** indicating improvement in financial reporting and compliance.
- There was a change in signatory each year, indicating changes in accounting leadership.
- All signatories were confirmed to be ICPAK members, in good standing in FY 2020/21 and FY 2022/23. However, the FY 2021/22 the signatory was not in good standing as at June 2025.
- Key audit issues noted across the review period include: irregular advance payments and unresolved prior year matters

Recommendations

To strengthen and resolve the identified issues, the following recommendations are proposed:

- The Finance Department should implement enhanced controls, verification procedures, and supporting documentation requirements for all advance payments to prevent irregularities and promote accountability.
- The Accounting department should improve bank and ledger reconciliation processes to eliminate variances and ensure accurate and timely reporting of financial positions.
- Management should ensure that all financial preparers and signatories are supported to maintain active and good standing with ICPAK in line with professional standards.
- The Accounting Officer should institutionalize structured handover protocols and knowledge transfer mechanisms during changes in finance leadership to ensure continuity, audit readiness, and retention of institutional memory.
- The Internal Audit Unit should be more proactively involved in reviewing financial reporting processes, with a focus on high-risk areas such as bank reconciliations and advance payment controls.
- The Budget and Planning Unit, in collaboration with the Internal Audit and Finance departments, should conduct periodic risk-based reviews to monitor budget execution, identify emerging control gaps, and initiate timely corrective measures

STATE DEPARTMENT FOR IMPLEMENTATION OF CURRICULUM SERVICES

The following is an analysis of findings and observations of financial statements for the State Department for Implementation of Curriculum Services, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Emilio Makira Gichigo	Head of Accounting Unit	19940	Not in good standing	• Misclassification of expenditure. • Inaccuracy of bank balances • Pending accounts payable • Unresolved prior year matters
21/22	Unmodified	CPA Henry Siele Kipyegon	Head of Accounting Unit	8879	Not in good standing	• Failure to maintain a fixed assets register • Lack of an audit committee • No other material issues noted during the audit of the financial statements of the State Department.
20/21						

Observations

The following issues were identified from the review of audited financial statements for the financial years 2021/22, and 2022/23:

- The entity received audit opinion declined from unmodified audit opinion in FY 2021/22 to a qualified opinion in FY 2022/23, indicating presence of material audit issues.
- There were changes in signatory between FY 2021/22 and FY 2022/23 indicating change in accounting leadership.
- Both signatories were confirmed to be members of ICPAK, but neither was in good standing as at June 2025.
- Key audit issues noted include: misclassification of expenditure, inaccuracies in bank balances, lack of a fixed assets register and absence of an audit committee.

Recommendations

To address the audit issues identified, the following actions are recommended:

- The Accounting Department should develop a structured audit implementation plan to track and close recurring matters such as pending payables and unresolved prior year findings.
- The Head of Accounting Unit should formulate a functional audit committee to provide independent oversight and strengthen accountability.
- Maintain and regularly update a fixed assets register in accordance with IPSAS and public sector asset management standards.
- Support all financial preparers and signatories to be in good standing with ICPAK.
- Enhance controls around classification of expenditure, bank reconciliations, and reporting of payables to prevent material misstatements.
- Support capacity building and training of accounting officers and finance staff on public sector financial reporting frameworks and compliance obligations.

MINISTRY OF HEALTH

The following is an analysis of findings and observations of the audited financial statements for the Ministry of Health, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Moses Gitari	Head of Accounting Unit	4204	Good Standing	• Undisclosed Bank • Unauthorised Development Expenditure. • Long Outstanding Deposits • Outstanding Imprest • Failure to Maintain Fixed Assets Register • Payment of Salaries Outside the Payroll • Budgetary Control and Performance • Pending Accounts Payables
21/22	Qualified	CPA Peninah Njugunah	Head of Accounting Unit	10661	Good Standing	• Misclassification of Expenditure

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						• Unsupported Other Operating Expenses • Unsupported Specialized Materials and Services • Unreleased Deposit Amounts • Unsupported Credit Entry • Unsupported Disbursements • Unconfirmed Commitments of Goods, Works and Services • Unsupported Contingent Liabilities - Court Awards • Undisclosed Asset Disposals • Unaccounted for Expenditure on Construction of Paediatric Emergency Centre and Burns • Variances Between Financial Statements and Vote Book • Undisclosed Pending Bills. • Unremitted National Social Security Fund (NSSF) Contributions • Unremitted Pension Contributions • Failure to Maintain Fixed Assets Register
20/21	Qualified	CPA Peninah Njugunah	Head of Accounting Unit	10661	Good Standing	• Misclassification of expenditures • Variances between the

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						financial statement and vote book balances • Inaccuracies in the cash and cash equivalent balances • Undisclosed bank balances • Unsupported expenditures • Over expenditure on budgeted items • Exchequer releases not supported by Appropriations in Aid • Non payment of pending bills • Failure to prepare financial statements for a fund, council and oversight authority

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity consistently received qualified audit opinions across all three financial years.
- The signatory remained the same for FY 2020/21 and FY 2021/22 but changed in FY 2022/23, indicating changes in accounting leadership.
- Both signatories were confirmed to be members of ICPAK and in good standing as at June 2025.
- Recurring audit issues were observed across the three years, including: failure to maintain a Fixed Assets Register; undisclosed or unsupported bank balances and expenditures; pending accounts payables and long-outstanding imprests/deposits.

Recommendations

To address the audit issues and strengthen financial accountability, the following actions are recommended:

- The Head of Accounting Unit should establish a system to track, address, and resolve audit queries with specific timelines and responsible officers. This should be monitored quarterly by internal audit.
- The Accounting departments should address gaps in vote book reconciliation, expenditure classification, and financial disclosures.
- The Head of Accounting Unit should prioritize the creation and regular update of a comprehensive Fixed Assets Register in accordance with IPSAS.
- The Accounting Unit should improve the quality and completeness of supporting documentation for all expenditures, disbursements, and bank transactions.
- The Accounting Unit should address unauthorized or irregular payments, including those outside the payroll system.
- Develop a plan to settle long-pending payables and clear outstanding imprests to improve financial health and transparency.
- Ensure timely remittance of statutory deductions such as NSSF and pension contributions to avoid legal exposure and safeguard employee benefits.
- Establish regular budget tracking, variance analysis, and expenditure reviews to reduce over-expenditure and enhance financial discipline.

STATE DEPARTMENT FOR ROADS

The following is an analysis of findings and observations of the audited financial statements for the State Department of Roads/infrastructure, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Sophie Wakio Mwangashi	Head of Accounting Unit	11341	Not in good standing	• Unresolved prior year matters • Long outstanding deposits and retention balance • Delayed payment of decretal amount. • Non maintenance of detailed petty cash expenditure schedules • Lack of internal audit reports
21/22	Qualified	CPA Sophie Wakio Mwangashi	Head of Accounting Unit	11341	Not in good standing	• Unsupported use of goods and services payments

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						• Unsupported acquisition of assets • Payment of salaries outside the IPPD • Irregular payment of imprest to staff • Unsupported bank balances • Long outstanding deposits and retentions • Failure to surrender temporary imprests
20/21	Unmodified	CPA Sophie Wakio Mwangashi	Head of Accounting Unit	11341	Not in good standing	• Unsupported Payments on Use of Goods and Services • Unsupported Payments on Acquisition of Assets • Compensation of Employees-Payments Outside IPPD • Inaccuracies in Outstanding Imprest Balance • Unsupported Bank Balances • Failure to Surrender Temporary Imprest • Long Outstanding Deposits and Retentions • Earnings Below the Statutory Minimum

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						• Lack of an audit Committee and Internal Audit

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified audit opinion in FY 2022/23 an improvement from qualified opinion in FY 2021/22.
- The financial statements were signed by the same signatory for the periods under review, indicating stability in accounting leadership.
- The signatory was not in good standing with ICPAK as at June 2025.
- Recurring audit concerns across the three years included; unsupported payments for goods and services; acquisition of assets without adequate documentation.; salary payments made outside the IPPD; long-outstanding deposits, retentions, and unrecovered imprests.

Recommendations

To address the identified audit issues and enhance financial accountability, the following actions are recommended:

- Establish a structured audit issues tracker with clear timelines and responsible officers for each action point.
- Address weaknesses in financial controls, including vote book reconciliation, expenditure classification, and completeness of financial disclosures in line with IPSAS.
- Develop and regularly maintain a comprehensive Fixed Assets Register to ensure proper accounting and safeguarding of public assets.
- Ensure all financial transactions are properly supported by original documentation, including payment vouchers, approvals, and bank statements.
- Eliminate irregular payments, including those processed outside the payroll system, and ensure full compliance with approved staff remuneration structures.
- Clear long-outstanding imprests and deposits, and institute tighter controls for imprest issuance, usage, and surrender.
- Ensure timely remittance of statutory deductions (e.g., NSSF, PAYE, pension contributions) to avoid penalties and protect employee welfare.
- Enhance financial planning through regular budget monitoring, variance analysis, and timely corrective actions to prevent overspending and enforce budget discipline.
- Reinstate or strengthen the internal audit and audit committee functions, which are critical for risk management and accountability.

STATE DEPARTMENT FOR TRANSPORT

The following is an analysis of findings and observations of the audited financial statements for the State Department for Transport, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA James W Thuita	Head of Accounting Unit	3381	Good standing	• Inaccuracies in financial statements • Outstanding third party deposits • Budgetary control and performance • Pending bills • Unresolved prior year issues.
21/22	Qualified	CPA Priscilla Karanja	Head of Accounting Unit	7271	Good standing	• Unsupported adjustments and unexplained variances in cash and cash equivalents balances • Transfers to other government entities • Unexplained IFMIS payments • Unsupported accounts payable balance • Allowances paid outside the Integrated Payroll and Personnel Database (IPPD) • Non-submission of donor funded projects' financial statements • Imprest paid to officers • There were no other material issues relating to effectiveness of internal controls, risk management and governance.
20/21	Qualified	Priscilla Karanja	Head of Accounting Unit	7271	Good standing	• Underperformance of planned budget • There were no other material issues noted in the presentation of the financial statements

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received a qualified audit opinion in all three financial years.
- There was a change in signatory in FY 2022/23, from FY 2020/21 and 2021/22, indicating a change in accounting leadership.
- Both signatories were confirmed to be members of ICPAK in good standing as at June 2025.
- Recurring audit issues were noted across the three years, including; inaccuracies and unsupported figures in financial statements; weaknesses in budgetary control and financial performance; unexplained variances in cash and cash equivalents.; unsupported accounts payable and pending bills.

Recommendations

To address the audit concerns and strengthen financial accountability, the following actions are recommended:

- Strengthen financial reporting controls to eliminate inaccuracies in the preparation of financial statements, ensuring all balances are traceable to source documents and general ledger entries.
- Implement budgetary controls and performance tracking mechanisms to reduce budget underperformance and enhance planning accuracy.
- Develop clear reconciliation procedures for cash and cash equivalents, supported by regular bank reconciliations and documented variance analysis.
- Ensure all accounts payable and pending bills are supported, aged, and verified before payment, and integrate them into budget forecasts to reduce arrears.
- Investigate and resolve unexplained IFMIS payments and inter-government transfers to ensure transparency and proper authorization.
- Integrate all staff-related payments into the IPPD system and discontinue any off-system allowances to promote payroll integrity and compliance.
- Submit timely and complete financial statements for donor-funded projects, in accordance with donor agreements and public financial management regulations.
- Document and follow up on imprests issued to officers, ensuring surrender within the allowed timeframes and disallowing recurrent imprests without closure of previous ones.
- Continue strengthening internal controls, even in areas deemed adequate, through regular internal audit reviews, risk assessments, and governance oversight.

STATE DEPARTMENT FOR SHIPPING AND MARITIME AFFAIRS

The following is an analysis of findings and observations of audited financial statements for the State Department for Shipping and Maritime Affairs, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Henry Mobegi	Head of Accounting Unit	9167	Not in good standing	• Late Exchequer Releases • Failure to Comply with Public Finance Management Regulation, 2015 • Lack of an Audit Committee • Failure to Tag Assets
21/22	Qualified	CPA Margaret Nyaywera	Deputy Accountant General	5429	Good standing	• Inaccuracy and incompleteness of receipts • Payments to staff not captured as outstanding imprest • Imprest to Staff • Long outstanding third-party deposits and retentions • Non compliance with one third of basic salary rule • Failure to settle pending bills leading to accumulation of the pending accounts payables • Ineffective audit Committee
20/21	Unmodified	CPA Margaret Nyaywera	Deputy Accountant General	5429	Good standing	• Ineffective Audit committee • Pending accounts payable • Underfunding and underperformance of planned budget

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified opinion in FY 2022/23 an improvement from a qualified opinion in FY 2021/22.
- The signatory changed in FY 2022/23 from FY 2020/21 and 2021/22, indicating changes in accounting leadership.
- The signatory for FY 2020/21 and 2021/22 was in good standing with ICPAK, while the signatory for FY 2022/23 was not in good standing as at June 2025.

- Key audit issues identified across the three financial years include:

    (i) Weak internal governance structures
    (ii) Non-compliance with PFM regulations
    (iii) Failure to tag assets
    (iv) Late exchequer releases impacting budget execution.
    (v) Incomplete or inaccurate receipts, unsupported staff payments, and long-outstanding third-party deposits and payables.

Recommendations

To address the identified audit issues, the following actions are recommended:

- Reconstitute and operationalize a fully functional audit committee, with scheduled meetings, documented resolutions, and regular follow-up on internal and external audit findings.
- Strengthen compliance with the PFM Regulations by conducting regular training for finance staff and instituting compliance reviews.
- Implement a comprehensive asset tagging system aligned with IPSAS to improve asset accountability and prevent loss or misappropriation.
- Improve controls around staff payments and imprests, ensuring that all outstanding advances are tracked and surrendered in a timely manner, and integrated into financial reporting.
- Enforce compliance with statutory payroll rules, particularly the one-third salary deduction cap, to safeguard employee rights and avoid legal liability.
- Develop and implement a debt resolution plan for long-standing third-party deposits and pending bills, incorporating them into budget planning.
- Enhance the accuracy and completeness of revenue and receipt records by automating collection processes and reconciling them with the general ledger regularly.
- Establish performance monitoring systems to track budget execution and address causes of underfunding and underperformance.

STATE DEPARTMENT FOR HOUSING AND URBAN DEVELOPMENT

The following is an analysis of findings and observations of the audited financial statements for the State Department for Housing and Urban Development , as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Shidzugane Charles Liyayi	Deputy Accountant General	5068	Good Standing	• Rent Revenue. • Under Performance in Rent Revenue Collection from Government Houses.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						• Unremitted Rent Revenue. • Boarded /Alienated Government Houses. • Compensation of Employees 974.1 Monthly Pay Below the One Third of the Basic Salary Rule. • Unutilized Staff Leave Days. • Unutilized Market Projects - Economic Stimulus Project (ESP). • Produce Market at Wundanyi – Taita Taveta County. • Incomplete Projects. • Stalled Economic Stimulus Project (ESP) - Fresh Produce Markets. • Budgetary Control and Performance. • Unresolved Prior Year Issues.
21/22	Qualified	CPA Joyce G Mutugi	Head of Accounting Unit	4265	Not in good standing	• Irregular Charge of Expenditure under Acquisition of Assets • Compensation of Employees-Payroll Items Paid Outside IPPD • Uncollected Revenue from Government Houses

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
20/21	Unmodified	CPA Joyce G Mutugi	Head of Accounting Unit	4265	Not in good standing	• Interest on delayed settlements • No other material issues noted during the audit of the financial statements

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified audit opinion in FY 2022/23, and a qualified opinion in FY 2021/22.
- There was a change in the signatory in FY 2022/23 from FY 2020/21 and 2021/22.
- The signatory for FY 2022/23 was in good standing with ICPAK. However, for both FY 2020/21 and 2021/22 the signatory was not in good standing as at June 2025.
- Recurring audit issues noted across the three financial years include:
    - (i) Challenges in rent revenue management and underperformance in collection
    - (ii) Stalled and unutilized projects
    - (iii) Budget execution challenges, especially related to control and performance.
    - (iv) Unutilized staff leave days
    - (v) Unresolved prior year issues

Recommendations

To address the identified issues and improve financial management and service delivery, the following actions are recommended:

- Ensure payroll compliance with the one-third basic salary rule, and discontinue payment of any payroll-related items outside the IPPD system.
- Develop a staff leave management system to track leave days and encourage periodic utilization to prevent financial liability.
- Support all preparers and signatories to be in good standing with ICPAK.
- Enhance rent revenue collection mechanisms for government houses, including regular tenant audits, timely billing, and automated tracking of payments and arrears.
- Investigate and recover unremitted rent revenue, and ensure all collections are promptly deposited and reconciled.
- Address management and accountability for alienated or boarded government houses, and update asset registers accordingly.
- Review and revive stalled and underutilized ESP projects, and develop a performance framework to assess their economic impact and completion status.
- Strengthen budgetary control processes, including variance analysis and real-time tracking of expenditure against budgeted amounts.

- Prioritize resolution of prior year audit issues, with a structured follow-up mechanism involving internal audit and management oversight.
- Improve coordination with implementing agencies and departments involved in development projects to avoid delays and project abandonment.
- Ensure timely settlement of obligations to avoid accruing interest and penalties that burden public resource

STATE DEPARTMENT FOR PUBLIC WORKS

The following is an analysis of findings and observations of audited financial statements for the State Department for Public Works, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Samson B. M. Ongalo	Head of Accounting Unit	3128	Not in good standing	• Misstatement of Proceeds from Sale of Assets • Budgetary control and performance • Later exchequer releases • Pending bills • Unresolved prior year matters • Failure to surrender temporary imprests • Failure to report long outstanding accounts payable-deposits balance • Lack of an audit committee and internal audit. • Incomplete fixed asset register.
21/22	Qualified	CPA Samuel Kihara Kung'u	Deputy Accountant General	8836	Not in good standing	• Irregular payments under use of goods and services • Irregular payments under acquisition of assets • Payments outside integrated payroll and personnel

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						database (IPPD) system • Inaccuracies in pending bills • Unconfirmed transfers to other government units • Inaccuracies in outstanding imprest balance.
20/21	Qualified	CPA Samuel Kihara Kung'u	Deputy Accountant General	8836	Not in good standing	• Late exchequer releases • Long outstanding payments payable • Ineffective internal audit function and audit committee

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received a qualified audit opinion in all three years, indicating material audit concerns.
- There was a change of signatory in FY 2022/23, indicating changes in accounting leadership.
- Both signatories were not in good standing with ICPAK as at June 2025.
- Recurring audit issues observed across the years include; budgetary control and performance weaknesses; persistent delays in exchequer releases; pending bills and long-outstanding payables, and incomplete fixed asset register.

Recommendations

To address the audit issues and improve financial accountability, the following actions are recommended:

- Review the audit committee and internal audit function to ensure independence, regular oversight, and timely resolution of audit findings.
- Improve the quality and accuracy of financial reporting, especially around asset disposals, pending bills, and transfers to other government units.
- Strengthen compliance with budgetary control procedures, including real-time tracking of expenditure and periodic variance analysis.
- Ensure prompt surrender and full accountability of temporary imprests, and automate imprest tracking systems.

- Implement a full and regularly updated fixed asset register, with proper tagging and periodic physical verification in line with IPSAS requirements.
- Enforce strict compliance with payroll procedures, ensuring that all employee-related payments are processed through the IPPD system.
- Address historical pending bills and unreported payables, and incorporate them into the budgeting process to avoid accumulation and future audit queries.

MINISTRY OF ENVIRONMENT, CLIMATE CHANGE AND FORESTRY

The following is an analysis of findings and observations of audited financial statements for the Ministry of Environment, climate Change and Forestry, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23						
21/22	Qualified	CPA George K. Gichuru	Senior Deputy Accountant General	9262	Not in good standing	• Unsupported transfers to other government entities • Use of goods and services • Inaccuracy and incompleteness of imprests and advances • Irregular payment of allowances • Ineffective internal audit function
20/21	Qualified	CPA George K. Gichuru	Senior Deputy Accountant General	9262	Not in good standing	• Inaccuracies in transfers to other government entities • Inaccuracies in accuracy and validity in compensation of employees • Budgetary control and performance • Unresolved prior year issues • Pending bills

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21 and 2021/22:

- FY 2020/21 and FY 2021/22 received qualified audit opinions, indicating the presence of material misstatements.
- In both FY 2020/21 and FY 2021/22, the financial statements were signed by a member of ICPAK. However, in both years, the signatory was not in good standing as at June 2025.
- Key recurring audit concerns raised in FY 2020/21 and FY 2021/22 include:
    - (i) Inaccuracies in transfers to other government entities
    - (ii) Irregularities in the compensation of employees
    - (iii) Unreconciled and incomplete imprests and advances
    - (iv) Irregular payment of allowances
    - (v) Weak internal audit function
    - (vi) Budget execution and performance issues
    - (vii) Pending bills and outstanding financial obligations

Recommendations

To address the audit issues identified across the reviewed years, the following measures are recommended:

- Implement audit action plans with defined timelines and responsibilities to resolve recurring issues such as inaccurate employee compensation, unreconciled transfers, and incomplete documentation.
- Establish an effective internal audit function, including capacity building, adequate resourcing, and independence, to support compliance and internal control improvements.
- Develop a Pending Bills Clearance Strategy, including: Verification and validation of outstanding bills; Prioritization of settlement based on risk and service criticality; and Integration of pending bills into the annual budget cycle.
- Enhance controls around imprests and advances, ensuring timely surrender, full documentation, and reconciliation as part of monthly financial reporting.
- Promote capacity building for finance and accounting staff, focusing on IPSAS, audit readiness, and key provisions of the PFM legal framework.
- Regular monitoring and enforcement of Appropriations-in-Aid (AIA) rules, ensuring accurate reporting, prompt surrender of unspent balances, and transparency in classification of internally generated funds.
- Support financial preparers and signatories to regularize their membership and maintain good standing with ICPAK.

MINISTRY OF WATER, SANITATION AND IRRIGATION

The following is an analysis of findings and observations of audited financial statements for the Ministry of Water, Sanitation and Irrigation, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23						
21/22	Qualified	CPA Agnes W. Waweru	Deputy Accountant General	5514	In good standing	• Unreconciled transfers to other entities. • Unresolve prior year matters • Pending bills
20/21	Qualified	CPA Agnes W. Waweru	Deputy Accountant General	5514	In good standing	• Variances between financial statements and confirmation from other government agencies • Pending accounts payable • Budgetary control and performance • Delayed exchequer releases • Unresolved prior year matters • Lack of a complete fixed assets register and ownership documents • Inconsistent budgeting and reporting of projects • Ineffective audit committee.

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21 and 2021/22:

- FY 2020/21 and FY 2021/22 both received qualified audit opinions.
- In both years, the financial statements were signed by the same signatory who was in good standing with ICPAK membership as at June 2025.
- Key recurring audit issues identified across FY 2020/21 and FY 2021/22 include:
    (i) Unreconciled transfers to other government entities
    (ii) Pending accounts payable and delayed exchequer releases
    (iii) Budgetary control and performance challenges
    (iv) Lack of a complete fixed assets register and supporting ownership documents
    (v) Weak or ineffective internal audit and audit committee functions

Recommendations

To address the issues noted in the audit reports, the following actions are recommended:

- Ensure timely preparation and signing of financial statements, in line with the PFM Act and Regulations, to support timely audits and effective legislative oversight.
- Reinforce the accuracy and reconciliation of inter-entity transfers, supported by timely confirmations from recipient institutions.
- Establish mechanisms for addressing unresolved prior year issues, including the preparation of audit action plans with clear timelines, responsibilities.
- Strengthen budget execution monitoring by improving linkage between planning, budgeting, and financial reporting processes. Discrepancies between budget allocations and actual project reporting should be resolved through quarterly reviews and variance analysis.
- Develop and maintain a complete fixed assets register, ensuring it is regularly updated and supported by physical verification and appropriate ownership documentation. This will also help reduce the risk of asset misappropriation or underreporting.
- Implement a Pending Bills Clearance Framework
- Improve the effectiveness of the internal audit function, including the activation and resourcing of audit committees, training of internal auditors, and enforcement of independence and regular audit reporting.

MINISTRY OF LANDS AND PHYSICAL PLANNING

The following is an analysis of findings and observations of audited financial statements for the Ministry of Lands and Physical Planning, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23						
21/22	Qualified	CPA Mary A. C. Wanyonyi	Head of accounting unit	10366	Not in good standing	• Irregular allocation of expenditure • Lack of ownership documents of assets • Delayed payment of legal claims
20/21	Qualified	CPA Mary A. C. Wanyonyi	Principal Accounts Controller (SDAG)	10366	Not in good standing	• Misclassification of expenditure. • Unconfirmed accuracy and fair presentation of the prior year adjustments • Inactive audit committee .

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21 and 2021/22:

- FY 2020/21 and FY 2021/22 both received qualified audit opinions.
- In both years, the financial statements were signed by the same signatory who is member of ICPAK but not in good standing as at June 2025.
- Key audit concerns raised in FY 2020/21 and FY 2021/22 include:
    - (i) Misclassification and irregular allocation of expenditure
    - (ii) Lack of ownership documentation for assets
    - (iii) Unconfirmed accuracy of prior year adjustments
    - (iv) Delayed settlement of legal claim
    - (v) Inactive audit committee

Recommendations

To address the audit issues, the following actions are recommended:

- Adhere strictly to the statutory timelines for submission and signing of financial statements to facilitate timely audit, reporting, and legislative review.
- Improve classification and allocation of expenditures by enhancing training for finance officers on program-based budgeting and IPSAS reporting.
- Resolve all outstanding legal claims promptly, and develop mechanisms to track and forecast legal obligations. This will mitigate the risk of unbudgeted expenditures and interest penalties.
- Ensure comprehensive asset management, including periodic physical verification and reconciliation with accounting records.
- Address prior year adjustments transparently, with detailed audit trails and documentation to support all restatements. Ensure consistency with accounting standards.
- Activate and strengthen the audit committee, ensuring it is functional, independent, and regularly engaged in internal control and risk assessment matters.
- Training and capacity building support for audit committee members should be institutionalized.

MINISTRY OF ENERGY AND PETROLEUM

The following is an analysis of findings and observations of audited financial statements for the Ministry of Energy and Petroleum, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23						

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
21/22	Qualified	CPA Moses Peterson Gitari Muriuki	Head of Accounting Unit	4204	In good standing	• Unsupported expenditure on legal fees. • Failure to surrender unspent balances. • Long outstanding balance.
20/21	Qualified	CPA Moses Peterson Gitari Muriuki	Senior Deputy Accountant General	4204	In good standing	• Unsupported and unconfirmed use of goods and services • Anomalies in receipt and payments of acquisition of assets • Unconfirmed bank bank balances • Long outstanding retention monies-accounts payables • Budgetary control and performance • Late exchequer releases from national treasury • Lack of a fixed asset register

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21 and 2021/22:

- FY 2020/21 and FY 2021/22 both received qualified audit opinions.
- In both years, the financial statements were signed by the same signatory who is a registered member of ICPAK and was confirmed to be in good standing as at June 2025.
- Recurring audit concerns raised over the two years include:
    (i) Unsupported expenditures
    (ii) Unconfirmed and outstanding financial balances
    (iii) Failure to surrender unspent balances
    (iv) Budgetary control and performance issues
    (v) Delays in exchequer releases
    (vi) Lack of a fixed asset register

Recommendations

To saddress audit concerns, the following actions are recommended:

- Ensure that all public expenditures are supported by adequate and verifiable documentation, especially for legal fees and procurement-related items.
- Institutionalize strict surrender procedures for unspent balances at the end of each financial year, in line with PFM guidelines.
- Clear and reconcile all long outstanding balances, including retention amounts and payables.
- Strengthen cash and bank reconciliations, ensuring that all balances reported in the financial statements are confirmed with supporting bank statements and adjusted for any reconciling items.
- Departments should align expenditure with approved budgets and improve absorption planning.
- Develop and maintain a comprehensive fixed asset register, including asset tagging, valuation, and regular updates. This will support accurate financial reporting and reduce audit queries on asset completeness.
- Promote continuity and institutional knowledge transfer, leveraging the experience of consistently serving officers, while also ensuring regular capacity-building to mitigate recurring audit issues.

MINISTRY OF PETROLEUM AND MINING

The following is an analysis of findings and observations of audited financial statements for the Ministry of Petroleum and Mining, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Veronica Kamau Wachera	Head of Accounting unit	10669	Not in good standing	• Misclassification of expenditure • Unsupported Authorities to incur expenditure (AIEs) • Unsupported stabilization of petroleum pump prices payments • Unsupported third party deposits and retention • Unaccounted for expenditure and transfers • Pending bills • Budgetary control and performance • Failure to establish PFM committee.

21/22	Qualified	CPA Charles Liyayi Shidzugane	Deputy Accountant General	5068	In good standing	• Misclassification of expenditure. • Unsupported transfer of funds to other entities. • Irregular payment. • Pending bills • Failure to establish a public finance management committee.
2020/21						

Observations

The following were noted from the review of the audited financial statements for the financial years 2021/22 and 2022/23:

- Both FY 2021/22 and FY 2022/23 received qualified audit opinions.
- In FY 2022/23, the financial statements were signed by a member of ICPAK confirmed to be not in good standing as at June 2025.
- Key and recurring audit issues observed in FY 2021/22 and FY 2022/23 include:

    (i) Misclassification of expenditure
    (ii) Unsupported or irregular transfers of funds and payments
    (iii) Unaccounted for expenditure and inter-entity transfers
    (iv) Irregular payments and pending bills
    (v) Failure to establish a Public Finance Management Committee
    (vi) Budgetary control and performance gaps

Recommendations

To address the audit issues raised and enhance financial integrity, the following recommendations are proposed:

- Adhere strictly to the statutory deadlines for preparation and signing of financial statements.
- Review and correct expenditure misclassifications, and build capacity in budget execution and reporting aligned with IPSAS.
- Strengthen documentation and approval processes for AIEs, and ensure all expenditures, especially subsidies such as petroleum stabilization, are properly documented, justified, and budgeted in accordance with Article 223 of the Constitution and the PFM Act.
- Improve controls over third-party funds and retentions, ensuring all balances are reconciled, adequately supported, and reported transparently.
- Conduct a comprehensive audit and clearance plan for pending bills, including verification, prioritization, and incorporation into future budgets.

- Empower the Audit Committee to enhance internal oversight, support budget compliance, and drive implementation of audit recommendations.
- Enhance performance-based budgeting and monitoring, ensuring that deviations from planned budget execution are analyzed, reported, and addressed through timely mid-year reviews and variance analyses.

STATE DEPARTMENT FOR INFORMATION COMMUNICATION TECHNOLOGY (ICT) AND THE DIGITAL ECONOMY

The following is an analysis of findings and observations of audited financial statements for the State Department for Information Communication Technology and the Digital Economy, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Francis Odera Otieno	Senior Deputy Accountant General	5398	Not in good standing	• Pending Accounts Payable • Budgetary Control and Performance
21/22	Qualified	CPA Margret Kariuki Wambui	Deputy Accountant General	4291	Not in good standing	• Pending bills • Unresolved prior year matters • Under-funding and under-expenditure planned budget
20/21	Qualified	CPA Margret Kariuki Wambui	Deputy Accountant General	4291	Not in good standing	• Unconfirmed proceeds from foreign borrowings • Pending bills • Unresolved prior year matters • Budgetary control and performance

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- FY 2022/23 received an unmodified audit opinion, indicating an improvement in the quality of financial reporting. FY 2020/21 and FY 2021/22 both received qualified audit opinions.
- There was a change in signatory for FY 2022/23. The signatory was a member of ICPAK not in good standing as at June 2025.
- For both FY 2020/21 and FY 2021/22, the financial statements were signed by a member of ICPAK and also not in good standing as at June 2025.
- Key audit issues identified over the three-year period include:
    (i) Recurring pending accounts payable and pending bills,

(ii) Budgetary control and performance issues
(iii) Unresolved prior year audit matters
(iv) Unconfirmed foreign borrowing proceeds

Recommendations

To address the audit concerns, the following actions are recommended:

- Support all financial preparers and signatories to regularize their membership and maintain good standing with ICPAK.
- Address pending bills and accounts payable through verification of liabilities; budget allocation for settlements; and integration of outstanding obligations into future expenditure frameworks.
- Strengthen budget execution and control mechanisms, ensuring timely exchequer releases, proper expenditure tracking, and periodic performance reviews to address underfunding and under-execution.
- Ensure full disclosure and confirmation of all foreign borrowings, including reconciliations with loan agreements, treasury confirmations, and accurate accounting treatment in accordance with IPSAS standards.
- Support continued capacity building of accounting personnel, especially in areas of financial reporting, commitment control, and audit resolution, to embed accountability practices.

STATE DEPARTMENT FOR BROADCASTING AND TELECOMMUNICATIONS

The following is an analysis of findings and observations of the audited financial statements for the State Department for Broadcasting and Telecommunications, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Karanja Priscilla Mwihaki	Head of Accounting Unit	7271	In good standing	• Incomplete Fixed Asset Register and Non-Tagging of Assets. • Non-Compliance With the One Third of Basic Salary Rule. • Partial Recovery of Expenditure Incurred on Advertising, Awareness and Publicity. • Budgetary Control and Performance. • Unresolved Prior Year Matters.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						• Pending Accounts Payable.
21/22	Unmodified	CPA Lucy Wangui K.	Head of Accounting Unit	8513	In good standing	• Non payment of pending bills. • Unresolved prior year matters. • Budgetary control and performance. • Incomplete Assets registry. • Irregular leave. • Salaries paid outside the integrated personal and payroll database system.
20/21	Qualified	CPA Lucy Wangui K.	Assistant Accountant General	8513	In good standing	• Variance between financial statements and IFMIS Ledger balances • Pending bills • Budgetary control and performance • Unresolved prior year issues on unconfirmed arrears in A.I.A owed by state agencies. • Accounts receivables-Long overdue imprests

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified audit opinions in both FY 2021/22 and FY 2022/23, an improvement from FY 2020/21, where the audit opinion was qualified.
- There was a change of signatory in FY 2022/23 indicating a change on accounting leadership.
- Both signatories were ICPAK members in good standing as at June 2025.
- Key recurring audit issues across the three-year period include:
    - (i) Incomplete and untagged fixed asset registers
    - (ii) Pending bills and unresolved prior year matters
    - (iii) Budgetary control and performance concerns
    - (iv) Payroll-related irregularities

(v) Long-overdue imprests and unconfirmed arrears of Appropriations-in-Aid (AIA)
(vi) Unrecovered expenditures

Recommendations

To strengthen financial management and enhance accountability, the following measures are recommended:

- Ensure full tagging and periodic physical verification of all assets, and maintain a comprehensive, regularly updated fixed asset register to enhance transparency and safeguard public resources.
- Resolve all pending bills and prior year audit matters. Audit committees should oversee implementation and report progress to senior management and oversight bodies.
- Institutionalize strong budget execution frameworks, including: budget monitoring tools; and monthly expenditure reviews;
- Enforce strict adherence to the one-third salary rule per Regulation 40(3) of the PFM Regulations, 2015
- Improve control and recovery of imprests, ensuring timely accountability and resolution of long-outstanding balances. Establish a digital imprest tracking and notification system to support compliance.
- Regularly reconcile IFMIS ledger data with manually prepared financial statements, and resolve variances promptly to ensure consistency, completeness, and audit readiness.
- Ensure all public awareness and publicity-related expenditures are properly documented, evaluated for effectiveness, and in compliance with budget ceilings and procurement rules.

STATE DEPARTMENT FOR SPORTS

The following is an analysis of findings and observations of the audited financial statements for the State Department for Sports, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Anthony N. Njenga	Head of Accounting unit	14273	Not in good standing	• Undisclosed accumulated rent • Budgetary control and performance • Pending accounts payable • Unresolved prior year matters

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						• Lack of an audit committee
21/22	Qualified	CPA Samson B. M. Ongalo	Head of Accounting Unit	3128	Not in good standing	• Unsupported repairs and maintenance expenditure • Unsupported fuel and lubricant costs • Unresolved prior year matters
20/21	Qualified	CPA Francis Otieno Odera	Deputy Accountant General	5398	Not in good standing	Unresolved prior year matters

Observations

The review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23 reveals the following:

- All three financial years received qualified audit opinions
- There were frequent changes in signatories for each financial year, indicating changes in accounting leadership.
- The signatories for all three years were not in good standing with ICPAK as at June 2025.
- Recurring audit issues noted across the three years include:
  (i) Unresolved prior year audit matters
  (ii) Pending accounts payable
  (iii) Budgetary control and performance issues
  (iv) Unsupported expenditure
  (v) Undisclosed accumulated rent liabilities
  (vi) Lack of an audit committee

Recommendations

To address the audit issues and strengthen financial accountability, the following are recommended:

- Support financial prepares to regularize their membership and maintain good standing with ICPAK.
- Operationalize the audit committee to oversight and monitor implementation of audit recommendations

- Improve financial controls to support the verification and documentation of all expenditures, particularly repairs and maintenance, fuel, and lubricant costs, to avoid unsupported transactions.
- Enhance budget monitoring and expenditure control mechanisms to ensure planned budgets are executed effectively and variances analyzed and addressed.
- Identify, disclose, and account for all liabilities including accumulated rent obligations, ensuring completeness and transparency in financial statements.
- Adhere strictly to statutory deadlines for financial statement preparation and submission to comply with the Public Finance Management regulations and facilitate timely parliamentary oversight.
- Institute targeted capacity building for accounting staff and leadership focusing on compliance with IPSAS, PFM regulations, and audit management to improve the quality of financial reporting.

STATE DEPARTMENT FOR CULTURE, THE ARTS AND HERITAGE

The following is an analysis of findings and observations of the audited financial statements for the State Department for Culture, the Arts and Heritage, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Henry K. Mayabi	Head of Accounting	7570	Good Standing	• Inaccuracy in the Statement of Cash Flows. • Long Outstanding Third-Party Deposits and Retention. • Incomplete Fixed Assets Register. • Unutilized Sports Arts and Social Development Funds. • Pending Account Payable. • Unresolved Prior Year Matters
21/22	Qualified	CPA Peter N. Kabebe	Head of Accounting	3845	Not in good standing	• Inaccuracy in statement of cash flows • Long outstanding

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						third party deposits and retention • Pending Accounts payable • Incomplete fixed assets register
20/21	Qualified	CPA Nelson M. Osioru	Assistant Accountant General	7597	In good standing	• Use of goods and services • Unsupported accounts payable - retention • Unsupported prior year adjustment on cash in hand

Observations

The review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23 revealed the following:

- All three financial years received qualified audit opinions, indicating recurring material misstatements.
- There were frequent changes in signatories, indicating changes in accounting leadership.
- The signatories for the financial statements for FY 2020/21 and FY 2022/23 in good standing. For FY 2021/22, the signatory was not in good standing as at June 2025.
- Recurring audit issues noted over the period include:
    (i) Inaccuracies in the Statement of Cash Flows
    (ii) Long outstanding third-party deposits and retention
    (iii) Incomplete fixed assets register
    (iv) Pending accounts payable
    (v) Unutilized funds allocated to Sports, Arts, and Social Development
    (vi) Unsupported use of goods and services and prior year adjustments

Recommendations

To improve financial management and enhance transparency, the following actions are recommended:

- Improve accuracy and reconciliation of the Statement of Cash Flows, ensuring it reflects true cash movements and facilitates effective cash management.

- Address and clear long outstanding third-party deposits and retention monies, through a structured review and reconciliation process.
- Complete and maintain an up-to-date fixed assets register, including tagging and periodic physical verification to strengthen asset management.
- Implement mechanisms to ensure timely and full utilization of allocated funds, especially for targeted programs such as Sports, Arts, and Social Development, to achieve intended developmental outcomes.
- Strengthen processes for managing accounts payable, including the development of a clear pending bills clearance strategy and integration into the budgeting process.
- Expedite resolution of unresolved prior year audit matters, with regular monitoring by audit committees and senior management.
- Enhance documentation and support for expenditures, particularly on goods and services, to ensure audit compliance and accuracy.
- Given changes in key signatories, establish a transition protocol to ensure continuity and institutional memory in financial reporting and audit issue resolution.

STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

The following is an analysis of findings and observations of the audited financial statements for the State Department for Livestock Development, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Rachel M. Ndung'u	Assistant Accountant General	5393	In good standing	• Unaccounted for long outstanding imprest. • Unsupported transfers to other government entities. • Failure to establish an audit committee. • Un-updated fixed assets register.
21/22	Qualified	CPA Joseph O. Nyamora	Head of accounting unit	7770	In good standing	• Failure to account for revenue from institutes • Unsupported prior year adjustments • Unsupported accounts payables

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						• Unaccounted for long outstanding imprests • Unupdated fixed assets register
20/21	Qualified	CPA Stanley Mwaura	Assistant Accountant General	7121	In good standing	• Inaccuracies and incompleteness of expenditure in specialized materials and supplies • Prior year adjustments • Unsupported proceeds from sale of assets • Non - accounting for revenue from institutes • Pending bills • Lack of an active audit committee • Failure to update Assets register. • Incomplete asset register

Observations

The review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23 highlights the following:

- All three financial years received qualified audit opinions.
- There were frequent changes in signatories, indicating a change in accounting leadership.
- The signatories for the three years were all in good standing with ICPAK as at June 2025.
- Recurring issues identified across the period include:

  (i) Unaccounted for long outstanding imprests
  (ii) Unsupported transfers to other government entities and accounts payables
  (iii) Failure to establish and maintain an active audit committee
  (iv) Inaccuracies and incompleteness in expenditure reporting
  (v) Non-accounting and inadequate reconciliation of revenue from institutes
  (vi) Incomplete and outdated fixed assets register
  (vii) Unsupported prior year adjustments and proceeds from sale of assets

Recommendations

To enhance financial management and accountability, the following actions are recommended:

- Strengthen imprest management controls by instituting timely reconciliation, verification, and accountability mechanisms for all cash advances.
- Ensure all transfers to other government entities and accounts payable are fully supported and verified, to improve the reliability of financial records.
- Establish and operationalize a robust audit committee, tasked with monitoring audit recommendations and enhancing governance oversight.
- Improve accuracy and completeness of expenditure reporting, with specific focus on specialized materials and supplies, through enhanced internal controls and audit trails.
- Institute effective revenue recognition and reconciliation processes for income generated by institutes, ensuring full accounting and transparency.
- Complete, update, and maintain a comprehensive fixed assets register, with regular physical verification and asset tagging to safeguard public resources.
- Document and substantiate all prior year adjustments and proceeds from asset disposals to ensure audit compliance and transparency.
- Given changes in key signatories, establish a transition protocol to ensure continuity and institutional memory in financial reporting and audit issue resolution.

STATE DEPARTMENT FOR BLUE ECONOMY AND FISHERIES

The following is an analysis of findings and observations of the audited financial statements for the State Department for Blue Economies and Fisheries, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA John M. Bogonko	Head of Accounting Unit	5445	Not in good standing	• Inaccuracies in presentation and disclosure in financial statements • Unsupported balances • Unauthorized reallocations • Inaccuracies in social security benefits • Inaccuracies in Fixed assets register • Inaccuracies in pending accounts payable.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
21/22	Qualified	CPA Henry Hudson Ondara	Principal Accountant	10292	Not in good standing	• Inaccurate retention and withholding tax amounts • Unsupported payments outside the IPPD • Unsupported expenditure • Lack of asset ownership documents
20/21	Qualified	CPA James Wachira Thuita	Deputy Accountant General	3381	In good standing	• Unsupported Training Expenses • Unsupported Expenditures • Incomplete fixed assets register • Irregular issuance of multiple imprests

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23

- All three financial years received qualified audit opinions
- There were frequent changes in signatories, indicating changes in accounting leadership.
- Only one of three signatories in FY 2020/21 was confirmed to be in good standing with ICPAK. The signatories for FY 2021/22 and 2022/23 were not in good standing as at June 2025.
- Key audit issues across the years include
    - (i) Inaccurate presentation and disclosure in financial statements
    - (ii) Unsupported balances
    - (iii) Unauthorized reallocations
    - (iv) Inaccuracies in pending accounts payable

Recommendations

To improve financial management, compliance, and reporting quality, the following actions are recommended:

- Strengthen the year-end financial closure process to ensure that audited financial statements are finalized and signed within prescribed timelines, in line with PFM legal requirements.
- Support all financial preparers and signatories to financial statements to regularize their membership and maintain good standing with ICPAK
- Address documentation and disclosure Gaps
- Ensure that all payroll-related payments are made through IPPD or other approved systems to improve traceability.
- Conduct periodic payroll audits to detect and prevent irregular payments.
- Streamline the imprest system to prevent irregular issuance of multiple or overlapping imprests.
- Institute strict procedures for imprest retirement, including timelines and supporting documentation requirements.
- Build capacity of accounting personnel on PFM regulations, IPSAS, and internal controls.
- Empower internal audit units to conduct regular compliance and value-for-money audits, with clear escalation mechanisms for unresolved issues.
- Given changes in key signatories, establish a transition protocol to ensure continuity and institutional memory in financial reporting and audit issue resolution.

STATE DEPARTMENT FOR CROP DEVELOPMENT

The following is an analysis of findings and observations of the audited financial statements for the State Department for Crop Development, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Douglas Kyalo Mutemi	Head of Accounting Unit	6851	In good standing	• Inaccuracies of expenditure on compensation of employees • Long outstanding fertilizer subsidy • Lack of an approved supplementary budget on maize flour subsidy under Article 223 of the Constitution. • Pending accounts payable.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
21/22	Qualified	CPA Charity Wangui Muriuki	Head of Accounting Unit	5380	In good standing	• Use of goods and services. • Payment of incomplete work. • Unsupported expenditure. • Variances between state department expenditure and project expenditure. • Failure to maintain updated assets registry • Pending Bills
20/21	Qualified	CPA Charity Wangui Muriuki	Head of Accounting Unit	5380	In good standing	• Unsupported capital grants • Unsupported Acquisition of stocks and commodities • Non-disclosures of bank balances for certain projects • Inaccuracies and incompleteness of the accounts receivables • Failure to surrender appropriations in Aid • Long outstanding bills.

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- All three financial years received qualified audit opinions, indicating recurring material misstatements.
- There was a change of signatory in FY 2022/23, indicating changes in accounting leadership.

- Both signatories were members of ICPAK in good standing as at June 2025.
- Key recurring audit concerns:
    - (i) Inaccurate reporting of employee compensation
    - (ii) Long-outstanding fertilizer subsidy
    - (iii) Absence of approved supplementary budget
    - (iv) Pending accounts payable

Recommendations

To address the above findings and strengthen financial governance, the following actions are recommended:

- Institutionalize year-end closure processes to ensure financial statements are prepared and signed as required by the PFM Act and Regulations.
- Ensure that all subsidies and special programs (e.g., fertilizer, maize flour) are implemented within approved budget frameworks, with proper documentation and compliance with constitutional provisions such as Article 223.
- All expenditure should be supported by verifiable documentation.
- Develop and implement a pending bills strategy in prioritization of settlement and its integration into the annual budgeting process.
- Ensure maintenance of a comprehensive, updated, and verifiable fixed assets register, with periodic physical verification and reconciliation.
- Monitor and enforce rules on Appropriations-in-Aid, including prompt surrender of unspent balances and proper classification in financial reports.
- Conduct targeted capacity building for accounting officers and finance staff on financial reporting, IPSAS, and PFM requirements.

STATE DEPARTMENT FOR CO-OPERATIVES

The following is an analysis of findings and observations of the audited financial statements for the State Department for Co-operatives, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Margaret Nyaywera	Head of Accounting unit	5429	In good standing	There were no material issues noted during the audit of the financial statements of the Project.
21/22	Qualified	CPA Gladys Njeri Waithaka	Principal Accounts Controller	18989	Not in good standing	• Misstatement of expenditures on rentals of produced assets • Variances in the

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						compensation for employees expenditures
20/21	Unmodified	CPA Peter M. Mokobo	Deputy Accountant General	4097	Not in good standing	No key audit matters to report.

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- FY 2022/23 and FY 2020/21 received unmodified audit opinions, while FY 2021/22 received a qualified audit opinion.
- There were frequent changes in signatories, indicating changes in accounting leadership.
- The signatory for FY 2022/23 was in good standing with ICPAK. FY 2021/22 and 2020/21 signatories were not in good standing as at June 2025.
- Recurring audit issues identified across the three financial years include:
    - (i) Accumulation of pending bills.
    - (ii) Weak budget execution leading to underperformance.
    - (iii) Unresolved prior year audit findings, indicating inadequate follow-up.
    - (iv) Lack of internal audit reports

Recommendations

To enhance financial accountability, compliance, and governance, the following actions are recommended:

- Strengthen year-end closure processes and enforce compliance with Public Finance Management Regulations to ensure signing of financial statements by 30th September each year.
- Support all financial preparers and signatories to regularize their membership status and maintain good standing with ICPAK.
- Develop and operationalize a tracking mechanism for audit findings with designated responsibility centers.
- Institutionalize audit committees to oversee implementation of audit recommendations.
- Implement internal control systems and strengthen cash forecasting to eliminate the build-up of pending bills.
- Enhance planning and budget execution by linking resource allocation to performance targets and service delivery outputs.
- Introduce regular variance analysis and mid-year reviews to improve budget absorption.
- Verify and regularize ownership of government assets, especially motor vehicles, and ensure updated and complete asset registers are maintained.

- Given changes in key signatories, establish a transition protocol to ensure continuity and institutional memory in financial reporting and audit issue resolution.

STATE DEPARTMENT FOR TRADE

The following is an analysis of findings and observations of the audited financial statements for the State Department for Trade, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Tom Mbuya Odundo	Head of Accounting unit	5430	In good standing	• Budgetary control and performance • Unresolved prior year matters • Pending accounts payable.
21/22	Unmodified	CPA Milly Eve Akoth	Head of Accounting Unit	20112	In good standing	• Inaccuracies in the non current assets • Unresolved prior year matters
20/21	Unmodified	CPA Milly Eve Akoth	Deputy Accountant General	20112	In good standing	• Lack of expenditure returns for disbursements to ministries • Exchequer releases received after year end • Underperformance of planned budget

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified audit opinions in all three financial years under review.
- There was a change in the signatory of the financial statements in FY 2022/23. All signatories were confirmed to be in good standing with ICPAK membership as at June 2025.
- Despite receiving unmodified opinions, recurring audit concerns noted across the three years included:
    (i) Unresolved prior year matters
    (ii) Pending accounts payables and budget underperformance

Recommendations

To strengthen financial accountability and address the recurring audit concerns, the following actions are recommended:

- Institutionalize an audit issue tracking mechanism to ensure timely resolution of prior year audit findings, with periodic updates to senior management.
- Enhance budget monitoring and execution processes to reduce underperformance and ensure efficient utilization of allocated funds.
- Ensure timely verification and reconciliation of non-current assets, and maintain accurate asset registers in accordance with public sector accounting standards.
- Strengthen internal reporting protocols, including mandatory submission of expenditure returns from line ministries, to enhance accountability and transparency in fund utilization.
- Maintain the current standard of timely financial reporting by adhering strictly to the statutory deadlines for preparation and signing of financial statements.

STATE DEPARTMENT FOR INDUSTRY

The following is an analysis of findings and observations of the audited financial statements for the State Department for Industry, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Lukayu Ernest Ambaka	Head of Accounting Unit	4150	Not in Good Standing	• Inaccuracies and incompleteness of transfers to other government entities. • Pending bills. • Budgetary control and performance • Unresolved prior year matters
21/22	Qualified	CPA Ruth M. Wanyonyi	Ag Head of accounting unit	13147	Not in good standing	• Failure to provide internal audit reports • Underfunding and underexpenditure of the planned budget • Pending bills
20/21	Qualified	CPA Ms.Rose A. Baraza	Principal Accounts Controller	5586	Not in good standing	• Unconfirmed ownership of motor vehicles without title documents • Budgetary control and performance • Pending bills

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						• Delayed exchequer releases • Failure to produce internal audit reports.

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received qualified audit opinions in all three financial years under review.
- There were frequent changes in the signatories of the financial statements each year under review, indicating changes in accounting leadership.
- All signatories were not in good standing with ICPAK as at June 2025.
- Recurring audit issues across the years include:
  - (i) Pending bills
  - (ii) Budgetary control and underperformance
  - (iii) Unresolved prior year matters
  - (iv) Failure to provide internal audit reports

Recommendations

To address the audit issues and improve financial accountability, the following are recommended:

- Establish a structured framework for resolving audit issues, with clear responsibilities and tracking mechanisms to avoid repetition of prior year findings.
- Support financial preparers and signatories to regularize their membership and maintain good standing ICPAK.
- Enhance internal control to prevent accumulation of pending bills and promote orderly settlement of financial obligations.
- Strengthen budget formulation and execution practices, with regular monitoring of performance against targets to reduce under expenditure and ensure optimal resource use.
- Ensure timely preparation and signing of financial statements as prescribed in the PFM regulations
- Ensure complete and timely submission of internal audit reports, and empower internal audit functions to operate independently and effectively.
- Verify and regularize ownership of government assets, including motor vehicles, and maintain proper documentation to ensure accurate asset reporting.
- Given changes in key signatories, establish a transition protocol to ensure continuity and institutional memory in financial reporting and audit issue resolution.

STATE DEPARTMENT FOR LABOUR AND SKILLS DEVELOPMENT

The following is an analysis of findings and observations of audited financial statements for the State Department for Labor and Skills Development, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Milly Eve Akoth	Head of Accounting Unit	20112	Good Standing	• Incomplete fixed assets register • Long outstanding imprests and advances. • Pending bills • Unresolved prior year matters
21/22						
20/21	Qualified	CPA Lukayu Ernest Ambaka	Deputy Accountant General	4150	Not in good standing	• Unavoided interest on delayed payments. • Unconfirmed acquisition of assets and fixed assets register. • Inaccuracies in the recurrent bank account balance • Non payment of pending bills • Unresolved prior year matters.

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21 and 2022/23:

- The entity received unmodified audit opinions in FY 2022/23 an improvement from qualified opinion in FY 2020/21.
- There was a change in the signatory of the financial statements in FY 2022/23.
- Despite receiving unmodified opinion in FY2022/23, recurring audit concerns noted across the three years included:
    (i) Incomplete fixed assets register
    (ii) Unresolved prior year matters
    (iii) Pending accounts payables and budget underperformance

Recommendations

To address the recurring audit concerns, the following actions are recommended:

- Institutionalize an audit issue tracking mechanism to ensure timely resolution of prior year audit findings, with periodic updates to senior management.
- Enhance budget monitoring and execution processes to reduce underperformance and ensure efficient utilization of allocated funds.
- Ensure timely verification and reconciliation of non-current assets, and maintain accurate asset registers in accordance with public sector accounting standards.
- Strengthen internal reporting protocols, including mandatory submission of expenditure returns from line ministries, to enhance accountability and transparency in fund utilization.
- Maintain the current standard of timely financial reporting by adhering strictly to the statutory deadlines for preparation and signing of financial statements.

STATE DEPARTMENT FOR SOCIAL PROTECTION AND SENIOR CITIZEN AFFAIRS

The following is an analysis of findings and observations of the audited financial statements for the State Department for Social Protection and Senior Citizen Services, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Benard M. Sabwani	Deputy Accountant General	18274	Not in good standing	• Unaccounted for balances in holding accounts • Unsupported third-party deposits and retention • Incomplete fixed assets register • Unresolved prior year matters • Pending accounts payables
21/22	Qualified	CPA Alice W. Mwaniki	Deputy Accountant general	5425	Good standing	• Unsupported bank balances • Discrepancies between payroll and the financial statements • Lack of an effective internal audit function • Anomalies in the fixed asset register • Delayed cash transfers

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
20/21	Adverse	CPA Alice W. Mwaniki	Deputy Accountant general	5425	Good standing	• Misclassification of expenses • Variances between the financial statements and IFMIS balances • Unsupported expenditures, accounts receivables and accounts payables • Inaccuracies in the reconciliation reports • Inaccuracy of cash and cash equivalents • Lack of functional internal audit unit

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received a qualified audit opinion in FY 2022/23 and FY 2021/22, an improvement from an adverse opinion in FY 2020/21.
- There was a change of signatory in FY 2022/23, indicating change in accounting leadership.
- The signatory for FY 2022/23 was not in good standing with ICPAK membership as at June 2025.
- Recurring audit issues were noted across all three years:
  - (i) Unsupported balances,
  - (ii) Inaccuracies and variances between financial records and IFMIS balances
  - (iii) Incomplete or anomalous fixed asset registers
  - (iv) Pending accounts payables and unresolved prior year audit issues
  - (v) Absence of a functional internal audit unit
  - (vi) Budget execution challenges

Recommendations

To improve financial accountability, the following actions are recommended:

- Establish a structured audit resolution framework to ensure all prior year issues are actively addressed and not allowed to recur.

- Improve accuracy and completeness of financial reporting by reconciling IFMIS balances with the financial statements regularly and ensuring all transactions are properly supported.
- Maintain and update a comprehensive fixed asset register, in compliance with applicable accounting standards and public finance regulations.
- Enhance the reliability of bank reconciliation and cash management processes, ensuring timely reconciliation of accounts and full accountability for third-party deposits and holding accounts.
- Prioritize clearance of pending payables in line with Treasury guidance, and implement a robust expenditure management system to prevent accumulation of unpaid obligations.

STATE DEPARTMENT FOR MINING

The following is an analysis of findings and observations of the audited financial statements for theState Department for Mining, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Kipyegon H. Siele	Head of Accounting Unit	8879	Not in good standing	• Misclassification of expenditure • Directly expensed imprests • Unsupported expenditures • Failure to remit statutory dues • Failure to remit statutory dues • Budgetary control and performance • Pending accounts payable
21/22	Unmodified	CPA Charles W. Nyaga	Deputy Accountant General	11093	Not in good standing	• Pending bills • Unresolved prior year
20/21	Qualified	CPA Charles W. Nyaga	Deputy Accountant General	11093	Not in good standing	• Unsupported pending bills • Misallocation of expenditure • Unsupported fixed assets • Irregular payment of allowances.

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received qualified audit opinions in FY 2020/21 and FY 2022/23, while FY 2021/22 received an unmodified opinion.
- There was a change in signatory for FY 2022/23.
- Both signatories were not in good standing with ICPAK as at June 2025.
- Recurring audit issues were observed across the three years included:
    (i) Pending bills and unresolved prior year matters
    (ii) Unsupported expenditures and misclassification of expenditures
    (iii) Irregular financial practice
    (iv) Budgetary control weaknesses
    (v) Unsupported fixed assets records

Recommendations

To address the audit issues, the following are actions recommended:

- Ensure strict compliance with the PFM Regulations on signing of financial statements.
- Implement a robust audit issue tracking and resolution mechanism to address pending and recurring issues in a timely and systematic manner, with clear accountability.
- Strengthen internal controls over expenditure, particularly with regard to imprests, statutory deductions, and classification of transactions, to ensure transparency and compliance with financial regulations.
- Review and update the fixed assets register, ensuring all acquisitions are properly supported and reconciled with financial records.
- Develop and monitor a realistic budget implementation plan, with periodic variance analysis to guide corrective action and enhance overall financial discipline.
- Improve documentation practices across all accounting functions.
- Conduct targeted capacity building for accounting officers and finance staff on financial reporting, IPSAS, and PFM requirements.

STATE DEPARTMENT FOR PETROLEUM

The following is an analysis of findings and observations of the audited financial statements for the State Department for Petroleum, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Veronica Kamau	Head of Accounting Unit	10669	Not in good standing	• Misclassification of expenditure • Unsupported authorities to incur expenditure (AIEs) • Penalty on late payment of invoices

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						• Failure to establish a public finance management committee. • Pending bills • Budgetary control and performance
21/22						
20/21	Qualified	CPA Charles Liyayi Shidzugane	Deputy Accountant General	5068	Good standing	• Inaccuracies in financial statements. • Variance between financial statements and the general ledger. • Unsupported payments to stuff and suppliers. • Misallocation of expenditure • Unsupported fuel expense • Pending bills • Unsupported transfers to government entities • Irregular payments of allowances to staff

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21 and 2022/23:

- The entity received qualified audit opinions in FY 2022/23 and FY 2020/21.
- There was a change in the signatory of the financial statements in FY 2022/23, indicating change in accounting leadership.
- The recurring audit concerns noted across the years included:
    (iv) Miscalculation of expenditure
    (v) Unresolved prior year matters
    (vi) Pending accounts payables and budget underperformance

Recommendations

To address the recurring audit concerns, the following actions are recommended:

- Institutionalize an audit issue tracking mechanism to ensure timely resolution of prior year audit findings, with periodic updates to senior management.
- Enhance budget monitoring and execution processes to reduce underperformance and ensure efficient utilization of allocated funds.
- Ensure timely verification and reconciliation of non-current assets, and maintain accurate asset registers in accordance with public sector accounting standards.
- Strengthen internal reporting protocols, including mandatory submission of expenditure returns from line ministries, to enhance accountability and transparency in fund utilization.
- Maintain the current standard of timely financial reporting by adhering strictly to the statutory deadlines for preparation and signing of financial statements.

STATE DEPARTMENT FOR TOURISM

The following is an analysis of findings and observations of the audited financial statements for the State Department for Tourism, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Agnes Waweru	Head of Accounting Unit	5514	Good standing	• Long outstanding pending accounts payable • Long outstanding pending accounts payable-deposits.
21/22	Qualified	CPA Dorcas N. Wasike	Deputy Head of Accounting	20296	Good standing	• Variances between the trial balance and financial statements • Unreconciled and unexplained differences in the statement of receipts and payments • Inaccuracies in the representation of the financial statements

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						• Unreconciled transfers to other government units • unsupported payment of deposits • Undisclosed revenue in the financial statements
20/21	Qualified	CPA Richard Mwangi	Head of Accounting Unit	3949	Not in good standing	• Variances between financial statements and financial balance • Inaccuracies in the cash and cash equivalents • Variances between the IFMIS balances and the financial statements • Overpayment of travel allowances

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received qualified audit opinions in FY 2020/21 and FY 2021/22, with an improvement to an unmodified opinion in FY 2022/23.
- There were frequent changes in signatories during the review period, indicating changes in accounting leadership.
- The signatory for FY 2020/21 was not in good standing while subsequent signatories for FY 2021/22 and FY 2022/23 were in good standing as at June 2025.
- Recurring audit issues across the years included: long outstanding pending accounts payables and deposits, variances between trial balances and financial statements, unreconciled differences in receipts and payments, unsupported payments, inaccuracies in financial representation, and overpayment of travel allowances.

Recommendations

To address the audit findings and strengthen financial management, the following recommendations are proposed:

- Strengthen reconciliation processes to align trial balances, IFMIS records, and financial statements, eliminating variances and unreconciled differences.

- Investigate and resolve unsupported payments, unreconciled transfers, and long outstanding accounts payable and deposits to improve financial accuracy and accountability.
- Enhance transparency by ensuring full disclosure of all revenues and correct classification of expenditures in the financial statements.
- Implement tighter controls over travel allowances and other payments to prevent overpayments and enforce compliance with policies.
- Maintain a comprehensive and regularly updated fixed asset register to ensure completeness and accuracy of asset records.
- Support signatories to financial statements to regularize their membership and maintain good standing with ICPAK.
- Given changes in key signatories, establish a transition protocol to ensure continuity and institutional memory in financial reporting and audit issue resolution.

STATE DEPARTMENT FOR WILDLIFE

The following is an analysis of findings and observations of the audited financial statements for the State Department for Wildlife, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA John Mwangangi Makai	Head of Accounting Unit	4323	Good standing	• Outstanding accounts payable • Unresolved prior year matters • Variances between budgeted and actual amount on work plan • Avoidable expenditure
21/22	Unmodified	CPA Benson M. Kinyua	Head Accounts Unit	7782	Good standing	• Underperformance of planned budget • There were no other material issues noted in the audit of the entities financial statements
20/21	Qualified	CPA Benson M. Kinyua	Deputy Accountant General	7782	Good standing	• Unsupported purchases • Non adherence to the rule of basic pay • Unverifiable assets

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received an unmodified audit opinion in FY 2022/23 and FY 2021/22, an improvement from a qualified opinion in FY 2020/21.
- There was a change of signatories in FY 2022/23.
- Both signatories were confirmed to be in good standing with ICPAK membership as at June 2025.
- Recurring audit issues included: outstanding accounts payables, unresolved prior year audit matters, variances between budgeted and actual figures, and avoidable expenditure.

Recommendations

To address the identified audit issues and enhance financial management practices, the following are recommended:

- Ensure timely preparation and submission of financial statements in line with PFM Regulations.
- Strengthen the budgeting process to improve performance against planned activities, and minimize variances between budgeted and actual expenditures.
- Implement a structured audit resolution framework to ensure that prior year issues are addressed promptly and do not recur.
- Improve controls around procurement and expenditure to eliminate unsupported purchases and avoidable costs.
- Adhere strictly to payroll and compensation regulations, especially regarding basic salary deductions, to ensure compliance with labor and financial laws.
- Maintain and regularly update a verifiable assets register in accordance with applicable regulations to support transparency and completeness in reporting.
- Enhance internal controls and accountability mechanisms to prevent the emergence of avoidable expenditures and ensure prudent use of public resources.

STATE DEPARTMENT FOR GENDER AND AFFIRMATIVE ACTION

The following is an analysis of findings and observations of the audited financial statements for the State Department for Gender and Affirmative Action, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Florence W Kirumba	Head of Accounting Unit	4726	Good standing	There were no material issues noted during the audit of the financial statements

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
21/22	Qualified	CPA Henry N. Mobegi	Principal Accounts Controller	9167	Not in good standing	• Inaccuracy and incompleteness of revenue and expenditure amounts • Failure to implement PAC recommendations • Failure to update the fixed assets register
20/21	Qualified	CPA Henry N. Mobegi	Principal Accounts Controller	9167	Not in good standing	• Variances between the Financial Statements and IFMIS ledger balances • Unsupported accounts receivables balance • Misclassification of expenditures under foreign travel and subsistence • Ineffective audit committee

Observations

The following were noted from the review of the audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The State Department improved its audit opinion from qualified audit opinions in FY 2020/21 and FY 2021/22, to an unmodified opinion in FY 2022/23.
- There was a change of signatory in FY 2022/23.
- The signatory for FY 2020/21 and FY 2021/22 was not in good standing with ICPAK as at June 2025.
- In FY 2022/23, there were no material issues noted during the audit of the financial statements.

Recommendations

To enhance financial accountability, the following actions are recommended:

- Ensure timely preparation and submission of financial statements in line with PFM Regulations by strengthening internal financial reporting timelines.
- Address prior year audit matters through a structured follow-up and resolution mechanism with clear timelines and accountability assigned.
- Support financial preparers and signatories to regularize their membership and maintain good standing with ICPAK.
- Strengthen internal controls to address misclassification of expenditure, ensure accuracy of revenue and expenditure records, and fully reconcile IFMIS and financial statement balances.
- Implement PAC recommendations within defined timeframes and track compliance regularly to avoid recurrence of the same issues.
- Establish and maintain an updated fixed asset register, in line with the Public Finance Management Act, to improve transparency and support completeness of financial reporting.
- Reconstitute and strengthen the internal audit committee, ensuring it plays a proactive role in financial oversight and audit issue resolution.

STATE DEPARTMENT FOR PUBLIC SERVICE

The following is an analysis of findings and observations of the audited financial statements for the State Department for Public Service, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Maureen Oganga	Head of Accounting Unit	6763	Good standing	• There were no material issues noted during the audit of the financial statements of the State Department. • Long outstanding pending accounts payables • Incomplete fixed asset register • Budgetary control and performance • Unresolved prior year audit matters
21/22	Unmodified	CPA Nelson Osioru	Head of Accounting Unit	7597	Good standing	• Unsupported accounts payables • Long outstanding pending accounts payable • Unresolved prior year matters • Underfunding and underperformance

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						of the planned budget • Irregular payments without valid contracts
20/21	Qualified	CPA Peter Kabebe	Deputy Accountant General	3845	Not in good standing	• Unsupported adjustments • Unsupported use of goods and services • Pending bills • Delayed exchequer releases • Unresolved prior year matters • Irregular advance payments

Observations

The following key issues were identified from the review of the audited financial statements for FYs 2020/21, 2021/22, and 2022/23:

- The audit opinions improved from a qualified audit opinion in FY 2020/21 to unmodified opinions in FY 2021/22 and FY 2022/23, indicating better compliance with financial reporting standards.
- There were frequent changes in signatories for each of the years under review, indicating changes in accounting leadership.
- Despite the improved opinions, recurring audit issues noted across the three financial years is as follows:
    (i) Pending bills and long-outstanding accounts payables
    (ii) Unresolved prior year audit matters
    (iii) Incomplete or unsupported financial data

Recommendations

To enhance financial accountability, the following actions are recommended:

- Develop and implement an Audit Issues Resolution Framework to ensure recurring issues such as pending bills and unsupported expenditures are addressed through corrective action plans and management accountability.
- Despite financial statements signed on time, further efforts are needed to align budget execution and expenditure practices with PFM requirements, particularly in contract management and procurement.
- Update and maintain a comprehensive fixed asset register in compliance with PFM Regulations and IPSAS standards.
- Ensure all expenditures are fully supported by documentation, including valid contracts and approval records, to prevent future audit qualifications.
- Develop a Pending Bills Settlement Plan in alignment with National Treasury guidelines. Pending bills must be treated as a first charge in subsequent budgets, as per PFM regulations.

- Enhance budget planning, forecasting, and coordination with the National Treasury to mitigate underfunding and avoid underperformance against planned programs.
- Support financial preparers and signatories to regularize their membership and maintain good standing with ICPAK.
- Strengthen internal audit and control systems, especially around contract approvals and advance payments, to ensure irregular transactions are minimized or eliminated.
- Given changes in key signatories, establish a transition protocol to ensure continuity and institutional memory in financial reporting and audit issue resolution.

STATE DEPARTMENT FOR YOUTH AFFAIRS AND CREATIVE ECONOMY

The following is an analysis of findings and observations of the audited financial statements for the State Department for Youth Affairs and Creative Economy, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Robert Asumani	Head of Accounting Unit	10100	Good standing	• Budgetary control and performance • Pending bills • Unresolved prior year matters
21/22	Unmodified	CPA Florence W. Kirumba	Head of Accounting Unit	4726	Good standing	• Underfunding and under expenditure of planned budget • Late exchequer releases • Pending bills • Unresolved prior year matters
20/21	Unmodified	CPA Florence W. Kirumba	Head of Accounting Unit	4726	Good standing	• Late exchequer releases • Pending bills • Unresolved prior year matters • Unsupported acquisition of assets contrary to regulation 139 of the PFM Act

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The State Department has consistently attained an unmodified audit opinion for all three years under review
- There was a change in leadership of the accounting function in FY 22/23.
- The signatories were found to be in good standing with ICPAK as at June 2025.
- Recurring audit concerns were observed across all three years, as follows
    - (i) Pending bills
    - (ii) Unresolved prior year audit matters
    - (iii) Budget underfunding and under-expenditure
    - (iv) Late exchequer releases
    - (v) Unsupported acquisition of assets

Recommendations

To strengthen financial management and address recurring audit issues, the following are recommended:

- Set up an internal audit follow-up and tracking framework to ensure that previous audit recommendations are resolved in a timely and effective manner, and progress is monitored periodically.
- Pending bills should be treated as first charge on the budget as per the directive by the National Treasury. The Department should develop and implement a structured plan to validate and settle these obligations promptly.
- All asset purchases must be supported by adequate documentation in compliance with Section 139 of the PFM Act, and a comprehensive, regularly updated asset register must be maintained in line with Regulation 136(1) of the PFM Regulations.
- Where possible, provide stability and continuity in the accounting leadership to enable effective implementation of long-term financial reforms and audit resolution plans. Consider aligning contracts with medium-term planning cycles (e.g., 5 years).
- Develop and enforce internal deadlines for financial statement preparation to facilitate timely review, approval, and submission ahead of the statutory deadline.

STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY AFFAIRS

The following is an analysis of findings and observations of audited financial statements for the State Department for East African Affairs, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing	Date of Signing	Issues of Concern
22/23							
21/22	Unmodified	CPA Maureen Adhiambo Oganga	Head of accounting unit	6763	Good standing	17-10-2022	• Failure to comply with PFM

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing	Date of Signing	Issues of Concern
							regulation on the settlement of pending bills • Late exchequer releases
20/21	Unmodified	CPA Maureen Adhiambo Oganga	Assistant accountant general	6763	Good standing	14-12-2021	• Pending bills • Late exchequer releases

Observations

The following issues were identified from the review of audited financial statements for the financial years 2021/22, and 2022/23:

- The entity received unmodified audit opinions in both FY 2020/21 and FY 2021/22.
- The signatory for FY 2021/22 and FY 2020/21 was confirmed to be an ICPAK member in good standing as at June 2025.
- Key recurring issue was pending bills.

Recommendations

To address the identified audit issues and improve compliance, the following are recommended:

- Ensure audited financial statements are prepared, signed, and submitted within the statutory deadline of three months after the financial year-end.
- Coordinate effectively with treasury to reduce delays in exchequer releases, enabling timely settlement of pending bills and financial obligations.
- Develop a formal process for review and prioritization of pending bills to accelerate payments and reduce outstanding liabilities.
- Train accounting and finance staff on PFM regulations and good practices for timely financial reporting and payment processing.
- Strengthen internal audit follow-up on audit findings and compliance issues to ensure corrective actions are implemented

STATE LAW OFFICE

The following is an analysis of findings and observations of audited financial statements for the State Law Office, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Irene Mbogo	Deputy Accountant General	6867	Good standing	• Undisclosed other receipts • Irregular payment for land • Irregular payment of rent on expired leases • Pending accounts payable • Budgetary control and performance • Unresolved prior year matters
21/22	Unmodified	CPA Irene Mbogo	Deputy Accountant General	6867	Good standing	• Pending bills • Unsupported commission on payroll deductions • Non compliance with one third of basic salary • Failure to maintain an updated assets register
20/21	Qualified	CPA Elijah Kabiru Gathuthi	Senior Deputy Accountant General	7153	Good standing	• Unreconciled variances between the financial statements and payroll records • Discrepancies between IFMIS and financial statement balances • Unsupported commission on payroll deductions • Non compliance with one third of basic salary rule • Lack of an updated assets register

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received qualified audit opinions in FY 2020/21 and FY 2022/23, a decline from FY 2021/22 which received an unmodified opinion.
- There were changes in signatory in FY 2022/23 and FY 2021/22, indicating changes in accounting leadership.
- Both signatories were confirmed to be ICPAK members in good standing as at June 2025.
- Recurring audit issues observed across the three years include:
    - (i) Pending bills and accounts payables.
    - (ii) Non-compliance with the one-third of basic salary rule.
    - (iii) Unsupported commission on payroll deductions.
    - (iv) Failure to maintain an updated fixed assets register.

Recommendations

To address the audit issues, the following actions are recommended:

- Ensure timely preparation and submission of financial statements in line with PFM Regulations, through better planning and adherence to statutory deadlines.
- Strengthen controls over payroll processing and reconciliation, ensuring accurate alignment between IFMIS, payroll records, and the financial statements.
- Undertake an audit of payroll deductions to confirm the legitimacy and accuracy of commissions charged and ensure proper documentation.
- Review and enforce compliance with the one-third basic salary rule to prevent over-deductions and safeguard employee rights.
- Establish, maintain, and routinely update a Fixed Assets Register in line with IPSAS to support transparency and completeness of asset disclosures.
- Address pending bills and accounts payables through a structured plan to validate, prioritize, and settle obligations.
- Investigate and rectify irregular payments, e,g on expired leases and land, and strengthen procurement and payment approval controls.
- Resolve prior year audit findings systematically, and ensure internal audit follows up with progress tracking and reporting.

THE JUDICIARY

The following is an analysis of audit findings and observations for Judiciary, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Wycliffe Wanga	Director Accounting Services	3209	Good standing	• Loss of cash deposits • Long outstanding third party deposits and retentions • Pending bills

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						• Unresolved prior year matters • Unspent funds on AIEs and Imprests
21/22	Qualified	CPA Wycliffe Wanga	Accounts Controller	3209	Good standing	• Inaccuracy and incompleteness of cash and cash equivalents • Unanalyzed long outstanding suspense and clearance accounts • Outstanding imprests • Long outstanding accounts payables • Unconfirmed accounts payables • Pending bills • Contingent liabilities
20/21	Qualified	CPA Wycliffe Wanga	Accounts Controller	3209	Good standing	• Long outstanding items in the bank reconciliation statement for general deposits • Inaccuracies and incompleteness of cash and cash equivalent balances • Lack of recovery of long outstanding imprests issued to non employees • Unanalyzed long outstanding suspense and clearance accounts • Unconfirmed accounts payables • Unfair representation

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						of foreign travel allowances • Unsupported contingent liabilities

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received a qualified audit opinion for all three financial years.
- The were no changes in signatories during the review period, indicating continuity in accounting leadership.
- The signatory across all three years is a member of ICPAK in good standing as at June 2025.
- Key recurring audit issues observed across the three years include:
    (i) Inaccuracies and incompleteness in reporting of cash and cash equivalents.
    (ii) Unanalyzed and long outstanding balances in suspense and clearance accounts.
    (iii) Unconfirmed and outstanding accounts payables.
    (iv) Pending bills and unresolved prior year audit matters.
    (v) Outstanding imprests and concerns on recovery, including those issued to non-employees.
    (vi) Unsupported contingent liabilities, with poor disclosures.

Recommendations

To address the recurring audit issues and improve financial accountability, the following actions are recommended:

- Strengthen bank reconciliation processes to ensure timely clearance of outstanding items and accurate reflection of cash balances.
- Analyze and resolve suspense and clearance account balances periodically, with accountability assigned to responsible officers.
- Improve controls over imprest management, including recovery mechanisms and issuance protocols to ensure compliance with the PFM Act.
- Undertake a comprehensive review of accounts payables and pending bills to validate, clear, or dispute old balances, ensuring up-to-date and fair representation in the financial statements.
- Enhance internal controls and documentation processes for contingent liabilities and foreign travel allowances to ensure transparency and compliance.
- Develop and enforce an action plan for resolving prior year audit issues, with oversight from internal audit and regular progress reporting.
- Given that the accounting signatory has maintained good standing with ICPAK, leverage this stability to champion reforms, institutional memory, and audit issue resolution within the finance function

ETHICS AND ANTI-CORRUPTION COMMISSION

The following is an analysis of findings and observations of audited financial statements for the Ethics and Anti-corruption Commission, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Joel I. Mukumu	Director Finance & Planning	5917	Good standing	• Poor financial performance • Non payment of trade and other payables
21/22	Unmodified	CPA Joel I. Mukumu	Director, Finance and planning	5917	Good standing	• Poor financial performance • There were no other key audit matters to report in the year under review
20/21	Unmodified	CPA Joel I. Mukumu	Director, Finance and planning	5917	Good standing	• Poor Financial performance and dependence on exchequer releases • There were no other key audit matters to report in the year under review

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received an unmodified audit opinion across all three financial years.
- There were no changes in signatories for the period under review, indicating continuity in accounting leadership.
- The signatory was confirmed to be in good standing with ICPAK as at June 2025.
- A recurring issue across the three years was poor financial performance, which in FY 2020/21 included dependence on exchequer releases, and in FY 2022/23 expanded to include non-payment of trade and other payables.
- No other material audit matters were noted in FY 2020/21 and FY 2021/22.

Recommendations

To improve the sustainability of the entity and address the audit issues, the following actions are recommended:

- Strengthen revenue generation strategies to reduce over-reliance on exchequer funding and improve overall financial performance. This could include diversification of income streams and efficiency in revenue collection.
- Develop and implement a cash flow management plan to ensure timely settlement of trade and other payables, thereby maintaining good supplier relationships and reducing the risk of legal or financial penalties.
- Undertake periodic financial performance reviews to monitor progress against budget, identify variances early, and take corrective action.
- Enhance expenditure controls by aligning spending with available resources, prioritizing critical payments, and limiting non-essential expenses.
- Conduct a financial sustainability assessment to identify key structural or operational challenges affecting long-term viability and propose reforms accordingly

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTION (ODPP)

The following is an analysis of findings and observations of audited financial statements for the Office of the Director of Public Prosecution, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Qualified	CPA Zuwena Zainabu	Head of Accounting Unit	5395	Good standing	• Cash and cash equivalents. • Unsupported cash and cash equivalents. • Incomplete bank statements. • Long outstanding bank reconciling • Unaccounted proceeds from loan principal repayments. • Non-compliance on preparation and submission of bank reconciliation

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
						statements to the National Treasury.
21/22	Qualified	CPA Zuwena Zainabu	Head of Accounting Unit	5395	Good standing	• Discrepancies between trial balances and financial statements. • Unsupported balances • Unsupported adjustments to the financial statements. • Prior year adjustments. • Irregular expenditure on allowances.
20/21	Unmodified	CPA Zuwena Zainabu	Senior Principal Accountant	5395	Good standing	• Pending bills • There were no other material issues noted in the period under review

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received a qualified audit opinion in both FY 2021/22 and 2022/23. This was a decline from FY 2020/21 where it received an unmodified opinion.
- There were no changes in signatories for the period under review, indicating continuity in accounting leadership.
- The signatory was confirmed to be in good standing with ICPAK membership as at June 2025.
- Recurring and significant audit issues were noted in FY 2021/22 and 2022/23, including:
    - (i) Unsupported cash and cash equivalents and incomplete bank statements.
    - (ii) Bank reconciliation weaknesses
    - (iii) Unsupported balances and adjustments to financial statements.
- FY 2020/21 noted pending bills but no other material issues were highlighted, suggesting that audit concerns intensified in subsequent years.

Recommendations

To address the recurring audit issues, the following actions are recommended:

- Ensure accuracy and completeness of cash and cash equivalents through regular verification of balances with supporting documents and maintaining proper documentation of loan repayments and related proceeds.
- Address discrepancies in trial balances and financial statements by conducting periodic ledger reviews, ensuring system-generated reports are reconciled before final reporting.
- Implement corrective actions on prior year issues, and track their resolution status through an internal audit follow-up mechanism.
- Continue to monitor and clear pending bills, and establish internal tracking mechanisms to avoid recurrence and ensure timely payments**.**
- non-financial audit observations, such as capacity challenges, to ensure they are systematically addressed and tracked by management and oversight bodies.

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES (ORPP)

The following is an analysis of findings and observations of audited financial statements for the Office of the Registrar of Political Parties, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
22/23	Unmodified	CPA Douglas Wanzala	Principal Accountant	10692	Good standing	There were no material issues to report.
21/22	Unmodified	CPA Douglas Wanzala	Principal Accountant	10692	Good standing	Pending bills
20/21	Unmodified	CPA John Mwai Macharia	Assistant Accountant General	5474	Not in good standing	There were no material issues to report.

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified audit opinions across all three financial years, indicating that the financial statements were prepared and presented fairly in all material respects.
- The were changes in signatories for FY 2021/22 and 2022/23.
- The signatory for FY 2021/22 and 2022/23, was in good standing with ICPAK membership, while for FY 2020/21, it was noted that the signatory was not in good standing as at June 2025.

- There were no material audit issues reported in FY 2020/21 and 2022/23, indicating strong financial and internal control practices during those years.
- In FY 2021/22, the only issue raised was the presence of pending bills.

Recommendations

To maintain financial accountability, the following actions are recommended:

- Monitor and address pending bills to prevent accumulation and ensure service providers are paid within contractual or regulatory timelines. This can be achieved through improved cash flow forecasting and budget execution monitoring.
- Support financial preparers and signatories to regularize their membership status with ICPAK and be in good standing.
- Institutionalize internal control practices that contributed to the unmodified audit opinions.
- Continue engaging internal and external auditors to ensure emerging risks are identified early and addressed promptly, even in the absence of material issues.

WITNESS PROTECTION AGENCY

The following is an analysis of findings and observations of audited financial statements for the Witness Protection Agency, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
22/23	Unmodified	CPA John M. Mwangi	Finance Manager	4743	Good standing	There were no material issues noted during the audit of the financial statements of the Agency.
21/22	Unmodified	CPA John M. Mwangi	Finance Manager	4743	Good standing	• Understaffing in the operations, internal audit, IT and administration • There were no other material issues noted in the audit of the entity
20/21	Unmodified	CPA John M. Mwangi	Finance Manager	4743	Good standing	• Understaffing in the operations, internal audit, IT and administration • There were no other audit matters to

						report in the year under review

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified audit opinions for all three years, indicating that the financial statements were fairly presented in all material respects.
- There were no changes in signatories, indicating continuity in accounting leadership.
- The signatory was confirmed to be in good standing with ICPAK as at June 2025.
- There were no material audit issues reported in FY 2022/23, indicating improvements in financial management.
- FY 2020/21 and 2021/22 highlighted a non-financial but recurring issue of understaffing in key functional areas including operations, internal audit, IT, and administration.

Recommendations

To improve operational effectiveness, the following actions are recommended:

- Address the staffing gaps in operations, internal audit, IT, and administration by developing a phased staffing plan to build capacity in line with budget provisions.
- Strengthen internal audit and IT functions, which are essential for maintaining robust internal controls, ensuring system security, and supporting data integrity.
- Maintain the momentum on clean audits by continuing strict adherence to Public Finance Management (PFM) regulations,
- Document and monitor non-financial audit observations, such as capacity challenges, to ensure they are systematically addressed and tracked by management and oversight bodies.

INDEPENDENT ELECTORAL AND BOUNDARIES COMMISSION (IEBC)

The following is an analysis of findings and observations of audited financial statements for the Independent Electoral and Boundaries Commission, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at june 2025	Issues of Concern
22/23	Qualified	CPA. Osman H. Ibrahim, HSC, OGW	Director Finance	2544	Good standing	• Long outstanding receivables. • Inaccurate inventory balance. • Unsupported expenditure.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at june 2025	Issues of Concern
						• Outstanding accounts payables. • Prior year matters. • Issues in maintenance of accounting records. • Lack of comprehensive asset register.
21/22	Qualified	CPA. Osman H. Ibrahim, HSC, OGW	Director Finance	2544	Good standing	• Long outstanding receivables • Inaccurate inventory balances • Failure to carry out county accounting functions in IFMIS • Lack of a comprehensive assets register
20/21	Qualified	CPA Obadiah K. Keitany	Director Finance	3055	Good standing	• Long outstanding accounts receivables • The Plant property and equipment schedule had untitled land and buildings, unconfirmed ownership and valuation of motor vehicles and undisclosed and lack of valuation of inventories • Unresolved prior year matters • Outstanding accounts payables

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received a qualified audit opinion in all three financial years.
- The signatory for FY 2021/22 and 2022/23 was consistent except FY 2020/21. Both signatories were confirmed to be in good standing with ICPAK as at June 2025.
- Recurring issues were observed across the three years, including:
    (i) Long outstanding receivables
    (ii) Inaccurate or unverified inventory balances
    (iii) Outstanding accounts payables
    (iv) Lack of a comprehensive Fixed Assets Register
    (v) Unresolved prior year matters

Recommendations

To address the audit concerns and strengthen financial management, the following actions are recommended:

- Strengthen debt management processes to resolve long outstanding receivables. Implement aging analysis, clear recovery strategies, and periodic reviews.
- Conduct a comprehensive physical verification and valuation of inventory and fixed assets, and maintain an updated, IPSAS-compliant Fixed Assets Register.
- Ensure all accounting records are accurately maintained and supported with proper documentation. Regular internal audits should be conducted to verify record completeness and accuracy.
- Address unsupported expenditures by reinforcing controls around payment approvals, documentation, and audit trail maintenance.
- Implement a structured plan to settle outstanding payables, avoid future backlogs, and ensure timely financial obligations.
- Leverage the IFMIS platform fully for all financial and accounting functions to enhance transparency, traceability, and compliance with public financial management requirements.
- Establish a formal system for tracking and resolving prior year audit issues, with responsibility assigned to specific officers and regular reporting to the audit committee.

NATIONAL ASSEMBLY

The following is an analysis of findings and observations of audited financial statements for the National Assembly, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
22/23	Unmodified	CPA Peter A. Meikoki	Deputy Director Finance and Accounting Services	4339	Good standing	• Pending bills • Failure to remit statutory deductions • Unaccounted imprest

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
						• Lack of assets register
21/22	Unmodified	CPA Peter A. Meikoki	Deputy Director Finance and Accounting Services	4339	Good standing	• Unsupported compensation of employees • Failure to remit NSSF and PAYE statutory deductions • Outstanding imprests contrary to regulation 93(5) of the PFM Act • Lack of an assets register • Pending bills
20/21	Unmodified	CPA Peter A. Meikoki	Deputy Director Finance and Accounting Services	4339	Good standing	• Unaccounted for outstanding imprests contrary to reg 93(5) of the PFM Act • Failure to maintain the assets register reg 143 of the PFM Act

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified audit opinions across all three financial years, indicating that the financial statements were presented fairly in all material respects.
- There was no change in signatories during the review period, indicating continuity in accounting leadership.
- The signatory was confirmed to be in good standing with ICPAK as at June 2025.
- Despite the clean unmodified opinions, key recurring issues noted include; Pending bills in all three years, and unaccounted or outstanding imprests and lack of an assets register contrary to Regulation 143 of the PFM Act.

Recommendations

To enhance financial accountability, the following actions are recommended

- Develop and maintain a comprehensive Fixed Assets Register as required under Regulation 143 of the PFM Act and IPSAS standards. This register should be regularly updated,
- Strengthen imprest management practices, including, timely surrender and accountability of funds, and enforcement of Regulation 93(5) of the PFM Act.
- Establish a plan to clear and prevent pending bills, including tracking and budgetary provision, to ensure service providers are paid promptly and liabilities do not accumulate.
- Ensure full and timely remittance of statutory deductions (e.g. PAYE, NSSF), with a monthly compliance check and oversight reporting to senior management and the Board to avoid legal penalties and protect employee rights.
- Review payroll processing and documentation to ensure all compensation is adequately supported and processed within the approved HR/payroll systems.
- Leverage the consistent unmodified opinions as a foundation for further strengthening financial systems, while addressing the control and compliance issues that continue to appear in the audit reports.

PARLIAMENTARY JOINT SERVICES

The following is an analysis of findings and observations of audited financial statements for the Parliamentary Joint Services, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Johnson N Muyera	Chief Accountant	8221	Good standing	• Lack of Assets Register • Pending Bills.
21/22	Unmodified	CPA Johnson N Muyera	Chief Accountant	8221	Good standing	• Incomplete assets register • Pending bills
20/21	Unmodified	CPA Johnson N Muyera	Chief Accountant	8221	Good standing	• Pending bills • Failure to maintain an updated assets register

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified audit opinions for all three years, indicating that the financial statements were fairly presented.

- There was no change in signatory, indicating continuity in accounting leadership.
- The signatory was confirmed to be in good standing with ICPAK as at June 2025.
- Despite clean unmodified opinions, pending bills and deficiencies in asset management were observed.

Recommendations

To address key audit issues, the following actions are recommended:

- Develop and maintain a comprehensive Fixed Assets Register in accordance with IPSAS standards. This should include proper asset tagging, regular physical verification and timely recording of acquisitions, disposals, and impairments.
- Implement periodic asset audits to validate the existence, condition, and value of recorded assets, with results reported to senior management and audit committees.
- Establish a structured plan to clear pending bills, supported by regular tracking, aging analysis, and integration with procurement and budgeting processes.
- Strengthen commitment control systems to ensure that liabilities are only incurred when funds are available and approved.
- Leverage the entity's consistent clean audit history to reinforce accountability and support continuous improvement in internal controls and financial management practices.

JUDICIAL SERVICE COMMISSION

The following is an analysis of findings and observations of the audited financial statements for the Judicial Service Commission, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June 2025	Issues of Concern
22/23	Unmodified	CPA Rebecca J Kiplagat	Director Finance & Administration	5533	Not in good standing	Pending bills
21/22	Unmodified	CPA Rebecca J. Kiplagat	Director, Finance and Administration	5533	Not in good standing	Pending bills There were no other material issues noted during the audit of the financial statements of the Commission.
20/21	Unmodified	CPA Rebecca J. Kiplagat	Director, Finance and Administration	5533	Not in good standing	There were no material issues noted during the audit of the financial statements of the Commission.

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23

- The entity received unmodified audit opinions in all three financial years, indicating that the financial statements were fairly presented in all material respects.
- There was no change in signatories during the review period, indicating continuity in accounting leadership.
- The signatory was not in good standing with ICPAK as at June 2025.
- The recurring issue identified across all three years was the accumulation of pending bills, which indicates potential challenges in cash flow management and budget absorption.
- No other material issues were reported in FY 2020/21 and 2021/22.

Recommendations

To strengthen financial accountability, the following actions are recommended:

- Develop a plan to settle pending bills, including prioritization based on aging, supplier engagement, and alignment with available budgetary provisions. This plan should be reviewed quarterly.
- Enhance commitment control processes to prevent accumulation of liabilities beyond available resources. Integrate this with IFMIS or relevant internal systems to improve visibility over commitments.
- Support the financial preparers and signatories to regularize their membership status with ICPAK.
- Maintain and strengthen internal controls that have contributed to the consistent unmodified audit opinions—such as accurate financial reporting, adherence to IPSAS, and internal review mechanisms.

TEACHERS SERVICE COMMISSION

The following is an analysis of findings and observations of the audited financial statements for the Teachers Service Commission, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
22/23	Unmodified	CPA Cheptumo Ayabei	Director Finance and Accounts	8372	Good standing	• Pending bills • Budgetary control and performance • Long outstanding payables • Prior year issues

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
21/22	Qualified	CPA Cheptumo Ayabei	Director Finance and Accounts	8372	Good standing	• Transactions in system payments not processed in payment details • Unreconciled variances in cash and cash equivalents • Unsupported receivables balances • Unsupported accounts payables • Unexplained decrease in employer contribution to NSSF • Long outstanding cash receivables
20/21	Qualified	CPA Cheptumo Ayabei	Director Finance and Accounts	8372	Good standing	• Long outstanding accounts receivables • Unsupported expenditures on insurance costs • Unsupported accounts payables • Long outstanding salary advances • Misstatement on the Plant Property and Equipment(PPE) movement schedule

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity improved in FY 2022/23 receiving an unmodified audit opinion, from a qualified audit opinion in FY 2020/21 and FY 2021/22.
- There were no changes in signatories during the review period, indicating continuity in accounting leadership.
- The signatory was a member of ICPAK in good standing as at June-2025.
- Key recurring audit concerns observed include:

(i) Pending bills and long outstanding payables
(ii) Prior year audit issues remained unresolved

Recommendations

To address the recurring audit issues, the following actions are recommended:

- Strengthen financial reconciliations and documentation processes, particularly for accounts payables, receivables, and cash balances. Regular reconciliation reviews should be embedded in monthly financial reporting cycles.
- Implement an audit issues tracker, overseen by senior management, to ensure that all prior year audit issues are addressed within set timelines and reported back to the audit committee.
- Investigate and correct NSSF contribution anomalies, and ensure full compliance with statutory obligations related to employee benefits.
- Develop and implement a strategy to settle long outstanding salary advances, receivables, and payables, and clean up legacy balances in the financial statements.
- Enhance budgetary controls, including variance analysis, forecasting accuracy, and review of expenditure patterns to ensure alignment with approved budgets.
- Conduct training for finance staff on IPSAS compliance, reconciliation practices, and audit preparedness to maintain and improve on the unmodified audit opinion achieved in FY 2022/23.

COMMISSION ON REVENUE ALLOCATION

The following is an analysis of findings and observations of audited financial statements for the Commission on Revenue Allocation, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
22/23	Unmodified	CPA Maureen K Junge	Finance Manager	9883	Not in good standing	Pending bills on trade and other payables
21/22	Unmodified	CPA Maureen Junge	Finance Manager	9883	Not in good standing	There were no material issues noted during the audit of the financial statements.
20/21	Unmodified	CPA Maureen Junge	Finance Manager	9883	Not in good standing	• Compensation ef employees exceeding the 35% of revenue threshold • Irregular issuance of salary advances

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified audit opinions for all three years, indicating that the financial statements were fairly presented.
- There was no change in signatories during the review period, indicating continuity in accounting leadership.
- The signatory was not in good standing with ICPAK as at June-2025.
- The audit identified pending bills on trade and other payables as an issue of concern in FY 2022/23.

Recommendations

To address the issues raised and further strengthen financial governance, the following actions are recommended:

- Establish a pending bills management framework, including regular aging analysis, budgetary provision for settlement, and board-level oversight to ensure timely payments to suppliers and service providers.
- Support the financial preparers and signatories to regularize the membership status with ICPAK.
- Institutionalize internal audit reviews of payroll, pending bills, and payables, with findings reported directly to senior management and the audit committee for accountability.
- Leverage the clean audit opinion history to build momentum for deeper reforms in internal controls and compliance culture, while ensuring the few flagged issues do not escalate into material audit issues.

CONTROLLER OF BUDGET

The following is an analysis of findings and observations of audited financial statements for the Controller of Budget, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
22/23	Unmodified	CPA Pamella Okatch	Chief Manager Finance and Accounts	7884	Good standing	• Pending accounts payables. • There were no material issues noted during the audit of the financial statements of the Office

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
21/22	Unmodified	CPA Pamella Okatch	Chief Manager Finance and Accounts	7884	Good standing	There were no key audit matters to report in the year under review
20/21	Unmodified	CPA Pamella Okatch	Chief Manager Finance and Accounts	7884	Good standing	There were no key audit matters to report in the year under review

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified audit opinions in all three years, indicating that the financial statements were presented fairly.
- There were no changes in signatories during the review period, indicating continuity in accounting leadership.
- The signatory was in good standing with ICPAK as at June-2025.
- For FY 2020/21 and FY 2021/22, auditors reported no key audit matters or material issues, indicating compliance with financial reporting and internal control requirements.
- In FY 2022/23, the issue noted was pending accounts payables.

Recommendations

To address the identified audit concerns and improve financial governance, the following measures are recommended:

- Monitor and manage pending accounts payables proactively, ensuring they do not accumulate to levels that could affect liquidity or draw audit attention in subsequent years.
- Integrate pending payables tracking into monthly financial reporting, including age analysis, justification for delays, and projected settlement timelines.
- Maintain current strong financial reporting practices, internal controls, and compliance mechanisms that have contributed to three consecutive unmodified opinions.
- Conduct periodic internal audits and risk assessments, even in the absence of major audit findings, to sustain governance quality and detect early warning signs.
- Continue capacity-building efforts for finance and accounting staff, to reinforce good practices and compliance with evolving financial regulations and reporting standards.

COMMISSION ON ADMINISTRATIVE JUSTICE

The following is an analysis of findings and observations of audited financial statements for the Commission on Administrative Justice, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
22/23	Qualified	CPA Benard Nyariki	Assistant Director Finance and Accounts	9143	Good standing	• Inaccuracies in presentation and disclosure of financial statements • Unsupported expenditure under goods and services • Pending bills • Lack of electronic tax register receipts • Unsupported lunch expenses
21/22	Unmodified	CPA Benard Nyariki	Assistant Director Finance and Accounts	9143	Good standing	• Pending bills • There were no other material issues noted in the audit of the financial statements of the entity
20/21	Unmodified	D.M. Karomo	Director, Corporate Services	N/A	N/A	• Pending bills • There were no other material issues noted in the audit of the financial statements of the entity

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified audit opinions in FY 2020/21 and FY 2021/22, but a qualified opinion in FY 2022/23.
- The signatory for FY 2021/22 and 2022/23 and was confirmed to be in good standing with ICPAK as at June-2025.

- Key recurring audit issues include: pending bills; inaccuracies in financial statement presentation and disclosure; unsupported expenditures under goods and services; absence of electronic tax register (ETR) receipt and unsupported lunch expenses.

Recommendations

To address the emerging financial reporting and control issues, and to improve audit outcomes, the following actions are recommended:

- Review and strengthen financial statement preparation and disclosure processes to eliminate inaccuracies and ensure alignment with applicable accounting standards.
- Enhance documentation and verification of expenditures, particularly under goods and services, to ensure all payments are supported by valid receipts and approvals.
- Ensure full compliance with tax regulations, including the mandatory use of Electronic Tax Register (ETR) systems to support VAT claims and financial transparency.
- Establish clear guidelines for staff-related expenses, such as lunch allowances or hospitality costs, and ensure they are properly approved and documented.
- Develop and implement a pending bills clearance strategy, with timelines, responsible officers, and regular monitoring to prevent continued accumulation.
- Improve internal controls and audit readiness, particularly after receiving a qualified opinion, to prevent recurrence in subsequent audits.
- Verify and update professional compliance for all signatories, ensuring ICPAK registration and good standing for individuals signing financial statements.

NATIONAL EXCHEQUER ACCOUNT

The following is an analysis of findings and observations of the audited financial statements for the National Exchequer Account, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
22/23	Unmodified	FCPA Bernard Ndung'u, MBS	Director General, Accounting	9143	In good Standing	• Late exchequer releases. • Budgetary control.
21/22	Unmodified	FCPA Bernard Ndung'u, MBS	Director General, Accounting	9143	In good Standing	Late exchequer releases contrary to article 260 of the constitution
20/21	Unmodified	FCPA Bernard Ndung'u, MBS	Director General, Accounting	9143	In good Standing	Late exchequer releases.

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified audit opinions in all three years, indicating overall compliance with financial reporting standards.
- There was no change in signatory under the review period, indicating continuity in accounting leadership.
- The signatory was in good standing with ICPAK as at June-2025.
- A recurring issue in all three years was late exchequer releases and in FY 2021/22 flagged as being contrary to Article 260 of the Constitution.
- In FY 2022/23, additional concern was raised regarding budgetary control, indicating a need to strengthen planning and execution of the budget.

Recommendations

To address the recurring issues and enhance financial efficiency, the following actions are recommended:

- Develop a cash flow forecasting and monitoring framework to anticipate delays and manage financial commitments prudently.
- Strengthen budgetary control mechanisms, including: regular variance analysis, mid-year budget reviews, and alignment of procurement plans with approved budgets.
- Establish early warning systems to flag deviations in fund disbursements or budget performance, and initiate corrective actions.
- Although audit opinions were unmodified, proactive measures should be taken to resolve the recurring issue of late funding, as continued delays may undermine institutional performance and constitutional compliance.

PUBLIC TRUSTEE OF KENYA

The following is an analysis of findings and observations of the audited financial statements for the Public Trustee of Kenya, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
22/23	Qualified	CPA Anthony M Gilbert	Assistant Acc. General	8251	Not in good standing	• Unconfirmed accuracy and completeness of cash and cash equivalents. • Unconfirmed accuracy and existence of cash deposits. • Failure to automate beneficiaries

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
						financial records • Understaffing key staff positions i.e 8 regions did not have accountants after the previous ones exited from service without replacement.
21/22	Qualified	CPA Augustine K. Mburu	Principal Accountant	10823	Not in good standing	• Inaccuracies in cash and cash equivalents • Deposits Investments • Failure to Automate Beneficiaries Financial Records • Understaffing of Key Staff Positions
20/21	Qualified	CPA Augustine K. Mburu	Principal Accountant	10823	Not in good standing	• Inaccuracies in the cash and cash equivalent balances • Inaccuracy of the deposits balance • Failure to automate financial records for the beneficiaries • Understaffing of key staff positions

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received a qualified audit opinion in all three financial years.

- There was a change in the signatory in FY 2022/23, indicating changes in accounting leadership.
- Both signatories were not in good standing with ICPAK as at June-2025.
- Recurring audit issues were observed consistently across the three years, were as follows:
    - (i) Inaccuracies in cash and cash equivalents and deposits balances
    - (ii) Failure to automate beneficiaries' financial records
    - (iii) Understaffing of critical accounting positions, including unfilled roles in at least eight regional offices, compromising internal control, financial oversight, and service delivery.

Recommendations

To address these recurring issues and improve audit outcomes, the following actions are recommended:

- Strengthen cash and bank reconciliation processes and establish periodic independent reviews to ensure accuracy and completeness of cash and deposit balances.
- Automate beneficiaries' financial records, including implementing digital systems for capturing, tracking, and reporting transactions. This will enhance transparency, accuracy, and reduce the risk of fraud or error.
- Fill vacant accounting positions and prioritize hiring qualified personnel and members of ICPAK.
- Develop a financial records digitization roadmap, ensuring integration with broader government financial management systems such as IFMIS.
- Enhance internal audit follow-up mechanisms, with clear responsibilities and timelines for resolving audit queries, especially those recurring over multiple years.
- Support all accounting officers and signatories of financial statements to be in good standing with ICPAK.
- Implement an audit issue tracker, monitored at senior management level, to ensure recurring issues are systematically resolved with assigned accountability.

MINISTRY OF LAND, PUBLIC WORKS, HOUSING AND URBAN DEVELOPMENT

The following is an analysis of findings and observations of the audited financial statements for the Ministry of Land, Public works, Housing and Urban Development as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
22/23	Unmodified	CPA Shidzugane Charles Liyayi	Deputy Accountant General	5068	Good Standing	• Long outstanding pending bills • Budgetary control and performance

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
						• Unresolved prior year matters
21/22	Qualified	CPA Mary A.C Wanyonyi	Head of accounting unit	10366	Not in good standing	• Irregular allocation of expenditure • Lack of ownership documents of assets • Delayed payment of legal claims
20/21	Unmodified	CPA Joyce G Mutungi	Head of Accounting Unit	4265	Not in Good standing	No key audit matters to report in the year under review.

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified audit opinions in FY 2020/21 and FY 2022/23, while a qualified opinion was issued in FY 2021/22.
- There were three different signatories across the three years, indicating frequent changes in the accounting leadership.
- The signatory for FY 2022/23 was confirmed to be in good standing with ICPAK membership as at June-2025.
- Recurring audit issues include:
  - (i) Pending bills
  - (ii) Budgetary control and performance issues
  - (iii) Unresolved prior year matters

Recommendations

To address the audit issues identified, the following actions are recommended:

- Develop and enforce a structured audit query resolution framework, assigning responsibility and timelines for addressing prior year issues.
- Clear long-outstanding pending bills and ensure all obligations are recorded and reported transparently. A budgeted settlement plan should be developed.
- Improve budgetary planning, execution, and monitoring by adopting quarterly reviews and real-time tracking of budget utilization.
- Ensure all asset ownership documentation is available, updated, and safely stored, and initiate a reconciliation between financial records and physical assets.
- Audit the payment process for legal claims and integrate these into the financial forecasts to avoid further accumulation and reputational risks.

- Review and reinforce internal controls around expenditure allocations to prevent irregular charging of items to inappropriate budget lines.

BUSINESS REGISTRATION SERVICE

The following is an analysis of findings and observations of the audited financial statements for the Business Registration Service, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
22/23	Unmodified	CPA Erastus Mbalu	Deputy Director F&A	6469	Not in good standing	Weak controls over Imprest Management.
21/22	Unmodified	CPA Erastus Mbalu	Deputy Director F&A	6469	Not in good standing	• Failure to Submit Compliance Reports to State Corporations Advisory Committee (SCAC). • Non-compliance with Laws and Guidelines by the Board
20/21	Unmodified	CPA Erastus Mbalu	Deputy Director F&A	6469	Not in good standing	

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21, 2021/22, and 2022/23:

- The entity received unmodified audit opinions for all three years under review, indicating that the financial statements were fairly presented in all material respects.
- There was no changes of signatory, indicating continuity in accounting leadership.
- The signatory was not in good standing with ICPAK during all three years of signing as at June-2025.
- Key audit issues included weak controls over imprest management

Recommendations

To address the audit issues identified, the following actions are recommended

- Orient board members on relevant laws, guidelines, and best practices, and establish regular monitoring to ensure compliance with statutory obligations.
- Support financial preparers and signatories to be in good standing with ICPAK.
- Establish an audit action plan tracker to ensure recurring issues are addressed promptly and reported to the board or oversight entities for follow-up.
- Strengthen imprest management controls by:
    - (i) Enforcing prompt surrender of imprests.
    - (ii) Maintaining accurate imprest registers.
    - (iii) Requiring supporting documentation for all retirements.
    - (iv) Regular internal audit reviews of imprest transactions.

KENYA NATIONAL HUMAN RIGHTS AND EQUALITY COMMISSION (KNCHR)

The following is an analysis of findings and observations of the audited financial statements for the Kenya National Commission on Human Rights, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
22/23	Unmodified	CPA John Wamwanga	Finance Manager /HAU	2872	Good standing	Pending bills
21/22	Unmodified	CPA John Wamwanga	Finance Manager/HAU	2872	Good standing	Pending bills and there were no material issues noted
20/21						

Observations

The following issues were identified from the review of audited financial statements for the financial years 2021/22, and 2022/23:

- The entity received an unmodified audit opinion in both FY 2021/22 and FY 2022/23.
- There was no change in the signatory for both FY 2021/22 and FY 2022/23.
- The signatory was in good standing with ICPAK as at June-2025.
- The main recurring audit issue noted in both financial years is the existence of pending bills.
- In FY 2021/22, the auditor noted no other material issues aside from pending bills, which may indicate some level of operational or internal control adequacy during that period.

Recommendations

To enhance financial performance and address the recurring audit concern, the following actions are recommended:

- Develop and implement a pending bills clearance plan, prioritizing older obligations and ensuring that all liabilities are factored into future budgets to avoid accumulation.
- Establish a mechanism to regularly monitor and report pending bills, including age analysis and reasons for delays in settlement.
- Strengthen commitment control systems to ensure that procurement and service delivery are aligned with available funds, reducing the risk of unbudgeted expenditures.
- Ensure proper documentation and reconciliation of all outstanding obligations, and address any systemic delays in the procurement or payment approval process.

CONSOLIDATED FUND

The following is an analysis of findings and observations of audited financial statements for the Consolidated Fund, as presented in the reports of the Auditor General for the financial years 2020/21 to 2022/23.

F/Y	Opinion	Name of Signatory	Designation of Signatory	ICPAK Membership	Confirmation of Good Standing as at June-2025	Issues of Concern
22/23						
21/22	Unmodified	CPA Nemwel M Motanya	Head of Accounting Unit	2367	Not in good standing	Budgetary control and performance
20/21	Unmodified	CPA Nemwel M Motanya	Head of Accounting Unit	2367	Not in good standing	There were no key audit matters to report in the year under review

Observations

The following issues were identified from the review of audited financial statements for the financial years 2020/21 and 2021/22:

- The entity received an unmodified audit opinion in both FY 2020/21 and FY 2021/22.
- There was no change in the signatory for both FY 2020/21 and FY 2021/22
- The signatory was a member in good standing with ICPAK as at June-2025.
- The main audit issue noted in FY 2021/22 was budgetary control.

Recommendations

To enhance financial performance and address the recurring audit concern, the following actions are recommended:

- Strengthen commitment control systems to ensure that procurement and service delivery are aligned with available funds, reducing the risk of unbudgeted expenditures.
- Ensure proper documentation and reconciliation of all outstanding obligations, and address any systemic delays in the procurement or payment approval process.

CROSS-CUTTING AUDIT ISSUES AND RECOMMENDATIONS

The Auditor-General's reports for MDAs reveal persistent challenges, and systemic weaknesses. These findings underscore the need for a deeper examination of the underlying causes and a roadmap toward achieving flawless audit outcomes.

A. ROOT CAUSE ANALYSIS

The review identified several recurring and systemic issues that hinder the effective implementation and financial management of MDAs. These root causes and recommendations include

#	Issue of Concern	Root Cause	Recommendations
1.	**Pending Bills**	Poor commitment control, delayed exchequer releases, and a lack of prioritization in budget execution.	• Treat pending bills as the first charge in budgets. • Enforce settlement before new budget approvals.
2.	**Unresolved Prior Year Audit Matters**	Weak internal audit follow-up, lack of accountability, and absence of structured resolution plans.	• Establish an audit issue resolution committee for each MDA • Strengthen internal audit and audit committees. • Enforce sanctions for non-compliance.
3.	**Budgetary Control & Performance**	• Inadequate planning, unrealistic forecasting, and poor linkage between budget and execution. • Failure by The National Treasury to release funding on time and in the right amounts	• Adopt accrual accounting. • Automate revenue and expenditure tracking. • Conduct quarterly budget reviews.
4.	**Unsupported/Irregular Payments**	Weak internal controls, poor documentation, and non-compliance with procurement laws.	• Enforce the Public Finance Management Act and Regulations, especially the penalties and sanctions.

#	Issue of Concern	Root Cause	Recommendations
			• Capacity building for accounting and procurement staff. • Uphold professional ethics.
5.	**Imprest Management Failures**	Lack of enforcement of surrender timelines, and poor tracking systems.	• Enforce Public Finance Management Act and Regulations on imprests. • Digitize imprest tracking and enforce penalties and sanctions.
6.	**Incomplete or Non-Updated Asset Registers**	Lack of qualified personnel, poor record-keeping, and absence of asset management systems.	• Enforce the Public Finance Management Act and Regulations on asset management. • Appoint and assign qualified officers to manage assets. • Develop policies on assets management • Digitize asset registers.
7.	**Human Resource Management Issues**	Unapproved staff establishments, manual payroll processing, and casual wage irregularities.	• Enforcement of the automated payroll processing system • Review of the workforce and wage bill • Conduct HR audits.
8.	**Weak Internal Audit & Oversight**	Understaffing, lack of independence, poor funding, and absence of the Internal Audit Function and the Audit Committees.	• Establish independent internal audit units. • Provide adequate funding for Internal Auditors and the Audit Committees • Revise the compensation for the Audit Committee. • Amend the PFM Act to empower the Internal Auditor-General.
9.	**Governance & Accounting Leadership**	Frequent signatory changes and non-compliance with ICPAK membership requirements.	• Amend PFM Regulations to require ICPAK membership in good standing. • Reinstitute retraining programs. • Sensitize MDAs on audit issues.

B. STRATEGY TOWARDS ZERO FAULT AUDIT REPORTING

Achieving a zero-fault audit is an ambitious but attainable goal. It requires a multi-pronged strategy anchored on institutional reform, capacity building, and accountability. The following pillars form the foundation of this strategy

#	Issue	Strategy Towards Zero Fault Audit
1.	**Governance & Oversight**	• Institutionalize audit committees in all MDAs. • Strengthen internal audit units with independence and resources
2.	**Institutional Strengthening**	• Invest in building technical capacity in accounting, audit, finance, and procurement. • Digitize financial and procurement systems to enhance transparency and traceability.
3.	**Policy and Framework Enhancement**	• Develop and enforce Standard Operating Procedures for MDAs. • Align internal policies with International Public Sector Accounting Standards (IPSAS).
4.	**Accountability and Enforcement**	• Introduce performance-based contracts for accounting officers and accounting staff. • Establish a centralized audit recommendation tracking system to monitor implementation. • Enforce disciplinary action for repeated non-compliance and audit failures.
5.	**Stakeholder Engagement**	• Collaborate with Parliament, Treasury, OAG, and development partners for reforms. • Promote transparency through public disclosure of audit compliance status.
6.	**Continuous Improvement**	• Institutionalize pre-audit readiness assessments and post-audit reviews. • Conduct regular training, capacity building and knowledge-sharing forums on audit best practices. • Encourage innovation in project design, monitoring, and evaluation.
7.	**Documentation & Controls**	• Digitize financial records and implement centralized document management. • Maintain updated fixed asset registers and reconcile accounts monthly.
8.	**Audit Issue Resolution**	• Develop structured audit issue tracking matrices with timelines and responsible officers. • Conduct quarterly reviews of audit resolution progress.
9.	**Professionalization**	• Mandate ICPAK membership for all financial statement signatories. • Enforce CPD and IPSAS certification for public sector accountants.

C. ROLE OF FINANCIAL PREPARES IN UPHOLDING VALUE FOR MONEY IN GOVERNMENT

Financial preparers and signatories have a key role in embedding VfM across all financial processes in the following ways

(i) Prepare and approve budgets that reflect institutional objectives and national or economic priorities.
(ii) Avoid wasteful expenditure by utilizing economies of scale.
(iii) Monitor inputs and outputs to ensure optimal resource utilization.
(iv) Ensure proper checks and balances are in place for all financial transactions.
(v) Maintain accurate and timely financial records.
(vi) Require justification for major expenditures and assess alternatives to demonstrate VfM.
(vii) Participate in ongoing sensitizations and training on public finance reforms and VfM practices.
(viii) Uphold ethical standards in all financial practices to reduce fraud, corruption, and misuse of public funds.

CONCLUSION

This report has analyzed the audited financial statements for the Ministries, Departments and Agencies and their attendant opinion from the Auditor General reports for the financial years 2020/21 to 2022/23. From the review, key findings and recommendations have been made as outlined above towards financial probity and accountability in the management of public resources at the national government.

The committee shall consider reviewing the audited reports for State Corporations and Semi-autonomous Agencies for the similar period in Phase 4 of the Public Audit Review.

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