

Library

PAPERS LAID No
Speaker Name
Printer
Clerk Name
Clerk
P.C.A.



REPORT AND ACCOUNTS

FOR
FOURTEEN MONTHS PERIOD
ENDED 30TH JUNE, 2000

657-3
KACA

REPORT AND ACCOUNTS

PARLIAMENT
OF KENYA
LIBRARY

FOR
FOURTEEN MONTHS PERIOD
ENDED 30TH JUNE, 2000

KENYA NATIONAL ASSEMBLY
Accession: 10013530
Call No: 657-3 KACA



KENYA ANTI CORRUPTION AUTHORITY

TABLE OF CONTENTS

<u>PAGE</u>	<u>DESCRIPTION</u>
1	THE MANAGEMENT
2	REPORT OF THE DIRECTOR
3	REPORT OF THE AUDITORS
4	INCOME AND EXPENDITURE STATEMENT
5	BALANCE SHEET
6	CASHFLOW STATEMENT
7 - 11	NOTES TO THE ACCOUNTS

KENYA ANTI CORRUPTION AUTHORITY

INFORMATION

The Kenya Anti Corruption Authority is headquartered at the Integrity Centre, Milimani.

The Bankers are Kenya Commercial Bank, Milimani.

KACA'S MANDATE

The Authority's Mandate is covered by Sub-Section (3) of paragraph B of Section 11 of Chapter (Cap) 65 of the Laws of Kenya.

KACA'S VISION

The Authority's Vision is to achieve a Society that has
Zero Tolerance for Corruption

THE ADVISORY BOARD

In January 1999, a new Advisory Board was appointed consisting of the following:

	<u>MEMBER</u>	<u>DESIGNATION</u>	<u>APPOINTED</u>
1	Mr. Tom D. Owuor	Chairman	JAN. 1999
2	Dr. Keneth Kiplagat	Member	JAN. 1999
3	Mrs. Fatuma Sichale	Member	JAN. 1999
4	Mr. Amos M. Kimunya	Member	JAN. 1999
5	Mr. Murtaza Jaffer	Member	JAN. 1999
6	Mr. John B. Kariuki	Member	JAN. 1999
7	Mr. Shantilal Shah	Member	JAN. 1999

THE MEMBERS OF THE AUTHORITY

The following Members of the Authority held office during the year:

	<u>MEMBER</u>	<u>DESIGNATION</u>	<u>APPOINTED</u>
1	Hon. Justice A.G. Ringera	Director	MAR. 1999
2	Dr. Julius T. Rotich	Asst Director	JUN. 1999
3	Mr Swaleh K. Slim	Asst Director	MAY. 1999
4	Mrs. Hannah M. Okwengu	Asst Director	JUL. 1999

KENYA ANTI CORRUPTION AUTHORITY

THE DIRECTOR'S REPORT

STATUS

The Authority is a State Corporation that was established in 1997 through an amendment to The Prevention of Corruption Act(Cap 65 of the Laws of Kenya) The Authority consists of the Director/Chief Executive and up to three Assistant Directors It is advised on the exercise of its powers and performance of its functions by an Advisory Board whose membership is seven including the Chairman. The Authority is exempted from all the provisions of the State Corporations Act except Section 14 which deals with Audit. (See Legal Notice No 61 of 4th June 1999)

KACA'S MISSION

The Authority's Mission shall be to promote the achievement of Zero Tolerance for Corruption and to participate in the prevention and eradication of corruption in Kenya

KACA'S ACTIVITIES

The Authority's activities can be summarised as follows

- a) **Enforcement of the Law** This entails investigation of corruption offences, prosecution where there is enough evidence and institution of Civil proceedings for recovery of loss occasioned by corrupt individuals
- b) **Prevention of Corruption** This involves identification and sealing of loopholes that can be exploited by corrupt individuals and proposing reforms of the Legal and regulatory system to create a corruption hostile environment
- c) **Education against Corruption** This involves creation of public awareness on the evils of Corruption and how the public can assist in fighting it

ACCOUNTING PERIOD

The appended accounts cover 14 months period, 1st May.1999 to 30th June 2000

AUTHORITY'S FUNDING

The Authority is funded by the Government of Kenya. The Donor Community supports specific projects/activities for the Authority.

SURPLUS

The surplus of Kshs. **289,065,342** at the end of the year is carried forward to finance future activities of the authority.



Hon Justice Aaron G. Ringera
DIRECTOR/CHIEF EXECUTIVE

OCTOBER 2000

**REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON
THE ACCOUNTS OF KENYA ANTI-CORRUPTION
AUTHORITY (KACA) FOR THE FOURTEEN MONTHS PERIOD
ENDED 30 JUNE 2000**

I have examined the Accounts of the Kenya Anti-Corruption Authority for the fourteen months period ended 30 June 2000 in accordance with Section 29 (2) of the Exchequer and Audit Act, Cap. 412. I have obtained all the information and explanations considered necessary for the purpose of the audit. Proper books of account have been maintained and the Accounts, which have been prepared under the historical cost convention, are in agreement therewith.

In my opinion, and except for the reservation set out here below, the Accounts, when read together with the Notes thereon, present fairly the Authority's financial state of affairs as at 30 June 2000 and of its surplus and cash flows for the period then ended.

LEGALITY OF KACA'S ESTABLISHMENT

Kenya Anti-Corruption Authority (KACA) was established under Section 11B of the Prevention of Corruption Act, Cap. 65 as a body corporate whose primary mandate was to investigate and prosecute corruption offences, prevent corruption and educate Kenyans on how to prevent and fight corruption. However, in a High Court constitutional ruling dated 22 December 2000, KACA's legal establishment was declared as unconstitutional. Arising from the ruling, the Authority was, subsequently barred from performing its core functions of investigating and prosecuting corruption cases. The Accounts of the Authority for the period ended 30 June 2000 have, therefore, been prepared on a going-concern basis with the assumption that the Authority's enabling legislation would be reviewed to legalise its establishment.


S. M. MALUKI

AUDITOR GENERAL (CORPORATIONS)

17 April 2001

**KENYA ANTI CORRUPTION AUTHORITY
INCOME AND EXPENDITURE STATEMENT
FOR THE FINANCIAL YEAR 1999/2000 ENDING 30th JUNE 2000**

	<u>NOTES</u>	<u>1999/2000</u> (Fourteen months)
		<u>KSHS.</u>
INCOME		
Government grants	3	467,598,940
Other sources	4	5,050,408
TOTAL INCOME		<u>472,649,348</u>
EXPENDITURE		
Personnel costs	5	88,429,370
Vehicle running costs		3,564,753
Local travel and accommodation		400,825
International travel and accommodation		6,627,216
Advertising Publicity Campaign		1,470,084
Anti-Corruption Investigation		2,612,368
Training		292,908
Research costs and fees		428,282
Audit Fees		150,000
Computer expenses		901,447
Contracted professional services		3,009,679
Rent and rates		23,611,658
Library expenses		1,215,974
Other operating expenses		343,959
Office expenses	6	3,524,173
Board expenses		6,369,102
Official entertainment		399,225
Bank charges		63,493
Loss on repurchase of T/Cs		17,156
Utilities, Water and and electricity		383,611
Postal and telephone services		2,712,973
Insurance premiums		3,392,093
Depreciation expenses	7(a)	19,163,795
Fees, Commission, Honararia		6,590,000
Repairs of Plant and equipment		644,829
Repairs of buildings and stations		7,265,033
TOTAL EXPENDITURE		<u>183,584,006</u>
SURPLUS FOR THE YEAR ENDED 30th JUNE 2000		<u>289,065,342</u>

**KENYA ANTI CORRUPTION AUTHORITY
BALANCE SHEET
AS AT 30th JUNE 2000**

30th JUNE 2000

CURRENT ASSETS

Cash, in the bank		250,679,152
Cash, on hand, petty cash		31,291
Debtors, staff, DPM	8	423,219
Debtors, operations, staff imprest	9	237,149
Sundry debtors, Refund of consultancy fees		
Debtors, Govt. grant		
Deposits		1,423,632
Prepayments - Rent		3,566,003
Stock		34,208
TOTAL CURRENT ASSETS		256,394,654

CURRENT LIABILITIES

Refund of June salary to Office of the President	12	149,100
Creditors and Accruals	10	809,708
Gratuity		8,613,072
TOTAL CURRENT LIABILITIES		9,571,880

NET CURRENT ASSETS **246,822,774**

NET FIXED ASSETS **7(a) 66,513,373**

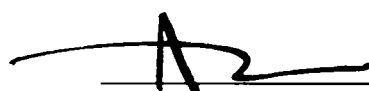
TOTAL ASSETS **313,336,148**

FINANCED BY:

TOTAL CAPITAL FUND	11	24,270,805
SURPLUS FROM GRANTS AND OTHERS		289,065,342
		313,336,147

The Financial Statements on Pages 4 to 11 were approved by the members of the Authority at an Executive Meeting held on 2nd October 2000 and signed on its behalf by:

Hon Justice A G Ringera



-DIRECTOR

Dr J T Rotich



-ASST DIRECTOR/FINANCE AND OPERATIONS

KENYA ANTI CORRUPTION AUTHORITY
CASH FLOW STATEMENT
FOR THE PERIOD 1999/2000 ENDING 30th JUNE 2000

CASH FLOWS FROM OPERATING ACTIVITIES

30th JUNE 2000

Surplus from Operations		289,065,342
Adjustment for:	Depreciation	<u>19,163,795</u>
Operating surplus before working capital changes		308,229,137
Increase in stock		(34,208)
Increase in debtors, staff imprest		(237,149)
Increase in debtors, DPM		(423,219)
Increase in sundry debtors, OP		-
Increase in Deposits		(1,423,632.00)
Increase in Prepayments		(3,566,003)
Increase in creditors		809,708
June salary deductions		149,100
Increase in payable gratuity		<u>8,613,072</u>
Net cash from operating activities		312,116,807
Fixed assets additions	7	<u>(61,406,364)</u>
Closing cash and cash equivalent balance, 1999/2000		<u><u>250,710,443</u></u>

KENYA ANTI CORRUPTION AUTHORITY

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES AND BASIS

(i) **Historical Cost Accounting**

KACA Accounts are prepared under the historical cost basis but with provision for valuation of fixed assets donated either by the Kenya Government or any other Donor.

(ii) **Revenue Recognition**

(a) The main source of income is the Government Grants which are made available after the annual budget. Revenue from the Government is therefore recognised on the basis of actual amounts received out of the Parliamentary Approved Budgets.

(b) Income from Donors is recognised for the approved activity/project. Any unused funds are carried forward in designated Fund Accounts

(iii) **Depreciation Policy**

The Authority uses Straight Line Method to depreciate its assets at the following rates:

<u>ASSET TYPE</u>	<u>DEPRECIATION RATE</u>
Motor Vehicle	25.00%
Computers and Printers	30.00%
Furniture and Fittings	12.50%
Other Equipments	12.50%

(iv) **DONATIONS**

Donated Items/Services are recognised at their fair market values or Cost.

2 **THE AUTHORITY**

Kenya Anti Corruption Authority commenced operations in December, 1997 with the appointment of a Board and a Director.

The Authority operated as a department of the Office of the President until 30th April 1999. On 1st May 1999, the Authority was given autonomy to operate independently.

KENYA ANTI CORRUPTION AUTHORITY

NOTES TO THE ACCOUNTS (CONT..)

3 GRANT INCOME FROM GOVERNMENT

The following amounts were received from the Exchequer during the year:

<u>DATE</u>	<u>SOURCE OF INCOME</u>	30th JUNE 2000
May 1999	Exchequer	157,598,940
September 1999	Exchequer	60,000,000
January 2000	Exchequer	40,000,000
February	Exchequer	60,000,000
May 2000	Exchequer	150,000,000
		467,598,940

4 INCOME FROM OTHER SOURCES

Besides Govt. grants KACA also received income from the following sources.

<u>SOURCE OF INCOME</u>	30th JUNE 2000
Sale of tender documents	54,000
DPM contribution for joint KACA/DPM seminar	2,000,000
Bank interest received	2,996,408
TOTAL INCOME FROM OTHER SOURCES	5,050,408

5 PERSONNEL COSTS

The breakdown of personnel costs is as follows:

	30th JUNE 2000
Personal emoluments excluding gratuity	43,481,126
Gratuity	8,613,072
House allowance	15,411,339
Other allowances	18,647,987
Medical allowances	1,930,846
Passage and leave expenses	345,000
TOTAL PERSONNEL COSTS	88,429,370

6 OFFICE EXPENSES

	30th JUNE 2000
Consumable stores	1,185,001
Printing expenses	165,424
Uniforms and clothing	86,871
Stationery expenses	1,935,723
SUB-TOTAL	3,373,019
May and June 1999 expenditure	185,362
SUB-TOTAL	3,558,381
Less ending stock of consumable stores	34,208
TOTAL OFFICE EXPENSES	3,524,173

KENYA ANTI CORRUPTION AUTHORITY

NOTES TO THE ACCOUNTS (CONT..)

7(a) DEPRECIATION EXPENSE

SUMMARY OF FIXED ASSETS MOVEMENT AS AT 30th JUNE 2000 (14 MONTHS)

DESCRIPTION	ASSET TYPE				TOTAL
	VEHICLES	COMPUTERS & PRINTERS	FURNITURE & FITTINGS	OTHER OFFICE EQUIPMENT	
Cost/Valuation					
At 1st May 1999	23,201,090	2,181,875	4,918,200	5,462,607	35,763,772
Additions	29,540,043	8,455,311	10,095,907	1,822,136	49,913,397
Disposals					-
At 30th June 2000	52,741,133	10,637,186	15,014,107	7,284,743	85,677,169
Depreciation					
At 1st May 1999	0	0	0	-	-
Disposals					
Charge for the year	13,185,283	3,191,156	1,876,763	910,593	19,163,795
At 30th June 2000	13,185,283	3,191,156	1,876,763	910,593	19,163,795
Net Book Value					
At 30th June 2000	<u>39,555,850</u>	<u>7,446,030</u>	<u>13,137,344</u>	<u>6,374,150</u>	<u>66,513,373</u>
At 30th June 1999	<u>23,201,090</u>	<u>2,181,875</u>	<u>4,918,200</u>	<u>5,462,607</u>	<u>35,763,772</u>

7(b) DONATED ASSETS

Included in the cost of fixed assets as at 31st July 1999 are the following that were received from the parent ministry, stated at their fair market values :-

DONATED ASSETS	DONATIONS	DONATIONS	TOTAL DONATIONS
	1998/99	1999/2000	
Vehicles	10,152,473	1,500,000	11,652,473
Computers and printers	2,181,875	755,200	2,937,075
Furniture and fittings	4,918,200		4,918,200
Other equipment	4,763,057		4,763,057
Total donations	22,015,605	2,255,200	24,270,805

KENYA ANTI CORRUPTION AUTHORITY

NOTES TO THE ACCOUNTS (CONT..)

8 DEBTORS, STAFF, DPM

The staff debtors figure represents the balance of the amount paid to various Government ministries as refund for salaries paid to KACA officers who were initially on two payrolls arising from secondment.

The amount is recoverable from staff.

DEBTOR'S NAME	30th JUNE 2000
Miriam	62,399
Wambua	74,321
Onyango	55,362
Kajengo	35,712
Ikiugu	26,840
Maingi	13,580
Ngarama	77,339
Mohammed	36,520
Mwithi	41,146
Total Staff Debtors	423,219

9 DEBTORS, OPERATIONS, STAFF IMPREST

The staff imprest was advanced as follows:

IMPREST HOLDER	30th JUNE 2000
Susan Onyanja	2,000
Mwangi	21,000
Kyengo	2,000
Mrs H Okwengu	37,447
Asst Director	702
D. Sifuna	7,000
J. Chepkwony	34,000
Muchiri	80,000
Gakungu	40,000
Wainaina	3,000
Boit/Fuad	10,000
Total outstanding imprest	237,149

10 CREDITORS

The Authority owed the following creditors as at 30th June 2000.

NAME OF CREDITOR	30th JUNE 2000
Hutchings Biemer	537,099
Newline	122,609
Auditor General (Corporations)	150,000
Total creditors	809,708

KENYA ANTI CORRUPTION AUTHORITY

NOTES TO THE ACCOUNTS (CONT..)

11 CAPITAL FUND

30th JUNE 2000

GOVERNMENT OF KENYA

1) Office of the President

Motor Vehicles	11,652,473	
Computers & Printers	2,181,875	
Furniture & Fittings	4,918,200	
Other Equipment	4,763,057	
Sub - Total		23,515,605

DONATIONS

1) GTZ

Computers (Lap tops)	755,200	
Sub - Total		755,200

TOTAL CAPITAL FUND **24,270,805**

12 SUNDRY CREDITORS

30th JUNE 2000

NICHOLAS SIMANI	28600
LEWIS NJERU	10400
DAVID KIARIE	13700
PETER NAMANGALA	19500
PATRICK MBIJIWE	20300
DAVID KINYUGO	15600
ANDERSON MUTHOKA	15600
RASHID BONAYA	10300
HABIBA MUSE	7600
MARTIN KIRIGIA	7500
TOTAL SUNDRY CREDITORS	149100

