Republic of Kenya

PUBLIC SECTOR ACCOUNTING STANDARDS BOARD (KENYA)

GOVERNMENT OF KENYA

DRAFT HUMAN RESOURCE PROCESS MANAGEMENT AUDIT PROGRAMS FOR NATIONAL GOVERNMENT ENTITIES

SEPTEMBER 2026

ORGANISATION AUDIT PROGRAMS

HUMAN RESOURCE MANAGEMENT PROCESSES

Audit Program No.:	Period Under Review:	Department:
Prepared By:		
Reviewed By:		

(To be customised for each Program)

1.0 Sub-Process: Governance

Controls	Test
Audit Objectives: To assess whether the organisation's approved HR policies and procedures are aligned with the PSC Human Resource Policies and Procedures Manual.	
Risks: HR policies not aligned to PSC Manual, leading to non-compliance.	
Controls	**Test**
Approved HR Policy and Procedure Manual PSC Manual	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on preparation, approval and communication of Human Resource Policy and Procedures Manual. • If the control is not documented, enquire from process owner how it is meant to be executed. **Test of Implementation** • Obtain approved HR policies/manuals and confirm they are current and formally approved. • Verify that HR policies have been mapped or benchmarked against the PSC Manual. • Confirm that a formal process exists for developing and reviewing HR policies in alignment with the PSC Manual. • Walkthrough and document the process flow/map. Note any gaps in implementation. **Test of Operating Effectiveness** • Sample key HR policies (e.g., recruitment, leave, performance management, disciplinary procedures) and compare them against the PSC Manual to confirm alignment. • Identify any deviations from PSC requirements and assess whether they are justified and approved.

	Carry out other tests of operating effectiveness based on additionalrequirements of Organisation policies and procedures.

Sub-Process: Planning (HR Instruments, JDs and JS, Organization Structure)

Audit Objectives: To ascertain whether human resource planning is aligned to established policies, laws and procedures	
Risks: Non-compliance with policies laws and regulations	
Controls	**Test**
Approved Human Resource Policy and Procedure Manual Approved staff establishment Annual Human Resource plans	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on preparation, approval and communication of Human Resource Policy and Procedures Manual. • If the control is not documented, enquire from process owner how it is meant to be executed. **Test of Implementation** • Obtain the approved current human resource and procedure manual • Obtain approved staff establishment. • Confirm existence of annual human resource plans • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/map. Note any gaps in implementation. **Test of Operating Effectiveness** • Sample processes in the manual to confirm implementation of the policy and procedure manual as approved. • Sample processes in the staff establishment and annual human resource plan to confirm whether they are approved • Carry out other tests of operating effectiveness based on additional requirements of Organisation policies and procedures.
Risks: Non-alignment of staff distribution to Organisation priorities.	
Controls	**Test**
Approved staff establishment.	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on preparation, approval and communication of Staff establishment. • If the control is not documented, enquire from process owner how it is meant to be executed. **Test of Implementation**

	• Obtain the approved current staff establishment • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation. **Test of Operating Effectiveness** • Sample a number of departments to confirm staff establishment as approved. • Carry out other tests of operating effectiveness based on additional requirements of Organisation policies and procedures.
Controls	**Test**
Approved scheme of service	**Test of Design Test of Implementation Test of Operating Effectiveness** • Establish the key requirements of laws, regulations, policies and procedures on preparation, approval and communication of scheme of service to staff. • If the control is not documented, enquire from process owner how it is meant to be executed. **Test of Implementation** • Sample one position in the Organisation and confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation. **Test of Operating Effectiveness** • Sample job descriptions and specifications and confirm that they are implemented as documented. • Carry out other tests of operating effectiveness based on additionalrequirements of Organisation policies and procedures.
Controls	**Test**
Approved annual HR plan	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on preparation, approval and communication of annual HR plan • If the control is not documented, enquire from process owner how it ismeant to be executed. **Test of Implementation** • Obtain the approved annual HR plan • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps inimplementation.

	Test of Operating Effectiveness • Establish that the plan is reviewed annually to address emerging issues and needs. Public Service Commission HR policy sec b.2 (1). • Establish availability of annual recruitment plan aligned to HR plan. • Carry out other tests of operating effectiveness based on additional requirements of Organisation policies and procedures.
Risk: Over establishment leading to high wage bill	
Controls	**Test**
Approved Staff establishment HR plan monitoring	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on HR plan monitoring and approved staff establishment • If the control is not documented, enquire from process owner how it ismeant to be executed. **Test of Implementation** • Obtain one HR plan implementation monitoring report and confirm that the design documented under TOD is implemented as documented. • Obtain the approved establishment and confirm that the design is documented and implemented • Walkthrough and document the process flow/map. Note any gaps in implementation. **Test of Operating Effectiveness** • Establish prepared regular reports for submission to the governing body on the execution of the functions of the organisation. • Establish the reports above in the details of persons appointed including gender, persons with disabilities, persons from the minority and marginalized communities. • Carry out other tests of operating effectiveness based on additional requirements of Organisation policies and procedures.

Sub-Process: Recruitment, Selection, Orientation and Induction

Audit Objectives: To Ascertain that recruitment is strategically planned, and conducted in a robust and open manner to attract qualified personnel	
Risks: Overcrowding and populated designation/ job Groups. Lack of value formoney	
Controls	**Test**
Approved staff establishment Approved career progression guidelines	**Test of Design** • Establish the key requirements of laws, regulations,on declaration, approval and reporting of vacancy. • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the approved departmental declaration ofvacancy. • Obtain Organisation approved vacancies. • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness** • Obtain sample appointments and test for the following. • Establish that the chief officer/ director of the department declares all vacant posts in accordance with the procedures • Confirm that the organisation considers requests for approval of declaration of vacancies forwarded by the Authorized Officer upon recommendation. • Confirm that Recommendations for filling vacancies in an acting capacity adhere to the provisions of the law. • Carry out other tests of operating effectiveness based on additional requirements of Organisation policies and procedures. • **Audit Criteria** • Approved Organisation Human Resource Policy and Procedures Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016- Sec part II ; sec B.3(1); part II sec B.3(3) • Public Service Commission circulars, Government circulars and court orders.
Risks: Uncompetitive recruitment process.	

Controls	Test
Advertisement of vacant positions for wider coverage	**Test of Design** • Establish the key requirements of laws, regulations, on preparation, approval and reporting of advetisements • If the control is not documented, enquire from process owner how it is meant to be executed. **Test of Implementation** • Obtain the approved advertisements • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness** • Establish if the developed annual recruitment plan isforwarded to the Organisation Board/Governing body at the beginning of each financial year to enable it plans tofill the vacancies. • Establish that the annual recruitment plan aligns withannual HR plan • Ascertain whether the advertisement complies with Public Service Commission Act, 2017 Section 37 (1) On wider circulation. • Carry out other tests of operating effectiveness based on additional requirements of Organisation policies and procedures. **Audit Criteria** • Approved Organisation Human Resource Policy and Procedures Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016- Part II sec B.2(2) • Public Service Commission circulars, Government circulars and court orders.
Risks: Advert not reaching the potential applicants. Low turnout ofapplicants.	
Controls	**Test**
Wider circulation of advertisement	**Test of Design** • Establish the key requirements of laws, regulations,on approval for advertisement of vacancies. • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the list of approved vacancies foradvertisement of the Organisation public service board. • Obtain copy of the advertisement • Confirm that the design documented under TOD isimplemented as documented.

	• Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness** • Establish each position to be filled, a formal job or job specification is addressed. • Establish that the Job adverts state the nature, termsand conditions of employment, including grade or salary if appropriate. • Establish that the advert of all vacant posts reaches the widest pool of potential applicants and allow for at least twenty one (21) days before closing the advert. • Establish that the advert has the following details: ✓ the title of the post, ✓ number of vacancies, ✓ job description, ✓ person specification and • Carry out other tests of operating effectiveness based on additional requirements of Organisation policies and procedures. The proposed remuneration and any other details as per the approved HR Manual. **Audit Criteria** • Approved Organisation Human Resource Policy and Procedures Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016- Sec B.3(1); Part II SecB.4(1),Part II Sec B. 4(1); Part ii 4(a), • Public Service Commission circulars, Government circulars and court orders.
Risks: Collusion between candidates and staff leading to unqualified staff	
Controls	**Test**
Approved code of conduct Disclaimer on canvassing during advertisement	**Test of Design** • Establish the key requirements of laws, regulations,on code of conduct • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the approved code of conduct. • Obtain the approved and updated human resource policies and procedures manual • Obtain approved staff establishment. • Confirm existence of positions recruitments are being done for/ reasons for recruitment. • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/map.Note any gaps in implementation

	Test of Operating Effectiveness • Confirm all staff signed the code of conduct upon employment In case of suspected breach of the code confirm disciplinary proceedings were instituted. • In case of confirmed breach of the code confirm that the authorized officer took disciplinary action against the public officer. • Confirm that if upon investigation the authorized officer is of the opinion that civil or criminal proceedings should be preferred proceedings. against a public officer, the authorized officer refers the matter to— the Ethics and Anti-Corruption Commission; the Attorney-General; the Director of Public Prosecutions, as per Sec 34 of public officer code of ethics and public service code of conduct and ethic 2016. • Confirm if disclaimers on canvassing are issued during advertisement. • Establish existence of approved hiring policies and guidelines and ensure it covers equal employment opportunities for all. • Review job descriptions to confirm if the vacancies available aligns with the skills gap needed. • Establish if there are interview guidelines in place. • Review the recruitment processes in the approved human resource manual/ human resource policies to confirm if they were implemented as approved during recruitment. • Sample processes in the staff establishment and annual human resource plan to confirm whether they are approved. • Confirm if background checks were carried out for the recruited candidates. • Confirm if disclaimers on canvassing are issued during advertisement • If the control is not documented, enquire from the Director HRM/ management on how recruitment is executed in the entity. • Carry out other tests of operating effectiveness based on additionalrequirements of Organisational policies and procedures. **Audit Criteria** • Approved Organisation Human Resource Policy and Procedures Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016- • Public officer code of ethics and public service code of conduct and ethic 2016; Sec 34 • Public Service Commission circulars, Government circulars and court orders.

Risk: Lack of representation of diversity.

Controls	Test
• Emphasis on diversity on advertisements • Balanced	**Test of Design** • Establish the key requirements of laws, regulations,on interview for advertised vacancies. • If the control is not documented, enquire fromprocess owner how it is meant to be executed.

shortlisting committee and Interview panel	**Test of Implementation** • Sample one recruitment process and obtain theshortlisting committee and interviewing panel reports. • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness** • Confirm that the closure of the applications submission was adhered to. • Confirm interviewees applied for employment manually or online. • Establish that the shortlisting committee and interviewing panel for the advertised vacancies wereformally appointed. • Establish whether declaration of conflict of interest was taken • Verify that short listing was done based on the set criteria as documented in the job specifications. • Confirm that invitations were done for shortlisted candidates to attend interviews and the place and time of interview was well indicated • Confirm that a register was maintained for all those who attended the interviews. • Verify that an interview log was maintained showingthe performance and score of every interviewed candidate • Carry out other tests of operating effectiveness based on additionalrequirements of Organisational policies and procedures.
Risk: Non-merit-based hiring.	
Controls	**Test**
• Profile reports. • Shortlisting reports • Interview reports • Well designed and approved job descriptions. • Structured interviews • Candidate background checks policies. • Approved hiring processes/guideline s	**Test of Design** • Establish the key requirements of laws, regulations,on staff appointment • If the control is not documented, enquire from process owner how it is meant to be executed. **Test of Implementation** • Obtain list of applicants • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness** • Obtain a sample of staff appointed and perform the following tests; • Confirm that the appointed staff applied foremployment manually or online. • Verify interview panel records and confirm that the staff were interviewed and proposed for appointment. • Confirm that appointees were issued with the valid letter of offer of appointment, which must be signedbefore he commences his/her duties include

	✓ The terms and conditions of service. ✓ particulars of employment which should include the name and address of the employee, job title, date of commencement of appointment, terms and duration of employment, place of work, remuneration, terms and conditionsof employment and terms of separation. • Verify that if the candidate does not accept in writingand take up the appointment within thirty (30) daysof the offer the offer of appointment may be withdrawn. • Sample appointments and confirm that ALL the relevant documents were availed including chapter six (6) documents. • Confirm that the officer completed the Bio Data Form including the next-of-kin form on first appointment. • Confirm that the medical examination report by amedical officer is also provided • Check if refences were contacted for selected candidates and if they align with the policies in place. • Carry out other tests of operating effectiveness based on additional requirements of Organisational policies and procedures. **Audit Criteria** • Approved Organisation Human Resource Policy and Procedures Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016- Section part II sec B.12; part II B.6; part II sec B.7 • Public Service Commission circulars, Government circulars and court orders.
Controls	**Test**
Confirmation of appointment letters	**Test of Design** • Establish the key requirements of laws, regulations,on confirmation of employment • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain a list of officers confirmed in employment Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness** • Where vacancies exist in the pensionable establishment, • Confirm candidates recruited to fill such vacancies were appointed on probation for a period of six (6) months. • Confirm that at least one (1) month before the expiry of the probationary period, the Authorized Officer shall consider in the light of the report(s) on the officer's performance, conduct and capabilities whether or not the officer is suitable for confirmation. • If an officer's performance is unsatisfactory, confirmhe was informed in writing and the probation periodmay be extended for a maximum period of three (3)months.

	Confirm that interventions were employed to address performance gaps If the officer's performance fails to improve on expiryon the extended probation period, confirm that his probationary appointment is terminated in accordance with the Public Service Commission regulationsCarry out other tests of operating effectiveness based on additional requirements of Organisational policies and procedures. • **Audit Criteria** • Approved Organisation Human Resource Policy and Procedures Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016- Section sec part II sec B.18, sec B14 • Public Service Commission circulars, Government circulars and court orders.
Risks: Inadequate orientation ofstaff leading to poor service delivery	
Controls	**Test**
Appropriate induction policy and procedures in place.	**Test of Design** • Establish the key requirements of laws, regulations,on inducting new staff • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the induction policy procedures. • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness** • Obtain a list of recruited staff and perform thefollowing tests; • Establish induction training was conducted within three (3) months for newly recruited officers and those who have joined the department on transfer, promotion and re-designation. • Confirm the budget allocation for the training was provided in the approved budget. • Confirm the requisitions for training the staff. • Confirm whether the officers were issued with clear job descriptions. • Carry out other tests of operating effectiveness based on additional requirements of Organisational policies and procedures **Audit Criteria** • Approved Organisation Human Resource Policy and Procedures Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016- Section part II H.6(1) • Public Service Commission circulars, Government circulars and court orders.

Risk: Employing staff with fake certificates	
Controls	**Test**
Authentication from relevant academic and professional bodies	**Test of Design** • Establish the key requirements of laws, regulations,on authentication of certificates • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain approved procedure on authentication of certificates • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/map.Note any gaps in implementation **Test of Operating Effectiveness** • Confirm existence of dully stamped leadership and Integrity Act, 2012 self declaration forms • Confirm existence of authentication reports • In compliance with PSC Circular Ref: PSC/ADM/13(45) • In case of suspected breach of the requirement ofn authentication confirm whether disciplinary proceedings were instituted and action taken. • Carry out other tests of operating effectiveness based on additionalrequirements of Organisational policies and procedures

Sub-Process: Performance Management

<table>
<tr><td colspan="2">Audit Objective: To ascertain that there is a linkage between individual employee performance with Organisation strategic plan and Performance agreement</td></tr>
<tr><td colspan="2">Risk: Individual Performance Targets not aligned with Organisation strategic objectives</td></tr>
<tr><td>Controls</td><td>Test</td></tr>
<tr><td>Approved Strategic Plan

Approved Departmental Annual Work Plans and Signed Performance Agreements</td><td>Test of Design
• Establish the key requirements of laws, regulations, policies and procedures on Public Service Commission Human Resource Management Policy and Proceduresof May 2016 and PSC guidelines on PerformanceManagement.
• If the control is not documented, enquire fromprocess owner how it is meant to be executed.

Test of Implementation
• Obtain the approved strategic Plan, Departmental annual work plans, Performance agreements, performance appraisal forms
• Confirm that the design documented under TOD is implemented as documented.
• Walkthrough and document the process flow/map. Note any gaps in implementation

Test of Operating Effectiveness
• Confirm whether there is an approved Strategic Plan Departmental Annual Work Plans and Performance Agreements
• Ascertain that prior to the beginning of the performance period; HODs prepare work plans based on the Organisation strategic plans from which individual performance targets are derived from and performance Appraisal Agreement based on.
• Ascertain that at the commencement of the review period, supervisors and employees formally meet for the purpose of:
    • Setting performance targets and specific activities against which each employee'sperformance will be measured
    • Developing performance agreements.
    • Targets are set as agreed in the cascading session with the supervisor by latest 31st July of each year.
• Ascertain that each employee upon agreementon the targets and the work plan, sign aperformance contract with the supervisor andenter the targets into the performancemanagement Tool.
• Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Audit Criteria</td></tr>
</table>

	• Approved Organisation Human Resource Policy and Procedures Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016- Section G 2- G 7 • Public Service Commission circulars, Government circulars and court orders.
Audit Objectives: To establish whether there is employee participation and involvement in planning, delivery and evaluation of work performance.	
Risks: Lack of adequate employee participation inthe planning, delivery andevaluation process.	
Controls	**Test**
Performance Management Committee Report	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on Public Service Commission Human Resource Management Policy and Proceduresof May 2016 and PSC guidelines on PerformanceManagement. • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the Departmental annual work plans, Performance agreements, performance appraisal forms and performance management committee report. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/map. Note any gaps in implementation **Test of Operating Effectiveness** **Performance Agreement** • Confirm that the officers participated in the process of planning delivery and evaluation of work performance • Ascertain that all staff agree on performance targets with their supervisor and complete the Performance targets Forms within three (3) months of employment. • Check that all promoted/redeployed employees agree on new performance targetswith their supervisor and complete the Staff Performance Appraisal Forms within one (1) month of promotion/redeployment. • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures. **Audit Criteria** • Approved Organisation Human Resource Policy and Procedures Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016- Section G 6 • Public Service Commission circulars, Government circulars and court orders.
Audit Objective: To establish that performance management processes is carried out in compliance with the law	

Risk: Ineffective performance management processes	
Controls	**Test**
Approved Performance Management Guidelines Rewards and Sanctions Policy	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on Public Service Commission Human Resource Management Policy and Procedures of May 2016 and PSC guidelines on Performance appraisal system. • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the approved performance Management Policy and the Performance Management Review Committee minutes. • Obtain the Departmental annual work plans, Performance agreements, performance appraisal forms/system. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/map. Note any gaps in implementation **Test of Operating Effectiveness** **Performance Appraisal Process/System** • Ascertain that the PMRC has been properly constituted in line with the PM Policy & PSC guidelines on performance management with clear terms of reference. • Ascertain that sufficient training on the Performance Appraisal System is provided to all employees by Human Resources Department to ensure all staff understands what is expected of them at the end of the appraisal period. • Check that the Staff and supervisors are accordingly advised on the tool in use and also sensitized on how to effectively use the performance appraisal tool. • Ascertain that performance appraisal scores rated below average and outstanding are moderated by the PMRC and feedback given to the employees. • Ascertain that employee assesses their own performance first, and then jointly review the assessment with their respective Supervisors. • Check that employees are allowed to comment on the ratings before the review forms are submitted to the Head of Department. • Ascertain that formal & informal feedback/planning/development discussions are undertaken on a weekly/monthly/quarterly basis as agreed) for continuous support and feedback and the supervisor is responsible for ensuring this happens. • Ascertain that two formal performance dialogues (between employees and supervisor) are carried out in a financial year i.e. mid-year review for the performance period of July – December and end of year review for the performance period of January– June.

	• Check that all appeals against performance appraisals are submitted within two weeks after receipt of feedback on performance and backed by relevant evidence. • Ascertain that in case employees make appeals in relation to the performance scores, such appeals are dealt with by the Accounting • Officer for Non-Management employees and by Organisation Human Resource Advisory Committee for Management employees. • Ascertain that in instances where an employee is promoted or changes jobs within the Organisation before the performance dialogue review date,a performance review will be done before theemployee takes up the new position. • Ascertain that for employees performing below the defined performance targets as perthe performance agreement, a **PerformanceImprovement Plan** is developed and signedoff by both employee and supervisor. • Check that any changes, additions or removal of performance targets are made only when there have been significant changes in the nature of functions carried out by the Appraisee and which may necessitate revision of performance targets. • Ascertain that upon conclusion of the performance management process, all performance appraisal records are filled in the employees' confidential file. • Ascertain that in the event the employee is transferred or deployed to another • department, he/she is appraised on a pro-rata basis. • Carry out other tests of operating effectiveness aligned to specific Organisation policies, procedures, service delivery standards. **Audit Criteria** a) Approved Organisation Human Resource Policy and Procedures Manual b) Human Resource Policies and Procedures Manual for the Public Service , May 2016- Section A .15- A. 17 (vi) ; Section G 8-G 19 c) Performance Rewards and Sanctions framework for the Public Service, May 2016-chapter 3, chapter 4 d) Guidelines to the Staff Performance AppraisalSystem (SPAS) in the Public Service, May 2016 Se 3.7 e) Framework for Recognizing Productivity and Performance in the Public Service, SRC 2021 f) Public Service Commission circulars, Government circulars and court orders.
Audit Objectives: Rewards and Sanctions i.e. To ascertain the effectiveness of the reward and sanctions framework.	
Risks: Failure to implement the rewards and sanction policy	
Controls	**Test**
Approved Rewards and	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on Performance Rewards andSanctions framework

Sanctions Policy Reward & Recognition committees Report	• If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the Approved Rewards and Sanctions policy, Reward and Recognition Committee minutes and documented Reward Criteria. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/map. Note any gaps in implementation **Test of Operating Effectiveness** • Ascertain that the Reward and Recognition Committees are properly constituted in line with the SRC Framework for Recognizing Productivity and Performance In The Public Service, 2021 and Chapter 4 PSC Rewards and Sanction Framework 2016 • Ascertain that the process of rewards commences from receipt of nominations from departmental Reward committees. • Ascertain that vetting and selection of recipients is based on the approved reward criteria. • Ascertain that the following criteria are used for nomination of employees for the recognition awards: - a) Performance b) Customer service c) Length of service d) Teamwork e) Extra curricula activities that enhance theimage of the company f) Community service g) Any other criteria that the Corporate Recognition Committee may determine. • Ascertain that the Accounting Officer on the recommendation of the PMRC and Rewards Recognition Committees (RRC) rewards excellent performance and apply the appropriate intervention in accordance with the Rewards and Sanction Framework. • Ascertain that Members of the RRC & Performance Management Review Committee does not discuss or make recommendations in respect of their own performance reports. • Ensure that the Human Resources Advisory Committee completes the Performance Appraisal reports for the members of the Rewards Recognition Committees. Chapter 4 • Ascertain that employees serving a notice of termination of service or disciplinary process are disqualified from the reward and recognition process. • Ascertain that the performance appraisal reports are used as a basis for placement, promotion and mobility of the employees within the Organisation. • Carry out other tests of operating effectiveness aligned to specific Organisation policies, procedures, service delivery standards **Audit Criteria**

	g) Approved Organisation Human Resource Policy and Procedures Manual h) Human Resource Policies and ProceduresManual for the Public Service , May 2016 i) Performance Rewards and Sanctions framework for the Public Service, May 2016-chapter 3,chapter 4 j) Guidelines to the Staff Performance AppraisalSystem (SPAS) in the Public Service, May 2016 k) Framework for Recognizing Productivity and Performance in the Public Service, SRC 2021 l) Public Service Commission circulars, Government circulars and court orders.

Sub-Process: Training and Development

<table>
<tr><td colspan="2">Audit Objectives: Ensure the training and development function is aligned with organizational strategy and governed effectively.</td></tr>
<tr><td colspan="2">Risks: Training not aligned with strategic objectives resulting to inefficient use of training budget</td></tr>
<tr><td>Controls</td><td>Test</td></tr>
<tr><td>Approved T&D strategy

Appointment of a Committee responsible for considering and advising on matters staff training & development

Annual training plan approved by management</td><td>Test of Design
• Establish the key requirements of laws, regulations, policies and procedures on training and development.
• If the control is not documented, enquire fromprocess owner how it is meant to be executed.

Test of Implementation
• Obtain the approved training and development strategy and the annual training plan
• Confirm existence of and governance structure in line with design document in TOD
• Walkthrough and document the process flow/ map. Note any gaps in implementation

Test of Effectiveness
• Ascertain the Committee meets periodically to process training & development matters and submits reports to management (Ref relevant section in the approved Human Resource Polices & Procedures Manual)
• Confirm that the training plan is prepared in line with the training strategy (Ref relevant section in the approved Human Resource Polices & Procedures Manual)
• Confirm linkage between the T&D strategy and strategic objectives
• Review meeting minutes showing oversight and decision-making (Ref relevant section in the approved Human Resource Polices & Procedures Manual)
• Carry out other tests of operating effectiveness based on additional requirements of organisational policies and procedures.

Audit Criteria:
• Approved Human Resource Polices & Procedures Manual
• Guidelines On Managing Training in The Public Service, 2017-Sec 3
• Public Service Commission Circulars, Government circulars, Court Orders</td></tr>
<tr><td colspan="2">Audit Objectives: To ascertain that training and development focuses on identification of training needs</td></tr>
<tr><td colspan="2">Risks: Mismatch between training undertaken and the needs assessment</td></tr>
<tr><td>Controls</td><td>Test</td></tr>
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Approved Performance Appraisal Reports Approved Training needs Assessment Plan	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on training and development. • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the approved performance appraisal report, training needs assessment plan and approved training and development plan amongst other documents • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness** • **Training Needs Assessment Plan** • Ascertain if staff were engaged during the training needs assessment through formal requests/recommendations within the performance appraisal process or other approved templates. • Ascertain whether training needs assessment or identification has been undertaken by the departments after (insert relevant period) every three years and a report prepared and filed. • Ascertain that the training need is as per the performance evaluation reports • Carry out other tests of operating effectiveness aligned to specific Organisation policies, procedures, service delivery standards

Audit Objective: To establish that a training development plan was prepared and implemented.

Risk: Non-implementation of the training plan

Controls	Test
Approved Training and Development Plan Approved training budget	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on training and development. • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the approved training committee minutes, training and development plan, training evaluation report, HRD quarterly reports and training certificates amongst other documents. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness**

	• Ascertain that the training committee met on a regular basis and cite minutes of their meetings.
	• Ascertain that the training undertaken during the period under review is as per approved training plan and training committee recommendations.
	• Ascertain that the recommendations of the training committee were acted upon
	• Ascertain that Accounting Officer approves course attendance both for local and foreign training on the recommendation of the Human Resource Advisory Committee (HRAC) or the Committee responsible for considering matters relating to training and development.
	• Confirm that the institution does not sponsor serving employees for undergraduate programs.
	• Where relevant, confirm that the institution supports and approved training at Masters Level for employees requiring the skills at this level for performance and career progression as prescribed in the career progression guidelines
	• Confirm that the institution does not support employees for second master's degree programs.
	• Confirm that employees wishing to pursue the PhD under the self-sponsorship arrangement are approved on condition provided in policy.
	• Ascertain that for employees sponsored for management development courses and Professional/Technical Courses, the following criteria was met:
	    • Have served the institution for a period of more than one year
	    • Have no pending disciplinary action
	    • The course was within employees' job responsibilities and career path
	    • The course was recommended by the line manager, the Committee responsible for considering matters relating to training and development, and approved by the Accounting Officer.
	    • There was adequate budget to finance the training.
	• From a sample of staff courses held overseas, ascertain that such courses are not available locally or were undertaken for purposes of exposure and skills exchange with other countries.
	• Carry out other tests of operating effectiveness aligned to specific Organisation policies, procedures, service delivery standards

Audit Objectives: To confirm that the Organisation obtained value for money in the trainings undertaken.	
Risks: No value for money for the training undertaken	
Controls	**Test**
Training impact assessment report	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on training and development. • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the approved training committee minutes, training and development plan, training evaluationreport, HRD

	quarterly reports and training certificates amongst other documents. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness** • Ascertain that the training and evaluation report covers relevance, coverage, quality of trainers and any other attribute that would assist in evaluating the training program. • Evaluate whether the staff performance appraisal proposed interventions more, so where training was recommended, this has been aligned with the trainings undertaken during the period under review for the sampled staff files. Confirm that in designing training programs, the HRD confirmed the availability of: - a. Professionally qualified and experienced trainers. b. Training programs are cost effective; and c. An effective evaluation and feedback system to assess the impact of training on performance. • Ascertain that Quarterly reports are prepared by HRD on all training undertaken and the same submitted to the HRAC on a timely basis. • Ascertain that employee upon completion of course submits course certificates and training reports to the HRD within two weeks upon completion of the training. • For a sample of course certificates and training reports submitted, ascertain that HRD develops, update and maintain a skills inventory database for all employees for purposes of identifying the available, and the required skills • Ascertain utilization of training budgets as approved identifying significant variance and/or deviation • Carry out other tests of operating effectiveness aligned to specific Organisation policies, procedures, service delivery standards
Audit Objectives: To ascertain that training effectiveness is measured and contributes to performance improvement	
Risks: Implementation of ineffective training programs	
Controls	**Test**
Post-training evaluations Performance appraisals	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on training and development. **Test of Implementation** • Obtain the approved training committee minutes, training and development plan, post-training evaluation report, HRD quarterly reports and training certificates amongst other documents. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation

	Test of Operating Effectiveness • Ascertain that the post-training evaluation report covers recommended corrective action and areas of improvement to facilitate productivity • Sample training sessions and review post-training evaluation results (where applicable) • Confirm implementation of recommended corrective actions based on feedback Ascertain formal communication of areas of improvement to both staff and line managers • Carry out other tests of operating effectiveness aligned to specific Organisation policies, procedures, service delivery standards
Audit Objectives: To ascertain that training Bond is implemented as required in the Guidelines on the Bond of training of public servants.	
Risks: The Organisation not benefiting from the investment on training due to staff exits	
Controls	**Test**
Training Bond status report	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on training and development. • If the control is not documented, enquire from process owner how processes are undertaken **Test of Implementation** • Obtain the approved training bond status report, training and development plan, training evaluation report, HRD quarterly reports and training certificates amongst other documents. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness** • Ascertain that employees are bonded (the bond amount is equal to the cost/period of the training) for those proceeding on approved courses of training locally or abroad lasting six (6) months and above to enable the Organisation benefit adequately from its investment in training. • Ascertain that in instances of default, the bondee and/or surety was redeemed in line with bond training guidelines. • Ascertain that employee who attends a long- term course lasting over six (6) months and above, works for two (2) years before he/she can qualify for selection for another long course. • Ascertain that employee refund the Organisation, any sumspaid to him for training purposes under the following circumstances: a) Through their own acts of omission or commission, unsatisfactory conduct and general indiscipline, displays unsatisfactory progress, and is consequently discontinued from the training course. b) If he/she fails to return to work uponcompletion of his training course.

	• Carry out other tests of operating effectiveness aligned to specific Organisation policies, procedures,service delivery standards **Audit Criteria:** • Approved Human Resource Polices & Procedures Manual • PSC Human Resource Policies and ProceduresManual, 2016 Section 2.3 • Public Service Training Bond Guidelines, 2018 • Public Service Commission Circulars, Government circulars, Court Orders
Audit Objectives: To ascertain that industrial attachment and internship placements are done as per the provision of the law.	
Risks: Industrial attachment and internship placement not fairly provided	
Controls	**Test**
Industrial attachment and Internship placement files	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on training and development. • If the control is not documented, enquire from process owner how processes are undertaken **Test of Implementation** • Obtain the approved industrial attachment files andinternship file amongst other documents. • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness** • Obtain a sample of students on Industrial Attachment and ascertain that the duration of the attachment is for a maximum period of three (3) months and not renewable. • For employees on internship, ascertain that internship is undertaken in accordance with Organisation HR Policies and Procedures Manual and PSC guidelines on Internship and that it does not exceed one (1) year. • Carry out other tests of operating effectiveness aligned to specific Organisation policies, procedures, service delivery standards **Audit Criteria:** • Approved Human Resource Polices & Procedures Manual • PSC Human Resource Policies and ProceduresManual, 2016 Section H.21 • Guidelines On Managing Training in The Public Service, 2017 • Public Service Training Bond Guidelines, 2018 • Best Practices on Managing Training and Development • Public Service Commission Circulars, Government circulars, Court Orders

Sub-Process: Compensation and Benefits

Audit Objectives: To determine the bonafide employees of the Organisation	
Risks: Ghost workers	
Controls	**Test**
Approved staff list, Approved staff establishment Biometric clock in system	**Test of Design** • Establish the key requirements of laws, regulations, on Approved staff list, establishment and organogram • If the control is not documented, enquire from process owner how it is meant to be executed. **Test of Implementation** • Obtain the current Approved staff list, establishment and organogram Confirm that the staff establishment and organogram is implemented as documented. • Walkthrough and document the organization structure. Note any gaps in implementation **Test of Operating Effectiveness** • Reconcile the biometric report with the payroll list in the IPPD system • Reconcile the approved staff list with the approvedstaff establishment to confirm over/underemployment • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Risks: Formal Appointment/recruitment of staff	
Controls	**Test**
Approved Staff Establishment	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on staff recruitment. • If the control is not documented, enquire from process owner how recruitment is conducted. **Test of Implementation** • Obtain appointment letters of key staff members Confirm if the appointments are in line with the law • Walkthrough and document the organization structure. Note any gaps in implementation **Test of Operating Effectiveness**

	• Sample appointment letters of key staff and confirm if their appointment is in line with relevant section in the approved Human Resource Polices & Procedures Manual OR of the PSC HR and procedure manual 2016. • Confirm the appointment documents from the employees file such as ;(i) National identity card; (ii) BirthCertificate; (iii) KRA tax PIN; (iv) Original academic and professional certificates duly authenticated by the issuing authority; (v) Certificate of good conduct from the Directorate of Criminal Investigations; (vi) Color Passport size photograph and (vii) Bank account details. Check whether all employees have unique personal numbers. • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures. **Audit Criteria** • Approved Organisation Human Resource Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016 Section section B9 TO B33 • Public Service Commission Circulars, Government circulars, Court Orders
Audit Objectives: To establish whether correct and valid amounts of salaries and benefits are paid to the bonafide employees	
Risks: Loss of funds due to payment of unauthorized benefits	
Controls	**Test**
Approved salary and benefits structure	**Test of Design** • Establish the key requirements of laws, regulations, policies, procedures and current circulars on payment of salaries and benefits • If the control is not documented, enquire from process owner how payment of salaries and benefits is computed. **Test of Implementation** • Obtain approved payroll payment schedules Confirm if the payroll payment schedules are prepared in line with the law **Test of Operating Effectiveness** • Sample a number of appointment letters and check whether; • Correct amount of salary has been captured accurately in the IPPD /ERP system as per schemes of services. From the sample of employees selected (these should comprise of different levels of staff), verify the correct computation of salaries (gross salary components and deductions) in consideration of the position occupied, level of education, experience, grade, annual incremental, etc. • Salaries and benefits are computed in accordance with the current circulars and as per SRC. • Check whether the Human Resources Officer prepares, on a monthly basis, a payroll in accordance with the laws and

	regulations as advised by the Salaries and Remuneration Commission. • Perform analytical review by comparing current payroll to previous payroll. • Check whether the payroll has been approved by the responsible Accounting Officer • Compare the amount budgeted for and actual amount paid on salaries and obtain explanations for differences. • Confirm the completeness of the individual personnel file with supporting documents such as contracts, letter of appointment, SRC salary scale, etc. • Check whether statutory deductions, such as PAYE, social security fund, medical insurance etc. are calculated at the correct rate and remitted to relevant authorities by the due date. • Check that SRC circulars has been communicated to all staff • Verify existence of salary advances and confirm procedure of issuance and recovery in line with • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures. **Audit Criteria** • Approved Organisation Human Resource Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016 Section Section B.12; section C6 • Public Service Commission Circulars, Government circulars, Court Orders
Controls	**Test**
Pay Change Advices (PCAs)	**Test of Design** • Establish the key requirements of policy and procedures on PCAs • If the control is not documented, enquire from process owner how it is meant to be executed. **Test of Implementation** • Obtain the current Approved Pay Change Advice file,and Confirm that the PCAs are approved as documented • Walkthrough and note any gaps in implementation ofPCAs **Test of Operating Effectiveness** • Check whether the PCAs are properly authorized computed and are for the existing employees of theOrganisation. • Check whether all PCAs are serially numbered, registered and filed • Confirm that adequate controls exist for issuance, authorization, computation and movement of PCAs • Establish whether there were any payroll changes that were executed without approved PCAs. • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.

Audit Objective: To establish whether all statutory deductions are properly computed and timely paid to the correct authorities	
Risk: Penalties and fines	
Controls	**Test**
Approved monthly payroll payment schedules Monthly payroll reconciliation	**Test of Design** • Establish the key requirements of policy and procedures on statutory deductions • If the control is not documented, enquire from process owner how it is meant to be executed. **Test of Implementation** • Obtain the approved monthly payroll payment schedules • Walkthrough and note any gaps in computation andpayment of statutory deductions **Test of Operating Effectiveness** • Verify that all deductions are properly supported • Verify that the statutory deductions were timely submitted to the relevant authorities • Establish whether there are any penalties paid in the previous months in lieu of nonpayment of statutory deductions. • Verify whether there are monthly reconciliations with the relevant bodies • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Audit Objective: Assess whether there's equity in administration of other non-financial benefits. (Such as Allocation of Government houses, Government Mortgage and Car loan scheme, Medical Benefits, eligibility for transport, transport facilities on bereavement, terminal benefits, mandatory retirement benefits, retirement on medical grants, retirement on abolition of offices, death benefits)	
Risk: Skewed/discriminatory administration of Government benefits	
Controls	**Test**
Approved policies onadministration of government benefits	**Test of Design** • Establish the key Approved policies on administrationof government benefits • If the control is not documented, enquire fromprocess owner how the benefits are administered. **Test of Implementation** • Obtain the current Approved policies on administration of government benefits and confirm whether they have been implemented as documented.

	• Walkthrough and document the administrationprocess. Note any gaps in implementation **Test of Operating Effectiveness** • **Allocation of Government houses** • Check whether the occupation of government houses have been duly authorized to bonafide staff members and paid on prevailing market rates (section D1 of the PSC HR Policies and procedure manual 2016.) • **Medical Benefits** • Verify that the organisation has established a Medical Insurance Cover to provide medical benefits for staff, their spouses and dependent children and is effective and employees get value for money (Ref relevant section in the approved Human Resource Polices & Procedures Manual) **OR** (sectionD4 of the PSC HR Policies and procedure manual 2016.) **Other benefits** • Verify whether administration of government benefits comply with relevant policies and SRC circulars. Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.

Sub-Process: Leave Management

Audit Objectives: To assess whether leave applications are properly authorized through defined approval hierarchies, in compliance with statutory requirements, organisational HR policies, and applicable system controls	
Risks: Unauthorised or unapproved leave	
Controls	**Test**
Leave Approval Process -Manual (paper-based or email-based authorisation) Approved HR Policy and Procedures manual-segment them	**Test of Design** • Establish key requirements of laws, regulations, policies, and procedures • If the control is not documented, enquire from the process owner how it is intended to operate or be executed. **Test of Implementation** • Confirm that a documented leave application procedure exists specifying required forms, timelines, and approving authorities per leave type (annual, sick, maternity/paternity, special, study leave, etc.). • Verify that the procedure requires approval by the supervisor and, where applicable, the Head of Department or CEO. • Walkthrough the end-to-end leave application process from submission to filing in the HR personal file. • Note any instances of retrospective approvals or leave applications missing required signatures. **Test of Operating Effectiveness** • Obtain a sample of manual leave application forms and confirm each has a completed authorisation signature from the appropriate authority prior to commencement of leave**.** • Select a sample of leave applications across departments and leave types and confirm prior approval was obtained before leave commenced, cross-reference leave form dates against attendance or duty resumption records • Identify any instances of leave taken without documented prior approval and assess frequency and whether these were regularised. • Confirm leave is applied for in advance as required • Carry out other tests of operating effectiveness based on additional requirements of organisational policies and procedures. **Audit Criteria** • Approved Organisation Human Resource Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016 Section B.17 (Annual Leave),

	B.18 (Sick Leave),B.1 (Delegation of HR Authority), Section 27 • Employment Act, 2007 Part IV – Leave Entitlements • Public Service Commission Circulars, Government circulars, Court Orders
HR Policy and Leave Procedure aligned with Employment Act and Terms of Service /PSC requirements Approved HR Policy and Procedures manual	**Test of Design** • Establish key requirements of laws, regulations, policies, and procedures on leave management. • If the control is not documented, enquire from the process owner how it is intended to operate or be executed. **Test of Implementation** • Review the terms of service and HR leave policy and compare stated entitlements against statutory requirements. note any gaps where the policy falls below statutory minimums. • Confirm HR staff are aware of statutory obligations and apply them consistently. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/map. Note any gaps in implementation **Test of Operating Effectiveness** • Confirm that the HR leave policy reflects current statutory minimum leave entitlements (annual, sick, maternity/paternity, Study leave etc.) as prescribed, • Verify that leave entitlements in the policy cover all categories: annual leave, sick leave, maternity leave, paternity leave, compassionate leave, and study leave where applicable. • Select a sample of employees across grades and confirm leave granted aligns with their entitlement under the applicable terms of service. • Check for instances where employees were denied statutory leave entitlements or where leave was granted in excess of entitlement without documented authorisation. • Carry out other tests of operating effectiveness based on additional requirements of organisational policies and procedures. **Audit Criteria** • Approved Organisation Human Resource Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016 Section Section B.17 (Annual Leave Entitlement – 30 days for public service), Section B.18 (Sick Leave provisions), Section B.20 (Maternity Leave), Section B.21 (Paternity Leave) • Employment Act, 2007 Part IV – Leave Entitlements • Public Service Commission Circulars, Government circulars, Court Orders.

Risks: Unauthorised leave approved without proper system controls or workflow bypassed	
Controls	**Test**
Leave Approval Process Workflow (HR/ERP system)- System-based	**Test of Design** • Establish key requirements of laws, regulations, policies, and procedures on leave management. • Confirm that the HR/leave management system has a configured multi-level approval workflow. • If the control is not documented, enquire from the system administrator how it is intended to operate or be executed. **Test of Implementation** • Log into the system (with appropriate access) and confirm the approval workflow is active and configured correctly (review system configuration settings with the system administrator). • Verify that system settings enforce that leave cannot be marked as approved without an action by an authorised Self approval should be system locked. • Walkthrough a sample leave application in the system from submission to approval and confirm the workflow triggers correctly at each stage. • Confirm that no override or bypass capability exists for standard users and that administrator overrides are logged and require justification. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/map. Note any gaps in implementation **Test of Operating Effectiveness** • Extract leave approval logs and confirm all approved leaves had a corresponding approver action by an authorised officer, flag any approved without a valid approver ID. • Test whether the system prevents leave commencement before approval status is confirmed. • Carry out other tests of operating effectiveness based on additional requirements of organisational policies and procedures.
Audit Objectives: To determine whether leave records are accurate, complete, properly authorised.	
Risks: Inaccurate leave balances due to manual errors, omissions or failure to update leave registers	

Controls	Test
Manual Leave Register / Leave Cards maintained by HR	**Test of Design** • Establish key requirements of laws, regulations, policies, and procedures on leave management • Confirm that HR maintains a leave register or individual leave cards for each employee recording opening balance, leave taken, and closing balance per leave type per year • If the control is not documented, enquire from the process owner how it is intended to operate or be executed. **Test of Implementation** • Obtain manual leave registers and confirm they are current , covers all employees and updated after each leave event. • Confirm that an employee cannot carry forward more than 15 days of leave to the following year. • Verify that the procedure requires the leave register to be updated promptly after each approved leave event • Walkthrough the process of recording leave taken, adjusting balances. • Note any employee records that appear incomplete, not updated, or where balances are inconsistent with leave forms on file. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/map. Note any gaps in implementation **Test of Operating Effectiveness** • Select a sample of employees and trace all leave taken during the audit period from approved leave forms through to the leave register, confirm days recorded match days approved. • Check that leave balances carried forward at year-end are consistent with entitlement minus leave taken, and that excess leave carried over was properly authorised. • Identify discrepancies and assess root cause (human error, omission, or fraud indicators). • Carry out other tests of operating effectiveness based on additional requirements of organisational policies and procedures. **Audit Criteria** • Approved Organisation Human Resource Manual Human Resource Policies and ProceduresManual for the Public Service, May 2016 Section B.17.1 & B.17.4 (entitlement and limits) • PSC governance principles on accountability (Section A – Values & Principles) • Public Service Commission Circulars, Government circulars, Court Orders

Audit Objectives: To assess whether the leave management system is appropriately configured to automate leave calculations, enforce entitlement limits, and prevent errors or manipulation of leave balances.

Risks: Inaccurate leave balances in the system resulting

Controls	Test
Automated Leave Balance Tracking	**Test of Design** • Establish key requirements of laws, regulations, policies, and procedures on leave management • If the control is not documented, enquire from the system/payroll administrator how it is intended to operate or be executed. **Test of Implementation** • Walkthrough the automated deduction process and confirm system logic matches policy entitlements. • Note any discrepancies identified in the system. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/map. Note any gaps in implementation **Test of Operating Effectiveness** • Test whether leave in excess of entitlement is blocked by the system or escalated appropriately. • Confirm that the system automatically deducts leave balances upon approval and commencement • Carry out other tests of operating effectiveness based on additional requirements of organisational policies and procedures. **Audit Criteria** • Approved Organisation Human Resource Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016 Section Section B.17.5, Maintenance of Leave Records) • Employment Act Section 27(3), • PSC governance principles on accountability (Section A – Values & Principles) • Public Service Commission Circulars, Government circulars, Court Orders

Audit Objectives: To evaluate whether adequate system access controls and audit trails exist

Risks: Fraudulent or unauthorised amendments to leave records in the system

Controls	Test
Role-based System Access Controls and Audit Log	**Test of Design** • Establish key requirements of laws, regulations, policies, and procedures on leave management • If the control is not documented, enquire from the IT/system administrator how it is intended to operate or be executed. • **Test of Implementation** • Review user access rights matrix and confirm segregation of duties is enforced, employees should not be able to approve their own leave and payroll officers cannot amend leave records • Verify that the system maintains an audit trail capturing all changes to leave records, including the user ID, date, time, and nature of the change. • Note any users with excessive or inappropriate access rights and confirm whether former employees' access has been revoked. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/map. Note any gaps in implementation **Test of Operating Effectiveness** • Extract audit logs for the period and review for unauthorised or unusual amendments to leave balances or leave records outside the standard workflow. • Confirm that role-based access controls are in place, HR administrators should be able to update records, employees should only be able to apply, and approvers should only be able to approve or reject • Confirm that any changes to leave balances outside the normal workflow are investigated and documented authorisation from the Head of HR or equivalent should be obtained for any such changes. • Carry out other tests of operating effectiveness based on additional requirements of organisational policies and procedures. **Audit Criteria** • Approved Organisation Human Resource Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016 Section B.1 (HR Delegations & Roles) • PSC governance principles on accountability (Section A – Values & Principles) • Public Service Commission Circulars, Government circulars, Court Orders
Audit Objectives: To assess whether leave planning processes ensure optimal staff availability and service continuity,	

<table>
<tr><td colspan="2">Risks: Inadequate leave cover leading to operational disruptions</td></tr>
<tr><td>Controls</td><td>Test</td></tr>
<tr><td>Approved annual Leave Plan and Cover/Handover Policy</td><td>Test of Design
• Establish key requirements of laws, regulations, policies, and procedures on leave management
• If the control is not documented, enquire from the process owner how it is intended to operate or be executed.
•
Test of Implementation
• Obtain departmental leave plans for the audit period and confirm they were submitted, approved, and filed by HR.
• Verify that departments are required to submit leave plans at defined intervals (e.g. quarterly).
• Walkthrough handover process documentation for a sample of employees on extended leave.
• Note instances where no cover was arranged for critical functions.
• Confirm that the design documented under TOD is implemented as documented.
• Walkthrough and document the process flow/map. Note any gaps in implementation
Test of Operating Effectiveness
• Review leave records alongside operational schedules and assess whether periods of simultaneous leave in critical teams were managed appropriately.
• Confirm that a leave planning policy exists requiring departments to submit annual or quarterly leave plans and make cover arrangements for critical roles before leave is approved
• Confirm that documented handover notes exist for sampled extended leave instances.
• Carry out other tests of operating effectiveness based on additional requirements of organisational policies and procedures.
Audit Criteria
• Approved Organisation Human Resource Manual
• Human Resource Policies and Procedures Manual for the Public Service, May 2016 Section B.17.3 Requirement to schedule and take leave annually),
• Public Service Commission Circulars, Government circulars, Court Orders</td></tr>
<tr><td colspan="2">Audit Objectives: To assess accuracy of leave allowance payments and eligibility</td></tr>
</table>

Risks: Duplicate or erroneous leave allowance payments	
Controls	**Test**
HR Certification of Leave Commencement before Payroll Processing	**Test of Design** • Establish key requirements of laws, regulations, policies, and procedures on leave management • If the control is not documented, enquire from the process owner how it is intended to operate or be executed. • **Test of Implementation** • Obtain leave allowance payment request forms and confirm each is supported by an approved leave application showing the employee actually proceeded on leave. • Confirm that the terms of service clearly specify the leave allowance rate, eligibility criteria, and that payment is conditional on the employee actually proceeding on leave. • Verify that a documented procedure exists requiring HR sign-off confirming the employee has proceeded on leave before the allowance is processed by payroll. • Confirm that payroll only processes the allowance upon receipt of a certified HR clearance or leave authority document. • Walkthrough the process from leave approval and note any gaps. • Note any instances where allowances were submitted to payroll before HR certification was completed or where certification is absent • Confirm that system or manual checks are in place before payroll is finalized to flag duplicate entries. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/map. Note any gaps in implementation **Test of Operating Effectiveness** • Extract all leave allowance payments processed during the audit period and perform a duplicate payment test , identify any employee appearing more than once in the same leave cycle by matching on staff number, leave type, and leave year • For a sample of payments, trace back to the approved leave form and confirm the employees' leave dates align with the payment processing date i.e. the allowance was not paid while the employee remained at work. • Select a sample of leave allowance payments and independently recalculate the allowance using the terms of service rate and the employee's confirmed basic salary , compare to the actual amount paid and note variances. • Confirm that the rate applied matches what is prescribed in terms of service, test for overpayments due to wrong grade, wrong rate, or inflated basic salary figures used in the calculation.

	• Check for ghost or exited employees, confirm no leave allowances were paid to employees who had already separated from the organization. • Where leave allowances are processed in bulk (e.g. end of financial year), confirm the list used for processing was reconciled against the current establishment/staff list before payment. • Where the system generates leave allowances automatically, test whether a manual override or duplicate entry is possible and whether any such instance occurred. • Carry out other tests of operating effectiveness based on additional requirements of organizational policies and procedures. **Audit Criteria** • Approved Organisation Human Resource Manual • Human Resource Policies and Procedures Manual for the Public Service, May 2016 Section on Benefits & Allowances • Public Service Commission Circulars, Government circulars, Court Orders

Sub-Process: Disciplinary and Grievances

Audit Objectives: To establish whether there are Defined standard procedures and uniformity in handling disciplinary cases	
Risks: Litigation by aggrieved employees	
Controls	**Test**
Approved Disciplinary Manual	**Test of Design** • Establish the key requirements of laws, regulations and disciplinary procedures manuals • If the control is not documented, enquire from the process owner how disciplinary processes areundertaken **Test of Implementation** • Obtain the Approved Disciplinary manual • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness** • Sample some disciplinary cases and confirm whether the standard disciplinary process has been applied • Confirm that Disciplinary cases dealt with under delegated powers were processed through the respective Human Resource Management Advisory Committee or in the applicable structure • Ascertain that Disciplinary cases are dealt with promptly and finalized within policy-stipulated timeline (e.g. six (6) months). • Confirm that cases not dealt with within policy-stipulated timeline (e.g. six (6) months) were reported to the Public Service Commission explaining the reason for the delay. • Carry out other tests of operating effectiveness aligned to specific organizational policies, procedures, service delivery standards
Audit Objectives: To establish whether due process on disciplinary procedures are conducted fairly and in line with natural justice	
Risks: Litigations. Unfair dismissal	
Controls	**Test**
Approved Disciplinary policy	**Test of Design** • Establish the key requirements of laws, regulations and disciplinary procedures

Disciplinary Committee Reports	• If the control is not documented, enquire from process owner how disciplinary processes areundertaken **Test of Implementation** • Obtain a staff personnel file • Confirm that the design documented under ApprovedDisciplinary manual is implemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness** • Sample some staff personnel files and confirm whether the specific provisions process has been applied • Confirm that the disciplinary committee was properly constituted • Review disciplinary files to ascertain that disciplinary cases are initiated based on valid grounds and proper preliminary investigations. • Review disciplinary files to confirm that accused employees are formally notified of allegations and given opportunity to respond. • Review disciplinary proceedings to confirm that the rights the accused employees to be heard and represented were protected • Ascertain that the decisions resulting prom the process are fair, evidence-based, and approved by authorized officers. • Ascertain proper documentation of the disciplinary proceedings and rationale for decisions • Confirm whether appeals and applications for review have been handled as per • Ascertain timely application of approved sanction • Carry out other tests of operating effectiveness aligned to specific organizational policies, procedures, service delivery standards **Audit Criteria** • Approved Organisation Human Resource Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016 Sec D 18- D26 • PSC Discipline ManualMay 2016-Sec 4.1(a), sec 5.1 • Employment Act -Sec 13, Sec 18 • Public Service Commission Circulars, Government circulars, Court Orders
Audit Objectives: To establish whether staff have been sensitized and are aware of the code of conduct , ethical standards, and disciplinary provisions	
Risks: Violation of code of conduct	
Controls	**Test**
Signed code of conduct	**Test of Design** • Establish the key requirements of laws, regulations and code of conduct • If the control is not documented, enquire from process owner how staff induction, sensitization andtraining is carried

Staff Induction reports	out **Test of Implementation** • Obtain a staff personnel file • Confirm that the design documented under staff induction, sensitization and training as been followed • Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness** • Verify that the Code of Conduct has been formally approved and issued • Sample some staff personnel files and confirm whether the specific provisions process has been applied • Peruse the selected staff files and verify whether; a) staff have been issued with the relevant materials (e.g approved Human Resource Polices & Procedures Manual or disciplinary & grievance Manual, Human Resource Policies and Procedures Manual for the Public Service2016 and the Code of Regulations) b) There is evidence of induction training i.e. induction/training certificates • Sample staff files and ascertain whether they signed the code conduct within seven (7) days or relevant section in the approved Human Resource Polices & Procedures Manual • Review induction records (programs, training schedule, presentations and reports) to ascertain that induction programs include the Code of Conduct, ethics and disciplinary awareness • Confirm availability of Code of conduct to all staff in the staff handbook and/or intranet (where applicable) • Carry out other tests of operating effectiveness aligned to specific organizational policies, procedures, service delivery standards • **Audit Criteria** • Approved Organisation Human Resource Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016 Sec H 4 • Public Service Commission Circulars, Government circulars, Court Orders
Audit Objectives:	
Risks:	
Controls	**Test**
Approved grievance handling procedure	**Test of Design** • Establish the key requirements of laws, regulations and code of conduct • If the control is not documented, enquire from process owner how grievance handling is carried out •

	Test of Implementation • Obtain grievance handling procedures, grievance registers and records • Confirm that the design documented under TOD has implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation • **Test of Operating Effectiveness** • Review the procedures to confirm clarity of escalation process and accessibility of reporting channels • Sample some documented grievances and confirm whether the specific provisions process has been applied • Review documentation requirements to confirm retention guidelines and adherence to the same • Carry out other tests of operating effectiveness aligned to specific organizational policies, procedures, service delivery standards

Sub-Process: Staff Separation

Audit Objectives: To check compliance with relevant laws and regulations in the processing and reporting of employee exits from the Organisation.	
Risks: Litigation from non-compliance procedures on processing and reporting of employee exits	
Controls	**Test**
Policy on separation	**Test of Design** • Establish whether there are provisions or key requirements on employee exits and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed **Test of Implementation** • Obtain the Policy on separation and confirm that it is developed and implemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness** • Select a sample of employee exiting and perform the following test; • Ascertain the form of exiting • Confirm whether the procedures for the various forms of exit were complied with • Confirm whether in a case of resignation the officer gave a one (1) month notice or by paid one month's gross salary in lieu of such notice • Confirm whether in a case of resignation for an officer on contract, the resignation was in accordance • with the terms of the • Confirm whether in the case of termination of appointment, the termination is undertaken by an Authorized Officer in accordance with the provisions of the officer's agreement or by giving appropriate period of notice or gross salary in lieu of notice • Confirm whether in case of mandatory retirement the officer retired from the Service on attaining the mandatory retirement age of 60 years, 65 years for persons with disabilities and/or as may be prescribed by the government from time to time • Confirm whether in the case of retirement under the 50 year rule, the officer gave a one (1) months' notice of his intention to retire under the '50 year' rule • Confirm whether in the case of retirement under the50 year rule, the application from officer to retire under the '50 year' rule was approved by Authorizedofficer

	• Confirm that certificate of service are issued upon separation • Verify cutoff date for employee benefits and check whether it conforms employment terms • Carry out other tests of operating effectiveness aligned to specific Organisation policies, procedures, service delivery standards **Audit Criteria** • Approved Organisation Human Resource Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016 Sec D 18- D26 • Employment Act -Sec 13, Sec 18 • Public Service Commission Circulars, Government circulars, Court Orders
Controls	**Test**
Exiting employee clearance procedure	**Test of Design** • Establish whether there are provisions or key requirements on clearance procedures on employee exits and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed **Test of Implementation** • Obtain the clearance procedure for exiting to confirm that it is developed and implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness** • Select a sample of employee exiting and perform the following test; • Obtain dully filled clearance form to ascertain that the exiting employee complied with all requirements • Carry out other tests of operating effectiveness aligned to specific Organisation policies, procedures, service delivery standards **Audit Criteria** • Approved Organisation Human Resource Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016 • Employment Act -Sec 13, Sec 18 • Public Service Commission Circulars, Government circulars, Court Orders
Controls	**Test**
Placement of Liaison HR officials in every department	**Test of Design** • Establish whether there are provisions or key requirements on employee exits and whether they have

	been documented. • If the control is not documented, enquire from process owner how it is meant to be executed • Establish whether there is an existence of a developed and approved separation policy within the Human resource Manual • Establish there is a clear clearance procedure in placefor managing separation. **Test of Implementation** • Walkthrough and document the process flow/ map. Note any gaps in implementation • Obtain the list of liason Human Resource representatives **Test of Operating Effectiveness** • Select a sample and test the following • Whether clearance procedures has been followed • Confirm whether certificate of service are issued upon separation • Verify cutoff date for employee benefits, Check whether it conforms employment terms • Carry out other tests of operating effectiveness aligned to specific Organisation policies, procedures, service delivery standards **Audit Criteria** • Approved Organisation Human Resource Manual • Human Resource Policies and ProceduresManual for the Public Service, May 2016 • Employment Act -Sec 13, Sec 18 • Public Service Commission Circulars, Government circulars, Court Orders

Sub-Process: Succession Planning

Audit Objectives: To ascertain whether the entity has an effective governance framework in place for the monitoring and oversight of succession planning for workforce	
Risks: Lack of continuity of its business operations as a result of competency gap in its staff	
Controls	**Test**
Succession Planning Policy Approved Succession Plan Individual Development Plans (IDPs)	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on succession planning • If the control is not documented, enquire from the process owner how corporate social responsibility activities are identified. **Test of Implementation** • Confirm that the design documented under TOD is implemented as documented. • Obtain the Approved Succession Planning Policy by appropriate authority, and has been communicated to relevant HR and management personnel. • Obtain the approved Succession Plan and confirm it is in active use. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness** • Obtain a sample of critical positions in the organisation and confirm each is included in the succession plan. Assess whether the selection of critical positions is comprehensive and consistent with the policy criteria. • Review whether the succession plan aligns with the organisation's long-term strategic business goals • Confirm a formal, written succession policy exists and is approved by the board or senior management. • Verify the plan includes emergency procedures (e.g., unexpected illness or resignation), • For sampled critical positions, (senior leadership and specialized technical roles) where a vacancy would cause significant operational disruption, review documentation of job responsibilities and required competencies. Confirm these are clearly defined, current, and objective. • Confirm that qualified internal candidates have been identified for all sampled critical roles • Verify that candidate competencies are mapped against the requirements of future roles.

	• Review Individual Development Plans (IDPs) for identified successors and confirm they are tailored to address specific competency gaps for the target role Review if training, mentoring, or cross-training activities are actively being completed. • Analyze the retention risk for identified successors and the organisation has mitigation measures in place • Verify that the succession plan is reviewed and updated at least annually • Carry out other tests of operating effectiveness aligned to specific Organisation policies, procedures, service delivery standards
Risks: Lack of knowledge transfer occurring for retiring leaders.	
Controls	**Test**
Retirement Transition Plan Knowledge Transfer Policy/Framework Individual Development Plans (IDPs) for Identified Successors	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on succession planning for retiring staff • If the control is not documented, enquire from the process owner how corporate social responsibility activities are identified. **Test of Implementation** • Obtain the Approved Succession Planning Plan for retiring officers • Obtain the Retirement Transition Plans for a sample of retiring or recently retired officers and confirm they are in place, and initiated with sufficient lead time before the departure date. • Obtain the Knowledge Transfer Policy/Framework and Individual Development Plans for identified successors in sampled roles • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness** • Obtain a sample of critical positions occupied by staff who are approaching or have recently reached retirement. • Confirm each has a documented Retirement Transition Plan initiated with adequate lead time. • Verify that the organization has a documented list of "mission-critical" roles—those that would cause significant disruption if left vacant for staff almost retiring • Review the formal succession policy, current organization charts with identified successors, and individual development plans. Confirm they are consistent with one another and reflect the current state of the transition.

	• Review whether the skills, competencies, and experience required for each role are clearly defined and objective. • Inspect the evidence used to nominate successors (e.g., performance reviews, 360-degree assessments, psychometric tests) to ensure selections are based on merit rather than favouritism. • Review evidence that identified successors are actively completing their required training, mentoring, and leadership coaching as specified in their IDPs • Confirm that retiring staff have a formal documented process to transfer institutional knowledge (e.g., procedure manuals, job shadowing) to their successors before departure. Inspect completed handover notes, procedure manuals, and job shadowing records. • Check for evidence of "readiness testing," such as allowing a successor to act as an interim leader during the incumbent's planned absence. • Recompute the number of days taken to fill critical roles after recent retirements and compare against the organisation's defined maximum acceptable vacancy period. Identify any roles that exceeded this threshold. • Verify that the succession plan is updated at least annually to reflect changes in business goals, retirement schedules or employee performance. Confirm the most recent update was reviewed and approved. • Carry out other tests of operating effectiveness aligned to specific Organisation policies, procedures, service delivery standards

Sub-Process: Staff Welfare

Audit Objectives: To assess availability of administrative structure to manage mortgage and Car loan to employees	
Risks: Non-compliance with qualifying conditions set by the mortgage/car loan policy	
Controls	**Test**
An approved mortgage and car loan policy as per regulations Mortgage and Car loan managed as per CBA's agreements	**Test of Design** • Establish whether there are provisions or key requirements on employee mortgage and car loan and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed **Test of Implementation** • Obtain the policy and confirm that it is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness** • Obtain the mortgage/car loan policy. From the policy verify that: • There is evidence of appointment letter of the mortgage and car loan fund administrator/manager • The fund board/management committee is officially appointed (gazette notice/appointment letter) • Where indicated, confirm appointment of a financial institution to manage the fund. Verify the process used whether it complies with the procurement process. • Review the minutes of the management committee for effectiveness and compliance when performing their roles. (SRC Circular on car loan and mortgage schemes,17/12 2014) • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Audit Objectives: To assess the accessibility of mortgage and car loans to eligible employee	
Risks: Discriminatory awarding of mortgage and car loans	
Controls	**Test**
Approved application form Board resolution	**Test of Design** • Check whether there exists Provisions/guidelines on mortgage and car loan requiring applicants to

	submit dully filled application forms • If the control is not documented, enquire from process owner how it is meant to be executed **Test of Implementation** • Confirm that this provisions/guideline is implemented as documented • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness** • For a selected sample of approved application forms, perform the following tests: • Verify that the applications were dully filled as per the provisions/guidelines. • Confirm whether the relevant attachments were submitted. • Confirm that the loan' intended use indicated was • within the provision of the mortgage policy. • Confirm that the applicants met the requirements for qualification for the mortgage or car as • provided by the provisions of the policy. • Confirm that the application was approved and signed by the authorized persons as provided by the policy. • Confirm that the award is in line with the Board Resolution. (Kenyan Const. 2010 Art. 27 (4,5) • For rejected applications, confirm that the reasons for rejection were within the approved policy and the same was communicated to the applicant. • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Controls	**Test**
Approved Disbursement schedules	**Test of Design** • Check whether there are existing provisions/ guidelines guiding the disbursement of the mortgage and car loan to beneficiaries. • If the control is not documented, enquire from process owner how it is meant to be executed **Test of Implementation** • Confirm that this is implemented as documented in the policy by performing a walkthrough of the process and documenting any gaps. • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness** • For a selected mortgage and or car loan beneficiary's sample, test the disbursement schedule whether

	the disbursement of the mortgage/car loan was made as per the provisions of the policy. (i.e. whether in full or in instalments) • Confirm that stamp duty and other legal fees are paidby the applicant as stipulated in the policy. • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Controls	**Test**
Approved Deduction and remittance schedules	**Test of Design** • Confirm whether the exists provisions in the policy that guides the deduction and remittance of the mortgage and car loans • If the control is not documented, enquire from process owner how it is meant to be executed. **Test of Implementation** • Verify that the provisions of the policy on mortgage/car loan deductions and remittance is implemented as documented • Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness** With a selected approved mortgage/car loan sample, test the following: • Compliance with the grace period provided as by the policy • Trace the sample to the payroll deductions and confirm that the correct amount was deducted. • Confirm timely remittance of the deductions to the fund account. • Trace the payments to the bank statement • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Audit Objectives: To establish existence of collateral/security to the mortgage/ loan application	
Risks: Non secured mortgage/car loan. Loss of funds	
Controls	**Test**
Approved mortgage and car loan policy.	**Test of Design** • Establish whether there are provisions or key requirements on collateral/security during loan application. • If the control is not documented, enquire from process owner how it is meant to be executed

<table>
<tr><td></td><td>Test of Implementation
• Confirm that this is implemented as documented in the policy by performing a walkthrough of the process and documenting any gaps.

Test of Operating Effectiveness
With a selected approved mortgage/car loan sample, testthe following:
• Confirm whether the collateral documentation were submitted by eligible applicants.
• Confirm whether due diligence was done for all the security submitted.
• Confirm the existence of valuation reports to support the amount of loan disbursed.
• Confirm whether the collateral submitted was sufficient to cover the mortgage/car loan processed. Criteria.
• Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.</td></tr>
<tr><td colspan="2">Audit Objective: To determine whether Organisation has a medical cover in place addressing the employees needs</td></tr>
<tr><td colspan="2">Risk: Loss of funds due to payment of Premium for non- existent employees .People not covered in the agreement benefitting from the medical cover</td></tr>
<tr><td>Controls</td><td>Test</td></tr>
<tr><td>Approved Medical cover agreement

Service provider agreement</td><td>Test of Design
• Confirm that there exists provision and key requirements guiding reporting staff medical cover in the Organisation.
• If the control is not documented, enquire from process owner how it is meant to be executed.

Test of Implementation
• Verify that the provisions and key requirements on staff medical cover are implemented in the approved medical cover agreement.
• Sample facilities and walk through the process of identification of the facility and confirm the implementation as per the agreement.
• Walkthrough and document the process flow/ map. Note any gaps in implementation

Test of Operating Effectiveness
• Obtain the Staff medical cover and test the following:
• Confirm that the medical cover agreement is in line with Gazette Notice no. 6516 on remuneration and benefits of state officers of 7th July 2017.
• Confirm that the cover limits complies with SRC Circular SRC/TS/CGOVT/3/61 of 19th December 2014.</td></tr>
</table>

	• Confirm whether number of employees in the agreement is the same as the eligible active employees • Reconcile the list against the latest payroll and note any variance • Recalculate the premium, agree it to the amount paid to the insurance provider • Confirmation of medical utilization statement is in line with list of approved beneficiaries Select a sample of approved cards in use and test that: • They can only be used by the authorized holder ONLY. • They can be used in all facilities/hospitals as provided for in the insurance contract. • An employee can access their full medical cover as provided in the contract. • Confirm that the Medical Cover agreement has a wider circulation of service providers • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Audit Objectives: To ascertain whether the internally managed medical scheme has adequate controls and is efficiently managed.	
Risks: Abuse of the Medical scheme or Fraud for the internally managed scheme	
Controls	**Test**
Medical scheme Policy Approved lists of service providers Membership & Eligibility Criteria	**Test of Design** • Establish the key requirements of laws, regulations, policies and procedures on internally managed medical scheme • If the control is not documented, enquire from the process owner how medical claim is paid **Test of Implementation** • Confirm that the design documented under TOD is implemented as documented. • Obtain the Approved medical scheme policy • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness** • Obtain a sample of medical claims paid and confirm that only authorized individuals receive benefits • Confirm data integrity by reconciling the medical scheme's member database against the current HR/Payroll records to identify "ghost" members or terminated staff. • Verify a sample of dependents (spouses, children) for supporting legal documentation (marriage certificates, birth certificates) to ensure they meet the scheme's definition of a beneficiary. • Verify that members are assigned to the correct benefit tiers or limits based on their employment terms. • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.

Audit Objectives: To ascertain whether eligible employee joined a pension scheme and contributing	
Risks: Legal suits arising from omitting eligible employees from pensionscheme. Delayed remittances	
Controls	**Test**
Monthly Pension Remittance Schedules Pensions Application forms	**Test of Design** • Confirm that there exists provision and key requirements guiding pension schemes in the Organisation. • If the control is not documented, enquire from process owner how it is meant to be executed. **Test of Implementation** • Verify that the provisions and key requirements on staff pensions are implemented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness** For a selected sample of newly recruited employees, perform the following tests: • Verify that the employees applied and joined a pension scheme as provided for in the Organisation Government Act sec 132 (2012). • Confirm that the employee was admitted into the pension's scheme upon confirmation after completion of probation period. (HR POLICIES AND PROCEDURE MANUAL B.18) • Verify that contributions are allocated as provided in the plan agreement/provisions (i.e. 12% employee and 15% employer) as per the pension's agreement. • Determine whether the employee' and employer' contributions have been properly recorded, withheld and remitted timely and recorded in the financial statements. • Reconcile the monthly payroll schedules against actual remittance made to confirm accuracy • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Audit Objectives: To confirm provision of general welfare as provided in the occupational safety and health act 2010; supply of drinking water, washing facilities, accommodation for clothing, facilities for sitting and first-aid.	
Risks: Legal costs from non-compliance with the OSHA	
Controls	**Test**
Welfare provisions-OSHA 91	**Test of Design** • Check whether there is existing guidelines on generalwelfare provisions in the Organisation (Osha 91) **Test of Implementation**

	• Confirm that the guidelines are implemented asdocumented • Walkthrough and document the process flow/ map. Note any gaps in implementation **Test of Operating Effectiveness** • Perform physical check to confirm existence of drinking water, washing facilities, accommodation for clothing, facilities for sitting and first-aid kits. • Confirm that the above facilities are clearly labeled • Interview the employees to confirm awareness on the use of the facilities • Confirm from reports whether frequent checks on the facilities are done. • Confirm that employees working in any machine/process likely to cause ill health/ bodilyinjury are well trained and adequately supervised.(OSHA 99 (1-2) • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.

Sub-Process: Health and Safety and Environment

Audit Objectives: To ascertain whether the Organisation has put measures in place to ensure the health and safety of all employees	
Risks: Exposure of workers to healthhazards. Non-compliance ofregulation may attract sanction from monitoring authorities	
Controls	**Test**
Approved Health Safety Policy Trained and equipped fire marshals	**Test of Design** • Establish existence of Health and safety policy in compliance with OSHA • Establish the provisions of legal framework on fire fighting equipment • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the rules; • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation. **Test of Operating Effectiveness** **Sample location and** • Confirm that all workers have been inducted on the safety and Health policies • Confirm that all workers are instructed in the safe useof firefighting appliances. ((Fire Risk Reduction) Rules, 2007 rule 21). • Ascertain the existence of fire detection appliances ((Fire Risk Reduction) Rules, 2007 rule 28) • Obtain maintenance records to ascertain that the equipment is inspected and serviced at least once every twelve months. ((Fire Risk Reduction) Rules, 2007 rule 30) • Confirm the existence of firefighting appliances ((FireRisk Reduction) Rules, 2007 rule 29). • Obtain maintenance records to ascertain that the equipment is inspected and serviced at least once every twelve months. ((Fire Risk Reduction) Rules, 2007 rule 30) • Confirm that the organization has a water storage ofat least 10,000 litres capable of assisting putting out fire (OSHA S. 33) • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Controls	**Test**

Safety and HealthCommittees	**Test of Design** • Establish the rules on Safety and HealthCommittees • If there are no rules on Safety and Health Committees enquire from process owner about Safety and Health Committees. **Test of Implementation** • Obtain one equipment; • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation. **Test of Operating Effectiveness** • Ascertain the establishment of Safety and HealthCommittees within the Department. (Safety and health committees) Rules, 2004 rule 4. • Confirm that the Committee is formed as per the rules. (Safety and health committees) Rules, 2004 rule 4. • Confirm that the Committee has been trained and equipped with the necessary safety tools • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Controls	**Test**
Fire Drills Fire Drill Reports	**Test of Design** • Establish the key requirements of the guidelines, • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the approved guidelines on fire drills. • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness** **Sample locations and;** • Establish whether there exists fire escape exits in thebuildings (OSHA (Fire Risk Reduction) Rules, 2007 **rule**.17 • Confirm that the fire escape exits are well laid, labelled and maintained (The Factories and Other Places of Work (Fire Risk Reduction) Rules, 2007 **rule**.17 (2)

	• Check that there exists a means of communication inthe event of fire ((Fire Risk Reduction) Rules, 2007 rule. 26 • Establish whether the organization has a designatedfire point ((Fire Risk Reduction) Rules,2007 rule 24 • Check whether fire drills are conducted at least onceevery twelve months. ((Fire Risk Reduction) Rules, 2007 **rule** 23). • Confirm whether the drills have been documented and issues raised addressed • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Controls	**Test**
Protective clothing and appliances	**Test of Design** • Establish the legal provisions on Protective clothingand appliances • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the approved guidelines on protectiveclothing and appliances. • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation. **Test of Operating Effectiveness** • Ascertain that the employer provides and maintains a record of protective clothing issued to staff. • Ascertain whether the employer has catered for risks of exposure to wet or to any injurious or offensive substance, by ensuring that adequate, effective and suitableprotective clothing and appliances, including, wherenecessary, suitable gloves, footwear, goggles and head coverings is provided. (OSHA S. 101) • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Controls	**Test**
Working environmentpolicy	**Test of Design** • Establish the key provisions on the work environmentpolicy; • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the approved policy on conducive workenvironment;

	• Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness** • Confirm whether employer require or permit hisemployees to engage in the manual handling or transportation of a load which by reason of its natureis likely to cause the employee to suffer bodily injury. (OSHA S. 83) • Establish that any person supplying, distributing,conveying or holding in chemicals or other toxic substances ensures that they are packaged, conveyed, handled and distributed in a safe manner so as not to cause any ill effect to any person or theimmediate environment {OSHA S. 83(4)} • Check that at every workplace where chemicals or other toxic substances are manipulated, the employer has developed a suitable system for the safe collection, recycling and disposal of chemical wastes, obsolete chemicals and empty containers ofchemicals to avoid the risks to safety, health of employees and to the environment. {OSHA S. 83(4)} • Confirm that no equipment or portable power tools are used in an environment that contains or is likely to contain flammable vapors or substances unless they are intrinsically safe for such environments. {OSHA 59 (b)} • Ascertain that quantity of waste from hazardous substances is kept at reasonable minimum levels and that such waste is disposed of in a manner lessharmful to human and the environment (Hazardous Substances) Rules, 2007 • Ascertain whether officers are provided with their right working tools and furniture • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Controls	**Test**
Training of workers inmatters related to health and safety	**Test of Design** • Establish the legal provisions on training of workerson health and safety, • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the approved guidelines on training ofworkers on health and safety, • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness**

	• Ascertain whether every member of the Health and Safety Committee has undertaken the prescribed basic training course in occupational health andsafety within a period of six months from the date of appointment or election, as the case may be, and thereafter further training from time to time. {The Factories and Other Places of Work (Safety andHealth Committees) Rules, 2004} rule 12 • Establish that the above training has been undertaken by approved institutions. {The Factoriesand Other Places of Work (Safety and Health Committees) Rules, 2004} rule 12 (4). • Sample workers and establish that they have been instructed in the safe use of firefighting appliances. {The Factories and Other Places of Work (Safety andHealth Committees) Rules, 2004} rule 21 (1). • Establish that every member of the firefighting teamundertakes the basic fire safety training course within three months from the date of appointment into thefirefighting team. {The Factories and Other Places of Work (Safety and Health Committees) Rules, 2004} rule 21 (4). • Establish that every member of the firefighting teamundergoes a firefighting refresher course at least once in every two years. {The Factories and Other Places of Work (Safety and Health Committees)Rules, 2004} rule 21 (5). • Sample workers and establish that they have been trained in provision of first aid. • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Controls	**Test**
Disaster preparedness	**Test of Design** • Establish the legal provisions on disasterpreparedness, • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the approved guidelines on disaster preparedness, • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation **Test of Operating Effectiveness** • Establish that operational first aid kits are strategically placed for ease of access in the eventof an accident. {The Factories and Other Places ofWork {The Factories and Other Places of Work (Safety and Health Committees) Rules, 2004} rule25(1) • Ascertain that there are established arrangements oftransporting any injured worker to health facilities. • Obtain the general register and ascertain that all workplace injuries have been entered. OSH Act s.21(5**)** • Establish existence of operational Disaster management Committees.

	• Establish that employer obtains and maintains an insurance policy, with an insurer approved by the Minister in respect of any liability that the employer may incur under WIBA any of his employees. {WIBA 7(1)} • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.
Controls	**Test**
Health and Safety Audits	**Test of Design** • Establish the legal provisions on health and safetyaudits, • If the control is not documented, enquire fromprocess owner how it is meant to be executed. **Test of Implementation** • Obtain the approved guidelines on health safetyaudits, • Confirm that the design documented under TOD isimplemented as documented. • Walkthrough and document the process flow/ map.Note any gaps in implementation. **Test of Operating Effectiveness** • Ascertain that health and safety audits are carried out at least once in every period of twelve months. by a registered health and safety adviser. {The Factories and Other Places of Work (Safety and Health Committees) Rules, 2004} rule 13 • Establish that the health and safety audits are carriedout by a registered health and safety adviser. {The Factories and Other Places of Work (Safety andHealth Committees) Rules, 2004} rule 13 • Sample some of the audit recommendations and establish the level of implementation by the management. • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.

Sub-Process: Organisation Culture

Audit Objectives: To assess whether the organisation promotes and sustains a positive, ethical, and performance-driven culture aligned with its values, policies, and strategic objectives.	
Risks: Weak or misaligned organisational culture may lead to unethical behaviour	
Controls	**Test**
Approved Organisational Culture Framework (core values, code of conduct, leadership tone) Approved Whistle Blowing Policy	**Test of Design** • Establish the key requirements of laws, regulations and organizational policies on culture, codes of conduct • If the control is not documented, enquire from process owner how it is meant to be executed. **Test of Implementation** • Obtain evidence that the code of conduct and organisational values have been communicated to staff (training, acknowledgements, onboarding materials). • Confirm that employees have signed or acknowledged the code of conduct. • Review employee engagement survey results or feedback reports. • Verify existence and use of whistleblowing or ethics reporting mechanisms. • Walkthrough processes such as onboarding, performance appraisal, and disciplinary procedures to confirm cultural expectations are embedded. • Note any gaps between documented culture framework and actual practices. **Test of Operating Effectiveness** • Sample employee behaviour indicators (e.g., disciplinary cases, ethics violations) and assess consistency with organisational values and policies. • Assess trends in employee engagement survey results and confirm management action on identified issues. • Verify that reported misconduct or ethical concerns are investigated and resolved in a timely and consistent manner. • Evaluate whether leadership demonstrates commitment to organisational values (e.g., tone at the top, communications, actions taken). • Confirm that reward and recognition systems reinforce desired behaviours and are applied consistently. • Review whistleblowing cases to ensure confidentiality, proper handling, and resolution. • Assess whether cultural initiatives result in measurable improvements (e.g., reduced complaints, improved performance, higher staff retention). • Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.

Sub-Process: Industrial Relations

<table>
<tr><td colspan="2">Audit Objectives: To determine whether collective bargaining process are compliant with the Constitution and the relevant legislations.</td></tr>
<tr><td colspan="2">Risks: Non compliance with laws</td></tr>
<tr><td>Controls</td><td>Test</td></tr>
<tr><td>Collective Bargaining Agreements

Trade union membership lists</td><td>Test of Design
Establish the key requirements of laws, regulations and collective bargaining agreements.
If the control is not documented, enquire from process owner how it is meant to be executed.
Test of Implementation
Obtain the current collective bargaining agreements
Confirm that the collective bargaining agreements are implemented as documented.
Walk through and document the collective bargaining agreements. Note any gaps in implementation
Test of Operating Effectiveness
Obtain the list of employees and their respective trade unions.
Confirm that trade Union dues are deducted from the salaries of union members and the monies deducted is paid into a specified account of the Trade Union
Ascertain whether employees who have resigned from union memberships have done so in writing and deductions have been stopped.
Sample a few union officials and ascertain that they are not officials of more than one trade union
Carry out other tests of operating effectiveness based on additional requirements of Institutional policies and procedures.</td></tr>
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1.1 Source documents

1. Constitutional & Legal Framework	4. HR-Specific Supporting Frameworks
Constitution of Kenya, 2010	Performance Management Framework (PSC)
Article 10 (national values)	Training & Capacity Building Policies
Article 232 (values and principles of public service)	Occupational Safety & Health requirements (OSHA)
Employment Act, 2007	Occupational Safety and Health Act, 2007
Covers contracts, employee rights, termination, working conditions	**5. Other Important References**
Labour Relations Act, 2007	**Approved HR Polices & Procedures Manual of the specific organization (internal manuals)**
Trade unions, collective bargaining	**Collective Bargaining Agreements (CBAs) *(if applicable)***
2. Public Service Regulatory Framework	**Public Service Commission Circulars, Government circulars, Court Orders**
Public Service Commission Manual *(Human Resource Policies and Procedures Manual for the Public Service)*	
Recruitment & selection	
Promotion & discipline	
Leave & benefits	
Public Service Commission Act, 2017	
Mandate and powers of PSC	
Salaries and Remuneration Commission Guidelines	
Salary structures	
Allowances	
Rewards & recognition	
Public Service Training Bond Guidelines, 2018	
3. Ethics, Integrity & Governance	
Ethics and Anti-Corruption Commission Guidelines	
Corruption risk assessment	
Integrity frameworks	
Leadership and Integrity Act, 2012	

Code of conduct for public officers	
Public Officer Ethics Act, 2003	
Ethical behaviour and declarations	

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