



Republic of Kenya



GOVERNMENT OF KENYA

DRAFT AUDIT PROGRAMS FOR COUNTY GOVERNMENTS

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GUIDELINES TO DEVELOP AUDIT PROGRAMS

1.0 Background

The National Treasury with support from the World Bank engaged a consultant to identify the capacity gaps within the internal audit functions in the County Governments and the measures for capacity interventions. The diagnostic review was based on a sample of 27 out of the 47 county governments. The areas of review in the County internal audit functions were: Governance structures; Organization relationships and culture (Positioning pillar); Services and roles of internal auditing; Performance management and accountability (Process pillar); People management and Professional practices (People Pillar).

The development of the County Audit Programs addresses the capacity gaps noted under performance management and accountability. The significant gaps noted at the Counties included; 86% of the counties have not adopted risk based internal audit approach; Inadequate documentation of internal audit work; 95% of the counties have not invested in automated tools and there was no evidence of adequate documentation of audit programs.

The Board partnered with Public Finance Management Reforms Secretariat to develop County audit programs with an objective to guide in defining planned audit steps/procedures to facilitate execution of various audits with an ultimate objective to standardize internal audit processes within the Counties and promote effective internal audit functions. Consequently, the audit programs will enable county internal audit functions to comply with International Professional Practices Framework.

2.0 Introduction

Internal auditors utilize a systematic methodology for analysing business processes, procedures and activities with the goal of highlighting organizational problems and recommending solutions. Planning is not only an important part of the audit process but is also required by the professional standards. This calls for a guide to develop audit planning documents such as audit programs, matrices, questionnaires and checklists that are useful tools for internal auditors. This guideline provides a methodology or framework for developing audit programs. Additionally model audit programs have been developed to guide internal audit functions in the Counties in undertaking their audit engagements.

3.0 International Standards for the Professional Practice of Internal Auditing

Public Sector Accounting Standards Board approved the adoption and application of IPPF Standards by all internal auditors in public sector entities. The IPPF Standards guiding the development of audit programs are;

2240 – Engagement Work Program

Internal Auditors must develop and document work programs that achieve the engagement objectives.

2240.A1

Work programs must include the procedures for identifying, analysing, evaluating, and documenting information during the engagement. The work program must be approved prior to its implementation, and any adjustments approved promptly.

2240.C1 – Work programs for consulting engagements may vary in form and content depending upon the nature of the engagement.

4.0 Purpose of Audit Programs

An engagement audit program sets forth in detail defined planned audit steps/procedures to be carried out to obtain audit evidence that is sufficient and appropriate to achieve audit objectives and ensure adequate coverage of the audit scope.

The audit program also serves as an outline of the work to be performed by the engagement team members and provides a record of the proper planning and execution of the work that can be reviewed and approved prior to the performance of further work.

The audit program should provide sufficient detail for less experienced staff to perform the steps however it should not be overly detailed whereby it might cause auditors to execute steps routinely and override their judgment.

The audit program may include objectives and assertions for each area, risks if objectives are not achieved, sample control procedures, details of the tests to be performed, who performed it (initials), effectiveness of the controls and working paper reference.

The audit objectives to be incorporated in the audit program may include:

1. Financial reporting objectives that pertain to the preparation of reliable financial reports.
2. Operations objectives that pertain to the achievement of the basic mission(s) of a department and the effectiveness and efficiency of its operations.
3. Compliance objectives that pertain to adherence to applicable laws.
4. Safeguarding of assets.

5.0 Benefits of standardized audit work program

Well-designed audit programs enhance audit planning and execution in the following ways;

1. Provide evidence of audit planning and limited evidence of execution of the audit.
2. Outlines the work to be performed enhancing a thorough understanding of the unit audited.
3. Helps auditors perform their work in a methodical and planned manner. Planning for each phase of the work to be communicated to all audit personnel concerned.
4. Provides a means of self-control for the audit staff assigned.
5. Acts as a guide for assigning work and thereby controlling the project from beginning to end.
6. Creates documentation and evidence that the work was completed. A signed off audit program supported by proper documentation in the working papers can be used as evidence that a procedure was performed or conclusion reached.
7. Assists management review to ensure quality. A means by which the audit supervisor/manager can review and compare performance with approved plans.
8. Assures management that all risk areas were adequately addressed.
9. Serves as a training tool for new auditors. Assists in training inexperienced staff members and acquainting them with the scope, objectives, and work steps of an audit.
10. Assists in familiarizing successive audit staff with the nature of work previously carried out.

11. Enhanced level of consistency in the procedures performed.
12. Minimization of potential duplications of effort and unnecessary work papers.

6.0 Areas to be covered in the audit program

The areas the audit program should cover include; audit date, audit program title, audit program No. , audit objectives, sampling method, sample size, test procedures, working paper reference, time period, reports for sample selections, reports and documents subject for review as well as attributes for testing, preparer name & signature and reviewer name & signature.

The audit program should contain a statement of the audit objectives. These objectives would be achieved through the detailed audit program procedures. Objectives should fit within the overall scope of the audit. Every audit procedure should help answer one of the objectives and every objective should be addressed in the procedures or steps. The tests have to be designed in such a manner that they achieve their objectives. Use of imagination, ingenuity and intelligence is vital in creating audit steps responsive to objectives.

Note: The engagement program should be flexible enough to enable the internal auditors make appropriate adjustments during field work. Deviations from the standard recommended procedures should be documented and approved by audit management.

The Head of internal should therefore ensure the following;

1. Preliminary assessment of governance, risk management and controls undertaken during the engagement planning phase is considered.
2. The nature, extent and timing of the audit steps are clearly defined. This provides a means: of clearly communicating the necessary instructions to the Internal Audit team; for planning, managing and controlling the engagement; and a basis for reviewing the working papers.
3. The audit steps are focusing on the key risk management strategies/controls to be evaluated.
4. Special audit procedures (e.g. computer-assisted audit techniques) are identified and documented.

7.0 Risk Based Methodology in developing audit programs

Audit work programs may be developed in various ways depending on the nature of the audit. This guideline focuses on the use of risk based methodology in developing audit programs following the steps below;

1. Learning about the audit area

The first step in planning for an audit is to review past internal and external audit reports, review area related policies and procedures, review pertinent laws and regulations, and review the organizational structure.

2. Discuss the area with the process owner management

This step entails interacting with the process owner management to ascertain; What are the objectives they need to meet? How are they supporting the overall organization's mission? What risks exist to meeting the objectives and mission? This last question deals with the inherent risk - no controls are inferred, so these are risks that exist with no oversight or approval mechanism. Enquire about what frauds could go undetected without controls.

3. Document business processes using either flowcharts or narratives. A survey may also be conducted.
4. Determine the scope of the audit

Audit Scope refers to the activities covered by an internal audit engagement. Audit scope includes, where appropriate;

- a) Nature and extent of auditing procedures performed
- b) Time period audited
- c) Related activities not audited in order to delineate the boundaries of the audit

In determining the audit scope, consider:

- a) Meetings with management;
 - b) Consideration of findings from the prior audit;
 - c) Consideration of findings from regulatory reviews;
 - d) Identifying changes in the unit's personnel, processes, responsibilities, products, regulations; and preparing testing procedures including the use of detailed audit work programs, questionnaires, checklists or control matrices.
5. Determine the objectives of the audit

These are broad statements and define intended audit accomplishments. This represents the reasons for conducting the audit. This could be based on the internal control objectives of compliance, safeguarding of assets, reliability of financial reporting, efficiency and effectiveness of operations or value for money or a combination. Different audit assignments (e.g. IT, Compliance, System, Value for money, Financial and financial investigations assignments) may have a combination of objectives.

6. Identify the risk if the objectives are not achieved

Identify the risks or threats to the achievement of audit objectives and assess the severity.

The higher the risk of misstatement, the more reliable and relevant is the audit evidence required.

7. Identify the controls in place to mitigate the risks to an acceptable level.
8. Develop test of controls for adequate design and operating effectiveness and/or quantify the impact of control weaknesses or gaps.

The following criteria may be used to evaluate the adequacy of specific control designs and operating effectiveness:

- a) Whether it responds to a control objective

- b) Whether it ensures a favorable or desirable outcome
- c) Whether it has been implemented by the Management
- d) Follow-up actions taken by an organization
- e) Frequency of controls
- f) Period covered by the controls
- g) Whether it links procedures to the relevant management assertions which include;

A. Financial statement assertions:

- i. Existence or Occurrence addresses whether assets or liabilities exist at a given date and whether recorded transactions have occurred during a given period.
- ii. Completeness addresses whether all transactions and accounts that should be presented in the financial statements are included.
- iii. Valuation or Allocation addresses whether asset, liability, equity, revenue, and expense components are included in the financial statements at appropriate amounts.
- iv. Rights and Obligations relates to whether the rights and liabilities are owned by the entity at a given date.
- v. Presentation and Disclosure addresses whether particular components of the financial statements are properly classified, described, and disclosed.

B. Management control assertions:

- i. Authorization – approved party authorised the transaction
- ii. Validity – the activity or underlying event occurred
- iii. Accuracy – the terms, amounts etc, were correct
- iv. Timeliness– information was recorded in the proper period
- v. Confidentiality – information was kept private
- vi. Integrity – information is free from corruption and alteration
- vii. Availability – information is stored and readily available

C. Information processing assertions:

- i. Completeness
- ii. Integrity
- iii. Accuracy
- iv. Validity
- v. Sufficient
- vi. Reliable
- vii. Relevant
- viii. Useful
- ix. Restricted access

9. Audit programs should be approved by the HIF before commencement of field work and any adjustments thereafter approved promptly.

Note: Further points in developing audit programs

- a) *Consider opportunities for employing data analysis techniques*
- b) *Consider testing IT controls*
- c) *Focus on those process risks that are high or medium*
- d) *Avoid overlaps between audit assignments*

10. Conduct substantive tests to gain additional assurance as to any of the following areas:
 - a) Financial statement, Management control and Information processing assertions
 - b) The nature and extent of potential fraud
 - c) The extent of non-compliance with regulations as a result of observed control weaknesses

8.0 Example of terms used in audit programs

Audit programs should describe the task that the auditor is expected to conduct. These action verbs define the audit activity and should be used with the meaning ascribed.

1. **Analyse** – break into components and determine nature
2. **Check** – compare or recalculate to establish accuracy or reasonableness
3. **Confirm** – prove to be true or accurate, usually by written inquiry or inspection
4. **Evaluate** – reach a conclusion as to worth, effectiveness, or usefulness
5. **Examine** – look at closely and carefully for the purpose of arriving at accurate, proper and appropriate opinions
6. **Inspect** – to examine physically
7. **Investigate** – to examine the facts about suspected or alleged conditions
8. **Review** – to examine critically
9. **Scan** – to look rapidly for the purpose of testing general conformity to patterns and not apparent irregularities for further study
10. **Substantiate** – to prove conclusively
11. **Test** – to examine representative items or samples for the purpose of arriving at a conclusion regarding the population from which the sample is taken
12. **Verify** – to establish accuracy

Note: Ensuring is a not an audit test. It is the role of management to ensure internal controls are operating effectively and efficiently.

9.0 Scope And Application of the Audit Programs

These audit programs shall apply to all internal audit functions under the County Governments and their entities including Departments and Agencies.

DRAFT

COUNTY AUDIT PROGRAMS
1.0 HUMAN RESOURCE MANAGEMENT PROCESSES

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

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

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To establish human resource planning is aligned to established policies and procedures	Noncompliance with laws and regulations	Approved Human Resource Policy and Procedure Manual	<p>TOD</p> <ul style="list-style-type: none"> a) Establish the key requirements of laws, regulations, policies and procedures on preparation, approval and communication of Human Resource Policy and Procedures Manual. b) If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> a) Obtain the approved current human resource and procedure manual b) Confirm that the design documented under TOD is implemented as documented. c) Walkthrough and document the process flow/map. Note any gaps in implementation. <p>TOE</p> <ul style="list-style-type: none"> a) Sample processes in the manual to confirm implementation of the policy and procedure manual as approved. b) Carry out other tests of operating effectiveness based on additional requirements of county policies and procedures.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		Non alignment of staff distribution to county priorities.	Approved staff establishment.	<p>TOD</p> <ul style="list-style-type: none"> a) Establish the key requirements of laws, regulations, policies and procedures on preparation, approval and communication of Staff establishment. b) If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> d) Obtain the approved current staff establishment e) Confirm that the design documented under TOD is implemented as documented. f) Walkthrough and document the process flow/ map. Note any gaps in implementation. <p>TOE</p> <ul style="list-style-type: none"> c) Sample a number of departments to confirm staff establishment as approved. d) Carry out other tests of operating effectiveness based on additional requirements of county policies and procedures.
			Approved JDs and specification for every job.	<p>TOD</p> <ul style="list-style-type: none"> a) Establish the key requirements of laws, regulations, policies and procedures on preparation, approval and communication of JDs and JS to staff. b) If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> a) Sample one position in the county and confirm that the design documented under TOD is implemented as documented. b) Walkthrough and document the process flow/ map. Note any gaps in implementation. <p>TOE</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				a) Sample job descriptions and specifications and confirm that they are implemented as documented. b) Carry out other tests of operating effectiveness based on additional requirements of county policies and procedures.
			Approved annual HR plan	<p>TOD</p> a) Establish the key requirements of laws, regulations, policies and procedures on preparation, approval and communication of annual HR plan b) If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> a) Obtain the approved annual HR plan b) Confirm that the design documented under TOD is implemented as documented. c) Walkthrough and document the process flow/ map. Note any gaps in implementation. <p>TOE</p> a) Establish that the plan is reviewed annually to address emerging issues and needs. Public service commission HR policy sec b.2 (1). b) Establish availability of annual recruitment plan aligned to HR plan. c) Confirm the plans are submitted to County Public Service Board at the beginning of the financial year. d) Carry out other tests of operating effectiveness based on additional requirements of county policies and procedures.
		Over establishment leading to high wage bill	HR plan monitoring	<p>TOD</p> a) Establish the key requirements of laws, regulations, policies and procedures on HR plan monitoring b) If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>a) Obtain one HR plan implementation monitoring report and confirm that the design documented under TOD is implemented as documented.</p> <p>b) Walkthrough and document the process flow/map. Note any gaps in implementation.</p> <p>TOE</p> <p>a) Establish prepared regular reports for submission to the county assembly on the execution of the functions of the Board;</p> <p>b) Establish the reports above in the details of persons appointed including gender, persons with disabilities, persons from the minority and marginalized communities. County Government Act sec 59(1,d)</p> <p>c) Confirm that the Board has published report required under this section in the County Gazette not later than seven days after the report has been delivered to the county assembly.</p> <p>d) Carry out other tests of operating effectiveness based on additional requirements of county policies and procedures.</p>

1.2 Sub-Process: Recruitment and Selection, Orientation and induction

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	Ascertain that recruitment is strategically planned, and conducted in a robust and open manner	Collusion between potential candidates and staff leading to unqualified staff.	<ul style="list-style-type: none"> Approved code of conduct 	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, on code of conduct If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the approved code of conduct Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/map. Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm all public officers signed the code of conduct upon employment Sec 34 of public officer code of ethics and public service code of conduct and ethic 2016. • 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 refer 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.
		<ul style="list-style-type: none"> • Delayed recruitment • Uncompetitive recruitment process. 	<ul style="list-style-type: none"> • Approved annual recruitment plan 	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, on preparation, approval and reporting of annual recruitment plan • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved annual recruitment plan • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Establish if the developed annual recruitment plan is forwarded to the county public service board at the

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				beginning of each financial year to enable it plans to fill the vacancies. Human Resources Policies and Procedures (HRPP) Manual sec part II sec B.2(2) <ul style="list-style-type: none"> Establish that the annual recruitment plan aligns with annual HR plan HRPP Manual sec part II sec B.2
		<ul style="list-style-type: none"> Overcrowding and populated designation/ job Groups. Lack of value for money 	<ul style="list-style-type: none"> Approved request for declaration Vacancies 	<ul style="list-style-type: none"> TOD Establish the key requirements of laws, regulations, on declaration, approval and reporting of vacancy. If the control is not documented, enquire from process owner how it is meant to be executed. TOI Obtain the approved departmental declaration of vacancy. Obtain county public board approved vacancies. Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation TOE Obtain sample appointments and test for the following; Establish that the chief officer/ director of the department declares all vacant posts in to the Public Service board in accordance with the procedures (HRPP Manual sec part II sec B.3(1)) Confirm that the Public Service board considers requests for approval of declaration of vacancies forwarded by the Authorized Officer upon recommendation. HRPP Manual sec part II sec B.3(3) Confirm that Recommendations for filling vacancies in Job Group 'M' and above in an acting capacity are

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				submitted to the county Public Service board. HRPP Manual sec part II sec B.3(4)
		<ul style="list-style-type: none"> • Advert not reaching the potential applicants. • Low turnout of applicants. 	<ul style="list-style-type: none"> • Approved requisition for advertisement of Vacant Posts 	<ul style="list-style-type: none"> • TOD • Establish the key requirements of laws, regulations, on approval for advertisement of vacancies. • If the control is not documented, enquire from process owner how it is meant to be executed. • TOI • Obtain the list of approved vacancies for advertisement of the county public service board. • Obtain copy of the advertisement • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation • TOE • Establish each position to be filled, a formal job or person specification is produced. HRPP Manual sec part II sec B.3(1) • Establish that the Job adverts state the nature, terms and conditions of employment, including grade or salary if appropriate HRPP Manual sec part II sec B.4(1) • 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. HRPP Manual sec part II sec B. 4(1) and see, Employment act. Part ii 4(a), • Establish that the advert has the following details: <ul style="list-style-type: none"> ✓ the title of the post, ✓ number of vacancies, ✓ job description,

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ person specification and ✓ The proposed remuneration. • Confirm the advert is delivered in soft copy to the director HR and Public Service board to be posted in website. HRPP Manual sec part II sec B.4(2)
		<ul style="list-style-type: none"> • Lack of representation of diversity and nepotism • management overrides • defective job description • falling for false credentials 	<ul style="list-style-type: none"> • Shortlisting committee and Interview panel 	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, on interview for advertised vacancies. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Sample one recruitment process and obtain the shortlisting committee and interviewing panel. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • 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 were formally appointed. • 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.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Verify that an interview log was maintained showing the performance and score of every interviewed candidate • Confirm that the panel forwarded a list to the county public service board for appointment
		<ul style="list-style-type: none"> • Employment of officers not applied for jobs on offers • Poor service delivery 	<ul style="list-style-type: none"> • Letters of appointment 	<ul style="list-style-type: none"> • 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. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the list of appointed staff. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Obtain a sample of staff appointed and perform the following tests;</p> <ul style="list-style-type: none"> • Confirm that the appointed staff applied for employment manually or online. . HRPP Manual sec part II B.6 • 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 signed before he commences his/her duties as per HRPP Manual sec part II sec B.7and include <ul style="list-style-type: none"> ✓ The terms and conditions of service. ✓ particulars of employment which should include the name and address of the employee, job title, date of

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>commencement of appointment, terms and duration of employment, place of work, remuneration, terms and conditions of employment and terms of separation.</p> <ul style="list-style-type: none"> • Verify that if the candidate does not accept in writing and take up the appointment within thirty (30) days of the offer the offer of appointment may be withdrawn. • Sample appointments and confirm that the following documents were availed as per HRPP Manual sec part II sec B.12 <ul style="list-style-type: none"> ✓ National identity card; ✓ Birth Certificate; ✓ KRA tax PIN; ✓ Original academic and professional certificates duly authenticated. ✓ Certificate of good conduct from the Directorate of Criminal Investigations; ✓ Color Passport size photograph; and ✓ Bank account details. • Confirm that the officer completed a next-of-kin form on first appointment. • Confirm that the medical examination report by a medical officer is also provided
			<ul style="list-style-type: none"> • Confirmation of appointment letters 	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, on confirmation of employment • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain a list of officers confirmed in employment • Confirm that the design documented under TOD is implemented as documented.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • 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, confirm he was informed in writing and the probation period may be extended for a maximum period of three (3) months. • If the officer’s performance fails to improve on expiry of the extended probation period, confirm that his probationary appointment is terminated in accordance with the Public Service Commission regulations. HRPP Manual sec part II sec B.18, sec B14 of County public service human resource manual (2013)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		<ul style="list-style-type: none"> Inadequate orientation of staff leading to poor service delivery 	<ul style="list-style-type: none"> Appropriate induction procedures in place. 	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, on inducing new staff If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the induction procedures. Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain a list of recruited staff and perform the following 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. HRPP Manual part II H.6(1) Confirm the budget allocation for the training was provided in the approved budget. Confirm the requisitions for training the staff.
2.		<ul style="list-style-type: none"> Inadequate staff skills to perform their duties. 	<ul style="list-style-type: none"> Trainings based on an approved comprehensive training need assessment in place. 	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, on preparation and approval of comprehensive training need assessment. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the approved and reviewed training need assessment reports.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Sample trainings undertaken for staff and perform the following test;</p> <ul style="list-style-type: none"> • Establish that training was based on Training Needs Assessment which shall be conducted after every three (3) years HRPP Manual sec part II H.3(1) • Ascertain that the department prepared training projections based on Training Needs Assessment HRPP Manual sec part II H.3(2) • Confirm list selected trainees HRPP Manual sec part II H.3(3) • Confirm that the Training needs assessments are linked to the strategic plan. • Establish that the Training programs comprise both short and long term courses in specific professions that are intended to impart required knowledge, skills and attitudes to enhance staff performance. HRPP Manual sec part II H.4(1) • Establish that there are specific in house training programs which address the identified training needs. In addition training can be provided under institutional training both locally and abroad. HRPP Manual sec part II H.4(2) • Confirm that in designing training programs, Departments should ascertain the availability of:- <ul style="list-style-type: none"> ✓ Professionally qualified and experienced trainers; ✓ Training programs that are cost-effective; and

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				✓ An effective evaluation and feedback system to assess the impact of training on performance. HRPP Manual sec part II H.4(2)

1.3 Sub-Process: Performance Management

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1	To ascertain that there is a linkage between individual employee performance with the County’s Strategic Plan and Performance agreement.	Individual Performance targets not aligned to county strategic objectives	Approved Departmental Annual Work Plans and Signed Performance Agreements	<p>TOD 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 Management.</p> <p>TOI</p> <ul style="list-style-type: none"> ▪ Obtain the 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 <p>TOE</p> <ul style="list-style-type: none"> ▪ Approved Departmental Annual Work Plans and Performance Agreements ▪ Ascertain that prior to the beginning of the performance period; HODs prepare work plans based on the county strategic plans from which individual performance targets and performance Appraisal Agreement are

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>derived. Sec G.2 (2) of PSC HR Policies and Procedures Manual 2016</p> <ul style="list-style-type: none"> ▪ 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’s performance 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. Sec G.7 of PSC HR Policies and Procedures Manual 2016 ▪ Ascertain that each employee upon agreement on the targets and the work plan, sign a performance contract with the supervisor and enter the targets into the performance management Tool. Sec G.3 (3) of PSC HR Policies and Procedures Manual 2016.
2.	To establish whether there is employee participation and involvement in planning, delivery and evaluation of work performance.	Lack of adequate employee participation in the planning, delivery and evaluation process.	Performance Management Committee Report	<p>TOD 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 Management.</p> <p>TOI</p> <ul style="list-style-type: none"> ▪ 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.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ▪ Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE Performance Agreement</p> <ul style="list-style-type: none"> ▪ Confirm that the prescribed performance target and appraisal form were be completed by all officers in consultation with the supervisors. Sec G.6 (2) of PSC HR Policies and Procedures Manual 2016 ▪ Ascertain that all newly employed staff agree on performance targets with their supervisor and complete the Staff Performance Appraisal Forms within three (3) months of employment. Sec G.6 (3) of PSC HR Policies and Procedures Manual 2016 ▪ Check that all promoted/redeployed employees agree on new performance targets with their supervisor and complete the Staff Performance Appraisal Forms within one (1) month of promotion/redeployment. Sec G.6 (4) of PSC HR Policies and Procedures Manual 2016
3.	To confirm that performance management processes is carried out in compliance with the law	Ineffective performance management processes	Performance Management Guidelines	<p>TOD 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.</p> <p>TOI</p> <ul style="list-style-type: none"> ▪ Obtain the performance Management Policy and the Performance Management Review Committee minutes.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ▪ 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 <p>TOE Performance Appraisal Process/System</p> <ul style="list-style-type: none"> ▪ Ascertain that the PMRC has been properly constituted in line with the PM Policy & PSC guidelines on performance management with clear terms of reference. Sec G.16 of PSC HR Policies and Procedures Manual 2016 and PSC SPAS Guidelines 2016 ▪ 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. PSC SPAS Guidelines 2016 ▪ 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. PSC SPAS Guidelines 2016 ▪ Ascertain that performance appraisal scores rated below average and outstanding are moderated by the PMRC and feedback given to the employees. Section A.17 (iv) PSC HR Policies and Procedures Manual 2016

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ▪ 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. Section G.12 and G.13 PSC HR Policies and procedures Manual 2016. ▪ 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. Section G.10 PSC HR Policies and Procedures Manual 2016. ▪ 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. Section G.8, G.12 and G.13 PSC HR Policies and Procedures Manual 2016. ▪ Check that all appeals against performance appraisals are submitted within two weeks after receipt of feedback on performance and backed by relevant evidence. Section G.19 PSC HR Policies and Procedures Manual 2016. ▪ 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

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>by County Human Resource Advisory Committee for Management employees. Section A.15 and A.17 PSC HR Policies and Procedures Manual 2016.</p> <ul style="list-style-type: none"> ▪ Ascertain that in instances where an employee is promoted or changes jobs within the county before the performance dialogue review date, a performance review will be done before the employee takes up the new position. PSC SPAS Guidelines 2016 ▪ Ascertain that for employees performing below the defined performance targets as per the performance agreement, a Performance Improvement Plan is developed and signed off by both employee and supervisor. Section A.17 (vi) PSC HR Policies and Procedures Manual 2016. ▪ 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 Appraiser and which may necessitate revision of performance targets. Section 3.7 PSC SPAS Guidelines 2016 ▪ 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. Section 3.7 PSC SPAS Guidelines 2016

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ▪ Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards.
4.	<p>Rewards and Sanctions</p> <p>To ascertain the effectiveness of the reward and sanctions framework to motivate employees to have positive attitude to work and to enhance productivity in the County.</p>	<p>Failure to reward and/or implement consequences to staff as required in the rewards and sanction policy</p>	<p>Reward & Recognition committees Report</p>	<p>TOD Establish whether the key requirements of laws, regulations, policies and procedures on Public Service Commission Human Resource Management Policy and Procedures of May 2016 & Performance Rewards and Sanctions framework for the Public Service, May 2016.</p> <p>TOI</p> <ul style="list-style-type: none"> • Obtain the Approved Rewards and Sanctions listing, 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 <p>TOE</p> <ul style="list-style-type: none"> ▪ Ascertain that the departmental and Corporate Reward Recognition Committees are properly constituted in line with the Policy. Chapter 4 PSC Rewards and Sanction Framework 2016 ▪ Ascertain that the process of rewards commences from receipt of nominations from departmental Reward committees. Chapter 3 PSC Rewards and Sanction Framework 2016 ▪ Ascertain that vetting and selection of recipients is based on the approved reward criteria. Chapter 3 PSC Rewards and Sanction Framework 2016

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ▪ Ascertain that the following criteria are used for nomination of employees for the recognition awards: - <ul style="list-style-type: none"> a) Performance b) Customer service c) Length of service d) Teamwork e) Extra curricula activities that enhance the image of the company f) Community service g) Any other criteria that the Corporate Recognition Committee may determine. Chapter 3 PSC Rewards and Sanction Framework 2016 ▪ 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. Chapter 3 PSC Rewards and Sanction Framework 2016 ▪ Ascertain that Members of the RRC & Performance Management Review Committee does not discuss or make recommendations in respect of their own performance reports. Chapter 4 PSC Rewards and Sanction Framework 2016 ▪ Ensure that the Human Resources Advisory Committee completes the Performance Appraisal reports for the members of the Rewards Recognition Committees. Chapter 4 PSC Rewards and Sanction Framework 2016

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ▪ Ascertain that employees serving a notice of termination of service or disciplinary process are disqualified from the reward and recognition process. Section Chapter 3 PSC Rewards and Sanction Framework 2016 ▪ Ascertain that the performance appraisal reports are used as a basis for placement, promotion and mobility of the employees within the County. Chapter 3 PSC Rewards and Sanction Framework 2016 <p>Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards</p> <p>Audit Criteria</p> <ul style="list-style-type: none"> a) Human Resource Policies and Procedures Manual for the Public Service , May 2016 b) Performance Rewards and Sanctions framework for the Public Service, May 2016 c) Guidelines to the Staff Performance Appraisal System (SPAS) in the Public Service, May 2016 d) Public Service Commission Circulars

1.4 Sub-Process: Training and Development

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1	To ascertain that training and development focuses on identification of	Mismatch between training undertaken and the needs assessment	Approved Training needs Assessment Plan	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether the key requirements of laws, regulations, policies and procedures on Public Service

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
	<p>training needs and accessing requirement-based training that maximizes returns from investment for the County Government.</p>			<p>Commission Human Resource Management Policy and Procedures of May 2016, PSC guidelines on managing training in the public service of 2017 and PSC guideline on bond on training for public servants of July 2018</p> <p>TOI</p> <ul style="list-style-type: none"> Obtain the approved 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 <p>TOE</p> <ul style="list-style-type: none"> Training Needs Assessment Plan Ascertain if staff were engaged during the training needs assessment through formal requests vide a defined template. Section 3.1 PSC guidelines on managing training in the public service of 2017 Ascertain whether training needs assessment or identification has been undertaken by the departments after every three years and a report prepared and filed. H.3 PSC HR Policies and Procedures Manual 2016. Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards
2.	<p>To confirm that a training development plan was prepared and well</p>	<p>Non-implementation of the training plan</p>	<p>Approved Training and Development Plan</p>	<p>TOD</p> <ul style="list-style-type: none"> Establish whether the key requirements of laws, regulations, policies and procedures on PSC HR Policies and Procedures of May 2016, PSC guidelines

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
	<p>implemented to improve on staff skills.</p>			<p>on managing training in the public service of 2017 and PSC guideline on bond on training for public servants of July 2018</p> <p>TOI</p> <ul style="list-style-type: none"> • 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 <p>TOE</p> <ul style="list-style-type: none"> • Ascertain that the training committee met on a regular basis and cite minutes of their meetings. Section 4.2.1. PSC guidelines on managing training in the public service of 2017. • Ascertain that the training undertaken during the period under review is as per approved training plan and training committee recommendations. Section 4.1.1. (v) PSC guidelines on managing training in the public service of 2017. • Ascertain that the recommendations of the training committee were acted upon. Section 2.8 PSC guidelines on managing training in the public service of 2017. • Ascertain that Accounting Officer approves course attendance both for local and foreign training on the recommendation of the County Human Resource Advisory Committee (CHRAC). Section 2.8

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>PSC guidelines on managing training in the public service of 2017.</p> <ul style="list-style-type: none"> • Confirm that the County does not sponsor serving employees for undergraduate programs but through affirmative action programs, the county recommends sponsorship of employees for relevant undergraduate degree programs, based on identified training needs. Section H.9 (2) (4) PSC HR Policies and Procedures Manual 2016. • Confirm that the County 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. Section H.10 PSC HR Policies and Procedures Manual 2016. • Confirm that the County does not support employees for second master’s degree programs. Section H.10 PSC HR Policies and Procedures Manual 2016. • Confirm that employees wishing to pursue the PhD under the self-sponsorship arrangement are approved on condition that; <ul style="list-style-type: none"> a) the area of study is relevant to their duties, b) he/she has completed two (2) years’ service since the last long course and c) The approval does not provide for reimbursement of training expenses. Section H.11 PSC HR Policies and Procedures Manual 2016. • Ascertain that for employees sponsored for management development courses and Professional / Technical Courses, they met the following criteria:

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> a) Have served the County for a period of more than one year b) Have no pending disciplinary action c) The course was within employees' job responsibilities and career path d) The course was recommended by the line manager, the Training and Development Committee and approved by the Accounting Officer. e) There was adequate budget to finance the training. <ul style="list-style-type: none"> • 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.
3.	To confirm that the County obtained value for money in the trainings undertaken.	No value for money for the training undertaken	Training impact assessment report	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether the key requirements of laws, regulations, policies and procedures on PSC HR Policies and Procedures of May 2016, PSC guidelines on managing training in the public service of 2017 and PSC guideline on bond on training for public servants of July 2018 <p>TOI</p> <ul style="list-style-type: none"> • 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.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • 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. Section 8.1 PSC guidelines on managing training in the public service of 2017. • 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. Section 8.2 PSC guidelines on managing training in the public service of 2017. • Confirm that in designing training programs, the HRD confirmed the availability of: - <ul style="list-style-type: none"> 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. Section H.4 (3) PSC Policies and Procedures Manual 2016. • Ascertain that Quarterly reports are prepared by HRD on all training undertaken in the county and the same submitted to the CHRAC on a timely basis. Section 2.6 PSC guidelines on managing training in the public service of 2017 • Ascertain that employee upon completion of courses, submits course certificates and training reports to the HRD within two weeks upon

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>completion of the training. Section 4.1 PSC guideline on bond on training for public servants of 2018.</p> <ul style="list-style-type: none"> For a sample of course certificates and training reports submitted, ascertain that HRD develops, update and maintain a skills inventory database for all employees in the County for purposes of identifying the available, and the required skills. Section 2.9 PSC guidelines on managing training in the public service of 2017. Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards
4.	To ascertain that training Bond is implemented as required in the Guidelines on the Bond of training of public servants.	The County not benefiting from the investment on training due staff exits	Training Bond status report	<p>TOD</p> <ul style="list-style-type: none"> Establish whether the key requirements of laws, regulations, policies and procedures on PSC HR Policies and Procedures of May 2016, PSC guidelines on managing training in the public service of 2017 and PSC guideline on bond on training for public servants of 2018 <p>TOI</p> <ul style="list-style-type: none"> 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 <p>TOE</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • 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 County benefit adequately from its investment in training. Section 2.1 PSC guideline on bond on training for public servants of 2018. • Ascertain that in instances of default, the bondee and/or surety was redeemed in line with bond training guidelines. Section 2.3 PSC guideline on bond on training for public servants of 2018. • 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. Section 2.3 PSC guideline on bond on training for public servants of 2018. • Ascertain that employee refund the county, any sums paid to him for training purposes under the following circumstances: <ul style="list-style-type: none"> 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 upon completion of his training course. • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
5.	To ascertain that industrial attachment and internship placements are done as per the provision of the law.	Industrial attachment and internship placement not fairly provided	Industrial attachment and Internship placement files	<p>TOD</p> <ul style="list-style-type: none"> Establish whether the key requirements of laws, regulations, policies and procedures on PSC HR Policies and Procedures of May 2016, PSC guidelines on managing training in the public service of 2017 and PSC guideline on bond on training for public servants of 2018 <p>TOI</p> <ul style="list-style-type: none"> Obtain the approved industrial attachment files and internship file 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 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. Section H.21 PSC HR Policies and Procedures Manual. For employees on internship, ascertain that internship is undertaken in accordance with County HR Policies and Procedures Manual and PSC guidelines on Internship and that it does not exceed one (1) year. Section H.21 PSC HR Policies and Procedures Manual. Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards <p>Audit Criteria:</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • PSC Human Resource Policies and Procedures Manual, 2016 • Guidelines On Managing Training in The Public Service, 2017 • Public Service Training Bond Guidelines, 2018 • Best Practices on Managing Training and Development.

1.5 Sub-Process: Compensation and Benefits

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To determine the bonafide employees of the county government.	<ul style="list-style-type: none"> • Ghost workers 	<ul style="list-style-type: none"> • Approved staff list, establishment and organogram 	<p>TOD</p> <ul style="list-style-type: none"> • 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. <p>TOI</p> <ul style="list-style-type: none"> • 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 <p>TOE</p> <ul style="list-style-type: none"> • Reconcile the approved staff list with the payroll list in the IPPD system • Reconcile the approved staff list with the approved staff establishment to confirm over/under employment

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			Formal Appointment/recruitment of staff	<p>TOD</p> <ul style="list-style-type: none"> 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. <p>TOI</p> <p>Obtain appointment letters of key staff members</p> <p>Confirm if the appointments are in line with the law</p> <p>TOE</p> <ul style="list-style-type: none"> Sample appointment letters of key staff and confirm if their appointment is in line with section B9 TO B33 of the PSC HR and procedure manual 2016 and shall contain; 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 conditions of employment and terms of separation. Confirm the following appointment documents from the employees file; (i) National identity card; (ii) Birth Certificate; (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.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Check whether all employees have unique personal numbers
2	To establish whether correct and valid amounts of salaries and benefits are paid to the bonafide employees	Loss of funds due to payment of Unauthorized benefits	Salary scales/schemes of service	<p>TOD</p> <ul style="list-style-type: none"> • 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. <p>TOI Obtain approved payroll payment schedules Confirm if the payroll payment schedules are prepared in line with the law</p> <p>TOE</p> <ul style="list-style-type: none"> • sample a number of appointment letters and check whether; • Correct amount of salary has been captured accurately in the IPPD 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 for example (phase IV

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>Salary Review for the County Government Employees at the Executive-1st July 2020)</p> <ul style="list-style-type: none"> • 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, public service salary scale, etc. as per section B.12 of the PSC HR Policies and procedure manual 2016. • • 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 section C6 of the PSC HR Policies and procedure manual 2016.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			Pay Change Advices (PCAs)	<p>TOD</p> <ul style="list-style-type: none"> 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. <p>TOI</p> <ul style="list-style-type: none"> Obtain the current Approved Pay Change Advice file, and Confirm that the PCAs are approved as documented Walkthrough and note any gaps in implementation of PCAs <p>TOE</p> <ul style="list-style-type: none"> Check whether the PCAs are properly authorized computed and are for the existing employees of the county. 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
3.	To establish whether all statutory deductions are properly computed and timely paid to the correct authorities	<ul style="list-style-type: none"> Penalties 	Approved monthly payroll payment schedules	<p>TOD</p> <ul style="list-style-type: none"> 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. <p>TOI</p> <ul style="list-style-type: none"> Obtain the approved monthly payroll payment schedules Walkthrough and note any gaps in computation and payment of statutory deductions

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>TOE</p> <ul style="list-style-type: none"> • 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.
4.	<p>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)</p>	<ul style="list-style-type: none"> • Skewed/discriminatory administration of Government benefits 	<p>Approved policies on administration of government benefits</p>	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key Approved policies on administration of government benefits • If the control is not documented, enquire from process owner how the benefits are administered. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the current Approved policies on administration of government benefits and confirm whether they have been implemented as documented. • Walkthrough and document the administration process. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • 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 Government has established a Medical Insurance Cover to provide medical benefits for Civil Servants, their spouses and dependent children and is

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				effective and employees get value for money (section D4 of the PSC HR Policies and procedure manual 2016.)

1.6 Sub-Process: Disciplinary and Grievances

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To establish whether there are Defined standard procedures and uniformity in handling disciplinary cases	<ul style="list-style-type: none"> Litigation by aggrieved employees 	Approved Disciplinary manual	<p>TOD</p> <ul style="list-style-type: none"> 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 are undertaken <p>TOI</p> <ul style="list-style-type: none"> Obtain the Approved Disciplinary manual Confirm that the design documented under Approved Disciplinary manual is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Sample some disciplinary cases and confirm whether the standard disciplinary process has been applied as dictated by section 4.0 of PSC Discipline Manual May 2016 illustrated below;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>(a) Disciplinary cases dealt with under delegated powers shall be processed through the respective Human Resource Management Advisory Committee.</p> <p>(b) If criminal proceedings are instituted against an officer or where an officer has been acquitted of a criminal charge in a court of law, the Authorized Officer shall not be prevented from dismissing him or otherwise punishing him on any other charge arising out of his conduct in the matter.</p> <p>(c) Where an officer has been charged with desertion of duty, the letter shall be addressed to his/her last known address by registered mail.</p> <p>(d) There should be proper framing of charges with full particulars of the case including the applicable provision of the Constitution, legislation or code of conduct alleged to have been breached.</p> <p>(e) The officer should be notified in writing, be given the particulars of the misconduct as preferred and reasonable opportunity to respond to the allegations.</p> <p>(f) Thorough investigation of an alleged offence shall be undertaken before any disciplinary action is taken.</p> <p>(g) Application of other interventions in resolving discipline cases such as counseling and dispute resolution mechanisms.</p> <p>(h) Right of appeal and application for review of disciplinary related decisions.</p> <p>(i) Disciplinary cases shall be dealt with promptly and finalized within a period of six (6) months. Where it is found impracticable to do so the Authorized Officer shall report individual cases to the Public Service Commission explaining the reason for the delay.</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
2.	To establish whether the steps in disciplinary procedures and processes have been observed	<ul style="list-style-type: none"> • Litigations • Unfair dismissals 	Staff Personnel File	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations and disciplinary procedures • If the control is not documented, enquire from process owner how disciplinary processes are undertaken <p>TOI</p> <ul style="list-style-type: none"> • Obtain a staff personnel file • Confirm that the design documented under Approved Disciplinary manual is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Sample some staff personnel files and confirm whether the specific provisions process has been applied as per section 4.1(a) of PSC Discipline Manual May 2016, which requires an officer to be given a verbal warning before a written warning. • Establish whether the detailed disciplinary process has been adhered to as illustrated below; <p>a) Interdiction Confirm whether provisions of section 4.2 of the PSC Discipline Manual May 2016 has been followed and documented in the personnel file</p> <p>b) Suspension Confirm whether provisions of section 4.3 of the PSC Discipline Manual May 2016 has been followed and documented in the personnel file</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>c) Summary Dismissal Confirm that the provisions of section 4.6 of the PSC Discipline Manual May 2016 have been adhered to. These include but not limited to the following: (a) Negligence of duty; (b) Intoxication during working hours; (c) Using abusive or insulting language or behaving in a manner likely to cause a breach of the peace; (d) Insubordination; (e) Criminal conviction; (f) Incarceration for more than fourteen (14) days following arrest for cognizable offence; (g) Willful destruction of government property; (h) Theft by public servant; (i) Unauthorized use or disclosure of confidential information; (j) Falsification of information or references on appointment; and (k) Acceptance of any bribe, secret profit or unauthorized commission.</p> <p>d) Retirement in the Public Interest Confirm whether provisions of section 4.5 of the PSC Discipline Manual May 2016 has been followed and documented in the personnel file.</p> <p>e) Appeal or application for Review Confirm whether applications for review have been handled as provisions of section 5.1 of the PSC Discipline Manual May 2016</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
	<p>To establish whether staff have been sensitized and are aware of their rights and responsibilities as per the law</p>	<ul style="list-style-type: none"> Lack of understanding of code of conduct 	<p>Staff Induction sensitization and training</p>	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations on staff induction, sensitization and training If the control is not documented, enquire from process owner how staff induction, sensitization and training is carried out <p>TOI</p> <ul style="list-style-type: none"> 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 <p>TOE</p> <ul style="list-style-type: none"> Sample some staff personnel files and confirm whether the specific provisions process has been applied as per section H (4) of Human Resource Policies and Procedures Manual for the Public Service2016, Which requires newly recruited or transferred officers must be inducted within three (3) months of joining public organizations. Peruse the selected staff files and verify whether; <ol style="list-style-type: none"> staff have been issued with the relevant materials e.g. Human Resource Policies and Procedures Manual for the Public Service2016 and the Code of Regulations There is evidence of induction training i.e. induction/training certificates

1.7 Sub-Process: Staff Separation

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To check compliance with relevant laws and regulations in the processing and reporting of employee exits from the County.	<ul style="list-style-type: none"> • Litigation from non-compliance procedures on processing and reporting of employee exits • Existence of ghost workers • Loss of assets 	Policy on separation	<p>TOD</p> <ul style="list-style-type: none"> • 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 <p>TOI</p> <ul style="list-style-type: none"> • 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 <p>TOE</p> <ul style="list-style-type: none"> • Select a sample of employee exiting and perform the following test; • Ascertain the form of exiting (PSC Human Resource policies and procedures manual for the public service D.18) • Confirm whether the procedures for the various forms of exit were complied with(PSC Human Resource policies and procedures manual for the public service D.18 – D26) • 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 (PSC Human Resource policies and procedures manual for the public service D.19) • Confirm whether in a case of resignation for an officer on contract, the resignation was in accordance with the terms of the contract (PSC Human Resource

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>policies and procedures manual for the public service D.19)</p> <ul style="list-style-type: none"> • 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 (PSC Human Resource policies and procedures manual for the public service D.20) • 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 (PSC Human Resource policies and procedures manual for the public service D.21). • 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 (PSC Human Resource policies and procedures manual for the public service D.22 (3)). • Confirm whether in the case of retirement under the 50 year rule, the application from officer to retire under the ‘50 year’ rule was approved by Authorized officer (PSC Human Resource policies and procedures manual for the public service D.22(5)). • Confirm that certificate of service are issued upon separation (Sec 18) - Employment Act • Verify cutoff date for employee benefits and check whether it conforms employment terms (Sec 13 – Employment act)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			Exiting employee clearance procedure	<p>TOD</p> <ul style="list-style-type: none"> 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 <p>TOI</p> <ul style="list-style-type: none"> 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 <p>TOE</p> <ul style="list-style-type: none"> Select a sample of employee exiting and perform the following test; Obtain the imprest register and confirm whether on resignation, an officer settled any outstanding liabilities to the Government.
			Placement of Liason HR officials in every department	<p>TOD</p> <ul style="list-style-type: none"> 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 place for managing separation.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>TOI</p> <ul style="list-style-type: none"> • Walkthrough and document the process flow/ map. Note any gaps in implementation • Select a sample and test the following <ul style="list-style-type: none"> - Whether clearance procedures has been followed - Confirm whether certificate of service are issued upon separation (Sec 18) - Employment Act - Verify cutoff date for employee benefits, Check whether it conforms employment terms - Sec 13 –Employment act

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1.8 Sub-Process: Staff Welfare

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To assess availability of administrative structure to manage mortgage and Car loan to employees	<ul style="list-style-type: none"> Non-compliance with qualifying conditions set by the mortgage/car loan policy 	An approved mortgage and car loan policy	<p>TOD</p> <ul style="list-style-type: none"> 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 <p>TOI</p> <ul style="list-style-type: none"> Obtain the policy and confirm that it is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Obtain the mortgage/car loan policy. From the policy verify that:</p> <ul style="list-style-type: none"> 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)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
2.	To assess the accessibility of mortgage and car loans to eligible employee	Discriminatory awarding of mortgage and car loans	Approved application form	<p>TOD</p> <ul style="list-style-type: none"> • 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 <p>TOI</p> <ul style="list-style-type: none"> • Confirm that this provisions/guideline is implemented as documented • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>For a selected sample of approved application forms, perform the following tests:</p> <ul style="list-style-type: none"> • Verify that the applications were dully filled as per the provisions/guidelines. • Confirm whether the relevant attachments were submitted; approved building designs, bills of quantities, official search for land, a sale agreement and valuation reports as required by the provisions of the act. • 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.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none">• Confirm that the application was approved and signed by the authorized persons as provided by the policy.• For rejected applications, confirm that the reasons for rejection were within the approved policy and the same was communicated to the applicant.

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	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			Approved Disbursement schedules	<p>TOD</p> <ul style="list-style-type: none"> • 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 <p>TOI</p> <ul style="list-style-type: none"> • Confirm that this is implemented as documented in the policy by performing a walkthrough of the process and documenting any gaps. <p>TOE</p> <ul style="list-style-type: none"> • 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 paid by the applicant as stipulated in the policy.
			Approved Deduction and remittance schedules	<p>TOD</p> <ul style="list-style-type: none"> • 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. <p>TOI</p> <ul style="list-style-type: none"> • Verify that the provisions of the policy on mortgage/car loan deductions and remittance is implemented as documented

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE With a selected approved mortgage/car loan sample, test the following:</p> <ul style="list-style-type: none"> 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.
3.	To determine whether county has a medical cover in place addressing the employees needs	<ul style="list-style-type: none"> Premium paid for non- existent employees (excess premium paid) People not covered in the agreement benefitting from the medical cover 	Approved Medical cover agreement	<p>TOD</p> <ul style="list-style-type: none"> Confirm that there exists provision and key requirements guiding reporting staff medical cover in the county. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Verify that the provisions and key requirements on staff medical cover are implemented in the approved medical cover agreement. <p>TOE Obtain the Staff medical cover and test the following:</p> <ul style="list-style-type: none"> 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, SRC CIRCULAR, SRC/TS/CGOVT/3/61 of 19th December and circular no. SRC/TS/CGOVT/3/61 of 19th Dec, 2014.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • 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
4.	To assess accessibility of the cover in medical facilities for the employees	Discriminatory schemes Accessible by non-employees	Medical cards/Biometrics identification	<p>TOD</p> <ul style="list-style-type: none"> • Confirm that there exists provision and key requirements guiding use of medical cards/biometrics in the insurance agreement. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select an officer and walk through the process of application, issuance and use of medical cards and confirm the implementation of the provisions. Document any gaps identified. <p>TOE</p> <p>Select a sample of approved cards in use and test that:</p> <ul style="list-style-type: none"> • 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.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
5.	To confirm that all eligible employee joined a pension scheme and contributing.	Legal suits arising from omitting eligible employees from pension scheme Delayed remittances	Pensions Application forms	<p>TOD</p> <ul style="list-style-type: none"> • Confirm that there exists provision and key requirements guiding pension schemes in the county. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Verify that the provisions and key requirements on staff pensions are implemented. <p>TOE</p> <p>For a selected sample of newly recruited employees, perform the following tests:</p> <ul style="list-style-type: none"> • Verify that the employees applied and joined a pension scheme as provided for in the County 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

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
6.	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.	Legal costs from non-compliance with the OSHA	<ul style="list-style-type: none"> welfare provisions- OSHA 91 	<p>TOD</p> <ul style="list-style-type: none"> Check whether there is existing guidelines on general welfare provisions in the county (Osha 91) <p>TOI</p> <ul style="list-style-type: none"> Confirm that the guidelines are implemented as documented <p>TOE</p> <ul style="list-style-type: none"> 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/ bodily injury are well trained and adequately supervised. (OSHA 99 (1-2))

1.9 Sub-Process: Health and Safety and Environment

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To ascertain whether the County has put measures in place to ensure the health and safety of all employees.	<ul style="list-style-type: none"> Exposure of workers to health hazards Noncompliance of regulation may 	Firefighting equipment.	<p>TOD</p> <ul style="list-style-type: none"> Establish the provision of legal framework on firefighting equipment. If there is no legal provision on firefighting equipment enquire from process owner on firefighting mechanisms in the event of fire.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		attract sanction from monitoring authorities	Safety and Health Committees	<p>TOI</p> <ul style="list-style-type: none"> Obtain the rules; Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation. <p>TOE</p> <p>Sample location and</p> <ul style="list-style-type: none"> Confirm that all workers are instructed in the safe use of 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 ((Fire Risk 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 of at least 10,000 litres capable of assisting putting out fire (OSHA S. 33) <p>TOD</p> <ul style="list-style-type: none"> Establish the rules on Safety and Health Committees

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			<p>Fire Drills</p>	<ul style="list-style-type: none"> • If there are no rules on Safety and Health Committees enquire from process owner about Safety and Health Committees. <p>TOI</p> <ul style="list-style-type: none"> • Obtain one equipment; • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation. <p>TOE</p> <ul style="list-style-type: none"> • Ascertain the establishment of Safety and Health Committees 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. <p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of the guidelines, • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved guidelines on fire drills. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Sample locations and;</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			Protective clothing and appliances	<ul style="list-style-type: none"> • Establish whether there exists fire escape exits in the buildings (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 in the event of fire ((Fire Risk Reduction) Rules, 2007 rule. 26 • Establish whether the organization has a designated fire assembly point ((Fire Risk Reduction) Rules, 2007 rule 24 • Check whether fire drills are conducted at least once every twelve months. ((Fire Risk Reduction) Rules, 2007 rule 23). <p>TOD</p> <ul style="list-style-type: none"> • Establish the legal provisions on Protective clothing and appliances • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved guidelines on protective clothing and appliances. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Ascertain that the employer provides and maintains for the use of employees in any workplace where

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			Working environment policy	<p>employees are employed in any process involving exposure to wet or to any injurious or offensive substance, adequate, effective and suitable protective clothing and appliances, including, where necessary, suitable gloves, footwear, goggles and head coverings. (OSHA S. 101)</p> <p>TOD</p> <ul style="list-style-type: none"> Establish the key provisions on the work environment policy; If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the approved policy on conducive working environment; Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Confirm whether employer require or permit his employees to engage in the manual handling or transportation of a load which by reason of its nature is 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 the immediate environment {OSHA S. 83(4)}

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • 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 of chemicals 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 less harmful to human and the environment (Hazardous Substances) Rules, 2007
			<p>Training of workers in matters related to health and safety</p>	<p>TOD</p> <ul style="list-style-type: none"> • Establish the legal provisions on training of workers on health and safety, • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved guidelines on training of workers on health and safety, • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Ascertain whether every member of the Health and Safety Committee has undertaken the prescribed basic training course in occupational health and safety 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 and Health Committees) Rules, 2004} rule 12 • Establish that the above training has been undertaken by approved institutions. {The Factories and 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 and Health Committees) Rules, 2004} rule 21 (1). • Establish that every member of the firefighting team undertakes the basic fire safety training course within three months from the date of appointment into the firefighting team. . {The Factories and Other Places of Work (Safety and Health Committees) Rules, 2004} rule 21 (4). • Establish that every member of the firefighting team undergoes 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.
			Disaster preparedness	<p>TOD</p> <ul style="list-style-type: none"> • Establish the legal provisions on disaster preparedness,

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved guidelines on disaster preparedness, • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Establish that operational first aid kits are strategically placed for ease of access in the event of an accident. {The Factories and Other Places of Work {The Factories and Other Places of Work (Safety and Health Committees) Rules, 2004} rule 25(1) • Ascertain that there are established arrangements of transporting 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)}

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			Health and Safety Audits	<p>TOD</p> <ul style="list-style-type: none"> Establish the legal provisions on health and safety audits, If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the approved guidelines on health safety audits, Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> 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 carried out by a registered health and safety adviser. {The Factories and Other Places of Work (Safety and Health Committees) Rules, 2004} rule 13 Sample some of the audit recommendations and establish the level of implementation by the management.

2.0 BUDGETING, FINANCE AND ACCOUNTS PROCESSES

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

2.1 Sub-Process: Budget and Planning

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To confirm that the annual development plans and budgets are prepared and approved in accordance with the existing legal framework	<ul style="list-style-type: none"> Unplanned development 	<ul style="list-style-type: none"> Approved development plans 	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on preparation, approval and reporting of development plans. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the approved annual development plan and confirm that the necessary laws and steps as documented in the TOD are followed in the preparation, approval and implementation. Carry out process mapping and note any gaps. <p>TOE</p> <ul style="list-style-type: none"> Confirm that the county government prepares a development plan in accordance with <i>Article 220(2) of the Constitution</i>, and <i>Sec. 126(1) of the PFMA, 2012</i> that includes— <ul style="list-style-type: none"> ✓ strategic priorities for the medium term that reflect the county government's priorities and plans;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ a description of how the county government is responding to changes in the financial and economic environment; ✓ programs to be delivered with details for each program of—the strategic priorities to which the program will contribute; ✓ the services or goods to be provided; ✓ measurable indicators of performance where feasible; and ✓ the budget allocated to the program; ✓ payments to be made on behalf of the county government, including details of any grants, benefits and subsidies that are to be paid; ✓ a description of significant capital developments; ✓ a detailed description of proposals with respect to the development of physical, intellectual, human and other resources of the county, including measurable indicators where those are feasible; <ul style="list-style-type: none"> • Confirm that not later than the 1st September in each year, the CECM for planning submits the development plan to the county assembly for its approval, and a copy sent to the Commission on Revenue Allocation and the National Treasury <i>Sec. 126(3) of the PFMA, 2012</i> • Confirm that the CECM for planning publishes and publicizes the annual development plan within seven days after its submission to the county assembly <i>Sec. 126(4) of the PFMA, 2012</i> • Confirm that the county assembly approved county development plan as per <i>Sec. 8(e) of the CGA, 2012</i> • Confirm public participation was undertaken in county planning as required by <i>Sec. 87 and 115 of the CGA, 2012</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ The public forums were advertised in public media. ✓ Information related to policy formulation and implementation was provided. ✓ There were records of participants and minutes of the deliberations were kept. ✓ That the public participation report formed part of the documents submitted together with the executive annual development plan to the County assembly • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans
		<ul style="list-style-type: none"> • Failure to comply with the timelines for budget making 	<ul style="list-style-type: none"> • Budget Calendar 	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on timelines for budget making • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved annual budget and confirm that the necessary laws and steps as documented in the TOD are followed in its preparation approval and implementation. • Review the process map and identify any existing gaps <p>TOE</p> <p>Budget Circular</p> <ul style="list-style-type: none"> • Confirm that an Annual Budget Circular is developed and issued by 30th August of the current year <i>Sec. 128(2) of the PFMA, 2012 and Reg. 30(1) of CGPFMR, 2015</i> • Confirm that the Budget Circular should at a minimum contain(<i>Sec. 128(3) of PFMA, 2012</i>);

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ A schedule for preparation of the budget, specifying the key dates by which the various processes are to be completed(Budget Calendar) • Confirm that the county government complies with the key dates provided in the Budget Circular <i>Sec. 128(4) of the PFMA, 2012</i> <p>C-BROP</p> <ul style="list-style-type: none"> • Confirm that C-BROP for the subsequent financial year is prepared by the County Treasury and submitted to the following entities for consideration and approval; <ul style="list-style-type: none"> ✓ Submitted to the CEC by 30th September of the current year <i>Sec. 118(2) of the PFMA, 2012</i> ✓ Considered and approved by the County Executive Committee within 14 days <i>Sec. 118(3) of the PFMA, 2012</i> ✓ Recommendations of CRA are obtained by 1st January of the current year <i>Table 2 of the CBOM 2014</i> ✓ Submitted to the County Assembly within 7 days after approval by the CEC and subsequently published and publicized <i>Sec. 118(4) of the PFMA, 2012</i> <p>CFSP</p> <ul style="list-style-type: none"> • Confirm that CFSP for the subsequent financial year is prepared by the County Treasury, approved by CEC and; <ul style="list-style-type: none"> ➢ Submitted to the County Assembly by 28th February of the current year <i>Sec. 117(1) of the PFMA, 2012</i> ➢ Approved by the County Assembly within 14 days after submission <i>Sec. 117(6) of the PFMA, 2012</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that the Sector Working Groups submit their Sector Working Group reports to County Treasury by 31st January as input into the County Fiscal Strategy Paper <i>Table 2 of the CBOM 2014</i> • Confirm that the CFSP is published on the County Treasury website <i>Reg. 30(5) of the CGPFMR, 2015</i> <p>Annual Budget</p> <ul style="list-style-type: none"> • Confirm that MDA’s re-adjust estimates in light of CFSP then finalize and submit to County Treasury by 10th April <i>Table 2 of the CBOM, 2014</i> • Confirm that county budget hearings to review MDAs strategic plans and estimates to ensure they align to county economic policy and fiscal framework is done between by 19th April <i>Table 2 of the CBOM, 2014</i> • Confirm that printed estimates for the County Executive were reviewed and consolidated and the draft budget estimates submitted to County Executive Committee by April the 20th of the current financial year <i>Sec. 129(1) of the PFMA, 2012 and Reg.30 (7) of the CGPFMR, 2015</i> • Confirm that Budget estimates and any other Bill (except Finance Bill) of county government entities were consolidated and the annual budget estimates submitted to the County Assembly, by April the 30th of financial year. <i>Sec. 129(2(b)) of the PFMA, 2012 and Reg. 30(8) of the CGPFMR, 2015</i> • Confirm that after the Budget has been submitted to the County Assembly, the CECM for finance publishes and publicizes the documents <i>Sec. 129(6) of the PFMA, 2012</i> • Confirm that the County Assembly considers and approves the Budget with or without amendments in time before 30th June for the relevant laws(Appropriations Act) required to implement the

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>budget to be passed by 30th June <i>Sec. 131(1) of the PFMA, 2012</i></p> <ul style="list-style-type: none"> • Confirm that the County Treasury consolidates the estimates and publishes and publicizes them within twenty-one days after the county assembly has approved the budget estimates <i>Sec. 131(5) of the PFMA, 2012</i> • Confirm the County Executive Committee member submits a copy of the approved budget estimates to the National Treasury within 14 days of its approval. • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans
		<ul style="list-style-type: none"> • Inaccurate budget 	<ul style="list-style-type: none"> • Approved Budget 	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on preparation and approval of the budget • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved annual budget and confirm that the necessary laws and steps as documented in the TOD are followed in its preparation approval and implementation. • Review the process map and identify any existing gaps <p>TOE</p> <p>Budget Circular</p> <ul style="list-style-type: none"> • Confirm that the Budget Circular should at a minimum contain(<i>Sec. 128(3) of PFMA, 2012;</i>) <ul style="list-style-type: none"> ✓ The methodology for the review and projection of revenues and expenditures;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Key policy areas and issues to be taken into consideration when preparing the budget; ✓ The procedures to be followed by members of the public who wish to participate in the budget process; ✓ The format in which information and documents relating to the budget are to be submitted; • Confirm that the County Budget Calendar is in line with the National Budget Calendar <i>Sec. 72 of the CBOM 2014</i> C-BROP • Confirm that C-BROP contains <i>Sec. 118(2) of the PFMA, 2012</i>; <ul style="list-style-type: none"> ✓ Details of the actual fiscal performance in the previous year compared to the budget appropriation for that year; ✓ Updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper ✓ Information on; <ul style="list-style-type: none"> ➢ Any changes in the forecasts compared with the County Fiscal Strategy Paper ➢ How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and ➢ Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>address the deviation and the time estimated for doing so.</p> <p>CFSP</p> <ul style="list-style-type: none"> • Confirm that the Sector Working Groups submit their Sector Working Group reports to County Treasury as input into the County Fiscal Strategy Paper <i>Table 2 of the CBOM 2014</i> • Confirm that CFSP contains an assessment of (<i>Sec. 118(2) of the PFMA, 2012</i>); <ul style="list-style-type: none"> ✓ Medium term macroeconomic framework and its outlook as contained in the Budget Policy Statement and how it impacts on the county economic environment; ✓ Medium-term fiscal framework defining a top-down aggregate resource envelope and broad expenditure levels; ✓ Indicative allocation of available resources among county government entities; ✓ Economic assumptions underlying the county budgetary and fiscal policy over the medium term; and ✓ A statement of fiscal responsibility principles, indicating whether the fiscal strategy adheres to these principles. ✓ A fiscal risk statement • Confirm that the budget ceilings take into account; <ul style="list-style-type: none"> ✓ The aggregate resource envelope following the forecast of major revenue (including the equitable share) and expenditure categories (according to both economic and administrative classification); ✓ The non-discretionary expenditure (debt service, wages and other related items);

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ The overall expenditure taking into consideration the fiscal rules; ✓ Breakdown of the overall expenditure into recurrent and ✓ development expenditure by sector ceilings; and ✓ Expenditure priorities as set out in county government policies • Confirm adherence to the following principles(<i>Sec. 107(2) of the PFMA, 2012 and Reg. 25(1) of the CGPFMR, 2015</i>); <ul style="list-style-type: none"> ✓ The county government’s expenditure on wages and benefits for its public officers does not exceed thirty five (35) percent of the county government’s total revenue(the revenue does not include revenues that accrue from extractive natural resources including as oil and coal) ✓ The county public debt does not exceed twenty(20%) percent of the county governments total revenue ✓ The approved expenditures of a county assembly does not exceed seven per cent of the total revenues of the county government or twice the personnel emoluments of the county assembly, whichever is lower; ✓ Over the medium term a minimum of thirty percent of the county government’s budget is allocated to the development expenditure <p>Annual Budget</p> <ul style="list-style-type: none"> • Confirm that the Accounting Officers prepared and submitted printed estimates in a format prescribed in the Budget Circular and in a format that supports program-

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>based budgeting and classification of expenditure in economic classes <i>Reg. 30(1) of the CGPFMR, 2015</i></p> <ul style="list-style-type: none"> • Confirm that the submitted printed estimates, include estimates for the current year (N) and for the forthcoming financial year (N+1) and two outer years on a rolling basis (N+2), (N+3) <i>Reg. 30(1(a)) of CGPFMR, 2015</i> • Confirm that budget proposals are supported by the county government strategic plan <i>Reg. 30(2) of CGPFMR, 2015</i> • Confirm that the Budget Estimates for the Sector are consistent with the CFSP <i>Reg. 30(1(b), 6) of the CGPFMR, 2015</i> • Verify that the preparation and submission of estimates was done exclusively through prescribed automated integrated financial management systems(IFMIS Hyperion Module) <i>Reg. 30(3) of CGPFMR, 2015</i> • Confirm that unutilized prior year balances meant for projects are re-voted for the project <i>Reg. 116(2) of the CGPFMR, 2015</i> • Confirm that(<i>Reg. 31 of the CGPFMR, 2015</i>); <ul style="list-style-type: none"> ✓ Budget revenue and expenditure appropriations is balanced ✓ The Kenyan Shillings is the unit of account for drawing up and implementation of the county government budgets, as well as the presentation of those accounts; ✓ Total budgeted revenue covers total budgeted expenditure and therefore; <ul style="list-style-type: none"> ➤ Except as provided by legislation, there is no use of specific revenue to finance specific expenditure;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ➤ Appropriation is for a specific purpose or a specific program or item of expenditure; and ✓ Budget estimates takes into account expenditure priorities, which contributes to the realization of the required output and desired policy outcome. • When the County Assembly makes amendments to the Budget before approval, confirm that; <ul style="list-style-type: none"> ✓ Changes are consistent with the resolutions adopted regarding CFSP <i>Sec. 131 of the PFMA, 2012</i> ✓ Any increase in expenditure in a proposed appropriation, is balanced by a reduction in expenditure in another proposed appropriation <i>Sec. 131(2(a)) of the PFMA, 2012</i> ✓ Any proposed reduction in expenditure is used to reduce the deficit <i>Sec. 131(2(b)) of the PFMA, 2012</i> ✓ Any increase or reduction in expenditure of a Vote approved by the county assembly does not exceed one (1%) percent of the Vote's ceilings' <i>Reg. 37(1) of the CGPFMR, 2015</i> • Confirm that after the passage of the Appropriation Bill, A governor's Warrant is issued in respect of the signed Bill <i>Reg. 20 of the CGPFMR, 2015</i>. Confirm that a copy of the warrant is given to the Controller of Budget • Confirm that the CECM for finance issues County Treasury warrant granting authority to Accounting Officers to incur expenditure for the year in respect of their votes <i>Reg. 21 of the CGPFMR, 2015</i>. • Confirm that the Annual Cash Flow Plan is prepared and submitted to the County Treasury by the date indicated

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>in the <i>County Treasury's Budget Implementation Guidelines for the respective financial year (Reg. 43(1) of the CGPFMR, 2015)</i></p> <ul style="list-style-type: none"> • Confirm that the Annual Work Plan is prepared and submitted to the County Treasury by the date indicated in the <i>County Treasury's Budget Implementation Guidelines for the respective financial year</i> • Confirm that the Annual Procurement Plan, consistent with the Budget is prepared and submitted to the County Treasury by the date indicated in the <i>County Treasury's Budget Implementation Guidelines for the respective financial year Sec. 53(2) of PPADA, 2015</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans
		<ul style="list-style-type: none"> • Unforeseen events 	<ul style="list-style-type: none"> • Authority for additional expenditure (Approved Supplementary Budget) 	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on preparation and approval of the supplementary budget • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the most recent supplementary budget and confirm that the necessary laws and steps as documented in the TOD are followed in its preparation approval and implementation. • Review the process map and identify any existing gaps <p>TOE</p> <ul style="list-style-type: none"> • Confirm that prior to incurring any additional expenditure not in the County Appropriation Act, the

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>Accounting Officer has sought the approval of the County Treasury and the notification sent to the Auditor-General and the Controller of Budget Reg. 39(2) of the CGPFMR, 2015</p> <ul style="list-style-type: none"> • Confirm that a county government entity that requires additional funds through a supplementary budget process, submits a memorandum to the County Treasury Reg. 39(7) of the CGPFMR, 2015 • Confirm that the Supplementary Budget Circular is issued by the CECM for finance to facilitate the Supplementary Budget Process Reg. 39(1) of the CGPFMR, 2015 • Check whether the county government has spent money that had not been appropriated in the County Appropriation Act Sec. 135(1) of the PFMA, 2015 • Confirm adherence to the following principles (Sec. 107(2) of the PFMA, 2012 and Reg. 25(1) of the CGPFMR, 2015); <ul style="list-style-type: none"> ✓ The county government’s expenditure on wages and benefits for its public officers does not exceed thirty five (35) percent of the county government’s total revenue (the revenue does not include revenues that accrue from extractive natural resources including as oil and coal) ✓ The county public debt does not exceed twenty (20%) percent of the county governments total revenue ✓ The approved expenditures of a county assembly does not exceed seven per cent of the total revenues of the county government or twice the personnel emoluments of the county assembly, whichever is lower;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Over the medium term a minimum of thirty percent of the county government’s budget is allocated to the development expenditure • Confirm that the purpose for which the Supplementary Budget is prepared is restricted to any or all of the following (<i>Sec. 135(1) of the PFMA, 2012 and Reg. 39(3) of the CGPFMR, 2015</i>); <ul style="list-style-type: none"> ✓ The amount appropriated for any purpose under the County Appropriation Act is insufficient ✓ A need has arisen for expenditure for a purpose for which no amount has been appropriated by Appropriation Act ✓ Money has been withdrawn from the county government Emergency Fund ✓ The circumstance is unavoidable • Confirm that the additional expenditure for which authority is sought does not include (<i>Reg. 39(3,8) of the CGPFMR, 2015</i>); <ul style="list-style-type: none"> ✓ Expenditure that, although known when finalizing the estimates of the original budget, could not be accommodated within allocations; and ✓ Tariff adjustments and price increases ✓ Budget allocation for new policy options and service delivery initiatives • Confirm that the Supplementary Budget in support of the additional expenditure is submitted to the County Assembly for approval and description of how the additional expenditure relates to the fiscal responsibility principles and financial objectives (<i>Sec. 135(2,3) of the PFMA, 2012</i>) • Confirm that the approval of the county assembly for the spending is sought (<i>Sec. 135(4,5) of the PFMA, 2012</i>);

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Within two months after the first withdrawal of the money. ✓ If the county assembly is not sitting during the time contemplated above or is sitting but adjourns before approval has been sought, approval is sought within fourteen days after it next sits. • Confirm that after the Supplementary Budget is approved by the County assembly, a Supplementary Appropriation Bill is submitted to the County Assembly for approval <i>Sec. 135(6) of the PFMA, 2012</i> • Confirm that the additional expenditure in a year does not exceed ten percent of the amount appropriated by the county assembly for that year unless that county assembly has, in special circumstances, approved a higher percentage (The Final Supplementary Budget does not vary from the Original Budget by more than 10%) <i>Sec. 135(7) of the PFMA, 2012</i> • Confirm that the Supplementary Budget is presented as a comparative to the Original Budget and includes; <ul style="list-style-type: none"> ✓ The Vote, program, sub-program and broad expenditure category which it is desired to supplement, the original sum voted thereon and any supplements which may have since been added; ✓ The actual expenditure and the outstanding liabilities or commitments against the item on the date when the request is made; ✓ The amount of the supplement required, the reasons why the supplement is necessary and why it has not been possible to keep within the voted provision;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ The basis for the calculation underpinning the supplementary; ✓ The proposed source of financing of the additional expenditure; ✓ An analysis of the fiscal impact of the additional expenditure, or of the implications, if any, for the planned outputs and outcomes of the affected programs; ✓ Any implied deviation from the Medium Term Expenditure Framework (MTEF) and the financial objectives; and ✓ The latest fiscal projections. • Confirm that the CECM for finance submits an approved Supplementary Budget to The National Treasury <i>Reg. 39(10) of the CGPFMR, 2015</i> • Confirm that after the passage of the Supplementary Appropriation Bill, A Supplementary Governor’s Warrant is issued in respect of the signed Bill <i>Reg. 20 of the CGPFMR, 2015</i>. Confirm that a copy of the warrant is given to the Controller of Budget • Confirm that the Annual Cash Flow Plan is revised and submitted to the County Treasury by the date indicated in the <i>County Treasury’s Budget Implementation Guidelines for the respective financial year (Reg. 44(3) and Reg.45(5) of the CGPFMR, 2015)</i> • Confirm that the Annual Work Plan is revised and submitted to the County Treasury • Confirm that the Annual Procurement Plan, consistent with the Budget is revised and submitted to the County Treasury <i>Sec. 53(2) of PPADA, 2015</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans
		<ul style="list-style-type: none"> Staff capacity constraints due to lack of adequate qualifications and training 	Reviews (Rechecks) by the supervisor – Budget Officers	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on internal control(supervision) If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one stage in Budget Making process; development of printed estimates Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the Scheme of Service for Budget Officers to establish the chain of command and review the following stages of Budget Making process to confirm that there was supervision; <ul style="list-style-type: none"> ✓ Development of CBROP ✓ Development of CFSP ✓ Development of the budget estimates Confirm that the County Government has established a Budget Division to manage the budget process and oversee the budget calendar of the county <i>Sec. 027 of the CBOM, 2014</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that, where possible, supervision is built in the internal control system <i>Reg. 158(1(b)) of CGPFMR, 2015</i> • Confirm that all the supervised staff understand the objectives and performance targets of the department <i>G.7 (1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016</i> • Confirm that all the supervised staff keep the supervisor(s) informed about progress and challenges <i>Sec. 2.1.2.1 of the Competency Framework for the Public Service, 2017</i> • Confirm that the supervisor demonstrates ability to provide technical supervision of staff <i>Sec. 2.2.2.3 of the Competency Framework for the Public Service, 2017</i> • Confirm that where delegation is done, accountability is retained by the supervisor <i>Sec. 2.2.3.3 of the Competency Framework for the Public Service, 2017</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans
		<ul style="list-style-type: none"> • Lack of sufficient citizen participation in budget making and planning processes 	Approved Public Participation Guidelines	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on Public Participation • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one Public Participation event • Confirm that the design documented under TOD is implemented as documented.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the Approved Budget and the Annual Development Plan • Confirm that there was public participation in the budget making process was undertaken <i>Sec. 125(2) PFM Act 2012</i> • Confirm that public participation meets the following criteria(<i>Sec. 87 of the CGA, 2012</i>); <ul style="list-style-type: none"> ✓ Timely access to information, data, documents, and other information relevant or related to policy formulation and implementation; ✓ Reasonable access to the process of formulating and implementing policies, laws, and regulations, including the approval of development proposals, projects and budgets, the granting of permits and the establishment of specific performance standards; ✓ Protection and promotion of the interest and rights of minorities, marginalized groups and communities and their access to relevant information; ✓ Legal standing to interested or affected persons, organizations, and where pertinent, communities, to appeal from or, review decisions, or redress grievances, with particular emphasis on persons and traditionally marginalized communities, including women, the youth, and disadvantaged communities;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Reasonable balance in the roles and obligations of county governments and non-state actors in decision-making processes to promote shared responsibility and partnership, and to provide complementary authority and oversight ✓ promotion of public-private partnerships, such as joint committees, technical teams, and citizen commissions, to encourage direct dialogue and concerted action on sustainable development; and ✓ Recognition and promotion of the reciprocal roles of non-state actors' participation and governmental facilitation and oversight. • Confirm that the county government has established the following established structures for citizen participation, including but not limited to(<i>Sec. 91 of the CGA, 2012</i>); <ul style="list-style-type: none"> ✓ Information communication technology based platforms; ✓ Town hall meetings; ✓ Budget preparation and validation fora; ✓ Notice boards: other important announcements of public interest; ✓ Avenues for the participation of peoples' representatives including but not limited to members of the National Assembly and Senate; or ✓ Establishment of citizen fora at county and decentralized units. • Other than CBEF, confirm that Public Participation is open to all members of the public, either individually or in a self-organized form that is legally recognized <i>Sec. 1.6 of the County Public Participation Guidelines</i>;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p><i>Ministry of Devolution and Planning & Council of Governors, 2016</i></p> <ul style="list-style-type: none"> • Confirm that the county government has allocated a certain percentage of its budget to public participation <i>Sec. 3.1 of the County Public Participation Guidelines; Ministry of Devolution and Planning & Council of Governors, 2016</i> • Confirm that the county officials and the public have acquired the requisite skills, values and attitudes for effective public participation through capacity building <i>Sec. 3.3 of the County Public Participation Guidelines; Ministry of Devolution and Planning & Council of Governors, 2016</i> • Confirm that the county government provides incentives in form of provision of snacks, meals and transport for the public to attend public participation functions <i>Clause 136 of the County Public Participation Guidelines; Ministry of Devolution and Planning & Council of Governors, 2016</i>. Further, confirm that (other than county officials and CBEF), members of the public are not compensated for attending the public participation event <i>SRC Circular No. SRC/TS/AG/3/37/38 dated 21st February, 2014</i> • Confirm that the County Government has established a (Name of the County) CBEF <i>Sec. 137(1) of the PFMA, 2012</i> • Confirm that the CBEF consists of <i>Sec. 137(2) of the PFMA, 2012;</i> <ul style="list-style-type: none"> ✓ The Governor ✓ Other CECMs ✓ Persons(not being county public servants) nominated by organizations representing professionals, business, labor issues, women,

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>persons with disabilities, the elderly and faith based groups at the county level <i>Sec. 137(2) of the PFMA, 2012</i></p> <ul style="list-style-type: none"> • Review the minutes of the CBEF to confirm whether it effectively undertakes consulting roles relating to (<i>Sec. 137(3) of the PFMA, 2012 and Reg. 209(1) of the CGPFMR, 2015</i>); <ul style="list-style-type: none"> ✓ Preparation of county plans, the County Fiscal Strategy Paper and the Budget Review and Outlook Paper for the county ✓ Matters relating to budgeting, the economy and financial management at the county level ✓ Matters arising from Intergovernmental Budget and Economic Council and other intergovernmental forums • Confirm that CBEF meets at least twice in a year <i>Reg. 209(2) of the CGPFMR, 2015</i> • Confirm that the County Government responds expeditiously to petitions and challenges from citizens on matters related to planning and budgeting <i>Sec. 89 of the CGA, 2012</i> • Confirm that the Governor submits an annual report to the county assembly on citizen participation in the affairs of the county government(<i>Sec. 92(2) of the CGA, 2012</i>) • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans
2.	To confirm that the approved budget and the annual development plan are implemented as approved by the County assembly	<ul style="list-style-type: none"> • Deviation from the approved budget 	<ul style="list-style-type: none"> • Budget implementation reports 	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on preparation and submission of the budget implementation reports. <p>TOI</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Obtain a budget implementation report and confirm that the necessary laws and steps as documented in the TOD are followed in its preparation and submission • Review the process map and identify any existing gaps <p>TOE</p> <ul style="list-style-type: none"> • Confirm that the Accounting Officers to the County Assembly report regularly on the implementation of their budget <i>Sec. 147(1(h)) of the PFMA, 2012</i> • Confirm that the County Treasury reports regularly to the County Assembly on the implementation of the annual county budget <i>Sec. 104(1(r)) of the PFMA, 2012</i> • Confirm that the Budget Division prepares regular reports for the CECM-Finance to submit to the County Assembly on the implementation of the annual county budget <i>Sec. 027(i) of CBOM, 2014</i> • Confirm that the PFM Standing Committee is established by the Accounting Officer to regularly review, monitor budget implementation and advice on the entity's accounts, major capital expenditures and review performance and strategies at least on a quarterly basis <i>Reg. 19(b) of the CGPFMR, 2015</i> • Confirm that the Accounting Officer has established a Budget Implementation Committee to monitor the progress of budget implementation and advise the accounting officer on how to handle bottlenecks that affect the implementation of the budget <i>The National Treasury's and the County Treasury's Budget Implementation Guidelines for the respective financial year</i> • Confirm that all the Accounting Officers not later than the 10th day of each month submit a monthly financial and non-financial budgetary report in the prescribed

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>format to be issued preceding month to the County Treasury with copies to the Controller of Budget and the Auditor-General whose contents include(<i>Reg. 54 of the CGPFMR, 2015</i>);</p> <ul style="list-style-type: none"> ✓ Actual revenues, including appropriations in aid; ✓ Expenditures classified in economic classification as follows— <ul style="list-style-type: none"> ➤ compensation to employees; ➤ use of goods and services; ➤ transfer to other levels of government; and ➤ capital expenditure; ➤ pending payments with an age of over ninety days; ➤ a projection of expected expenditure and revenue collection for the remainder of the financial year; ✓ Pending payments with an age of over ninety days; ✓ A projection of expected expenditure and revenue collection for the remainder of the financial year ✓ When necessary, an explanation of any material variances; ✓ A summary of the steps that are to be taken to ensure that the projected expenditure and revenue remain within budget <ul style="list-style-type: none"> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans
		<ul style="list-style-type: none"> • Unauthorized and unsupported reallocation of funds that may lead to 	<ul style="list-style-type: none"> • Approved Budget Reallocations 	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on Budget Reallocations

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		misstatements of budget implementation reports		<p>TOI</p> <ul style="list-style-type: none"> • Select one budget reallocation activity confirm that the necessary laws and steps as documented in the TOD are followed in its preparation and submission • Review the process map and identify any existing gaps <p>TOE</p> <ul style="list-style-type: none"> • Obtain the IFMIS vote books for all the entities. Use your IFMIS GL user rights to extract the budget adjustment entries and sample according to the approved sampling criteria. Confirm that all the budget adjustment entries are made through a Gazetted Form for Application for Reallocation of Provision Form(F.O 3) • Confirm that the reallocations approved by the respective Accounting Officer of the entity <i>Reg. 47(5) of the CGPFMR, 2015</i> • Confirm that a request for the reallocation has been made to the County Treasury explaining the reasons for the reallocation and the County Treasury has approved the request <i>Sec. 154(2(b)) of the PFMA, 2012</i> • Analyze the reallocations to confirm that <i>Sec. 154(2(a)) of the PFMA, 2012</i> and <i>Reg.47(1) of the CGPFMR, 2015</i> <ul style="list-style-type: none"> ✓ They do not affect the total voted provision; ✓ The provisions in the budget of the program or sub-vote from within which the funds are to be transferred are unlikely to be utilized; ✓ Reallocation is in accordance with donor conditions in the case of reallocation impacting on donor-funded expenditure; ✓ The reallocation does not affect the voted provisions from wage to non-wage expenditure or from capital to recurrent expenditure; and

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Allocations earmarked by the County Treasury for a specific purpose may not be used for other purposes, except with Treasury’s approval. • Confirm that the budget re-allocations are not made from(<i>Sec. 154(2(a)) of the PFMA, 2012</i>); <ul style="list-style-type: none"> ✓ One county government entity or person to another county government entity or person; ✓ Capital expenditure except to defray other capital expenditure ✓ Wages to non-wage expenditures • Confirm that the total of all reallocations made to or from a program or Sub-Vote does not exceed ten percent of the total expenditure approved for that program or Sub-Vote for that year <i>Sec. 154(2(c)) of the PFMA, 2012</i> • Confirm that the Accounting Officers maintains a register of all budgetary reallocations and use it to prepare a report of all reallocations to the County Treasury not later than the 10th day of each month. Confirm that the report contains(<i>Reg. 41(3,4) of the CGPFMR, 2015</i>); <ul style="list-style-type: none"> ✓ Measures taken by the Accounting Officer to mitigate against future reallocations ✓ Impact that the reallocations may have had on program objectives, planned program outputs and outcomes • Confirm that the County Treasury consolidates all reallocations and includes them in the next revised budget (<i>Reg. 41(5) of the CGPFMR, 2015</i>) • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
3.	To establish that budgeted expenditure is used for the activities for which the money was appropriated	<ul style="list-style-type: none"> ✓ Use of budgetary resources on activities whose appropriations were not earmarked for 	<ul style="list-style-type: none"> • Vote Control 	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on Vote Control <p>TOI</p> <ul style="list-style-type: none"> • Select one payment voucher and confirm that the necessary laws and steps as documented in the TOD are followed in its preparation. • Review the process map and identify any existing gaps <p>TOE</p> <ul style="list-style-type: none"> • Obtain Bank Statements. Obtain a representative sample of payments using the approved sampling criteria. Obtain the Payment Vouchers relating to the sample • Confirm that the Accounting Officer does not authorize payment to be made out of funds earmarked for specific activities for purposes other than those activities in line with <i>Reg. 53(1) of the CGPFMR, 2015</i> <p>Financial Management System</p> <ul style="list-style-type: none"> • Confirm that all transactions are recorded in a financial management system prescribed by The National Treasury(IFMIS) <i>Sec. 12(1e)) of the PFMA, 2012 and Reg. 109(1) of the CGPFMR, 2015</i> • Confirm that users of IFMIS(<i>Reg. 3 of the CGPFMR, 2015</i>); <ul style="list-style-type: none"> ✓ do not use or attempt to use the automated system without authorization of the system administrator ✓ Take all reasonable steps to maintain the integrity of passwords and other security mechanisms;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Where a password becomes insecure or potentially insecure, as soon as is practicable, implement a new secure password; ✓ Not do anything that damages, restricts, jeopardizes, impairs or undermines the performance, usability, reliability, confidentiality or accessibility of any digital information system, programme, or other stored information data; ✓ Not alter, delete or in any other way interfere with, any information, data or files; ✓ Be responsible for any unlawful entry on the automated public financial management system using such persons password; <p>Procedures</p> <ul style="list-style-type: none"> • Confirm that no public officer spends or commits funds until he or she has been properly authorized by means of an Authority to Incur Expenditure (AIE) to do so <i>Reg. 51(1(a)) of the CGPFMR, 2015</i> • Confirm that AIE holders understand that the limit to which they may spend is that prescribed by the authority and not their expectations, however justified these may seem <i>Reg. 51(1(b)) of the CGPFMR, 2015</i> • Confirm that when the AIE is issued by the county department or agency, the allocation shall be entered as a commitment in the county department's or agency's master vote book so as to ascertain at all times the availability of uncommitted funds <i>Reg. 51(1(d)) of the CGPFMR, 2015</i> • Confirm that the accounting officers whose votes cover field programs, sub-county and projects shall issue AIE's to their field programs, sub-county and project officers

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>not later the 15th day of each quarter <i>Reg. 51(1(e)) of the CGPFMR, 2015</i></p> <ul style="list-style-type: none"> • Confirm that public officers issued with AIE's shall also be informed in writing that the actual expenditures shall not exceed the limit authorized in the AIE's <i>Reg. 51(1(f)) of the CGPFMR, 2015</i> • Confirm that all AIE's to field public officers shall show the following details at the minimum and copies submitted to the Auditor-General(<i>Reg. 51(1(h)) of the CGPFMR, 2015</i>); <ul style="list-style-type: none"> ✓ the gross total amount of funds per Vote allocated and applied against the AIE issued; and ✓ the total amount of AIA to be collected; • Confirm that records are kept in such a form as shall clarify at any time – Vote Control Book (<i>Reg. 51(1(i)) of the CGPFMR, 2015</i>); <ul style="list-style-type: none"> ✓ the total amount of expenditure sanctioned for service of the year; ✓ the amount of the expenditure charged; ✓ any further known liabilities in respect of the year; and • Confirm that transactions are posted to the correct vote heads as per the approved estimates <i>Reg. 99(2) of the CGPFMR, 2015</i>

2.2 Sub-Process: Own Revenue and Appropriation in Aid

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To ascertain that the County Government	<ul style="list-style-type: none"> • Litigation due to collection of illegal revenues 	<ul style="list-style-type: none"> • Appointment letter of receiver of 	TOD

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
	<p>receives all revenues it is entitled to.</p>	<ul style="list-style-type: none"> Loss of revenue due to non-collection of specified revenues 	<p>revenue and revenue collectors</p> <ul style="list-style-type: none"> List of staff in revenue department and their Job Description (J/D) County Finance Act. 	<ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on authorizing, definition and staffing of revenue section. <p>TOI</p> <ul style="list-style-type: none"> Obtain the Appointment letter of receiver of revenue and revenue collectors. Obtain List of staff in revenue department and their J/D Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Authority to collect and account for revenue</p> <ul style="list-style-type: none"> Check whether the receiver of revenue is designated by the County Executive Committee Member under section 157 of the Act Confirm that the own source of revenue comprises of THE following— <ul style="list-style-type: none"> a) domestic loans receipts. b) tax revenues; and c) non-tax revenues including exchequer non-tax receipts and Appropriation-in-Aid. Identify the types of revenue collectable by the entity. Identify types of accountable documents used for collection of revenue. Establish existence of proper authority to collect revenue through proper appointment letter.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> For any refunds, check to confirm that proper authority was issued.
2.	To check on accuracy of revenue reporting	<ul style="list-style-type: none"> Under-reporting/over-reporting of revenue Potential Litigation on revenue non reporting Penalties on non /wrong reporting of revenue 	<ul style="list-style-type: none"> Quarterly revenue report statements Financial statement Approved budget estimate 	<p>Revenue Reporting System Obtain a sample of quarterly revenue reports and undertake the following tests.</p> <ul style="list-style-type: none"> Check whether the Accounting Officer or receiver of revenue or collector of revenue have prepared a quarterly report not later than the 15th day after the end of every quarter in accordance with PFMR 67(1). Check whether the quarterly revenue report includes the following details; <ol style="list-style-type: none"> a statement of receipts and disbursements in the format prescribed by the Public Sector Accounting Standards Board a statement of arrears of revenue which is classified by financial year; reasons for material differences between approved estimates and the actual revenue collected. Check whether the annual, quarterly and monthly statements by a receiver of revenue submitted to the County Treasury under sections 158(3) and 165 of the Act, are in the format gazetted by the Cabinet Secretary.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
3.	To evaluate the monitoring processes undertaken for the non-tax revenue collected by various County Ministries and Sub-Counties.	<ul style="list-style-type: none"> • Under-reporting/ over-reporting of revenue • Use of revenue at source • Use of non-authorized accountable documents 	<ul style="list-style-type: none"> • CRB Registers. • Banks statement and bank reconciliation 	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on documenting, accounting and monitoring revenue collections <p>TOI</p> <ul style="list-style-type: none"> • Obtain CRB Registers and Banks statement and bank reconciliation • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>Revenue Legislation.</p> <ul style="list-style-type: none"> • Check whether the estimates of revenues is in the format issued by the Cabinet Secretary and includes the following; <ol style="list-style-type: none"> a) the description of the source of revenue in terms of head code; b) estimated revenues; c) the receiver of revenue; d) for each revenue head, there are revenue items • Check whether the receiver of revenue for loans and grants funds is the Chief Officer to the County Treasury in accordance with PFMR sec 63(3). <p>Responsibility for Revenue Management</p> <ul style="list-style-type: none"> ➤ Check whether the accounting officer and a receiver of revenue are personally responsible for ensuring that;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • adequate safeguards exist and are applied for the prompt collection and proper accounting for, all county government revenue and other public moneys relating to their county departments or agencies; • adequate measures, including legal action where appropriate, are taken to obtain payment for revenues properly due to the County; • Official receipts are issued for all moneys paid to the county government. <p>➤ Check whether the accounting officer or receiver of revenue have reported all difficulties & challenges encountered in collecting revenues to the County Executive Committee Member without delay.</p> <p>Regulated collection, custody and issue of accountable documents Obtain the Counterfoil Receipt Book for issuance of accountable documents and undertake the following tests.</p> <ul style="list-style-type: none"> • Verify to establish that form S12 is duly issued and approved to collect receipt books from the Government Printer. • Verify & establish the entry of receipt of books and other accountable documents from Govt in the Register. • Trace in the Counter foil Receipt Book (CRB) Register using issue notes from Government Printers.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Verify & confirm that appropriate authority was used to issue accountable documents to users. • Verify to confirm that issues are made to an individual person by name who should personally acknowledge receipt of accountable documents. • Establish the safe custody of used, partly used and unused accountable documents. • Ascertain that there is a proper control over retention of records in line with the requirements.
4.	To establish whether there is proper collection, accounting and safe custody of revenue/AIE collected.	<ul style="list-style-type: none"> • Use of revenue at source 	<ul style="list-style-type: none"> • CRB Registers. • Banks statement and bank reconciliation 	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on revenue collection and revenue management <p>TOI</p> <ul style="list-style-type: none"> • Obtain CRB Registers, Banks statement & Bank reconciliation • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>Receipting of all revenue and proper maintenance of records.</p> <ul style="list-style-type: none"> • Verify to establish that all issues are recorded in the Collection Control Sheets (CCS). • Ascertain if all receipt books in use were officially issued from the CRB register. • Compare records of collections in the CCS and cash book.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Where receipts are not of fixed amounts cross-check with the originating authority (files). • Confirm receipts of remittances at the final destination. <p>Timely Banking.</p> <ul style="list-style-type: none"> • Ascertain those proper procedures was followed in opening the revenue collection bank accounts. • Ascertain the presence of revenue collection account. • Ascertain that all revenue is transferred to CRF Account in central bank. • Ascertain that no collections are used at source but banked intact. • Confirm from a sample of bank statements for several months that bank pay-in-slips are all reflected in the bank statement. • Determine and evaluate the period between receipts and banking with a view to confirm that there were no significant delays in banking. <p>Reconcile actual collection as per Collection Control Sheet (CCS) with the cash surrenders or banking as appropriate.</p> <p>Seek explanations for any variances and ensure all the variances are properly explained and documented.</p> <p>Segregation of duties</p> <ul style="list-style-type: none"> • Confirm that segregation of duties by establishing that the officer who approves

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				collection of books from Government Printers does not collect, and the officer who collects the books does not maintain CRB.

2.3 Sub-Process: Accounts Receivable (Ordinary, Temporary and Standing Imprests)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	<p>Accounts Receivable (ordinary)</p> <p>To determine whether there are adequate controls and procedures to ensure the proper recording and presentation of accounts receivable in the financial statements.</p>	<ul style="list-style-type: none"> The Accounts Receivable listing/schedule may be inaccurate and balances nonexistence. 	<p>Individual Debtor Accounts (Accounts Receivable schedule)</p>	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on processing, accounting and disclosure of Accounts receivable. <p>TOI</p> <ul style="list-style-type: none"> Obtain the Accounts Receivable schedule/listing Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Accounts Receivable Schedule</p> <ul style="list-style-type: none"> Perform a positive trade receivables circularization of a representative sample of the year-end balances, for any non-replies, with accounting officer's permission, send a reminder letter to follow up.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Review the after-date cash receipts and follow through to pre-year-end receivable balances. • Review the reconciliation of receivables ledger control account to the receivables ledger list of balances. • Review correspondences to assess whether there are any material disputed receivables. • Review a sample of post year-end credit notes to identify any that relate to pre-year-end transactions to verify that they have not been included in receivables. • Select a sample of year-end receivable balances and review the supporting documentation to ensure existence. • Compare the level of prepayments to the previous year to ensure the figure is materially correct and complete
2.	To verify whether there are adequate controls and procedures to ensure the adequate recording, collection and accounting of accounts receivable.	Accounts receivable may not be collectible	Accounts Receivable ageing analysis report	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on processing, collection and disclosure of Accounts receivable. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the Accounts Receivable ageing analysis report. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. • Note any gaps in implementation <p>TOE Accounts Receivable Ageing Analysis Report</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Calculate average receivable days and compare this to prior year, investigate any significant differences. • Inspect the aged receivables report to identify any slow-moving balances, discuss these with the Finance Unit Management to assess whether an allowance or write down is necessary. PFM Regulations Sec 83 (2) (f). • For any slow moving/aged balances review customer correspondence to assess whether there are any invoices in dispute.
		Bad debts write-off may not be valid	Accounts Receivable write-off report	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on processing, collection and write-off of Accounts receivable. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the Accounts Receivable ageing analysis report. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. • Note any gaps in implementation <p>TOE Obtain a schedule of bad debts to be written off</p> <ul style="list-style-type: none"> • Ascertain that Finance department reviews all outstanding debts which are under dispute, on a monthly basis and an investigation report done before any bad debt provisions are made. PFM Regulations Sec 149.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Ascertain that accounts receivable losses are written-off after the accounting officer satisfies him/herself that PMF Regulations Sec 150; <ul style="list-style-type: none"> a) All reasonable steps have been taken to recover the loss and the loss is irrecoverable. b) Recovery of the losses would be uneconomical, and it would be to the advantage of the county government entity to effect a settlement of its claim or to waive the claim. • Review the reasonableness of bad debts expense in light of the levels of bad debt write-offs compared to prior years. • Examine the documentation relating to write-offs during the period to determine whether the write-offs were adequately authorized. PMF Regulation Sec 142 (2) (a). <p>Carry out other tests of operating effectiveness aligned to specific county policies, procedures and bad debt write-offs standards.</p>
3	<p>Imprest Management (Temporary and Standing Imprests)</p> <p>To establish whether the facility is availed for official use and properly used/maintained.</p>	Misuse of imprest facility.	Imprest Application and Surrender Registers	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on issuance, processing and accounting for Temporary and Standing Imprest. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the Imprest application and surrender register, (Temporary and Standing Imprest) for the period under review.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE Temporary or Safari Imprest</p> <ul style="list-style-type: none"> ▪ Obtain a listing/register of all Safari/temporary imprest outstanding and perform the following tests. ▪ Confirm validity of the application and the personal details of the applicants. ▪ Confirm if the relevant approvals for issuance and "top-up" of imprests were granted. ▪ Determine the type of imprest issued and if it meets the criteria stipulated in Regulation 93 (1, 2, 11 & 18) of PFMA Regulations. <ol style="list-style-type: none"> a) Establish the existence of an imprest register b) Test and confirm that all imprests issued are recorded accurately. c) Ascertain whether imprests are issued to officers with no outstanding imprest as provided for in PFM Regulation 93 (4b & 8). d) Ascertain that holder of imprest account or surrender imprest on the due date (within 7 working days after return to duty station) failure to which appropriate action is undertaken in line with PFM Regulation 93 (6). In case of any exceptions, ascertain that a valid explanation exists, and this had been approved.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>e) Ensure the recovery of imprest from a public officer by installments is authorized by the accounting officer.</p> <p>f) Ascertain that before issuance of temporary imprests, the Accounting Officer satisfied himself that;</p> <ul style="list-style-type: none"> ▪ the main objective of the journey cannot be achieved by any other cheaper means. ▪ the applicant has no outstanding imprests; ▪ the applicant imprest has been recorded in the imprest register including the amount applied for; ▪ adequate funds are available against the relevant items of expenditure to meet the proposed expenditure <p>g) Determine the type of imprest issued and if it meets the criteria stipulated in Regulation 93 (1, 2, 11 & 18) of PFMA Regulations.</p> <p>h) Ascertain that accompanying application for imprest or per diems has been approved by AIE holders on justification and submission of the applicant's names, personal number, job group, rates, number of nights out and the itinerary for a travel imprest.</p> <p>i) Confirm that Imprest is issued only to the applicant and not to another officer on behalf of the applicant.</p> <p>j) Ascertain that in cases where imprest was not accounted for within 7 days, it was reclassified as a staff debt and recovered from the salary of the applicant through the payroll system.</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>k) Ascertain that Imprest is only spent for the intended activities Ascertain that an applicant returned unutilized funds to the cash office and a receipt was issued.</p> <p>l) Establish if the surrender voucher is properly authorized and processed.</p> <p>m) For instances of over-expenditure, ascertain that the imprest holder received authorization from the authorizing officer to incur the expenditure.</p> <p>n) Check that the staff is not issued with a second imprest before the first imprest is surrendered or recovered in full of his or her salary.</p> <p>o) Ascertain that if an imprest is to be recovered from any public officer by instalments, the Accounting Officer authorized such recovery and such moneys are treated as unauthorized advance from county government funds, and thus interest is charged as applicable.</p> <p>p) Ascertain validity of surrender documents, in case of impropriety is established on the part of staff members, appropriate disciplinary action was taken against the officer.</p> <p>Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards.</p> <p>TOE</p> <p>Obtain the Register/schedule of all Temporary and Standing Imprest for the period under review and perform the following tests.</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> a) Ascertain that standing imprest was issued to an officer in his or her own name, and not to the holder of an office. b) Confirm that in instances where an imprest holder left the service or was transferred, he/she surrendered the total standing imprest which includes cash plus payment vouchers and a new imprest issued to his successor. c) Confirm that the holder of a standing imprest maintains a memorandum cash book to record all receipts and payments and the balance on hand agrees with the cash balance recorded in the memorandum cash book, and in the absence of any receipts, the actual cash balances plus the expenses paid equal at all times the fixed level of the imprest for which the imprest holder is personally responsible. d) For instances where the imprest holder needs to have his or her funds replenished, ascertain that he or she sends an abstract and analysis of his or her memorandum cash book, plus originals of the supporting payment vouchers to accounts division. e) Test and confirm whether imprest warrants were procedurally processed and committed against available balances under relevant expenditure items. f) Ascertain that for all officers holding a standing imprest; <ul style="list-style-type: none"> ▪ that the imprest is issued to him or her and is used for the intended purpose only;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ▪ the imprest moneys and any payment vouchers awaiting replenishment are adequately safeguarded at all times; ▪ proper cash sale receipts are received for all payments out of the imprest; ▪ the full amount of the imprest is accounted for at all times in cash, stamps, money at bank and completed payment vouchers; ▪ goods purchased through imprest are taken on charge and certificate issued. <p>g) Ascertain that any imprest holder leaving service or is transferred surrenders total outstanding imprest.</p> <p>Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards.</p>
4.	To establish whether there is adequate accounting for imprests.	Mis-statement of financial reports.	Imprest Ledger	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on processing, accounting and disclosure of Accounts receivable. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the imprest ledger • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. • Note any gaps in implementation <p>TOE</p> <p>Review the imprest ledger to:</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Ascertain whether the imprest issued is captured in appropriate suspense account in the ledger. • Check and confirm if the surrender payment voucher is properly accounted for by debiting relevant expenditure account and crediting the imprest suspense account. • Check and confirm if the double entry is reflected correctly in the cash book.
		<p>Non-achievement of value for money.</p>	<p>Restricted use of standing imprest to low value purchases while having regard to appropriate quality and for intended purpose.</p>	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on processing, accounting and disclosure of use of standing imprest. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the standing imprest register and schedule • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm if there is an officer personally responsible for the imprest as provided for in PFM Regulation 93 (12). • Confirm if the imprest holder maintains a cashbook to record all transactions pertaining to the standing imprest. • Establish the frequency of replenishment and test to confirm that the standing imprest is not used to circumvent the provisions of PPADA, 2015 and

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>Regulations, 2020. Ascertain whether imprest was used for intended purpose.</p> <ul style="list-style-type: none"> • Ascertain that frequent spot checks are made of the standing imprest itself by responsible officers as follows: <ul style="list-style-type: none"> a. Count the cash on hand; b. Confirm that the actual cash on hand corresponds with the balance on hand as recorded in the cashbook; c. Confirm that all movements (expenses and receipts) since the last check have been properly recorded and are properly documented; d. Ensure that the documents justify the difference between the fixed imprest level and the actual cash balance; and e. Report on any anomalies found to the head of the accounts section. • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards.
		<p>Forgery, fraud and loss of funds.</p>	<p>Segregation of duties.</p>	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on processing, accounting and disclosure of imprest management. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the imprest management work flows. • Confirm that the design documented under TOD is implemented as documented.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Establish if there is segregation of duties for officers involved in the processing and reporting of imprests.

2.4 Sub-Process: Expenditure Management

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1	To confirm that expenditure are adequately supported and correctly calculated. (completeness, measurement)	Lack of supporting documents Goods and services purchased without authorization.	Approved expenditure plans	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on expenditure plan. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Sample one expenditure plan and establish that it has been prepared in line with the requirements documented in the design. Walk through and document the process map Note any gaps in the implementation of the control. <p>TOE Sample a number of expenditure plans and confirm:</p> <ul style="list-style-type: none"> That they have been adequately approved PFMR 104 (1) That the Analyzed expenditure plans have been appropriately executed and any variances are well supported and approved. PFMR 54 (e)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Thoroughly scrutinize the documents supporting the payment. PFMR 85 (3) (c) • Confirm what was requested is in line with what was paid at internet banking level.
2	To establish whether expenditure incurred are budgeted for.	Making un approved payments Un budgeted payments	Approved budget	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on preparation, approval and execution of county budget. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Sample one item in the budget to establish that it has been prepared in line with the requirements documented in the design. • Confirm that the design documented under TOD is implemented as documented. • Note any gaps in the implementation of the control. <p>TOE Sample a number of items in the budget to confirm:</p> <ul style="list-style-type: none"> • Whether all payments are included in the budgets PFMR 31 (b) • Check that votes in the budgets has been utilized as per the budget PFMR 51 (d) • Confirm that the expenditure has been classified as recurrent and development in the budget PFMR 32 (d)
3	To confirm that expenses were correctly allocated and posted in correct account. (classification)	Transactions posted to an incorrect account.	General ledgers	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on allocation and posting of funds.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Sample one general ledger and establish that it has been prepared in line with the requirements documented in the design. • Walk through and document the process map • Note any gaps in the implementation of the control. <p>TOE</p> <ul style="list-style-type: none"> • Confirm the existence of source documents PFMR 117 (1) (a) • Confirm that transactions recorded in the records.
			Bank Reconciliations	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on preparation of bank reconciliations. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain bank reconciliations and Sample one reconciliation and establish that it has been prepared in line with the requirements documented in the design • Walk through and document the process map • Note any gaps in the implementation of the control. <p>TOE</p> <p>Sample a number of reconciliations and confirm:</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • That the reconciliations are in place PFMR 90 (1) • Whether there are discrepancies during reconciliations 90 (3)
			Cash books and other registers	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on preparation of cash books and other registers. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Sample one cash book and establish that it has been prepared in line with the requirements documented in the design • Walk through and document the process map • Note any gaps in the implementation of the control. <p>TOE</p> <p>Sample a number of cash book and other registers to confirm:</p> <ul style="list-style-type: none"> • That the cash book are in place PFMR 100 (1)
4	To establish that payments are only made for goods and services received. (existence, value for money)	There is no value for money (delivery periods, quality and quantity). Payment made before proof of delivery of goods/service is received Payment is made for goods not received, or	Approved Payment voucher	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on payment vouchers. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain payment vouchers • Walk through and document the process map.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		goods not ordered, or damaged goods.		<ul style="list-style-type: none"> Note any gaps in the implementation of the control. <p>TOE Sample payment vouchers to confirm:</p> <ul style="list-style-type: none"> Every entry in the accounts is supported by a voucher or other approved document PFMR 99 (3) Confirm on the date when payment was made and recorded within the right period. PFMR 98 (1) Confirm that all receipts and payments vouchers of public moneys are supported PFMR 104 (1) Check whether all receipt and payment vouchers are made out in indelible ink PFMR 104 (2) Confirm from IFMIS that payments were invoiced and paid for accurately. Confirm that passwords access to IFMIS are only issued and used by the authorized persons. Confirm that the credit terms of the County for payment of suppliers are complied with.
5	To confirm that payments are accurately calculated and recorded in the right period. (completeness, cut off)	Overpayment/underpayment		<ul style="list-style-type: none"> Every entry in the accounts is supported by a voucher or other approved document PFMR 99 (3) Confirm on the date when payment was made and recorded within the right period. PFMR 98 (1) Confirm that all receipts and payments vouchers of public moneys are supported PFMR 104 (1) Check whether all receipt and payment vouchers are made out in indelible ink PFMR 104 (2) Confirm from IFMIS that payments were invoiced and paid for accurately. Confirm that passwords access to IFMIS are only issued and used by the authorized persons. Confirm that the credit terms of the County for payment of suppliers are complied with.
6	To check that imprests have been approved and are accurately recorded and surrendered for.	Un surrendered imprests Lack of supporting documents Un authorized imprest issued	Imprest registers	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on imprest management. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Sample one imprest surrenders/warranties and establish that it has been prepared in line with the requirements documented in the design. Walk through and document the process map Note any gaps in the implementation of the control.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>TOE</p> <ul style="list-style-type: none"> • Sample a number of imprests and confirm: Confirm if imprest is Surrendered within seven days PFMR 93 (1) Check whether imprest has been recorded in the imprest register PFMR 93 (4) (c) Confirm that the applicant has no outstanding imprest PFMR 4 (b) Check that the imprest is issued against a specific objectives PFMR 93 (1)
7	To check whether records on payment are properly secured, access is restricted and kept.	Loss of records Tampering of records	Register of preserved records	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on the preservation of records. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Obtain a register of preserved documents. Confirm that the design documented under TOD is implemented as documented. Note any gaps in the implementation of the control</p> <p>TOE</p> <p>Sample transactions as per the sampling methods or analytics and confirm if:</p> <ul style="list-style-type: none"> • Check whether the account documents are under strict control at all times. PFMR 117 (1) • Confirm that the period to be kept is in line with the provisions of PFMR 118 (3).

2.5 Sub-Process: Accounts Payable (Pending Bills)

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
1.	To confirm availability of funds in the budget before starting the project.	Starting projects without budgets Overpayment	Approved budget		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on approved budget. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain approved budget. Walk through and document the process map Note any gaps in the implementation of the control. <p>TOE</p> <p>Sample using the sampling methodology to:</p> <ul style="list-style-type: none"> Confirm that there are sufficient funds to meet the obligations of the resulting contract as reflected in its approved budget estimates. PPDA 53 (8) Confirm liabilities incurred in excess of any statutory, administrative or any other authority. PFM Regulations Sec 138(c) Establish that all the pending bills are first charged in the budget. Treasury Circular No. 10/2020 and PFM regulations Sec 36 (6) (b) Confirm that all commitments for supply of goods or services shall be done not later than the 31st May each year except with the express approval of the accounting officer in writing. PFMA 50 (1). Confirm that the projects are included in the integrated development planning process which shall include both long term and medium term planning; PFMA 125 (a). Confirm the submission of the debt management strategy to the County Assembly. PFMA Sec 123 (1).

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
2.	To confirm that all invoices, credit notes, adjustments and payments are posted to general ledger in the correct period	<p>Understated accounts Payments made to the wrong suppliers Duplicate payments made on customer invoices Appropriate records may not be kept and reconciled</p>	General ledger	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on the general ledger. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Sample one general ledger and establish that it has been prepared in line with the requirements documented in the design. Walk through and document the process map Note any gaps in the implementation of the control. <p>TOE Sample a number of general ledger and confirm the following:</p> <ul style="list-style-type: none"> Examine a detailed general ledger breakdown of the account; Review payments in the subsequent period and examine supporting documentation; Check other significant debits to supporting documentation; Check goods received notes for that supplier and check that the related invoices have been posted to the creditors ledger account. Check Payment vouchers, cash books and files of unpaid documents
3.	To confirm the existence of the accounts payable reported in the books	<p>Payment of non-existing accounts payable Overpayment/underpayment Payments may be made to fictitious liabilities</p>	Supplier statements and invoices	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on supplier statements and invoices. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
		Delay in making payment			<ul style="list-style-type: none"> • Sample one supplier statements and invoices to establish that it has been prepared in line with the requirements documented in the design. • Walk through and document the process map • Note any gaps in the implementation of the control. <p>TOE Sample a number of supplier statements and confirm:</p> <ul style="list-style-type: none"> • That the invoices received relate to the supplier • Compare the invoice with the statement to ascertain existence of the balance
			Departmental requisitions		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on requisitions. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Sample one requisition to establish that it has been prepared in line with the requirements documented procedure in the design. • Walk through and document the process map • Note any gaps in the implementation of the control. <p>TOE Sample a number of requisitions to confirm:</p>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • That the requisitions originated from user department • Check the requisition and compare with the supplier statements and invoices • Establish the validity of the contract signed and the time. PFMR 51 (J) (ii) and PPAD Regulations 2020 Sec 52
			Supplier Reconciliations		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on supplier reconciliations. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Sample one reconciliation to establish that it has been prepared in line with the requirements documented procedure in the design. • Walk through and document the process map • Note any gaps in the implementation of the control. <p>TOE</p> <p>Sample using the sampling methodology to:</p> <ul style="list-style-type: none"> • Confirm the mathematical accuracy of the purchase journal affecting that period; • Compare the supplier balance at different dates and explain significant or unexpected changes; • Scan the sub-ledger in the general ledger for high value or unusual entries and investigating those items; • Perform additional cut off procedures at the date of the tests in addition to year end cut-off procedures.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> Establish that no advance payment shall be paid to suppliers of goods and services unless provided for in the contractual terms and conditions contained in a valid contract signed between the procuring entity and the supplier. PFMA 98 (2) Identify any long outstanding current liability, more than two years, and establish the reasons for the delay
4.	To establish that there is presentation and disclosures in the financial statements of accounts payable.	Non-disclosure of accounts payable in the financial statements Under/over disclosing of accounts payable Errors and misstatements may not be corrected	Financial statements	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on financial statements. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain approved financial statements. Walk through and document the process map Note any gaps in the implementation of the control. <p>TOE</p> <ul style="list-style-type: none"> Confirm that accounts payable are recorded and disclosed in the statements. PFM Regulations Sec 51 (1) (i) (iii) Confirm the figures in the ledgers as per the statement of the County's liabilities as at the end of the financial year. PFMA Sec 164 (2) (d) Accounts payable amounts agree with invoices or other supporting documents and are recorded correctly as to account and period. confirm that accounts payable represent actual obligations of the entity and that those transferred to the County are valid and belong to the County. PFM Regulations 134 (1) (a)

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Check whether all unpaid invoices from suppliers are reported at the financial statements. • Obtain explanation for long outstanding balances

2.6 Sub-Process: Property, Plant and Equipment

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
1.	To confirm that all assets are identified, claimed, acknowledged, held and registered in the name of the County Executive and are used for the purposes that the asset was procured to serve	Assets without ownership documents or not registered under the County's Name.	Ownership documents for County Assets.		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, on acquisition of documents of ownership. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain ownership documents for County assets. • Select one item from the asset register • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the asset register and sample a reasonable number of assets based on the approved sampling criteria. • Confirm that all assets, other than leased assets, have documents of ownership <i>Art. 46 of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Confirm that the documents of ownership are in the name of the County Executive <i>Art. 46 of the</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p><i>Guidelines on Asset and Liability Management in the Public Sector, 2020</i></p> <ul style="list-style-type: none"> • Confirm that all documents of ownership are under the custody of the accounting officer <i>Art. 46 of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Confirm that all immovable assets are registered in the name of County Treasury of the County Government and are in the custody of the County Treasury <i>Art. 46 of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Confirm that all movable assets are registered in the name of the County and are in the custody of the Accounting Officer <i>Art. 46 of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Confirm that no development or improvements can be made on gifted assets before formal transfer of ownership to the County Executive is completed <i>Art. 59(6) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Confirm that the accounting officer has obtained necessary documents of ownership for all donated assets <i>Art. 59(7) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • For assets without ownership documents due to various reasons, confirm that the Accounting Officer has gazetted the said assets. In the absence of objection form any party, the gazette notice shall serve as the document of ownership document <i>Art. 184(3) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		Disputed assets	Approved dispute resolution report		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, on dispute resolution If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one asset whose ownership is disputed Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the asset register. Create a list of all disputed assets and sample a reasonable number of assets based on the approved sampling criteria Review the sampled cases and confirm that the Dispute Resolution Mechanism adopted by the County Executive is effective, efficient, economical before resorting to a judicial process <i>Sec. 149(1(b)) of the PFMA, 2012</i> <p>a) County Government vs National Government</p> <ul style="list-style-type: none"> Confirm that the county government seeks to resolve the matter amicably and exhausts the alternative dispute resolution mechanisms before resorting to

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>judicial proceedings <i>Sec. 31(b) Intergovernmental Relations Act, 2012</i></p> <ul style="list-style-type: none"> • Confirm that the parties have initiated direct negotiations or through an intermediary for amicable dispute resolution <i>Sec. 33(1) Intergovernmental Relations Act, 2012</i> • Confirm that the parties have initiated direct negotiations or through an intermediary for amicable dispute resolution failure to which the matter may be referred to The Summit or the Council of Governors or any other intergovernmental structure <i>Sec. 33 Intergovernmental Relations Act, 2012</i> • Confirm that matter is only taken for judicial review after the matter fails to be resolved through The Summit or the Council of Governors or any other intergovernmental structure <i>Sec. 35 Intergovernmental Relations Act, 2012</i> <p>b) County Government vs Individual</p> <ul style="list-style-type: none"> • Confirm that the County Government issues a public notice on the intended acquisition of property <i>Sec. 5(a) of The Fair Administrative Action Act, 2015</i> • Confirm that after all views have been received, the county government considers all relevant and materials facts <i>Sec. 5(c) of The Fair Administrative Action Act, 2015</i> • Where the County Executive proceeds to take the administrative action proposed in the notice, confirm that it gives reasons for the decision of administrative action taken and issues a public notice specifying the internal mechanism available to the persons directly or indirectly affected by his or her action to appeal;

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>and specify the manner and period within which such appeal shall be lodged <i>Sec. 5(d) of The Fair Administrative Action Act, 2015</i></p> <ul style="list-style-type: none"> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<p>Assets used for other purpose other than the benefit of the County Executive</p>	<p>Authorization for use of County assets</p>		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, on authorization for use of County assets If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one asset Obtain authorization for use of County assets. Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the asset register and sample a reasonable number of assets based on the approved sampling criteria Confirm that upon acquisition of the asset, it is handed over to the user department for the intended purpose <i>Art. 76(1) (b) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that all vehicles and machinery have a work ticket <i>Sec. 11.4 of the Public Procurement and Disposal General Manual, 2009.</i> • Confirm that the Accounting Officer has set up proper control systems to ensure that assets are only used for the benefit of the Legal Notice No. 35 PFM <i>Reg. 132(1) of 2015</i> • Obtain a listing of vehicles and sample reasonable vehicles in active use, obtain the work tickets and confirm that the journeys have been authorized. Further confirm that <i>County Housing Policy</i>; <ul style="list-style-type: none"> a) The vehicles do not carry unauthorized passengers <i>Sec. 11.4 of the Public Procurement and Disposal General Manual, 2009</i> b) The vehicles are not deployed for private use <i>Sec. 11.4 of the Public Procurement and Disposal General Manual, 2009</i> • Obtain a listing of housing units and sample a reasonable number of housing units and confirm that; <ul style="list-style-type: none"> a) The houses meant for renting are occupied by the county public servants or servants with a working relationship with the County Government. Confirm that necessary approvals by the Department of Housing have been obtained. <i>County Housing Policy</i> b) Confirm that units meant to be Office facilities are used for official purpose only • Obtain a listing land and sample a reasonable number of land parcels and confirm that the land is

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>used for the purpose for which it was reserved and gazette <i>Sec. 15(2) of the Land Act, 2012</i></p> <ul style="list-style-type: none"> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<p>Inability to identify the assets of the County Executive</p>	<p>Asset codes and Asset registers</p>		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, on allocation of unique identifier numbers If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one asset Obtain the County asset register. Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the asset register and sample a reasonable number of assets based on the approved sampling criteria and identify the assets Confirm that the accounting officer has instituted sufficient controls to ensure that movement and conditions of the assets can be tracked <i>Reg.166(4(b)) of PPADR, 2020</i> Confirm that the identified assets have been allocated a unique asset code (identifier number);

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> a) Moveable Assets are properly tagged or barcoded <i>Sec. 77(2) of the Guidelines on Asset and Liability Management in the Public Sector.</i> b) Immoveable assets have sufficient information to facilitate in identification. This includes accurate description of their physical location (including Geographic Positioning System (GPS) readings) and attributes such as acreage, user and registration number <i>Clause 77(3) of the Guidelines on Asset and Liability Management in the Public Sector</i> c) Intangible assets are issued with a unique identification reference and the same included in the asset register <i>Clause 77(4) of the Guidelines on Asset and Liability Management in the Public Sector</i> d) Confirm that the unique identifier is un-erasable identification <i>Clause 77(5) of the Guidelines on Asset and Liability Management in the Public Sector</i> e) Confirm that the accounting officer has developed and implemented an asset identification system. <i>Clause 77(6) of the Guidelines on Asset and Liability Management in the Public Sector</i> f) Confirm that all assets purchased are identified/ tagged upon receipt from suppliers and, before they are issued out to user departments and the

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>tag number of each asset included in the asset register <i>Clause 77(7) of the Guidelines on Asset and Liability Management in the Public Sector</i></p> <p><i>g) Confirm that the tag is consistently placed and accessible Clause 77(8) of the Guidelines on Asset and Liability Management in the Public Sector</i></p> <p><i>h) In cases where tags fall off or are otherwise separated from the asset, confirm that the tags are replaced immediately with the replacement tag having the same number as the original tag Clause 77(9) of the Guidelines on Asset and Liability Management in the Public Sector</i></p> <ul style="list-style-type: none"> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<p>Inadequacy of the asset register</p>	<p>Asset register maintenance procedures</p>		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, maintenance of the asset register • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the asset register and asset register procedures. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>TOE</p> <ul style="list-style-type: none"> • Confirm that the asset register contains the following <i>Art. 84(3) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>); <ul style="list-style-type: none"> ✓ Type and description of each asset ✓ Acquisition cost of the asset/Revaluation Amount or Fair Value ✓ Supplier details ✓ Date of purchase ✓ Estimated useful life ✓ Physical location of the asset ✓ Person allocated the asset (User) ✓ Asset condition ✓ Unique identifier/Tag number ✓ Payment Voucher number; ✓ Make or model of asset; ✓ Serial Number, where applicable – (For motor vehicles this should be the Engine and Chassis numbers); ✓ The title deed number (fixed property) ✓ The stand/portion number (fixed property) ✓ The source of financing; ✓ Whether the asset has been used to secure any debt, and – if so – the nature and duration of such security arrangements ✓ The date on which the asset is disposed of ✓ The date on which the asset is retired from use, if not disposed of ✓ Accumulated depreciation ✓ The depreciation charge for the current financial year; ✓ The carrying value of the asset;

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> ✓ The method and rate of depreciation as prescribed by these guidelines; ✓ The (last) revaluation date of the fixed assets subject to revaluation; ✓ The revalued value of such fixed assets; ✓ Impairment losses incurred during the financial year (and the reversal of such losses, where applicable); and ✓ The disposal price ✓ Date of disposal (if applicable) • Confirm that the register of land and buildings contains the following (<i>Reg. 170(2) of the PPADR, 2020</i>); <ul style="list-style-type: none"> ✓ The terms on which the asset is held ✓ Reference to the conveyance ✓ Address ✓ Area ✓ Date of acquisition ✓ Disposal or major change in use ✓ Any capital expenditure; ✓ Freehold or lease hold terms; ✓ Maintenance contracts ✓ Other pertinent management details. • Confirm that the asset register is maintained and regularly updated as required by <i>Art. 84(6) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Obtain a sample of the assets from the asset register and sample to confirm that the following information has been updated; <ul style="list-style-type: none"> ✓ Change of location ✓ Acquired assets

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> ✓ Disposed assets ✓ Change of user ✓ Estimated useful life • Confirm that separate registers are maintained for different categories of assets, such as land, buildings, investment property, leased and intangible assets <i>Art. 83(8) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Confirm that Third Party Assets are maintained in a separate register <i>Art. 83(10) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Confirm that the County Treasury maintains a consolidated assets register <i>Reg. 170(6) of the PPADR, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<p>Payment of insurance for assets not owned by the County Executive</p>	<p>County Assets insurance covers</p>	<p>insurance</p>	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, on insurance of County Assets. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one County asset • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>TOE</p> <ul style="list-style-type: none"> Obtain the asset register and sample a reasonable number of assets based on the approved sampling criteria to confirm if they have been insured. Confirm that resources are used to insure vehicles that belong to the County Executive <i>Art. 80 of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>; Review the Insurance Policies vis-à-vis the Ownership documents and operational use of the asset Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
2.	To establish that the acquisition of assets and the disposal, issue or distribution of assets is properly approved, carried out, and is promptly and accurately recorded by authorized officers	Fictitious purchases of non-existent assets	Certification of assets before payment		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on certification of assets delivered If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one acquired asset Establish that the certification for work done is in line with the regulatory requirements identified in TOD. Note any deficiencies in implementation Document the process of certification for asset acquisition

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test																								
					<p>TOE</p> <ul style="list-style-type: none"> Obtain the IFMIS payment details and create a list of all payments for asset acquisition. These includes payments made under the following economic items; <table border="1" data-bbox="1325 418 1923 1211"> <thead> <tr> <th data-bbox="1325 418 1535 493">Economic item</th> <th data-bbox="1535 418 1923 493">Item Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="1325 493 1535 529">3110100</td> <td data-bbox="1535 493 1923 529">Purchase of Buildings</td> </tr> <tr> <td data-bbox="1325 529 1535 565">3110200</td> <td data-bbox="1535 529 1923 565">Construction of Buildings</td> </tr> <tr> <td data-bbox="1325 565 1535 600">3110400</td> <td data-bbox="1535 565 1923 600">Construction of Roads</td> </tr> <tr> <td data-bbox="1325 600 1535 675">3110500</td> <td data-bbox="1535 600 1923 675">Construction and Civil Works</td> </tr> <tr> <td data-bbox="1325 675 1535 750">3110700</td> <td data-bbox="1535 675 1923 750">Purchase of Vehicles and Other Transport Equipment</td> </tr> <tr> <td data-bbox="1325 750 1535 854">3110900</td> <td data-bbox="1535 750 1923 854">Purchase of Household Furniture and Institutional Equipment</td> </tr> <tr> <td data-bbox="1325 854 1535 928">3111000</td> <td data-bbox="1535 854 1923 928">Purchase of Office Furniture and General Equipment</td> </tr> <tr> <td data-bbox="1325 928 1535 1032">3111100</td> <td data-bbox="1535 928 1923 1032">Purchase of Specialized Plant, Equipment and Machinery</td> </tr> <tr> <td data-bbox="1325 1032 1535 1107">3111300</td> <td data-bbox="1535 1032 1923 1107">Purchase of Biological assets</td> </tr> <tr> <td data-bbox="1325 1107 1535 1143">3130100</td> <td data-bbox="1535 1107 1923 1143">Acquisition of Land</td> </tr> <tr> <td data-bbox="1325 1143 1535 1211">3130200</td> <td data-bbox="1535 1143 1923 1211">Acquisition of Intangible Assets</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Select a representative sample based on the approved sampling criteria and obtain the Payment Vouchers 	Economic item	Item Description	3110100	Purchase of Buildings	3110200	Construction of Buildings	3110400	Construction of Roads	3110500	Construction and Civil Works	3110700	Purchase of Vehicles and Other Transport Equipment	3110900	Purchase of Household Furniture and Institutional Equipment	3111000	Purchase of Office Furniture and General Equipment	3111100	Purchase of Specialized Plant, Equipment and Machinery	3111300	Purchase of Biological assets	3130100	Acquisition of Land	3130200	Acquisition of Intangible Assets
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	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that certification of the goods, works and services is done before payments are made <i>Reg. 150(1) of PPADR, 2020</i> • Confirm that the initial/final certification is further provided by the Inspection and Acceptance Committee Reg 35 (5) (6) of PPADR, 2020 or the Contract Implementation Team in case of Complex and specialized contracts <i>Sec. 151 of PPADA, 2015</i> • Undertake physical verification to confirm the existence of the assets <i>Art. 86 of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Confirm that the acquired assets are recorded in the County Executive’s asset register <i>Reg. 170(1) of the PPADR, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		Unauthorized disposal of assets	Approved Report	Assets Disposal	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on approvals for disposals • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select asset scheduled for disposal (If not available, select one disposed asset)

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm that all unserviceable, obsolescent, obsolete or surplus assets are reported by the officer in charge of the assets to Head of Procurement. <i>Sec.164(1) of PPADA, 2015.</i> • Confirm that the head of procurement reports the provided listing of all unserviceable, obsolescent, obsolete or surplus assets to the Disposal Committee <i>Sec. 164(1) of PPADA, 2015.</i> • Confirm that after the assets due for disposal have been identified, the disposal committee prepares a disposal report and submits it to the accounting officer for approval, with specific recommendations on the items to be disposed or those not to be disposed and the reasons thereof <i>Reg. 179(g) of PPADR, 2020</i> • Confirm whether the disposal report has been approved or rejected by the Accounting Officer within 14 days after receiving the report <i>Sec. 164(7,8,9) of PPAD Act, 2015.</i> Where the disposal report has been approved, identify assets that are disposed of but are not in the approved disposal report • Confirm that the disposed assets are removed from the County Executive’s asset register <i>Reg. 170(1) of the PPADR, 2020</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
		Unauthorized acquisition of assets	Approved Asset acquisition plan		<ul style="list-style-type: none"> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. <p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on acquisition of assets. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one asset acquired during the period under review • Obtain the County asset register • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain asset register and create a list of assets acquired during the period. Where an asset register is not available, identify the assets acquired through the extracted payment vouchers <p>a) Assets acquired through purchase or hire</p> <ul style="list-style-type: none"> • Confirm the acquired asset was planned for in the approved Procured Plan <i>Sec. 73 of PPADA, 2015, Legal Notice no. 35 Reg. 50(2,3) of PFM Regulations, 2015</i> • Confirm that the assets are delivered based on a valid contract or LPO signed by the Accounting Officer,

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>with the contract or LPO being within the contract or LPO validity period</p> <ul style="list-style-type: none"> a) Goods delivered based on an LPO within 30 days unless otherwise approved by the Accounting Officer Legal Notice no. 35 <i>Reg. 50(1) of PFM Regulation, 2015</i> b) Works based on other forms of contract, delivery is made within the contract period as per the <i>Terms and Conditions of the Contract</i> <p>b) Assets acquired through donations</p> <ul style="list-style-type: none"> • Obtain a list of donated assets • Confirm that the donated assets were received with the approval of the CECM for finance <i>Sec. 138(3) of the PFMA, 2012</i> • Confirm that such donated assets are; <ul style="list-style-type: none"> a) Not harmful to health and the environment b) In good and serviceable conditions. Legal Notice no. 35 <i>Reg. 71(1) of PFM Regulation, 2015</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
3.	To determine whether there is effective asset planning regarding acquisition, operation, maintenance and disposal of assets	Assets acquired not in the procurement plan	Approved procurement plan		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on planning for acquisition of non-current assets. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Obtain the asset acquisition plan for the period under review • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the asset register. Create a list of assets acquired during the period under review • Obtain the asset acquisition plan and the Annual Procurement Plan • Confirm that the accounting officer prepares an asset acquisition plan for significant assets <i>Art. 56(5) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Confirm that the asset acquisition plan feeds into the procurement plan <i>Art. 56(2) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Confirm that the asset acquisition plan is linked to the broader strategic planning, capital budgets, operating budgets <i>Art. 51(2) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Confirm that before an asset is acquired, the following considerations are taken into account (<i>Art. 53 of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>);

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>a) The purpose for which the asset is required is in keeping with the objectives of the county executive and will provide significant, direct and tangible benefit.</p> <p>b) The asset has been budgeted for.</p> <p>c) The future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;</p> <p>d) The purchase is absolutely necessary as there is no alternative asset that could be economically upgraded or adapted.</p> <p>e) The asset is appropriate to the task or requirement and is cost-effective over the life of the asset;</p> <p>f) The asset is compatible with existing equipment and will not result in unwarranted additional expenditure on other assets or resources;</p> <p>g) Space and other necessary facilities to accommodate the asset are in place; and</p> <p>h) The most suitable and appropriate type, brand, model, etc. has been selected</p> <p>Asset acquisition by consideration</p> <ul style="list-style-type: none"> • Confirm that before an asset is budgeted for, the following considerations have been taken into account (<i>Art. 52 of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>);

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> a) The preliminary or conceptual design and specification of the asset b) The projected cost over all the financial years until the asset is operational, and the inclusion of the asset in the development plan and future budgets c) The future operational costs and revenue on the asset, including maintenance and taxes d) The financial sustainability of the asset over its life including revenue generation and subsidization requirements e) The physical and financial stewardship of that asset through all stages in its life including acquisition, installation, maintenance, operations, disposal and rehabilitation; and f) All preliminary costing-projected timeframes, cash flows and other requirements; and alternatives to the asset purchase in question. • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<p>Unsupported leasing decisions</p>	<p>Approved leasing procedures</p>		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on leasing of assets. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one leased asset (finance lease) • Obtain the lease procedures.

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the asset register. Create a list of assets acquired through finance leasing • Obtain a listing of assets scheduled for acquisition through finance leasing from the Departments. • Confirm that the provided list of leased assets does not include assets under operational leases Legal Notice no.35 <i>Reg. 127(1) of the PFM Regulation, 2015.</i> • Confirm that the County Treasury has approved the leasing decision prior to entering into a finance lease Legal Notice No. 35 <i>Reg. 127(3) of the PFM Regulation, 2015</i> • Confirm that the leased asset is for the exclusive use of furthering the business of the County Executive Legal Notice <i>Reg. 127(2) of the PFM Regulations, 2015</i> • Confirm that asset acquisitions classified as finance lease assets meet the following criteria <i>Legal Notice No. 35 Reg. 127(3) of the PFM Regulations, 2015;</i> <ul style="list-style-type: none"> ✓ The lease transfers ownership of the asset to the county government entity by the end of the lease period ✓ The county government has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable, so that at

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>the inception of the lease it is reasonably certain that the option will be exercised</p> <ul style="list-style-type: none"> ✓ The lease term is for the economic life of the asset even if the title is not transferred; ✓ At the inception of the lease, the present value of the minimum lease payments amount to at least 90 % of the fair value of the leased asset; ✓ The leased asset is of such a nature that only the county government can use the asset without major modifications being made; ✓ The lessor’s losses associated with cancellation of the lease by the lessee is borne by the lessee; and ✓ The leased asset cannot be easily replaced by another asset <ul style="list-style-type: none"> • Confirm that leases are reviewed annually to confirm that the decision to lease remains the most economical one (<i>Art. 60(5) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>)
		<p>Unplanned disposal</p> <p>asset</p>	<p>Asset Disposal Plan</p>		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on planning for disposals • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved annual disposal plan • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that the accounting officer prepares an annual disposal plan for items declared as unserviceable, surplus or obsolete, obsolescence stores, asset or equipment (<i>Reg.176(1) of PPADR, 2020</i>) • Confirm that the asset disposal plan includes(<i>Reg.176(3) of PPADR, 2020</i>); <ul style="list-style-type: none"> ✓ Item description for boarding ✓ Quantity ✓ Unit of issue ✓ Date of purchase; ✓ Purchase price ✓ Estimated current value; ✓ Justification for disposal ✓ Lifespan of item for boarding; ✓ Reference number to the assets register or records of the stores; ✓ Envisaged disposal method ✓ Time schedule ✓ An indication whether the disposal is to be managed by the procuring entity or any special agency or hired expert; and ✓ The cost of managing the disposal process • Confirm that the disposal plan is flexible to accommodate emerging issues in the disposal process (<i>Reg.176(3) of PPADR, 2020</i>) • Confirm that the disposal plan is approved by the County Executive Committee member responsible for that entity(<i>Art.101(3) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>)

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that the asset disposal plan is linked to the indicative or approved budget <i>Sec. 53(5) of PPADA, 2015</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		Asset breakdown, thereby affecting service delivery	Approved Asset Maintenance Plan		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on planning for maintenance of non-current assets • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the asset maintenance plan for the period under review • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the asset register. Sample a representative number of assets using the approved sampling criteria • Confirm that there is a maintenance plan for each non-financial asset that is promptly prepared, enforced and included in the annual budgets of the county executive for approval (<i>Art. 73(2) of the</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p><i>Guidelines on Asset and Liability Management in the Public Sector, 2020)</i></p> <ul style="list-style-type: none"> • Confirm that for specialized items where the technical requirements for scheduled maintenance are provided by the manufacturer. These schedules are taken into account when planning for the long and medium term and, appropriate budget provisions made to ensure adherence to schedules (<i>Art. 73(4) of the Guidelines on Asset and Liability Management in the Public Sector, 2020)</i> • Confirm that the Accounting Officers ensures that maintenance plans make provision for the additional maintenance burden of future assets to be acquired (<i>Art. 73(5) of the Guidelines on Asset and Liability Management in the Public Sector, 2020)</i> • Confirm that the Accounting Officer prepares annual reports on the extent to which the approved maintenance plan has been complied with and the extent of deferred maintenance(<i>Art. 73(6) of the Guidelines on Asset and Liability Management in the Public Sector, 2020)</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
4.	To establish whether all appropriate reportable donated assets are identified and recorded	Assets not reported to the Management	Approved procedures	for receiving donated assets	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on receiving of donated assets • If the control is not documented, enquire from process owner how it is meant to be executed.

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>TOI</p> <ul style="list-style-type: none"> Select one donated asset Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Confirm that the donated assets were received with the approval of the CECM for finance <i>Sec. 138(3) of the PFMA, 2012</i> Confirm that such donated assets are (<i>Reg. 71(1) of CGPFMR, 2015</i>); <ul style="list-style-type: none"> c) Not harmful to health and the environment d) In good and serviceable conditions Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		Improper accounting treatment	Approved procedures for donations in kind	accounting	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on accounting for donated assets If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one donated asset and obtain the Approved Budget Confirm that the design documented under TOD is implemented as documented.

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain a list of donated assets, the approved budget and the IFMIS Payment Details. Sample the donated assets from the list of donated assets using an approved sampling criteria Confirm that when donations are received in form of non-current assets, the value of the donation is determined and included in the Approved Budget <i>Reg. 74(4) of the CGPFMR, 2015</i> Review IFMIS Payment Details to confirm that the budgeted donations are expensed and reflected in Expenditure Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		Assets not reported	Asset Register		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on recording and reporting of donated assets If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one donated asset Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>TOE</p> <ul style="list-style-type: none"> Obtain a list of donated assets and the asset register and create a representative sample Confirm that the donated assets have been recorded in a register <i>Sec.7.2(11) of the County Financial Accounting and Reporting Manual, 2015</i> Confirm that the donated assets are disclosed in the Annual and Quarterly Financial Statements <i>Reg. 72(5) of the CGPFMR, 2015</i> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
5.	To determine whether all asset transactions are recorded accurately and completely, supported by readily accessible documentation and records, with adequately maintained audit trails	Misclassification of costs between capital and operating budgets	Standard Chart of Accounts		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on use of Standard Chart of Accounts If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the approved Budget and select on payment voucher for acquisition of asset Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain IFMIS Payment Details and create a list of payments for acquisitions of assets

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that the County Executive prepares, accounts for and reports its budget estimates in accordance with the Government of Kenya budget classification and standard chart of accounts issued by the National Treasury <i>Reg. 40(1) of the CGPFMR, 2015</i>. Undertake further review to confirm that provisions for asset acquisition are correctly classified and the GFS Codes used • Review the Payment Vouchers to confirm that classification of financial transactions is based on the standard chart of accounts approved by the National Treasury and the expenditure is recorded from the economic item under which it was budgeted for <i>Reg. 99(1) of the CGPFMR, 2015</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		Failure to disclose fixed assets	Approved Financial Reporting Template		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on disclosure of assets • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain one Financial Statements Report • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Obtain the Quarterly and Annual Financial Statements and Reports of the County Executive and its entities • Confirm that the County Executive and the entities used the reporting template approved by the PSASB <i>Sec. 194(1(d)) of the PFMA, 2012</i> and Gazette Notice No.5440 dated 8th August, 2014. Confirm that the entities use the following Reporting Templates; <ul style="list-style-type: none"> ✓ County Executive applies IPSAS cash based standard ✓ County Government Agencies(County Public Funds) apply IPSAS Accrual based standards • Confirm that the County Executive discloses all the non-current in the Summary of Non-Current Asset Register(Financial Reporting Template of the County Executive(<i>Revised June, 2021</i>)) • Confirm that the County Public Funds and Schemes disclose a summary of the tangible non-current assets in the Section meant for Property, Plant and Equipment and a summary of intangible non-current assets in the Section meant for intangible assets Financial Reporting Template of the County Public Funds and Schemes(<i>Revised June, 2021</i>) • Confirm that the assets are reported at their original cost, fair value less any accumulated depreciation or revalued amounts less accumulated depreciation <i>Art. 124(1,2) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • For Reporting Entities using IPSAS Accrual, confirm that the accumulated and current year depreciation of the PPE or the impairment value is transferred to the financial statements Financial Reporting

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>Template of the County Executive(<i>Revised June, 2021</i>)</p> <ul style="list-style-type: none"> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		Inaccurate Book Values	Approved depreciation and impairment policy		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on depreciation and impairment of assets If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the Asset Register as at the cut-off date. Select one asset and confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the asset register and sample a representative sample of the assets using the approved sampling criteria Confirm that the depreciation and impairment is applied according to the approved Policy and Method. <p>a) Depreciation</p> <ul style="list-style-type: none"> Confirm that depreciation charge for each period will be recognized as an expense in the books of County Public Funds and Schemes <i>Art. 114(4) of the</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p><i>Guidelines on Asset and Liability Management in the Public Sector, 2020</i></p> <ul style="list-style-type: none"> • Confirm that depreciation begins when the asset is in the location and condition necessary for it to be able to operate in the manner it is intended <i>Art. 114(5) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Confirm that depreciation of an asset ceases when the asset is derecognized <i>Art. 114(5) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Confirm that the following assets are not depreciated (<i>Art. 114(8) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>); <ul style="list-style-type: none"> ✓ Land; ✓ Cultural heritage assets ✓ Specialized equipment, exhibits, samples, functional and nonfunctional models, prototypes and other visual aids, belonging to laboratories and offices and used for scientific-research purposes. • Confirm that depreciation is charged on a straight-line basis over the useful life of the asset(<i>Art. 118 of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) $\text{Depreciation} = \frac{(\text{Cost/ valuation} - \text{Residual Value})}{\text{Asset's useful life}}$ • Confirm that the residual value is reviewed annually at each reporting date(<i>Art. 114(7) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>)

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that the estimated useful lives is as per The National Treasury’s Guidelines(<i>Sec. 162(5) of PPADA, 2015</i>) • Confirm that the intangible assets are amortized using the same procedures as applied during depreciation (<i>Art. 115(3) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) b) Impairment • Confirm that where an asset is likely to suffer future economic benefits or service potential over and above the depreciation of the asset, such a loss is treated as impairment(<i>Art. 122(1) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) • Confirm that the impairment is calculated as the difference between the carrying value and the recoverable value of the asset(<i>Art. 122(1) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) • Confirm that the impairment value is treated as an expense, unless it reverses the previous revaluation. Confirm that reversal of previous impairments is treated as an income(<i>Art. 122(4) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
		<p>Assets that meet capitalization criteria not capitalized while assets that do not meet capitalization criteria capitalized</p>	<p>Approved procedures on capitalization of expenditure</p>		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on capitalization of expenditure If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one asset and confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the tender register. Create a list of tenders with completed deliveries and sample a reasonable number of tenders relating to acquisition of non-current assets Confirm that an asset is capitalized and recorded in the asset register as soon as it is acquired(<i>Art. 84(5) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) Confirm that work-in-progress is not capitalized until when it is completed and made available for use. Such WIP is recorded in a separate ledger known as WIP Ledger(<i>Art. 84(5) and Art. 126(1) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>)

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test																
					<ul style="list-style-type: none"> Confirm that portable and attractive items such as programmable calculators, cameras, power tools, ladders, power banks, hard disks, tablets, phones, laptops and like items are not capitalized, not recorded in the asset register, but are tagged and recorded in a Portable and attractive items register(<i>Art. 94(4(g), 5) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) Confirm that only items whose cost is above the capitalization threshold are recognized as non-current assets(<i>109(d) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) <table border="1" data-bbox="1276 764 2007 1393"> <thead> <tr> <th data-bbox="1276 764 1728 873">Asset Class</th> <th data-bbox="1728 764 2007 873">Capitalization threshold(Kshs.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="1276 873 1728 943">Land</td> <td data-bbox="1728 873 2007 943">1.00</td> </tr> <tr> <td data-bbox="1276 943 1728 1024">Buildings and building improvements</td> <td data-bbox="1728 943 2007 1024">1.00</td> </tr> <tr> <td data-bbox="1276 1024 1728 1094">Road infrastructure</td> <td data-bbox="1728 1024 2007 1094">1.00</td> </tr> <tr> <td data-bbox="1276 1094 1728 1164">Other Infrastructure</td> <td data-bbox="1728 1094 2007 1164">1.00</td> </tr> <tr> <td data-bbox="1276 1164 1728 1245">Motor vehicles and other transport Equipment</td> <td data-bbox="1728 1164 2007 1245">1.00</td> </tr> <tr> <td data-bbox="1276 1245 1728 1326">Computers and other ICT equipment</td> <td data-bbox="1728 1245 2007 1326">50,000.00</td> </tr> <tr> <td data-bbox="1276 1326 1728 1393">Furniture, fittings & equipment</td> <td data-bbox="1728 1326 2007 1393">50,000.00</td> </tr> </tbody> </table>	Asset Class	Capitalization threshold(Kshs.)	Land	1.00	Buildings and building improvements	1.00	Road infrastructure	1.00	Other Infrastructure	1.00	Motor vehicles and other transport Equipment	1.00	Computers and other ICT equipment	50,000.00	Furniture, fittings & equipment	50,000.00
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					<table border="1" data-bbox="1276 282 2007 691"> <tr> <td data-bbox="1276 282 1730 347">Leased Assets (finance lease)</td> <td data-bbox="1730 282 2007 347">Class of assets</td> </tr> <tr> <td data-bbox="1276 347 1730 412">Heritage assets</td> <td data-bbox="1730 347 2007 412">1.00</td> </tr> <tr> <td data-bbox="1276 412 1730 477">Work in Progress</td> <td data-bbox="1730 412 2007 477">N/A</td> </tr> <tr> <td data-bbox="1276 477 1730 542">Intangible assets</td> <td data-bbox="1730 477 2007 542">100,000.00</td> </tr> <tr> <td data-bbox="1276 542 1730 607">Biological assets</td> <td data-bbox="1730 542 2007 607">200,000.00</td> </tr> <tr> <td data-bbox="1276 607 1730 691">Plant and Machinery</td> <td data-bbox="1730 607 2007 691">1.00</td> </tr> </table> <ul data-bbox="1276 695 2007 1354" style="list-style-type: none"> • Confirm that capitalization threshold is not applied to the components of an asset but to the value of the capital asset as a whole(112(4) of the Guidelines on Asset and Liability Management in the Public Sector, 2020) • Confirm that expenses incurred in the maintenance or reinstatement of an asset that ensures that the useful operating life of the asset is attained is not capitalized, but treated as an operating expense(113(2) of the Guidelines on Asset and Liability Management in the Public Sector, 2020) • Confirm that only subsequent expenditure that meets the following criteria is capitalized(113(3) of the Guidelines on Asset and Liability Management in the Public Sector, 2020); <ul data-bbox="1318 1224 2007 1354" style="list-style-type: none"> ✓ Increases the life of that asset beyond that stated in the asset register ✓ Increases the quality of service that asset beyond the existing level of service 	Leased Assets (finance lease)	Class of assets	Heritage assets	1.00	Work in Progress	N/A	Intangible assets	100,000.00	Biological assets	200,000.00	Plant and Machinery	1.00
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	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> ✓ Increases the quantity of services that the asset can provide ✓ Reduces the future assessed costs of maintaining that asset • Confirm that only assets acquired through a finance lease are capitalized (<i>125(2) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) • Confirm that goods and services used for research and development, staff training, market research, and similar activities are treated as use of goods and services rather than acquisitions of intangible fixed assets (<i>Sec. 6.2.4 of the Government Financial Statistics Manual, 2001</i>) • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
6.	To assess whether assets are adequately protected from theft, loss, damage and misuse	<ul style="list-style-type: none"> • Misuse of assets • Physical loss of assets or damage of asset 	Physical security of tangible non-current assets		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on physical of tangible non-current assets • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the Asset Register select one tangible asset • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>TOE</p> <ul style="list-style-type: none"> • Obtain the asset register and select a representative sample of tangible assets based on the approved sampling criteria • Confirm that adequate arrangements are developed, implemented and maintained for the security and control of all non- financial assets (tangible), both during and outside normal working hours(<i>78(1) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) • Confirm that reasonable security is provided to restrict the access of unauthorized persons to the assets. The security includes(<i>78(1(a)) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) ; <ul style="list-style-type: none"> ✓ Physical locks ✓ Patrols ✓ Cameras ✓ Alarms ✓ Stock takes ✓ Physical access restrictions ✓ Staff are at all times made responsible for the appropriate use and storage of assets provided to them • Confirm that all assets are tagged (<i>78(1(b)) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) • Confirm that there exists controls to ensure that public property is not used for private purposes(<i>78(1(c)) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>)

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that all Officers and employees return all assets in their possession as part of their clearance on transfer within Government, retirement, dismissal or resignation(78(d) of the Guidelines on Asset and Liability Management in the Public Sector, 2020) • Confirm that there is adequate security awareness and training (78(1(f)) of the Guidelines on Asset and Liability Management in the Public Sector, 2020) • Confirm that internal movement of assets is not made without the approval of the accounting officer(82(1) of the Guidelines on Asset and Liability Management in the Public Sector, 2020) • Confirm that the physical security is adequate enough to ensure that the threat of unauthorized access or the impact of environmental or other hazards is reduced to a minimum level (78(2) of the Guidelines on Asset and Liability Management in the Public Sector, 2020) • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
			Physical security of intangible non-current assets		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on physical of intangible non-current assets • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the Asset Register select one intangible asset

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the asset register and select a representative sample of intangible assets based on the approved sampling criteria • Confirm that all intangible assets are identified and registered (<i>79(b) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) • Confirm that the following controls are employed(<i>79(c) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>); <ul style="list-style-type: none"> ✓ Use of access controls ✓ Use of passwords ✓ User right allocations • Confirm that there exists arrangements for monitoring of trends in technology and ensuring that relevant updates are made (<i>79(d) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) • Confirm that proper filing of documents relating to intangible assets is done for verification purposes (<i>79(e) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
			Insurance		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on insurance of non-current assets If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the Asset Register select one insurable asset Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the asset register and select a representative sample of insurable assets based on the approved sampling criteria Confirm that insurance is guided by risk exposure and cost-benefit criteria (<i>80(2) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) Confirm that insurance policies are acquired and renewed on time (<i>80(2) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) Confirm that the insurance costs are adequately budgeted for (<i>80(2) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>) Confirm that all motor vehicles have a comprehensive insurance cover <i>Sec. 7.2 of the County Financial Accounting and Reporting Manual, 2015</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
		Concealment of theft by write-off	Review by asset disposal committee		<ul style="list-style-type: none"> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. <p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on approvals for disposals If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select asset scheduled for write-off(If not available, select written-off asset) Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain a list of assets written-off and the assets scheduled for write-off. Obtain a representative sample using an approved sampling criteria Confirm that all scheduled for write-off are reported by the officer in charge of the assets to Head of Procurement function <i>Sec.164(1) of PPADA, 2015</i> Confirm that the head of procurement brings reports the provided listing of assets scheduled for write-off to the Disposal Committee <i>Sec.164(1) of PPADA, 2015</i> Confirm that all the assets scheduled for write-off are reviewed by the disposal committee before making

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>appropriate recommendations <i>Reg. 179(c) of PPADR, 2020</i></p> <ul style="list-style-type: none"> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
7.	<p>To determine whether the existence of the assets is verified at least annually and a reconciliation of physical assets and fixed asset register balances is carried out</p>	<p>Inaccurate asset register Non-existent assets</p>	<p>Physical stock counts</p>		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on physical stock-taking of non-current assets If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the Asset Register and Physical Stock Taking Report as at the cut-off date Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Confirm that the Head of the Procurement function undertakes Physical Stock Taking of the assets once in a year <i>Reg. 171(1(d)) of the PPADR, 2020</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that in case of any discrepancies, the discrepancies are noted and corrected <i>Sec. 11.5(ii) of the Public Procurement and Disposal General Manual, 2009</i> • Confirm that the verified assets not in the asset register are recorded and updated in the asset register <i>Sec. 7.2(11) of the County Financial Accounting and Reporting Manual, 2015</i> • Confirm that the missing assets are reported to the Accounting Officer of the User Department with a copy to the Chief Officer, Finance <i>Sec. 11.5 of the Public Procurement and Disposal General Manual, 2009 and Sec. 7.2.4 of the County Financial Accounting and Reporting Manual, 2015</i> and • Confirm that the Accounting Officer forms a team to investigate the identified missing assets and appropriate actions taken as per the recommendations of the investigating team <i>Reg. 139 and 141 of the CGPFMR, 2015</i> • Where the missing items are recommended for write-off, confirm that; <ul style="list-style-type: none"> e) The write-off by the Accounting Officer does not exceed KShs. 100,000 and a report is made to OAG <i>Reg. 141(5) of the CGPFMR, 2015</i> f) Write-off by the CECM for finance in excess of KShs. 100,000 does not exceed one per cent of the entity's approved budget estimates and a report is made to OAG <i>Reg. 141(5) of the CGPFMR, 2015</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>g) Write-off by the CEC in excess of one per cent of the entity's approved budget estimates <i>Reg. 141(8) of the CGPFMR, 2015</i></p> <p>h) Confirm that all write-offs are disclosed and reported in the financial statements of the county executive <i>Reg. 141(9) of the CGPFMR, 2015</i></p> <ul style="list-style-type: none"> • Confirm that the lost and recommended for write-off are removed from the asset register <i>Sec. 7.2(11) of the County Financial Accounting and Reporting Manual, 2015</i> and <i>Reg. 168(d) of the PPADR, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
			Reconciliation		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on reconciliation of the asset register • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the reconciliation report as at the cut-off date • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the asset register

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that the accounting officer prepares quarterly and annual reconciliations of the values as per asset register and the values as per the asset accounts in the general ledger/ accounting records <i>Art. 85(1) of the Art. 46 of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Confirm that <i>(Art. 85(2) of the Guidelines on Asset and Liability Management in the Public Sector, 2020)</i>; <ul style="list-style-type: none"> ✓ The opening balances of cost or valuation for each category of assets as reflected in the accounting records agree with the opening balances reflected in the asset register ✓ The opening balances of accumulated depreciation for each category of assets as reflected in the accounting records agree with the opening balances reflected in the asset register; ✓ All additions are reflected in the accounting records as well as the register ✓ All disposals are reflected in the accounting records as well as the register ✓ The annual depreciation charges for each category of assets agree in both the asset register and the accounting records. ✓ Variances in any of the above parameters are investigated and resolved. ✓ <i>The reconciliation report is in a format prescribed in Appendix 12 of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that the Summary of Fixed Assets in the County Executive Financial Statements equals the totals and sub-totals of fixed assets in the asset register <i>Art. 124(1) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
8.	To evaluate whether value for money (economy, efficiency, equity, environmental, effectiveness and timeliness) is achieved in the life cycle of assets;	Continued ownership of obsolete or otherwise non-productive assets	Monitoring and reporting on obsolete items		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on monitoring and reporting of obsolete items • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one obsolete item • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm that all obsolescent and obsolete to Head of Procurement function <i>Sec.164(1) of PPADA, 2015</i> • Confirm that the head of procurement brings reports the provided listing of all obsolescent and obsolete to the Disposal Committee <i>Sec.164(1) of PPADA, 2015</i> • Confirm that after the obsolescent and obsolete assets due for disposal have been identified, the

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>disposal committee prepares a disposal report and submits it to the accounting officer for approval, with specific recommendations on the items to be disposed or those not to be disposed and the reasons thereof <i>Reg. 179(g) of PPADR, 2020</i></p> <ul style="list-style-type: none"> • Confirm whether the disposal report has been approved or rejected by the Accounting Officer within 14 days after receiving the report <i>Sec. 164(7,8,9) of PPADR, 2020</i>. Where the disposal report has been approved, identify assets that are disposed of but are not in the approved disposal report • Confirm that the disposed obsolescent and obsolete assets are removed from the County Executive's asset register <i>Reg. 170(1) of the PPADR, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		Overpayment for acquired assets	Market Survey Results		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on conduct of market surveys • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one Contract File • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test				
					<p>TOE</p> <ul style="list-style-type: none"> Obtain the contract register and create a list of the acquired assets. Sample the acquired assets and obtain the procurement files of the assets Confirm that there is established a function that undertakes the role of market surveys to inform the placing of orders <i>Reg. 33(3(aa)) of PPADR, 2020</i> Confirm that before making a procurement decision, the procuring entity takes into account own market survey prices or results <i>Reg. 43(4(a)) of the PPADR, 2020</i> Confirm that in giving the Professional Opinion, the Head of Procurement provides comments on whether the recommended price for standard goods, services and works are within the indicative market prices <i>Reg. 78(4(d)) of the PPADR, 2020</i> Confirm that standard goods, services and works with known market prices are procured at the prevailing market price <i>Sec. 54(2) of PPADA, 2015</i>. Compare the prices against Quarterly Market Price Index Survey Results issued by PPRA <i>Sec. 54(3) of PPADA, 2015</i> Confirm for works, confirm that the prices are fair by reviewing the following price indices (<i>Sec. 3 of the Cost Estimation Manual for Road Maintenance Works, 2019</i>); <table border="1" data-bbox="1325 1230 1921 1373"> <thead> <tr> <th data-bbox="1325 1230 1499 1304">Type</th> <th data-bbox="1499 1230 1921 1304">Source of Official Price Index</th> </tr> </thead> <tbody> <tr> <td data-bbox="1325 1304 1499 1373">Labor</td> <td data-bbox="1499 1304 1921 1373">Ministry of Labor i.e. Special Issue dated 14th July, 2017,</td> </tr> </tbody> </table>	Type	Source of Official Price Index	Labor	Ministry of Labor i.e. Special Issue dated 14 th July, 2017,
Type	Source of Official Price Index								
Labor	Ministry of Labor i.e. Special Issue dated 14 th July, 2017,								

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test						
					<table border="1" data-bbox="1329 282 1923 672"> <tr> <td data-bbox="1329 282 1503 354"></td> <td data-bbox="1503 282 1923 354">Kenya Gazette Supplement No. 52, Legal Notice No. 111</td> </tr> <tr> <td data-bbox="1329 354 1503 461">Material Price</td> <td data-bbox="1503 354 1923 461">Current Material Price List from Kenya National Bureau of Statistics</td> </tr> <tr> <td data-bbox="1329 461 1503 672">Equipment</td> <td data-bbox="1503 461 1923 672">Equipment Hire Rate List from Mechanical and Transport Department, Ministry of Transport, Infrastructure, Housing and Urban Development</td> </tr> </table> <ul data-bbox="1276 678 2007 948" style="list-style-type: none"> • Ina addition to other disciplinary actions, confirm that loss resulting from a public officer's actions due to overpricing of acquired assets is paid by the officer to the procuring entity <i>Sec. 54(4) of PPADA, 2015</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. 		Kenya Gazette Supplement No. 52, Legal Notice No. 111	Material Price	Current Material Price List from Kenya National Bureau of Statistics	Equipment	Equipment Hire Rate List from Mechanical and Transport Department, Ministry of Transport, Infrastructure, Housing and Urban Development
	Kenya Gazette Supplement No. 52, Legal Notice No. 111										
Material Price	Current Material Price List from Kenya National Bureau of Statistics										
Equipment	Equipment Hire Rate List from Mechanical and Transport Department, Ministry of Transport, Infrastructure, Housing and Urban Development										
		Actual costs that exceed the projected amount	Professional Opinion		<p>TOD</p> <ul data-bbox="1276 997 2007 1201" style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on issuance of Professional Opinion in incidences where actual costs that exceed the projected amount • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul data-bbox="1276 1279 2007 1406" style="list-style-type: none"> • Select one Procurement File whose actual cost exceeded the projected amount • Confirm that the design documented under TOD is implemented as documented. 						

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the tender register and create a list of the tenders for acquisition of non-current assets whose actual cost exceeded the projected amount. Select a representative sample using an approved sampling criteria obtain the procurement files of the tenders that proceeded beyond the Evaluation of Tenders • Confirm that the procurement proceeding of the tenders is supported by a Professional Opinion <i>Sec. 84(1) of PPADA, 2015</i> • Confirm that the Professional Opinion offers appropriate guidance in the event of dissenting opinions between tender evaluation and award recommendations <i>Sec. 84(2) of PPADA, 2015</i> • Confirm that the Professional Opinion comments on availability of funds <i>Reg. 78(4(e)) of PPADR, 2020</i> • Confirm that where the successful bid is in excess of the available budget, the Opinion recommends for change of scope taking into account the effect of the scope of change to the entire evaluation of the tender <i>Reg. 78(4(f)) of PPADR, 2020</i> • Where change of scope is recommended as provided in the bid documents, confirm that the changes are negotiated by the Evaluation Committee pursuant to <i>Sec. 46(4(a)) of PPADA, 2015</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Where change of scope is not provided in the bid documents, the procurement proceedings are terminated <i>Sec. 63(1(b)) of PAPDA, 2015</i> and <i>Reg. 48(1) of PPADR, 2020</i>. • Where procurement proceedings have been terminated, confirm that the Accounting Officer exercises three available options; <ul style="list-style-type: none"> ✓ Where scope cannot be reduced, the accounting officer seeks for additional funds before re-inviting the bids <i>Reg. 39(5) of the CGPFMR, 2015</i> for Supplementary Budgets and <i>Reg. 47(1) of the CGPFMR, 2015</i> for reallocations ✓ Where scope can be reduced but change of scope was not provided in the bid documents, the bids can be re-invited taking into account the change in scope(<i>prescribed procurement method in PPADA, 2015</i>) • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<p>Delay or cancellation of a project</p>	<p>Continuous monitoring of ongoing projects</p>		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on monitoring of ongoing projects • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one project

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the project listing. Create a list of ongoing projects and select a representative sample using an approved sampling criteria • Confirm that a Project Implementation Team is appointed early enough before commencement of the project <i>Sec. 4.1.1 of the Manual for Procurement and Management of Projects</i>. Confirm that the team is composed of; <ul style="list-style-type: none"> ✓ Procurement Unit ✓ Technical/End User ✓ Finance Unit ✓ Project Manager • Confirm that the Project Implementation Team undertakes and reports of the following tasks <i>Sec. 4.1.1 of the Manual for Procurement and Management of Projects</i>; <ul style="list-style-type: none"> ✓ Meets periodically with the Contractor to review implementation progress and related issues. ✓ Communicates all project related issues through the Project Manager ✓ Review requests for any changes and modifications ✓ Submit their recommendations to the Accounting Officer • Confirm that for complex and specialized projects, a Contract Implementation Team is appointed early

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>enough before commencement of the project <i>Sec. 151(1) of PPADA, 2015</i>. Confirm that the team is composed of;</p> <ul style="list-style-type: none"> ✓ Requisitioner ✓ Officer from the relevant technical department ✓ Consultant where applicable ✓ Procurement Officer <ul style="list-style-type: none"> • Confirm that the Contract Implementation Team undertakes and reports on the following(<i>Sec. 151(2) of PPADA, 2015</i>); <ul style="list-style-type: none"> ✓ Monitors the performance of the contractor ✓ Ensuring that the procuring entity meets all its payment and other obligations on time ✓ Ensure that there is right quality and within the time frame • Confirm that there are other alternative arrangements for continuous monitoring of the project by the project manager (<i>Sec. 4.1.10 of the Manual for Procurement and Management of Projects</i>). Confirm that the Project Manager undertakes the following duties; <ul style="list-style-type: none"> ✓ Submits monthly written reports with meetings between the PM and the contractor at least once every quarter, or monthly at key stages of the project ✓ Confirm that the meetings reviews and considers how things could be managed better in the future as well as considering reports on progress to date • Confirm that the head of the procurement function prepares monthly progress reports of all procurement contracts relating to of the procuring

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>entity and submits them to the accounting officer <i>Sec. 151 of PPADA, 2015</i></p> <ul style="list-style-type: none"> • Confirm that there are arrangements in place to maintain a risk register for each project, monitor the risks and treat the risks before they affect the progress of the project <i>Sec. 4.1.8 of the Manual for Procurement and Management of Projects and Reg. 138(3(c), 4,5,6) of the PPADR, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		Disposal or scrapping of serviceable assets	Review by the Disposal Committee		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on approvals for disposals • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select asset scheduled for disposal(If not available, select one disposed asset) • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain a list of assets disposed of and the assets scheduled for disposal. Create a list of assets classified as unserviceable, obsolescent or obsolete • Confirm that all unserviceable, obsolescent, obsolete or surplus assets are reported by the officer in charge

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>of the assets to Head of Procurement function <i>Sec.164(1) of PPADA, 2015</i></p> <ul style="list-style-type: none"> • Confirm that the head of procurement brings reports the provided listing of all unserviceable, obsolescent, obsolete or surplus assets to the Disposal Committee <i>Sec.164(1) of PPADA, 2015</i> • Confirm that all the unserviceable, obsolescent or obsolete assets reported for disposal are reviewed by the disposal committee before making appropriate recommendations <i>Reg. 179(c) of PPADR, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		Idle assets	Monitoring of non-financial asset performance		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on monitoring of non-financial asset performance • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one asset • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Obtain a list of assets. Select a representative sample based on the approved sampling criteria • Confirm that the road is put to immediate use after successful completion of the project so as to avoid wastage of public resources <i>Sec. 232(1(d)) of the Constitution of Kenya, Sec. 160(1) of PPADA, 2015</i> • Confirm that there exists an arrangement to tracking the use of an asset to ensure that it meets the intended service delivery objectives <i>Art. 71(1) of the Guidelines on Asset and Liability Management in the Public Sector, 2020</i> • Analyze why the idle assets are not being utilized; <ul style="list-style-type: none"> ✓ In case of a surplus requirement, the asset may be scheduled for disposal and appropriate action taken against the Public Officer who created the tying up of funds in assets <i>Reg. 167(3(a)) of PPADR, 2020</i> ✓ Where the asset is idle due to lack of skills of operating the asset, confirm that appropriate arrangements are in place to train staff based on identified training needs <i>Sec.1.1(4) of the County Public Service Human Resource Manual, 2013</i> ✓ Where the asset is idle due to inadequacy of staffing, review the Need Assessment Report of the project to identify whether Staffing Needs were evaluated in the Feasibility Study Report – Technical Feasibility(<i>Reg.71(2(a)) of PPADR, 2020</i>) and the arrangements in place to resolve the staffing needs

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> ✓ Where the asset is idle as a result of failing to meet the user requirements, confirm whether the user department was involved in the inspection and acceptance of the asset pursuant to <i>Reg. 35(2(a)) of PPADR, 2020</i> for Inspection and Acceptance Committee or <i>Sec. 151(1) of PPADA, 2015</i> for Contract Implementation Team. Confirm the user department further undertakes conformity assessments of supplied goods, works and services with the specifications of the contract documents <i>Reg. 34(d) of PPADR, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
9.	To establish whether all losses or damages are detected and recorded promptly, accurately and with appropriate action taken in response	<ul style="list-style-type: none"> • Failure to report on losses • Failure to investigate and act on losses and damages 	Approved procedures	loss handling	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on loss handling • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one lost asset • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain a list of assets. Create a list of lost or damaged assets. Select a representative sample based on the approved sampling criteria

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that the officer with appropriate information reports to the supervisor on any damage or loss of public property <i>Reg. 210(1(k)) of the CGPFMR, 2015</i> • Confirm that every reported loss is investigated <i>Reg. 143(1) of the CGPFMR, 2015</i> • Confirm that when a loss is reported, the Accounting Officer investigates the loss to determine(<i>Reg. 210(1(k)) of the CGPFMR, 2015</i>); <ul style="list-style-type: none"> ✓ The extent and amount of the loss ✓ Whether control or operational arrangements need to be improved in order to prevent the occurrence of similar losses in the county government entity; or ✓ Whether any offence or other fault of a public officer has been revealed by the loss. • Confirm that where the loss is created by the Accounting Officer, the CECM for finance investigates the loss <i>Reg. 143(1) of the CGPFMR, 2015</i> • Where the investigation proceedings find the Accounting Officer culpable, the CECM for finance revokes the designation and reports the matter to the relevant authority <i>Reg. 143(2) of the CGPFMR, 2015</i> • Confirm that losses whose investigation proceedings find the Public Officer culpable, are quantified and recovered from the Public Officer <i>Reg. 145(1) of the CGPFMR, 2015</i> • Where the loss arose as a result of the defective system, confirm that the Accounting Officer puts in place measures to prevent further losses <i>Reg. 144 of the CGPFMR, 2015</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that appropriate accounting entries are made as instructed by the Accounting Officer <i>Reg. 141(3) of the CGPFMR, 2015</i> • Confirm that the loss transactions is appropriately classified in the financial records <i>Reg. 143(1) of the CGPFMR, 2015</i> and <i>Reg. 147 of the CGPFMR, 2015</i> • Confirm that the Accounting Officer maintains a list of all losses and attached the list to the Financial Statements of the County Executive <i>Reg. 141(9) of the CGPFMR, 2015</i> and <i>Reg. 146 of the CGPFMR, 2015</i> • Confirm that where a loss is written-off, such a loss is irrecoverable after all reasonable recovery steps have been followed <i>Reg. 150(1(a)) of the CGPFMR, 2015</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.

3.0 PROCUREMENT PROCESSES

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

3.1 Sub-Process: Public Procurement Planning

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To confirm that the annual procurement plans are prepared in conformity with the medium term fiscal framework and fiscal policy objectives and submitted to the National Treasury;	a) Delayed purchase of goods and services due to delayed approval of annual procurement plan b) Goods, services or works obtained which are not planned or budgeted for in absence of a procurement plan where the plan lacks clarity. c) Non-compliance of required legislations on procurement planning which may attract sanctions from monitoring Authorities.	Approved Annual Procurement and disposal Plan	<p>TOD</p> a) Establish the key requirements of laws, regulations, policies and procedures on preparation, and approval of annual procurement and disposal plan. b) If the control is not documented, enquire from process owner how it is meant to be executed.
				<p>TOI</p> a) Obtain the approved annual procurement and disposal plan b) Confirm that the design documented under TOD is implemented as documented. c) Walkthrough and document the process flow/ map. Note any gaps in implementation
				<p>TOE [annual procurement plan]</p> <ul style="list-style-type: none"> Obtain the annual procurement plan template provided for in the 3rd schedule of PPADR [Sec 53 (4) and PPADR 3rd Schedule] Ascertain if the approved annual procurement plan is prepared In line with the template in PPADR third schedule. Obtain the county approved budget.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm the annual procurement plan is within the budget [PPADA Sec 53(2)]. • Confirm the procurement plan is prepared before the commencement of the financial year [PPADA Sec 53(2)]. • Confirm that the plan is approved by the County Executive Committee Member for Finance [PPADR 40(4)] • Confirm that a minimum of 30% of the annual procurement plan is reserved for women, youth, persons with disabilities and other disadvantaged groups [PPADA Sec 53(6)]. • Confirm that the annual procurement plan includes choice of procurement [[PPADA Sec 53(0)] • Establish that the county submitted to PPRA the part in its procurement plan demonstrating application of preference and reservation schemes in relation to procurement budget within sixty days after commencement of the financial year [PPADA 158(2)]. • Establish that the county government indicated in its procurement plan a minimum twenty percent (20%) budgetary allocation for preferences and reservations for resident tenderers of the county [PPADR 40(5)] • Verify whether heads of department have submitted annual departmental plans to the Accounting Officer before the financial year end in line with PPDA s.44 (2.c)and PPDR r.40(3) • Establish that annual consolidated procurement plan includes [PPADR 41, a-i]— <ul style="list-style-type: none"> i) A detailed breakdown of the goods, works, or services required; ii) A schedule of the planned delivery, implementation or completion dates for all goods, works, or services required; iii) An indication and justification whether it shall be procured within a single-year period or under a multi-year arrangement;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> iv) An indication of which items may be aggregated for procurement as a single package or for procurement through any applicable arrangements for common-user items; v) An indication of which items shall be packaged into lots; vi) An estimate of the value of each package of goods, works or services required and an indication of the budget available and sources of funding; vii) An indication of the appropriate procurement method for each procurement requirement; viii) Where transfer of responsibilities is justified, the optimal period for such transfer taking into account seasonal price variations, warehousing and distribution capacity, and product shelf life; ix) The estimated cost for procurement of items which shall include insurance, clearing and forwarding, demurrage charges, warehousing, advertisement and all other incidental costs where applicable. <p>TOE [Annual disposal plan]</p> <ul style="list-style-type: none"> a) Confirm asset disposals are planned by the accounting officer concerned through annual asset disposal plan in a format set out in the Regulations. sec 53(4) and in a format provided in schedule 13 of the PPADR. b) Check conformity of annual disposal plan with the template sec 53 (ii) and PPADR 13 schedule. c) Confirm the disposal plan is prepared before the commencement of the financial year [PPADA Sec 53(2)]. d) Confirm that the plan is approved by County Executive Committee Member for Finance reg.40(4) <ul style="list-style-type: none"> • Confirm that a minimum of 30% of disposal plan is reserved for women, youth, persons with disabilities and other disadvantaged groups [PPADA Sec 53(6)].

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>e) Establish that annual disposal plan includes;</p> <ul style="list-style-type: none"> i) Item description for boarding; ii) Quantity; (c) unit of issue; iii) Date of purchase; iv) Purchase price; v) Estimated current value; vi) Justification for disposal;) lifespan of item for boarding; vii) Reference number to the assets register or records of the stores; viii) Envisaged disposal method; ix) Time schedule; x) An indication whether the disposal is to be managed by the procuring entity or any special agency or hired expert; and xi) The cost of managing the disposal process. <p>f) Carry out other tests of operating effectiveness based on additional requirements of county policies and procedures.</p>
2.			Submission of annual procurement and disposal plan to The National Treasury	<p>TOD</p> <ul style="list-style-type: none"> a) Establish the key requirements of laws, regulations, policies and procedures on Submission of annual procurement and disposal plan to The National Treasury b) If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> a) Obtain the Report submitted to The National treasury and evidence of submission b) Confirm that the design documented under TOD is implemented as documented. c) Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				a) Confirm that procurement plans are prepared in conformity with the medium term fiscal framework and fiscal policy objectives and, submitted them to the National Treasury b) Carry out other tests of operating effectiveness based on additional requirements of county policies and procedures.
			Monitoring of the implementation of the annual procurement plan.	<p>TOD</p> a) Establish the key requirements of laws, regulations, on Monitoring of the implementation of the annual procurement plan. b) If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> a) Obtain one report and establish it was done and submitted as required. b) Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> a) Ascertain if the accounting officer [CO - Finance] prepares quarterly reports on the implementation of the annual procurement plan and submitted it to the County executive committee member for finance [PPADR 40(6)] b) Carry out other tests of operating effectiveness based on additional requirements of county policies and procedures.

3.2 Sub-Process: Purchase Requisition

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	Establish that all procurement procedures are in line with the approved plan and all the relevant laws and regulations.	<ul style="list-style-type: none"> • Procurement of items not requisition for • Procurement of goods not planned for 	Approved requisition	<p>TOD</p> <ul style="list-style-type: none"> a) Establish the requirement of the law and regulation on initiation of procurement. b) If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> a) Sample one procured item and establish that the initiation was in line with regulatory requirements documented in TOD. Note gaps in implementation b) Document the procurement initiation process map <p>TOE</p> <ul style="list-style-type: none"> a) Obtain from IFMIS a list of all goods and services paid for. b) Obtain from IFMIS all the purchase orders. c) Obtain from IFMIS all goods received note and goods note received note. d) Obtain from IFMIS all the requisitions. e) Using data analytic tool compare LPOs and requisitions to establish if the LPOs are supported f) Compare all payment for goods and services with the IFMIS purchase orders and requisitions. Sec 52 of PPDAr. g) Sample from the list of payments (create stratification and select representative sample in each strata). h) Sample requisition; i) establish they are in the approved plan sec71(1) of PPDAr j) establish the requisition was initiated by user dept in consultation with head of dept Reg 71(1)and 2nd schedule of PPDAr k) Establish that requisition from user department is accompanied by the following [where applicable] PPADR 71(2)a-e]: <ul style="list-style-type: none"> i. Feasibility studies or surveys and reports; ii. Specifications, bills of quantities, technical drawings, or terms of reference iii. Environmental and social impact assessment reports; iv. Reasonable expected date of delivery; and v. Any other necessary vi. information pertaining to the procurement.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				l) Establish that each approved requisition is supported by individual procurement plan that includes the following: <ul style="list-style-type: none"> i. A description of the requirement, including the schedule required for delivery, implementation or completion of the goods, works, services or consultancy; ii. The estimated value of the requirement; iii. The proposed procurement method; iv. A justification for the use of any method other than open tendering; v. An estimate of the time required for each stage in the procurement cycle; vi. The proposed type of contract; vii. An indication of the resources required and available for management of the procurement process and contract administration; and viii. Any other relevant information. m) Confirm for each selected sample is supported by requisition, goods received note

3.3 Sub-Process: Tendering

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
TENDERING - ADVERTISEMENT				
1	To establish whether the tender invitation has reached out to the attention of those who may wish to submit tenders.	<ul style="list-style-type: none"> • Possible litigation from prospective tenderers • Delayed procurement 	Approved Annual Procurement Plan	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on the provision of tender advertisement in the approved annual procurement plan • If the control is not documented, enquire from the process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved annual procurement plan,

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE Approved Annual Procurement Plan</p> <ul style="list-style-type: none"> Verify whether heads of department have submitted annual departmental plans to the Accounting Officer before the financial year end in line with Section 53 of the Public Procurement & Asset Disposal Act 2015 and Public Procurement & Asset Disposal Regulation 2020 40 (3). Confirm that the submitted consolidated approved procurement plan has clearly shown the mode of advertisement for procurement as contained in the Third Schedule in the Public Procurement & Asset Disposal Regulation 2020 Sample procurements undertaken under open tendering so as to establish whether they were duly advertised. Third schedule in the Public Procurement & Asset Disposal Regulation 2020 Ascertain that the sampled open tendering procurement are contained within the approved procurement plan. Public Procurement & Asset Disposal Regulation 2020 40
2.	To establish whether the approved purchase requisition content matches the advert notice for the tender advertised.	Lack of value for money	Approved Requisition Purchase	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on purchase requisition approval prior to commencing on procurements whose threshold value dictates tender advertisements.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> If the control is not documented, enquire from the process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> Obtain the purchase requisition form. Obtain the tender advertised. Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Approved Purchase Requisition Form</p> <ul style="list-style-type: none"> Confirm whether there is user requisition in each number of selected sample tender. Reg 71 Public Procurement & Asset Disposal Regulation 2020 Select a sample of the procurement requisitions so as to establish whether the approved requisition form content matches the advert notice for the initiated sample procurement. Sec 74 Public Procurement and Assets Disposal Act 2015.
3.	To ascertain that the tender advertisements complied with the provisions of the procurement law and regulations.	Possible Mismatch in content specification in tender advert and the standard tender document	Approved Tender Advert	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on the provision of approved tender adverts If the control is not documented, enquire from the process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> Obtain the tender advertisement Confirm that the design documented under TOD is implemented as documented <p>TOE</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Ascertain for the procurement undertaken approval was sought from the accounting officer or appointed officer. Public Procurement & Asset Disposal Regulation 2020 40 (4) • Establish whether the sampled tender advertised have been placed in the Government tender’s portal, or in the county website or in a notice in at least two daily newspapers of nationwide circulation. Sec 96 Public Procurement & Asset Disposal Act 2015 • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. • Ascertain that value for money was attained such that there was no tender advert cancelled. Sec 63 Public Procurement & Asset Disposal Act 2015
TENDERING -EVALUATION				
	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To ascertain the tender committee appointment was done in accordance to the provisions of the law.	Noncompliance with the law on the appointment and composition of the evaluation committee.	Appointment Letter of Tender Evaluation Committee	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on the appointment of tender evaluation committee members. • If the control is not documented, enquire from the process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> • Obtain the tender evaluation appointment letters. • Confirm that the design documented under TOD is implemented as documented

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>TOE</p> <ul style="list-style-type: none"> Ascertain the tender evaluation committee appointment and composition is in line with Public Procurement & Asset Disposal Regulation 2020 regulation 28 & 29.
2.	To determine whether the responsive tenderers meets technical and financial criteria	Lack of value for money	Standard Tender document	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on the standard tender document If the control is not documented, enquire from the process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> Obtain the used standard tender document Obtain the evaluation committee minutes. Confirm that the design documented under TOD is implemented as documented <p>TOE</p> <ul style="list-style-type: none"> Ascertain whether the evaluation committee conducted the evaluation in line with Public Procurement & Asset Disposal Regulation (PP&ADR) 2020 Regulation 30 Ascertain that the members of the tender committee conducted independent evaluation in line with PP&ADR Regulation 31.
		Possible litigation from prospective tenderers	Approved Evaluation report Tender committee	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on the tender evaluation committee report. If the control is not documented, enquire from the process owner how it is meant to be executed.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>TOI</p> <ul style="list-style-type: none"> Obtain the generated tender evaluation committee report Confirm that the design documented under TOD is implemented as documented <p>TOE</p> <ul style="list-style-type: none"> Confirm whether the financial evaluation of the tenders was done in accordance with the criteria set out in the standard tender document as per Public Procurement & Asset Disposal Regulation 2020 Regulation 32. Ascertain the contents of the evaluation report meets the requirements set out in Reg 78 (1), (2) & (3) Procurement & Asset Disposal Regulation 2020.
TENDER AWARD				
	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To ascertain whether the professional opinion was prepared and approved as required by law.	Potential litigation from prospective tenderers	Signed professional opinion	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on signed professional opinion If the control is not documented, enquire from the process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> Obtain the signed professional opinion, Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>TOE</p> <ul style="list-style-type: none"> • Confirm the professional opinion is in the format set out in the Ninth Schedule of PP & AD Regulation. • Ascertain the contents of the professional opinion are in accordance with the requirements of the Reg 78 PP & AD Regulation. • Ascertain the compliance of the professional opinion where there is recommendation of change of scope according to Regulation 78 (5) of the PP&AD Regulation, 2020. • Ascertain the approval of the professional opinion is in accordance with the requirements of the Reg 79 PP & AD Regulation.
2.	To ascertain whether all the bidders who participated in the tender process were notified of the outcome of the tender evaluation.	Delay in the execution of the tender	Signed procurement Award Letter	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on Procurement award letter. • If the control is not documented, enquire from the process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> • Obtain the signed procurement award letter • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Signed procurement award letter</p> <ul style="list-style-type: none"> • Ascertain the compliance of the notification of award letter according to the Sec 86 & 87 of the PP & AD

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				Act 2015 and Regulation 82 of the PP&AD Regulation, 2020.
			Procurement regret Letter	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on Procurement regret letter If the control is not documented, enquire from the process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> Obtain the sampled procurement regret letter, Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Procurement regret letter</p> <ul style="list-style-type: none"> Ascertain the compliance of the regret letter notification detailing the reasons of no awarding according to Sec 87 (3) of PP & AD Act 2015 and Regulation 82 of the PP&AD Regulation, 2020
			Successful bidders acceptance letter	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on successful bidder acceptance letter. If the control is not documented, enquire from the process owner how it is meant to be executed <p>TOI</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Obtain the sample of successful bidder acceptance letter. • Confirm that the design documented under TOD is implemented as documented. <p>TOE Successful bidder acceptance letter</p> <ul style="list-style-type: none"> • Ascertain the acceptance letter by the successful bidder is duly signed with the period provided in the letter according to Section 87 (2) of the PP& AD Act 2015.

3.4 Sub-Process: Contract Management

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To ascertain whether procurement or asset disposal contracts preparations were done in line with the award decision and provisions of the law.	<ul style="list-style-type: none"> • Possible litigation from prospective tenderers 	<ul style="list-style-type: none"> • Contract register 	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are key requirements of laws, regulations, policies and procedures in preparation of the procurement and disposal contracts. <p>TOI</p> <ul style="list-style-type: none"> • Check the presence of updated contract register • Confirm whether all the sampled contracts are in the register • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE Preparation of contracts</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Check whether the procuring entity has not contracted out both the procurement functions and its contract management function to the same procuring agent as prescribed in the PPADA Regulation 2020 sec 38 (7). • Ascertain whether accounting officer prepared the contracts in line with the award decision. PPADA 2015 SEC 134 (1). • Confirm whether all contracts of a value exceeding Kenya shillings five billion are cleared by the Attorney-General before they are signed as prescribed by the PPADA 2015 SEC 134 (2).
2.	To confirm whether creations of procurement contracts were done as provided by the procurement law and regulations.	<ul style="list-style-type: none"> • Poor quality on supply on the contract. 	The tender document	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are key requirements of laws, regulations, policies and procedures in creation of procurement contracts. <p>TOI</p> <ul style="list-style-type: none"> • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. • Note any gaps in implementation <p>TOE</p> <p>Creation of procurement contracts</p> <ul style="list-style-type: none"> ▪ Confirm whether the contract is confirmed through the signature of a contract document, incorporating all agreements between the parties and such contract has been signed by the accounting officer or an officer authorized in writing by the accounting officer of the procuring

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>entity and the successful tenderer. PPADA 2015 SEC 135 (1).</p> <ul style="list-style-type: none"> ▪ Confirm that the accounting officer of a procuring entity entered into a written contract with the person submitting the successful tender based on the tender documents and any clarifications that emanated from the procurement proceedings. PPADA 2015 SEC 135 (2). ▪ Check whether the written contract was entered into within the period specified in the notification but not before fourteen days have elapsed following the giving of that notification provided that a contract was signed within the tender validity period as prescribed by the PPADA 2015 SEC 135 (3). ▪ Confirm that a contract is formed between the person submitting the successful tender and the accounting officer of a procuring entity only when there is a written contract signed by the parties PPADA 2015 SEC 135 (4). ▪ Check whether an accounting officer of a procuring entity does not enter into a contract with any person or firm unless an award has been made and where a contract has been signed without the authority of the accounting officer, such a contract shall be invalid. PPADA 2015 SEC 135 (5). ▪ Confirm that the tender documents is the basis of all procurement contracts and shall, constitute at a minimum: <ul style="list-style-type: none"> (a) Contract Agreement Form; (b) Tender Form;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				(c) Price schedule or bills of quantities submitted by the tenderer; (d) Schedule of Requirements; (e) Technical Specifications; (f) General Conditions of Contract; (g) Special Conditions of Contract; (h) Notification of Award.
3.	To ascertain that the contract agreement is duly signed by both parties as required by law.	Non execution of the contract agreement	Contract Agreement	<p>TOD</p> <ul style="list-style-type: none"> Establish whether there are key requirements of laws, regulations, policies and procedures in signing the contract agreement. <p>TOI</p> <ul style="list-style-type: none"> Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Under Refusal to sign contract</p> <p>Sample a number of contracts using a sampling methodology to check whether the contracts were signed by the person who submitted the successful tender. If not confirm if he/she refuses to enter into a written contract in writing as required under PPADA section 135 and section 64 of this Act.</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
4.	To confirm whether awarded contracts have been publicized at the notice boards, at conspicuous places, and website if available within a period as prescribed by the law	Possible fines and penalties for non-compliance	Publication of procurement contracts	<p>TOD</p> <ul style="list-style-type: none"> Establish whether there are key requirements of laws, regulations, policies and procedures in publication of procurement contracts. <p>TOI</p> <ul style="list-style-type: none"> Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE Publication of procurement contract</p> <p>Check whether the accounting officer of a procuring entity published and publicize all sampled contract awards on their notice boards at conspicuous places, and website if available within fourteen days after signing the contract. PPADA 2015 SEC 138.</p>
5.	To ascertain whether any amendment or variations to a contract were done as per the provisions of the law.	Possible reputational damages and penalties for non-compliance	<ul style="list-style-type: none"> Contract Agreement Form (containing the following; Tender Form; Price schedule or bills of quantities submitted by the tenderer; Schedule of Requirements; Technical Specifications; General Conditions of Contract; Special Conditions of Contract; 	<p>TOD</p> <ul style="list-style-type: none"> Establish whether there are key requirements of laws, regulations, policies and procedures in amendment and variation of contracts. <p>TOI</p> <ul style="list-style-type: none"> Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>Amendments or variations to contracts</p> <ul style="list-style-type: none"> • Check whether all amendment or a variation to a contract has been approved in writing by the respective tender awarding authority within a procuring entity. PPADA 2015 SEC 139 1 (a) • Check that contract price was not varied upwards within twelve months from the date of the signing of the contract and the variation meets all the requirements as prescribed by the PPADA 2015 SEC 139. (3) (4). • Confirm that any contract variations or amendments for goods, works and services shall be as prescribed. PPADA 2015 SEC 139 1 (b). <ul style="list-style-type: none"> • Confirm that the accounting officer of a procuring entity shall not request or require, as a condition of awarding a contract, that a person who submitted a tender undertake responsibilities not set out in the tender documents. PPADA 2015 SEC 137
6.	To confirm that the procedures on interests and liquidated damages is fully complied with.	<ul style="list-style-type: none"> • Non-delivery/delayed performance 	Signed Contract Agreement	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are key requirements of laws, regulations, policies and procedures in interests on overdue amounts and liquidated damages. <p>TOI</p> <ul style="list-style-type: none"> • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. • Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>Interest on overdue amounts and liquidated damages</p> <ul style="list-style-type: none"> • Check whether overdue amounts owed by a procuring entity and a contractor under a contract for a Procurement unless the contract provides otherwise, the procuring entity shall pay interest on the overdue amounts PPADA 2015 SEC 140 (a). • Confirm that the contractor was held liable to liquidate damages for delayed performance PPADA 2015 SEC 140 (b). • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards
7.	To ascertain whether the specialized and complex contracts are executed as provided and in compliance with the law	<ul style="list-style-type: none"> • Poor quality on the delivery of the contract. 	Complex and Specialized Contracts	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are key requirements of laws, regulations, policies and procedures on complex and specialized contracts. <p>TOI</p> <ul style="list-style-type: none"> • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. • Note any gaps in implementation <p>TOE</p> <p>Specialized and complex contracts Sample contracts using a sampling methodology to:</p> <ul style="list-style-type: none"> • Ascertain that the accounting officer has set up a contract implementation team to ensure the right

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>quality and quantity of goods, works and services are procured; PPADA 2015 SEC 151 (1).</p> <ul style="list-style-type: none"> • Check that the contract implementation is as per the project implementation plan agreed upon by the contractor and the procuring entity. PPADA 2015 SEC 151 (2). • Ascertain that the implementation plan includes the following; <ul style="list-style-type: none"> ▪ The list of activities planned to be carried out; ▪ The deadline for each activity; ▪ Monthly cash planning forecast; and ▪ Any other information as required by a procuring entity; PPADA 2015 SEC 151 (2). • Check that a risk register is developed and maintained to monitor all identified contract risks such as; <ol style="list-style-type: none"> a) Incomplete or incorrect specifications. b) Poor communication. c) Supplier lacking sufficient resources. d) Production problems. e) Quality problems including technology. f) Shipment details. g) Underestimation of costs by supplier. h) Inflation trends; and i) Unexpected events.
8.	To ascertain that the County Government has complied with the limitation on contracts with state and public officers.	Fines, Penalties and possible litigations	Signed contract agreement	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are key requirements of laws, regulations, policies and procedures on limitations of contracts with state and public officers. <p>TOI</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. • Note any gaps in implementation <p>TOE</p> <p>Limitation on contracts with state and public officers</p> <ul style="list-style-type: none"> • Check whether the contract signed does not belongs to a public officer or state officer or a member of a committee or Board of that county organ or public entity; or an officer of that public entity or county organ as prescribed by the PPADA 2015 SEC 59 9 (1). • Check whether a state officer or a public officer shall not award or influence the award of a contract as prescribed in law. PPADA 2015 SEC 59 9 (2). • Confirm that a state officer or public officer who has an interest in a matter under consideration in a public procurement or asset disposal shall disclose in writing, the nature of that interest and shall not participate in any procurement or asset disposal relating to that interest.

3.5 Sub-Process: Inspection and Acceptance

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To access compliance with procurement laws and regulations in the	<ul style="list-style-type: none"> • Delivery of substandard goods 	<ul style="list-style-type: none"> • Appointment letters for the inspection and 	TOD

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
	<p>appointment of the inspection and acceptance committee.</p>	<ul style="list-style-type: none"> • Delayed delivery of goods • Non-compliance to required legislations on receipt of goods which may attract sanctions from monitoring Authorities 	<p>acceptance committee members as per the law (PPAD sect 48)</p>	<ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on appointment and composition of inspection and acceptance committee. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain appointment letters of inspection and acceptance committee. • Confirm that the procedure under TOD is implemented as documented. • Walkthrough the process and note any gaps in implementation <p>TOE</p> <p>Sample using the sampling methodology to establish if:</p> <ul style="list-style-type: none"> • In the appointment of the inspection and acceptance committee the accounting officer took into consideration; (a) the recommendations of the head of the procurement function; (b) the value of the contract; (c) the threshold matrix in the Second Schedule; and (d) the technical specifications of the goods, works and services to be procured as per the law (PPAD sect 48) and PPAD Reg 35. • In the composition of the inspection and acceptance committee the accounting officer ensured that the following persons are included— (a) the user department; (b) the technical department; (c) the head of the procurement

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				function; and (d) any other person as may be deemed fit.
2	To ascertain that the goods, works and services received are of a high quality and as per the order.	<ul style="list-style-type: none"> Substandard goods, works or services Non-compliance to required legislations on receipt of goods, works and services. 	Certificate from the Technical person	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on key requirements for the certificate from the technical person. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain appointment letters of the technical person. Confirm that the procedure under TOD is implemented as documented. Walkthrough the process and note any gaps in implementation <p>TOE</p> <p>Confirm that:</p> <ul style="list-style-type: none"> The technical person was appointed by the accounting officer in writing to form part of the inspection and acceptance committee. PPAD Reg 35 (3) The technical person issued a certificate to the accounting officer confirming the right quality and quantity of goods, works or services. PPAD Reg 35 (4)
3	To ascertain the inspection and acceptance committee undertook its mandate	<ul style="list-style-type: none"> Delivery of substandard goods Non-compliance to required legislations on receipt of goods 	<ul style="list-style-type: none"> Inspection and acceptance report, signed by all members. (PPAD 	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on function of inspection and acceptance committee.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
	effectively and in compliance with the law	which may attract sanctions from monitoring Authorities	Regulations sect 35 (6)	<ul style="list-style-type: none"> • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Confirm on the roles of inspection and acceptance committee. • Confirm that the procedure under TOD is implemented as documented. • Walkthrough the process and note any gaps in implementation <p>TOE</p> <p>Sample using the sampling methodology to establish if the inspection and acceptance reports/certificate took into account the following:</p> <ul style="list-style-type: none"> • Where the procuring entity lacks internal technical expertise to carry out the inspection and acceptance, the accounting officer requested another procuring entity to nominate an officer with the relevant technical expertise to assist or procure a professional with the relevant technical expertise. PPAD Reg 35 (3). • The committee prepared and issued a report, interim or completion of inspection and acceptance certificate and submitted to the head of procurement function (PPAD regulations 35) • Establish that the minutes of the Inspection and Acceptance committee have been signed by all members. (PPAD Manual sec 4.7)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
4 .		<ul style="list-style-type: none"> • Goods, works or services not delivered as ordered. • Goods, works and services paid for but not delivered 	Inspection and acceptance certificate	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on receiving and accepting goods. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Confirm on the procedure on receiving and accepting goods, works and services. • Confirm that the procedure under TOD is implemented as documented. • Walkthrough the process and note any gaps in implementation <p>TOE</p> <p>Sample using a sampling methodology to:</p> <ul style="list-style-type: none"> • Confirm that the accounting officer has only received works, goods or services based on purchase orders, service orders or signed contracts (PPAD regulations sec 166). • Confirm if there is a certificate confirming delivery and acceptance of goods, works and services, issued to the contractor by the head of procurement (PPAD SEC 154 (A) and PPAD Regulations).

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
5	To confirm that for goods rejected the right procedure was followed as per the provisions of the law	<ul style="list-style-type: none"> • Payment for goods, works or services rejected • Financial loss 	Inspection and Rejection Certificate	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on receiving and rejecting goods, works and services. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Confirm on the procedure on receiving and rejecting goods, works or services. • Confirm that the procedure under TOD is implemented as documented. • Walkthrough the process and note any gaps in implementation <p>TOE</p> <p>Sample using a sampling methodology to:</p> <ul style="list-style-type: none"> • Establish whether for the rejected goods the committee followed up for replacement of the goods. • Establish whether for non-replaced rejected goods, the County Government has cashed the performance bond.

3.6 Sub-Process: Inventory and Asset Management

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To check whether the procuring entity manages its inventory	<ul style="list-style-type: none"> • Wastage and loss of inventory. 	Inventory management system	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements for Inventory Management.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
	assets and stores for the purposes of preventing wastage and loss and continued utilization of supplies	<ul style="list-style-type: none"> • Over-stockings and stock outs • Inventory deterioration • Obsolescence • Setup costs 	Stock levels	<ul style="list-style-type: none"> • If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved Inventory Management system framework. • Confirm that the Inventory Management system developed is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain a sample of inventory and perform the following tests; • Reconciliation of inventory records against the receipts to verify whether stores received are taken on charge (PPADR 166(2)) • Obtain a movement register or records to confirm the movement and condition of the assets and inventory (PPADR 166 (4b)) • Establish whether there is a record for lost, stolen, destroyed, damaged or rendered unserviceable. Reg. 168(d) • Check accessibility of the stores. • Confirm the insurance validity of Inventory and assets • Establish whether there is any arrangement for repairs and maintenance of Inventory and Assets, PPAD 174. <p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements for optimal stock levels and whether

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>they have been documented. (General procurement manual)</p> <ul style="list-style-type: none"> • If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> • Take a sample of the inventory to perform the following test; • Confirm that the set stock levels are maintained as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain a sample of inventory confirm the lead time, reserve (buffer) stock, dues-in, dues-out, re-order level, minimum stock level, maximum stock level, provisioning level and contingency level (General procurement manual section 11.2)
			Storage premises	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements on storage of inventory and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> • Visit the physical storage premises and confirm that the key requirements are implemented as documented.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain records to confirm whether there is an officer appointed in charge of the stores with defined roles and responsibilities (General procurement manual section 11.1) • Check whether the accessibility of the stores is restricted (General procurement manual section 11.1 l). • Inspect the physical facility to establish preventive measures put in place to eliminate theft, security and safety threats, losses, wastage and misuse; Reg. 166(4a) • Check whether the citing of the store is convenient and not prone to flooding (General procurement manual section 11.8b). • Confirm whether facilities are well lit and ventilated (General procurement manual section 11.8d). • Confirm whether doors and windows are burglar proof and lockable for security (General procurement manual section 11.8e). • Establish whether large stores facilities are secured with a perimeter wall or fence and guarded (General procurement manual section 11.8f). • Establish whether appropriate stores handling equipment are provided to the stores attendants (General procurement manual section 11.8g). • Verify whether bin cards are properly kept for each item of stores and placed on or near the respective item containing such information as the name of the

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>supplier, quantity purchased and issued to user departments (General procurement manual section 11.1 j)</p> <ul style="list-style-type: none"> • Obtain a sample of stores inspection reports to establish whether the head of procurement function arranges and undertakes for occasional visits of inspection to the stores, at least quarterly in each calendar year (PPADA section 162(2)) • Confirm whether the store-rooms are clean, properly ventilated, in good condition and are well arranged and easy to access (General procurement manual section 11.1 l); • Confirm that stores of highly inflammable or explosive nature are kept in a separate storeroom (General procurement manual section 11.1 l) • Confirm the insurance validity of Inventory and assets.
			Physical stock take	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements on stock take and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> • Obtain a stock take report and confirm that that it is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain a sample of stock take reports and perform the following tests

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm whether the head of procurement has conducted quarterly and annual inventory and stock taking in order to ensure compliance with all respective governing laws and submit the report to the accounting officer (PPADA section 162(2)) • Verify that independent stock takers are appointed to undertake stock taking annually (General procurement manual section 11.7h) • Verify that the Stock takers make a physical check of the stores and to compare them with the ledger balances and record to the position (General procurement manual section 11.7h) • Verify whether stock takers prepare the report, and any surpluses or deficiencies are documented (General procurement manual section 11.7h) • Establish whether the concerned storekeeper has signed a form indicating his acceptance of the surpluses or deficiencies (General procurement manual section 11.7h). • Confirm whether Head of Procuring Entity has replied to the observations of the stock taker (General procurement manual section 11.7h). • Establish whether there is any arrangement for repairs and maintenance of Inventory and Assets, PPAD 174
2.	To check whether the procuring entity manages its assets for the purposes of preventing wastage and loss and continued utilization	<ul style="list-style-type: none"> • Wastage and loss of assets. • Obsolescence 	Asset Register	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements on managing assets and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Obtain the asset register – Reg. (170 (1)(2)(3) to confirm that it is developed and implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain a sample of inventory and perform the following tests Reconciliation of inventory against the receipts, • Test the optimality of the stock levels, • Inspect the physical facility to establish preventive measures put in place to eliminate theft, security and safety threats, losses, wastage and misuse; Reg. 166(4a) • Confirm the movement and condition of the assets and inventory Reg (166 (4b) • Establish whether there is a record for lost, stolen, destroyed, damaged or rendered unserviceable. Reg. 168(d) • Confirm whether there is an officer appointed in charge of the stores • Check accessibility of the stores. • Confirm the insurance validity of Inventory and assets • Establish whether there is any arrangement for repairs and maintenance of Inventory and Assets, PPAD 174.

3.7 Sub-Process: Disposal of Assets

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	<p>To assess that all assets disposed were planned for by the Accounting Officer through an annual asset disposal plan and in compliance with the laws and regulations.</p>	<ul style="list-style-type: none"> • Loss of assets • Sale of assets not in the disposal plan • Failure to dispose obsolete and unserviceable assets • Unrealized revenues 	<ul style="list-style-type: none"> • Approved Consolidated annual disposal plan (PPAD ACT SEC 53(4)PPAD Regulation Sec 180(4)) 	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on preparation, approval and reporting of annual disposal plan. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved annual disposal plan • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm existence of approved consolidated disposal plan(PPAD ACT SEC 53(4)) • Check if the department has submitted disposal plan to the head of procurement function within 30 days after closure of the financial year. (PPAD Regulations 183) • Check the format of the approved plan is in line with the provisions of the 13th schedule. PPAD Regulation Sec 176(2 and 3) • On disposal of land or building, confirm approval from County treasury PPAD Regulations Sec 180(11 and 12)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			Appointment of the disposal committee (PPAD Sec 163(1) and PPAD Regulations sec 177	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on appointment and mandate of the disposal committee. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Obtain appointment letters of the disposal committee</p> <p>Confirm if the appointment is in line with the law</p> <p>TOE</p> <p>Confirm Appointment and composition of the committee. (PPAD Act Sec 163(1) and PPAD Regulations sec 177</p> <p>Sample some minutes of the disposal committee to establish:</p> <p>Ascertain that the quorum of the disposal committee As per minutes provided PPAD Regulations Sec 178</p> <p>The committee performs its mandate as provided in the law PPAD Regulations Sec 179</p> <p>Confirm that all items due for disposal have reserve price from the disposal committee. (PPAD Regulation Sec 180)</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>Confirm where applicable, existence of a technical report prepared by the relevant expert of the subject item for disposal. (PPAD Sec 164(3))</p>
			<p>Disposal report submitted to the Accounting officer (PPAD Regulation 2020 Sec 179(g))</p>	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on preparation and submission of disposal reports by disposal committee. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Obtain reports of the disposal committee Confirm if the reports are prepared in line with the law</p> <p>TOE</p> <p>Sample disposal committee reports to Confirm that the report was submitted to the Accounting officer and approved within fourteen days. (PPAD Regulation 2020 Sec 179 and 180)</p> <p>In case of rejection, check if the Accounting officer's recommendations have been considered by the disposal committee PPAD Regulations Sec 180(10)</p> <p>Verify the quarterly reports from Accounting officer on implementation of disposal plan (PPAD Regulations 180(13))</p>

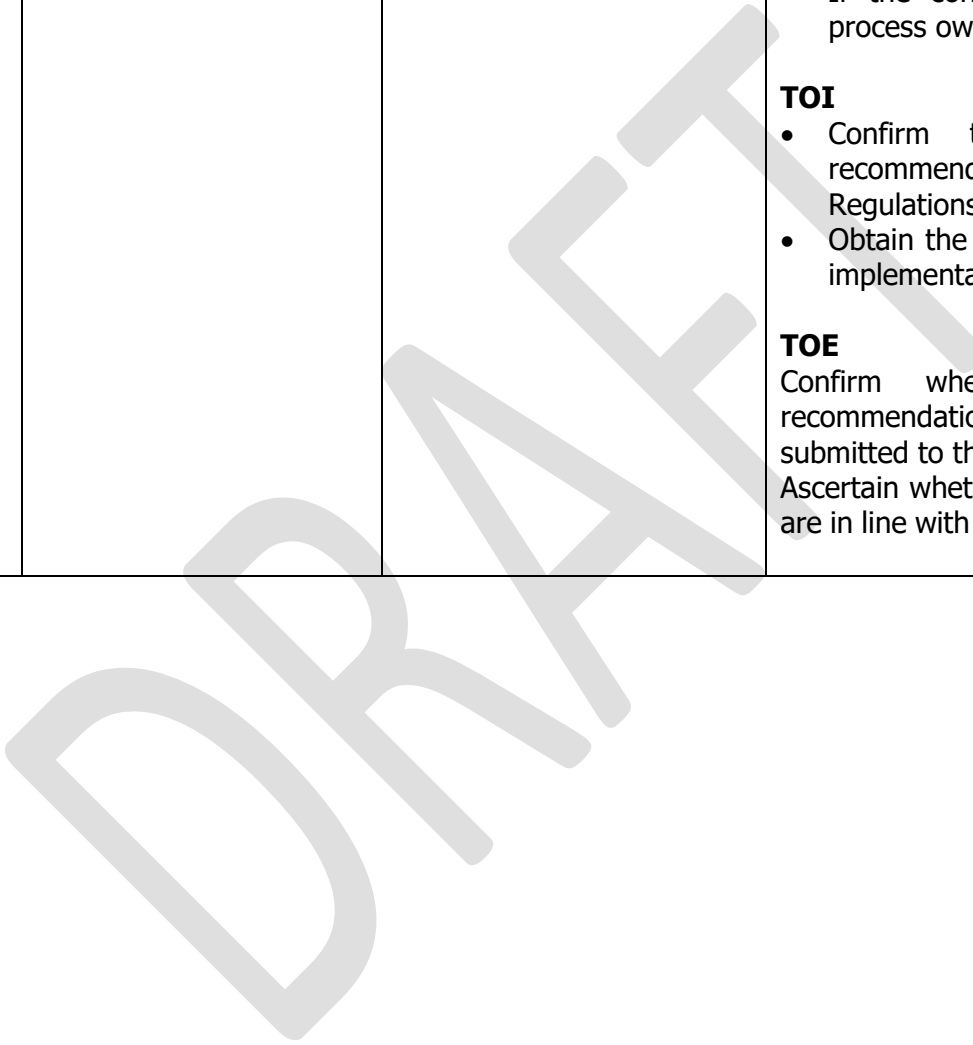
	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			Annual approved budget (PPAD ACT Sec 53(5))	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on budgetary provisions for the disposal plan. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Obtain the approved annual budget</p> <p>Confirm that the provisions are in line with the law.</p> <p>TOE</p> <p>Confirm if Asset and disposal plan is budgeted for (PPAD ACT Sec 53(5))</p> <p>Confirm if expenses incurred on disposal of assets were within the approved budget</p> <p>Sample disposal expenses and verify that adequate approvals for all disposal expenses were obtained.</p>
2.	To establish the adequacy of approval of the disposal methods and whether the disposal process is in compliance with the laws and regulations.	<ul style="list-style-type: none"> Use of unapproved disposal method Bid rigging Lack of value for money in asset disposal. Unauthorized disposal of assets 	Approved Disposal methods – Sale by Public Tender	<p>TOD</p> <p>Establish the key requirements of laws, regulations, policies and procedures on sale by public tender.</p> <p>TOI</p> <ul style="list-style-type: none"> Confirm the sale by public tender was documented in approved Consolidated annual disposal plan (PPAD ACT SEC 53(4) PPAD Regulation Sec 180(4)) Confirm that the provisions are in line with the law and Regulations.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		<ul style="list-style-type: none"> Noncompliance with the laws and regulations 		<ul style="list-style-type: none"> Walkthrough and document the process flow. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Check if the right procedure was followed under sale by public tender as documented on open tender under PPAD Act sec 74-87 and PPAD Reg 185. Confirm where an accounting officer has advertised for disposal through an open tender method and has not attracted successful bidders, that accounting officer shall dispose of the items within six months through a public auction. PPAD Reg Sec 183 (3). Confirm that standard assets disposal documents issued by PPRA have been used.
			<p>Approved Disposal methods – Public Auction</p>	<p>TOD Establish the key requirements of laws, regulations, policies and procedures on sale by public auction.</p> <p>TOI</p> <ul style="list-style-type: none"> Confirm the sale by public auction was documented in approved Consolidated annual disposal plan (PPAD ACT SEC 53(4) PPAD Regulation Sec 180(4) Confirm that the provisions are in line with the law and Regulations. Walkthrough and document the process flow. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Check if the right procedure was followed under sale by public auction as documented on PPAD Reg 187 - 192.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Sample the public auctions to check whether a competitive process was used to procure services of a registered auctioneer in accordance to PPAD Act Part X. • Sample sale by public auctions to confirm that only registered auctioneers who have valid licenses have conducted the public auctions PPAD Reg. 187. • Check whether successful bidders in the public auction were given a period of at least fourteen days from the date of the public auction to pay for the items and take possession of them and remove them from the procuring entity’s premises. PPAD Reg 192
			<p>Approved Disposal methods - Disposal to Employees</p>	<p>TOD Establish the key requirements of laws, regulations, policies and procedures on disposal to employees.</p> <p>TOI</p> <ul style="list-style-type: none"> • Confirm that the provisions are in line with the law and Regulations. • Walkthrough and document the process flow. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Check if the right procedure was followed and the requirements for disposal to employees met as documented on PPAD Act 166 and PPAD Reg 202. • Confirm that every disposal made by a procuring entity through disposal to employees method have been reported by an accounting officer of a procuring entity to PPRA within thirty days of the disposal. PPAD Reg 202 (4).

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			Approved Disposal methods – Other methods	<p>TOD Establish the key requirements of laws, regulations, policies and procedures on sale by public auction.</p> <p>TOI</p> <ul style="list-style-type: none"> • Confirm that the provisions are in line with the law and Regulations. • Walkthrough and document the process flow. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Check if the right procedure was followed under each disposal method indicated in the plan (PPAD Regulations 182 to 199) PPAD SEC 165 and 166 • Confirm the disposal method was documented in approved Consolidated annual disposal plan (PPAD ACT SEC 53(4) PPAD Regulation Sec 180(4)
3.	To verify that the disposal documents are in line with formats provided by PPRA	Inadequate asset disposal documentation	Standard Asset Disposal Documents	<p>TOD Establish the key requirements of laws, regulations, policies and procedures on sale by public auction.</p> <p>TOI</p> <ul style="list-style-type: none"> • Confirm that the documents are in line with the law and Regulations. • Obtain the standard asset disposal documents and note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm that the assets disposal documents used are in line with the standard asset disposal documents and formats issued by PPRA in accordance with section 70(1) of the Act and PPAD Reg 184.
			Evaluation report and recommendations PPAD Regulation Sec 200	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on disposal evaluations.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Confirm that the evaluations reports and recommendations are in line with the law and Regulations. • Obtain the evaluations report and note any gaps in implementation <p>TOE</p> <p>Confirm whether the evaluation report and recommendation (PPAD Regulation Sec 200) were submitted to the Accounting Officer. Ascertain whether the contents of the evaluation report are in line with the regulation (PPAD Regulations 200(2).</p>



4.0 PROJECT PROCESSES (ROAD CONSTRUCTION)

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

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To establish that the County Government followed an appropriate planning process to identify and select road construction projects	<ul style="list-style-type: none"> Non-compliance with the legislative requirements which require the development of the CIDP 	Approved CIDP – <i>Test done once in 5 years or whenever an amendment is done</i>	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on preparation and approval of the CIDP If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the approved CIDP Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Verify whether the CIDP contains all known projects, plans and programs to be implemented within the county by any organ of state <i>Sec. 108(2(b(iii))) of the CGA, 2012</i> Confirm citizen participation in the development of the CIDP <i>Sec. 106(4) and Sec. 105(1(d)) of the CGA, 2012</i>. Review the Public Participation reports, newspaper advertisements etc. Verify whether the CIDP contains key performance indicators set by the county <i>Sec. 108(2(b(iv))) of the CGA, 2012</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> Verify whether the CIDP contains budget projection required under the law governing county government financial management <i>Sec. 108(4(a)) of CGA, 2012</i> Verify whether the CIDP indicates the financial resources that are available for capital project developments <i>Sec. 108(4(b)) of CGA, 2012</i> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> Lack of citizen participation in project identification that may lead to litigations and resistance in the use of the project 	Oversight arrangements on citizen participation	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on citizen participation in project identification and selection If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one road project Establish that the project identification is in line with the regulatory requirements identified in TOD. Note any deficiencies in implementation Document the citizen participation in project identification and selection process <p>TOE</p> <ul style="list-style-type: none"> Obtain the contracts register and create a list of all payments for roads construction. Obtain a representative sample of the road construction projects using an approved sampling criteria Confirm that the identified projects are in the Approved CIDP <i>Sec. 108(2(b(iii)) of CGA, 2012</i> Verify that the Approved CIDP and ADP are supported by Public Participation Reports, Attendance Registers and Newspaper Adverts. <i>Sec. 106(4) and Sec. 105(1(d)) of the CGA, 2012</i> Confirm that annual reports on citizen participation in the affairs of the county are sent to the county <i>assembly Sec. 92(2) on CGA, 2012</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		<ul style="list-style-type: none"> • Identification of projects not consistent with the county government's priorities with regard to capital projects 	<ul style="list-style-type: none"> • Budget Circular • Approved CFSP • Approved ADP • Approved Budget 	<ul style="list-style-type: none"> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. <p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on establishment of county government's priorities • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the Budget Circular, CFSP, Approved ADP and Approved Budget • Select one road project • Establish that the project identification is in line with the regulatory requirements identified in TOD. Note any deficiencies in implementation • Document the project identification and selection process in relation to the county government's priorities <p>TOE</p> <ul style="list-style-type: none"> • ADP(Once in a year or whenever the ADP is revised) • Verify whether the ADP contains strategic priorities for the medium term that reflect the county government's priorities and plans <i>Sec. 126(1(a) of PFMA</i> • Verify whether the ADP contains a description of significant capital developments <i>Sec. 126(1(e) of PFMA</i> • Verify whether the ADP contains payments to be made on behalf of the county government, including details of any grants <i>Sec. 126(1(d) of PFMA</i> • Verify whether the ADP contains a detailed description of proposals with respect to the development of physical resources of the county, including measurable indicators where those are feasible <i>Sec. 126(1(f) of PFMA</i> • Verify whether the ADP contains a summary budget in the format required by the PFM regulations <i>Sec. 126(1(f) of PFMA</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that the ADP is submitted to the County Assembly by 1st September of each year for approval with a copy to CRA and NT <i>Sec. 126(3) of the PFMA</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. • Projects • Obtain the contracts register and create a list of all payments for roads construction. Obtain a representative sample of the road construction projects using an approved sampling criteria • Confirm that the project was budgeted for <i>Reg. 22(g) of CGPFMR</i> • Confirm that the project was included in the ADP <i>Sec. 126 of PFMA</i> • Confirm that the project was included in the CIDP <i>Sec. 108(2(b(iii))) of CGA, 2012</i> • Confirm that the identified projects are in the Approved ADP <i>Sec. 108(2(b(iii))) of CGA, 2012</i> • Confirm that the Budget Circular and CFSP clearly spells out the county government's priorities that are consistent with the CIDP, National Government's policy priorities and programs such as projects under Vision 2030 <i>Sec. 05 of CBOM, 2014, Reg. 26 and 30 of the CGPFMR</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans
		<ul style="list-style-type: none"> • Identification and selection of a road project not under the mandate of the county government 	<ul style="list-style-type: none"> • County intergovernmental forum for coordinated planning with national government institutions 	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on coordinated planning with national govt institutions • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the appointment letters of parties in the county intergovernmental forum

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that the design documented under TOD is implemented as documented • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the appointment letters and verify that the composition of the county intergovernmental forum is composed of both the national government and county government heads of functions in the county <i>Sec. 54(3) of the CGA, 2012</i> <ul style="list-style-type: none"> ✓ The Governor or representative - Chairperson ✓ All CECMs or representative ✓ County Commissioner ✓ All HODs who report to CC • Confirm that the functions of the members of the forum are properly spelt out to undertake the following responsibilities <i>Sec. 54(4) of the CGA, 2012;</i> <ul style="list-style-type: none"> ✓ Harmonization of services rendered in the county; ✓ Coordination of development activities in the county; ✓ Coordination of intergovernmental functions; • Obtain the minutes of the forum. Check to confirm that it is consistent with ADP • Check the ADP to confirm that the identified road projects are in Class D, E, F and G <i>Petition no 472 of 2014, Council of County Governors v Attorney General & 4 others [2015] Eklr</i> • Confirm that where the county government undertakes to construct road not under its function, there exists a framework of engagement with the national government <i>Art. 187(1) of the Const. of Kenya, 2010</i> • Confirm that when a national government project is transferred to the County Government, relevant resources for implementing the project are also transferred <i>Art. 187(1) of the Const. of Kenya, 2010</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that national road projects implemented by the county government are preceded by public hearings and subsequent approval of the county assembly <i>Sec. 114 of CGA, 2012</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
2.	To review the tender process for procurement of contractors to determine if the selection process complied with Public Procurement Act and its Regulations	<ul style="list-style-type: none"> • Complex procurement modalities - unlikely to attract adequate local competition 	Selection of appropriate procurement method - International Competitive Tendering	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on complex procurements • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one road project(complex procurement modalities) • Establish that the complex procurement is in line with the regulatory requirements identified in TOD. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the listing of planned projects from the Annual Development Plan. Create a list of projects with complex procurement modalities. Select a representative sample of road projects using an approved sampling criteria • Confirm that where the procurement is complex or the works by their nature, are unlikely to attract adequate local competition International Competitive Tendering is used <i>Sec. 5.3.1 of the Public Procurement Manual for Works, 2009</i> • Confirm that procurements subjected to International Competitive Tendering are only done if it is justified that there will not be effective competition for a procurement <i>Sec. 89 of PPADA, 2015</i> • Confirm that in inviting foreign tenderers to participate, the following is complied with <i>Sec. 89(a) of PPADA, 2015;</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ➤ The invitation to tender and the tender documents is made in English ➤ Confirm that in advertising the tender, invitation to tender is advertised in Kenya’s dedicated tenders portal or one or more English-language newspapers or other publications that, together, have sufficient circulation outside Kenya ➤ Technical requirements are compatible with requirements under Kenyan law and are based on international standards or standards widely used in international trade ➤ The tenderer uses a currency that is widely used in international trade and that the tender documents specifically allow to be used ➤ Where local or citizen contractors participate they are be entitled to the following exclusive preference <ul style="list-style-type: none"> ❖ The funding is 100% from the national government or county government or a Kenyan body; and ❖ The amounts are below five hundred million shillings; • Confirm that the following margin of preference for international tendering and competition is applied <i>Reg. 164 of PPADR, 2020</i>; <ul style="list-style-type: none"> ➤ 20% margin of preference of the evaluated price of the tender given to candidates who offer locally obtained goods or semi-processed goods in Kenya and percentage of shareholding of Kenyan citizens is more than 50% ➤ 15% margin of preference of the evaluated price of the tender given to candidates offering goods ➤ 10% margin of preference of the evaluated price of the tender, where the percentage of shareholding of Kenyan citizens is more than 50% ➤ 8% margin of preference of the evaluated price of the tender, where the percentage of shareholding of Kenyan citizens is less than 50% but above 20%; and

	Audit Objectives	Risks	Expected Internal Controls	Audit Test												
				<ul style="list-style-type: none"> ➤ 6% margin of preference of the evaluated price of the tender, where percentage of shareholding of Kenyan citizens is above 5% and less than 20% • Confirm that all foreign tenderers participating in international tenders source at least forty percent of their supplies from citizen contractors prior to submitting a tender <i>Sec. 157(9) of PPADA, 2015</i> • Confirm that the works are restricted to qualified contractors who have been registered by NCA for the category of work. Confirm that the following thresholds are upheld <i>Sec.16(3) of NCA Act and Part II of the NCA Regulations, 2017;</i> <table border="1" data-bbox="1062 618 1619 873"> <thead> <tr> <th>Category</th> <th>Value of works(KShs.)</th> </tr> </thead> <tbody> <tr> <td>NCA 1</td> <td>Unlimited</td> </tr> <tr> <td>NCA 2</td> <td>2,500,000,000</td> </tr> <tr> <td>NCA 3</td> <td>1,250,000,000</td> </tr> <tr> <td>NCA 4</td> <td>750,000,000</td> </tr> <tr> <td>NCA 5</td> <td>500,000,000</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. 	Category	Value of works(KShs.)	NCA 1	Unlimited	NCA 2	2,500,000,000	NCA 3	1,250,000,000	NCA 4	750,000,000	NCA 5	500,000,000
Category	Value of works(KShs.)															
NCA 1	Unlimited															
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NCA 3	1,250,000,000															
NCA 4	750,000,000															
NCA 5	500,000,000															
		<ul style="list-style-type: none"> • Lack of suitably qualified suppliers 	<p>Approved Procurement Plan (Selection of appropriate procurement method)</p>	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on selection of procurement method during the development of the procurement plan • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the Approved Procurement Plan • Identify the method of procurement for one selected road project(cancelled procurement proceedings due to lack of suitably qualified suppliers) 												

	Audit Objectives	Risks	Expected Internal Controls	Audit Test						
				<ul style="list-style-type: none"> • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the tender register. Create a list of cancelled procurement proceedings due to lack of suitably qualified suppliers. Select a reasonable sample of the road projects from the list using an approved sampling criteria • Confirm that the Procurement Plan contains the procurement method <i>Reg. 41(g) of PPADR, 2020</i>. Identify the method used for each procurement(road) from the procurement plan • Confirm that the selected procurement method is not designed to avoid competition <i>Sec. 3(b) of PPADA, 2015, Sec. 2.3(a) of the Public Procurement and Disposal General Manual, 2009</i>. Use of other methods other than open tender is properly justified • Confirm that the selected procurement method in the procurement plan, other than open tender, is properly justified <i>Sec. 2.6(a(ii)) of the Public Procurement and Disposal General Manual, 2009</i> • Confirm that the selected procurement method gives due consideration and balance to <i>Sec. 2.3 of the Public Procurement and Disposal General Manual, 2009</i>; <ul style="list-style-type: none"> ✓ Cost saving associated with increased competition and utilizing more effective procedure controls vs increased transaction costs of using more highly controlled procurement methods ✓ Cost savings introduced by expanding competition, e.g. Expanding to international markets vs the transaction costs associated with implementing an international bid process. • Confirm that the identified procurement method is within the prescribed threshold(<i>Second Schedule of PPADR, 2020</i>); <table border="1" data-bbox="1014 1357 2003 1427"> <thead> <tr> <th data-bbox="1014 1357 1646 1427">Method</th> <th data-bbox="1646 1357 1808 1427">Minimum (KShs.)</th> <th data-bbox="1808 1357 2003 1427">Maximum (KShs.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="1014 1427 1646 1427"></td> <td data-bbox="1646 1427 1808 1427"></td> <td data-bbox="1808 1427 2003 1427"></td> </tr> </tbody> </table>	Method	Minimum (KShs.)	Maximum (KShs.)			
Method	Minimum (KShs.)	Maximum (KShs.)								

	Audit Objectives	Risks	Expected Internal Controls	Audit Test		
				International Open tender	No minimum	As per the budget
				National Open tender	No minimum	As per the budget
				Restricted tender – complex or specialized nature	No minimum	As per the budget
				Restricted tender – time and cost required to examine and evaluate a large number of tenders would be disproportionate	No minimum	30,000,000
				Restricted tender – only a few known suppliers of the whole market	No minimum	As per the budget
				Request for proposals	No minimum	As per the budget
				Direct Procurement	No minimum	No maximum
				Request for quotations	No minimum	5,000,000
				Competitive negotiation	No minimum	No maximum
				Electronic reverse auction	No minimum	No maximum
				Two stage tendering	No minimum	As per the budget
				Design competition	No minimum	No maximum
				Framework agreement	No minimum	No maximum
				<ul style="list-style-type: none"> Confirm that the works are restricted to qualified contractors who have been registered by NCA for the category of work. Confirm that the following thresholds are upheld <i>Sec.16(3) of NCA Act and Part II of the NCA Regulations, 2017;</i> 		

	Audit Objectives	Risks	Expected Internal Controls	Audit Test																		
				<table border="1" data-bbox="1062 261 1619 630"> <thead> <tr> <th>Category</th> <th>Value of works(KShs.)</th> </tr> </thead> <tbody> <tr><td>NCA 1</td><td>Unlimited</td></tr> <tr><td>NCA 2</td><td>2,500,000,000</td></tr> <tr><td>NCA 3</td><td>1,250,000,000</td></tr> <tr><td>NCA 4</td><td>750,000,000</td></tr> <tr><td>NCA 5</td><td>500,000,000</td></tr> <tr><td>NCA 6</td><td>200,000,000</td></tr> <tr><td>NCA 7</td><td>50,000,000</td></tr> <tr><td>NCA 8</td><td>10,000,000</td></tr> </tbody> </table> <ul style="list-style-type: none"> Confirm that where the procurement is complex or the works by their nature, are unlikely to attract adequate local competition International Competitive Tendering is used <i>Sec. 5.3.1 of the Public Procurement Manual for Works, 2009</i> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. 	Category	Value of works(KShs.)	NCA 1	Unlimited	NCA 2	2,500,000,000	NCA 3	1,250,000,000	NCA 4	750,000,000	NCA 5	500,000,000	NCA 6	200,000,000	NCA 7	50,000,000	NCA 8	10,000,000
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		<ul style="list-style-type: none"> Management overrides 	<p>Approved Leadership and Integrity Code – State Officers involved in the process</p>	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on approval and signing of Leadership and Integrity Code for State Officers in the County If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the one signed Specific Leadership and Integrity Code Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p>																		

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that the State Officers in the County Executive have signed the Specific Leadership and Integrity Code issued by the County Government at the time of taking the oath of office or within seven days of assuming a State office <i>Sec. 40 of Leadership and Integrity Act, 2015</i> • Confirm that the State Officer does not to engage in activities that amount to abuse of office <i>Sec. 13(1(b)) of Leadership and Integrity Act, 2015</i> • Confirm that where personal interests conflict with the official duties, the personal interests are declared to the County Government or the EACC <i>Sec. 16(3) of Leadership and Integrity Act, 2015</i> • Where conflict of interest exists, confirm that the Officer refrains from participating in any deliberations with respect to the matter <i>Sec. 16(4(b)) of Leadership and Integrity Act, 2015</i> • Confirm that the Officer does not influence the award of a contract to a firm associated with self <i>Sec. 16(5) of Leadership and Integrity Act, 2015</i> • Confirm that the Officer does not act through other officers on activities that contravene the Code <i>Sec. 35 of Leadership and Integrity Act, 2015</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Collusion 	Approved Code of Conduct – Public Officers involved in the process	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on Code of Conduct for Public Officers in the County • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved Code of Conduct • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that the Public Officers in the County Executive have signed the Code of Conduct <i>Sec. 34 of The Public Service Code of Conduct and Ethics, 2016</i> • Confirm that the Officer does not to engage in activities that amount to abuse of office <i>Sec. 13(1(b)) of Leadership and Integrity Act, 2015</i> • Confirm that where personal interests conflict with the official duties, the personal interests are declared to the County Government or the EACC <i>Sec. 16(3) of Leadership and Integrity Act, 2015</i> • Where conflict of interest exists, confirm that the Officer refrains from participating in any deliberations with respect to the matter <i>Sec. 16(4(b)) of Leadership and Integrity Act, 2015</i> • Confirm that the Officer does not influence the award of a contract to a firm associated with self <i>Sec. 16(5) of Leadership and Integrity Act, 2015</i> • Confirm that the Officer does not act through other officers on activities that contravene the Code <i>Sec. 35 of Leadership and Integrity Act, 2015</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
			Segregation of duties	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on segregation of duties • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the Process Flow Chart • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test												
				<ul style="list-style-type: none"> • Confirm that appropriate systems and procedures to facilitate decision making for procurement and asset disposal proceedings are established <i>Sec. 45(1) of PPADA, 2015</i> • Confirm that the procuring entity meets the following minimum requirements; <ul style="list-style-type: none"> ✓ Has an accounting officer; ✓ Has a procurement function headed and staffed by procurement professionals; ✓ Has established or is in a position to establish all relevant committees under section 44(2) of PPADA, 2015 ✓ Has a vote where the budget is approved by a county assembly • Confirm that procurements initiation, processing and receipt of works are performed by different professional offices <i>Sec. 44(2(h) of PPADA, 2015</i> • Confirm that all the procurement committees are constituted <i>Sec. 44(2(b) of PPADA, 2015</i>. This include; <ul style="list-style-type: none"> ✓ Tender Opening Committee ✓ Tender Evaluation Committee ✓ Tender Negotiation Committee • Confirm that the following duties are performed by the following officers <i>Second Schedule of PPADR, 2020;</i> <table border="1" data-bbox="1060 971 1921 1295" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="1060 971 1354 1008">Activity</th> <th data-bbox="1354 971 1921 1008">Performed by;</th> </tr> </thead> <tbody> <tr> <td data-bbox="1060 1008 1354 1078">Procurement initiation</td> <td data-bbox="1354 1008 1921 1078">Head of the User Department</td> </tr> <tr> <td data-bbox="1060 1078 1354 1115">Evaluation of Tender</td> <td data-bbox="1354 1078 1921 1115">Evaluation Committee</td> </tr> <tr> <td data-bbox="1060 1115 1354 1185">Awarding the contract</td> <td data-bbox="1354 1115 1921 1185">Accounting Officer</td> </tr> <tr> <td data-bbox="1060 1185 1354 1222">Signing of Contract</td> <td data-bbox="1354 1185 1921 1222">Accounting Officer</td> </tr> <tr> <td data-bbox="1060 1222 1354 1292">Verification of works</td> <td data-bbox="1354 1222 1921 1292">Accounting Officer or his or her appointee in writing</td> </tr> </tbody> </table> • Confirm that the officers involved have been trained or sensitized and made aware that they shall bear personal responsibility for their actions and omissions <i>45(5) of PPADA, 2015</i> 	Activity	Performed by;	Procurement initiation	Head of the User Department	Evaluation of Tender	Evaluation Committee	Awarding the contract	Accounting Officer	Signing of Contract	Accounting Officer	Verification of works	Accounting Officer or his or her appointee in writing
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	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		<ul style="list-style-type: none"> Use of non-standard tender documents 	Standardized Tender Documents	<ul style="list-style-type: none"> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. <p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on use of Standard Tender Documents If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one road project(Review the Standard Tender Document used in the process) Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the contract register. Select a reasonable sample of road projects based on an approved sampling criteria Confirm the procuring entity used the Standard Tender Document issued by PPRA (Standard Tender Documents for Procurement of Works (Roads, water Bridges etc.)) <i>Sec. 70(2) of PPADA, 2015, Eighth Schedule of PPADR, 2020</i> Confirm that contain Tender Document contains sufficient information to allow fair competition among those who may wish to submit tenders <i>Sec. 70(3) of PPADA, 2015</i> Confirm that the tender documents sets out <i>Sec. 70(6) of PPADA, 2015;</i> <ul style="list-style-type: none"> ✓ Specific requirements ✓ Relevant Drawings ✓ Bills of Quantities ✓ General and specific conditions of the contract ✓ Tender number ✓ Instructions for the preparation and submission of tenders

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ An explanation of where and when tenders shall be submitted ✓ A statement that the tenders will be opened immediately after the deadline for submitting them ✓ An explanation of where the tenders will be opened from ✓ A statement that those submitting tenders or their representatives may attend the opening of tenders; ✓ A statement of the period during which tenders must remain valid; ✓ The procedures and criteria to be used to evaluate and compare the tenders; ✓ A statement that the accounting officer of a procuring entity may, at any time terminate the procurement proceedings without entering into a contract in accordance with section 60 of the PPADA, 2015; ✓ A provision for providing details of subcontractors for the bidder, where applicable, and ✓ A declaration that the sub-contractors have complied with this PPADA, 2015 • Confirm that tender document clearly indicates the technical and financial evaluation criteria to be applied which is quantifiable, measurable and objective <i>Reg. 68(4) of PPADR, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Staff capacity constraints such as inadequate numbers of staff due to slow or incompetent recruitment practices 	Approved Workflow	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on the workflow • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the Approved Workflow and the Organization Chart • Confirm that the design documented under TOD is implemented as documented.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm that the process flow, at a minimum, contains the following <i>Sec. 1.5 of the Public Procurement and Disposal General Manual, 2009</i>; <ul style="list-style-type: none"> ✓ Preparation of Procurement Plans ✓ Preparation of procurement specifications and initiation of the procurement process ✓ Preparation of Pre-qualification/Tender/Bid documents ✓ Advertisement/invitation of bids ✓ Receiving and Opening Bids ✓ Evaluation of Bids ✓ Notification of Contract Award ✓ Negotiations (where applicable) ✓ Preparation and Signing of Procurement Contract • Confirm that the procurement process is in compliance with PPADA, 2015 <i>Sec. 44(2(g)) of PPADA, 2015</i> • Confirm that controls created as a result of the process flow are efficient and do not include unnecessary red-tapes and are aimed at building robust business operations <i>Reg. 158(1(b)) of CGPFMR, 2015</i> • Confirm that procurements such as road maintenance that are repetitive in nature or works whose need may arise urgently are subjected to framework contracting so as to save on resources <i>Reg. 134(2) of PPADR, 2020</i> • Confirm that certain functions such as pre-approved automated evaluation process are automated <i>Reg. 58(6) of PPADR, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Unfair pricing 	Engineer’s Estimate	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on development and approval of the engineer’s estimate

	Audit Objectives	Risks	Expected Internal Controls	Audit Test										
				<ul style="list-style-type: none"> If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the filled BoQ developed by the engineer Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>General Verifications</p> <ul style="list-style-type: none"> Confirm that the estimates are realistic and based on up-to-date information on economic and market conditions <i>Reg. 71(3) of PPADR, 2020</i> Confirm that unit prices of the quantities provided in the BoQ are reasonably not at variance with the Unit Rates List attached hereto as Appendix I,II and III Sec. 3 of the Cost Estimation Manual for Road Maintenance Works, 2019 and <i>Reg. 43(2) of PPADR, 2020;</i> <table border="1" data-bbox="1066 1003 1999 1390"> <thead> <tr> <th>Type</th> <th>Source of Official Price Index</th> </tr> </thead> <tbody> <tr> <td>Labor</td> <td>Ministry of Labor i.e. Special Issue dated 14th July, 2017, Kenya Gazette Supplement No. 52, Legal Notice No. 111</td> </tr> <tr> <td>Material Price</td> <td>Current Material Price List from Kenya National Bureau of Statistics</td> </tr> <tr> <td>Equipment</td> <td>Equipment Hire Rate List from Mechanical and Transport Department, Ministry of Transport, Infrastructure, Housing and Urban Development</td> </tr> <tr> <td>Standard Goods,</td> <td>Quarterly Market Price Index Survey Results issued by PPRA</td> </tr> </tbody> </table>	Type	Source of Official Price Index	Labor	Ministry of Labor i.e. Special Issue dated 14 th July, 2017, Kenya Gazette Supplement No. 52, Legal Notice No. 111	Material Price	Current Material Price List from Kenya National Bureau of Statistics	Equipment	Equipment Hire Rate List from Mechanical and Transport Department, Ministry of Transport, Infrastructure, Housing and Urban Development	Standard Goods,	Quarterly Market Price Index Survey Results issued by PPRA
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	Audit Objectives	Risks	Expected Internal Controls	Audit Test												
				<table border="1" data-bbox="1062 266 2001 337"> <tr> <td data-bbox="1062 266 1276 337">Services or Works</td> <td data-bbox="1276 266 2001 337"></td> </tr> </table> <ul data-bbox="1014 342 2007 513" style="list-style-type: none"> • Confirm that where prices are not covered in the Official Price Indices, market survey is done by the procuring entity or provisional prices of similar items are used <i>Sec. 2.3 of the Cost Estimation Manual for Road Maintenance Works, 2019</i> and <i>Reg. 71(3) of PPADR, 2020</i>. Market Survey may be done by collecting price information from the following sources; <table border="1" data-bbox="1062 518 2001 837"> <thead> <tr> <th data-bbox="1062 518 1314 553">Type</th> <th data-bbox="1314 518 2001 553">Supplier of information</th> </tr> </thead> <tbody> <tr> <td data-bbox="1062 553 1314 589">Labor</td> <td data-bbox="1314 553 2001 589">Contractors</td> </tr> <tr> <td data-bbox="1062 589 1314 625">Material</td> <td data-bbox="1314 589 2001 625">Hardware shops</td> </tr> <tr> <td data-bbox="1062 625 1314 732">Equipment</td> <td data-bbox="1314 625 2001 732">Mechanical and Technical Department, Ministry of Transport Infrastructure Housing and Development, Contractors</td> </tr> <tr> <td data-bbox="1062 732 1314 837">Standard Goods, Services or Works</td> <td data-bbox="1314 732 2001 837">General Merchants</td> </tr> </tbody> </table> <ul data-bbox="1014 842 2007 1398" style="list-style-type: none"> • Confirm that indirect cost as a ratio of the total direct work cost is limited to not more than 20%. Indirect cost includes <i>Sec. 2.6 and 2.7 of the Cost Estimation Manual for Road Maintenance Works, 2019</i>; <ul style="list-style-type: none"> ✓ Human Resource Management costs (e.g. recruiting, staff welfare, transportation, insurance, uniforms). ✓ Site staff allowances. ✓ Management cost (e.g. site office maintenance, office equipment, communication, transportation). ✓ Safety measures. ✓ Social charges (e.g. Local taxes and public charges, welfare) ✓ Head office staff salaries and allowances. ✓ Head office management costs (e.g. office maintenance, office equipment, communication, transportation). ✓ Corporate Social charges (e.g. insurance, tax and public charges, welfare). ✓ Research and Development. 	Services or Works		Type	Supplier of information	Labor	Contractors	Material	Hardware shops	Equipment	Mechanical and Technical Department, Ministry of Transport Infrastructure Housing and Development, Contractors	Standard Goods, Services or Works	General Merchants
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	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Advertisement and publicity. ✓ Depreciation costs for fixed assets ✓ Profit margin • Confirm that the miscellaneous costs are limited to (<i>Sec. 2.8 of the Cost Estimation Manual for Road Maintenance Works, 2019</i>); <ul style="list-style-type: none"> ✓ 10% for Concrete works, Structural Works and complicated street furniture works ✓ 5% for Clearing, cleaning, earthwork, base and surfacing works, simple street furniture works • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Staff capacity constraints due to lack of adequate qualifications and training 	Approved Training Need Assessment Report <ul style="list-style-type: none"> • Procurement function 	<ul style="list-style-type: none"> • As tested under objective No.6
3.	To assess the appropriateness of designs and specifications to meet the intended project objectives	<ul style="list-style-type: none"> • Planning and design deficiencies not addressed 	Approved Drawing and Design	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on preparation and approval of the Drawings and Designs • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select on road project • Obtain the approved Drawings and Designs • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>TOE</p> <ul style="list-style-type: none"> • Obtain the contracts register. Create a list of all contracted road projects. Select a representative sample of the road construction projects using an approved sampling criterion. • Confirm that the sampled roads are supported by appropriate drawings and designs <i>Sec. 4.4.1 of the Procurement Manual for Works, 2009</i> • Confirm that there is road reserve width of between 25 meters for Class D Roads and 20 meters for Class E roads to allow for future expansion <i>Sec. 2.4 of the Road Design Manual Part I ; Geometric Design of Rural Roads</i> • Confirm that the road is designed to fit into the landscape of the area <i>Sec. 3.2 of the Road Design Manual Part I; Geometric Design of Rural Roads.</i> Review; <ul style="list-style-type: none"> ✓ Topography – Terrain of the topography influences location due to difficulties that it may cause in the design....alignment, gradients, sight distances, cross-section ✓ Land use – prevention of soil erosion ✓ Physical features - Care should be taken to avoid unnecessary destruction, demolition or severance of valuable properties. • Confirm the road is designed to take into account; <ul style="list-style-type: none"> ✓ Preservation of nature’s beauty ✓ Preservation of areas and land use of particular value ✓ Prevention of soil erosion and sedimentation. ✓ Prevention of health hazards by pending of water leading to the formation of swamps. ✓ Avoidance or reduction of visual intrusion. ✓ Prevention of undesirable roadside development ✓ Noise pollution. ✓ Air pollution. ✓ Vibration. ✓ Severance of areas (barrier effect) <i>Sec. 3.3 of the Road Design Manual Part I ; Geometric Design of Rural Roads</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm road is designed to provide design features aimed at preventing accidents and where accidents occur, reduce the impact of accidents <i>Sec. 3.4 of the Road Design Manual Part I ; Geometric Design of Rural Roads</i>. The road is designed to provide for; <ul style="list-style-type: none"> ✓ Provision of physical separation between motor vehicles and non-motorized traffic (pedestrians, cyclists, animals); and separate facilities for these two road user types. ✓ Provision of a balanced design, i.e. compatibility between the various design elements. ✓ Avoidance of surprise elements for the drivers;-i.e. no abrupt changes in standard, adequate visibility conditions and proper phasing of horizontal and vertical alignment. ✓ Avoidance of situations where drivers must make more than one decision at a time. ✓ Provision of design features that reduce speed differentials between vehicles; e.g. flat grades and speed change lanes. ✓ Proper location and design of junctions with particular emphasis on sufficient sight distances, a minimum of conflict points, and clearly defined and controlled traffic movements. ✓ Proper design, application and location of traffic signs, road markings and other traffic control devices. ✓ Provision of design elements compatible with traffic volumes and type of traffic (long-distance, through local means, etc.). ✓ Provision of proper drainage of the road surface. • Confirm that the Drawing and Design are approved by the appropriate senior officer and the user department <i>Sec. 2.1.1 and 4.3.8 of the Procurement Manual for Works, 2009</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Unrealistically prepared bills of quantities 	Approved Bill of Quantities	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on preparation and approval of the Bills of Quantities

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • If the control is not documented, enquire from process owner how it is meant to be executed. TOI • Select on road project • Obtain the Approved Bills of Quantities • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/map. Note any gaps in implementation TOE • Obtain the contracts register. • Create a list of all contracted road projects. • Select a representative sample of the road construction projects using an approved sampling criterion. • Confirm that the sampled roads are supported by an appropriate Bill of Quantities <i>Sec. 4.4.1 of the Procurement Manual for Works, 2009</i> • Confirm that the quantity of material (the amount of material used per unit of work), labor productivity (the number of people worked per unit of work), and machinery productivity (the number hours/days of machinery operation needed per unit of work) are determined with the following references <i>Sec. 2.5 of Cost Estimation Manual for Road Maintenance Works;</i> <ul style="list-style-type: none"> ✓ Ministry of Transport and Communications; Standard Specification for Road and Bridge Construction, 1986. ✓ Standard drawings • Review the BoQ to ensure that it includes the use of the approved Units of Measurement, Quantity, Symbols and Multiples/Sub-Multiples <i>Sec. V(7)Standard Tender Documents for Procurement of Works(Roads, water Bridges etc.) and Design Manual Part I ; Geometric Design of Rural Roads</i> • Confirm that each work specified in the BoQ is coded according to the categorized RMS coding system and in accordance with the Standard

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>Specifications for Road and Bridge Construction (1986) <i>Sec. 2.1 of the Cost Estimation Manual for Road Maintenance Works</i></p> <ul style="list-style-type: none"> • Confirm that the BoQ is approved by the end user and the appropriate senior officer <i>Sec. 2.1.1 and 4.3.8 of the Procurement Manual for Works, 2009</i> • Confirm that the BoQ (unpriced) is appropriately communicated tenderer as part of the tender document <i>Sec. 12.1 of the Standard Tender Documents for Procurement of Works (Roads, water Bridges etc.)</i> • Confirm that the BoQ split into relevant sections (<i>Sec. V of the Standard Tender Documents for Procurement of Works (Roads, water Bridges etc.)</i>); <ul style="list-style-type: none"> ✓ Bill No. 1: General Items; ✓ Bill No. 2: Earthworks; ✓ Bill No. 3: Culverts and Bridges; ✓ Bill No. 4: etc., as required; ✓ Daywork Schedule; and ✓ Summary Bills of Quantities • If the Daywork Schedule is included in the BOQ, confirm that nominal units are included and priced for the following categories(<i>Sec. V of the Standard Tender Documents for Procurement of Works(Roads, water Bridges etc.)</i>); <ul style="list-style-type: none"> ✓ Daywork labor ✓ Daywork Materials ✓ Daywork Contractor’s Equipment • Confirm that the BoQ is priced using the following columns(<i>Sec. V of the Standard Tender Documents for Procurement of Works(Roads, water Bridges etc.)</i>); <ul style="list-style-type: none"> ✓ Item no. ✓ Description ✓ Unit ✓ Quantity ✓ Rate ✓ Amount

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		<ul style="list-style-type: none"> Inadequately prepared specifications and ambiguous description of items in the bills of quantities leading to poor quality of works, extra costs due to claims, delayed completion of works 	Approved Specifications	<ul style="list-style-type: none"> Confirm that the total price BOQ agrees with letter of tender(<i>Sec. V of the Standard Tender Documents for Procurement of Works(Roads, water Bridges etc.)</i>) Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. <p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on preparation and approval of the Specifications If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one road project and obtain the Approved Specifications Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the contracts register. Create a list of all contracted road projects. Select a representative sample of the road construction projects using an approved sampling criterion. Confirm that the sampled roads are supported by appropriate Specifications <i>Sec. 4.4.1 of the Procurement Manual for Works, 2009</i> Confirm that the Approved Specifications do not appear to favor certain bidders <i>Sec. 7.1 of the Public Procurement and Disposal General Manual, 2009</i> Confirm that the Specifications are prepared by a qualified staff <i>Sec. 7.1(a) of the Public Procurement and Disposal General Manual, 2009</i> Confirm that where the procuring entity lacks qualified staff, a procurement agent or consultant is be engaged to prepare complex

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>specifications <i>Sec. 7.1(d) of the Public Procurement and Disposal General Manual, 2009</i></p> <ul style="list-style-type: none"> • Confirm that the Specifications are be updated and based on adequate market trends <i>Sec. 7.1(c) of the Public Procurement and Disposal General Manual, 2009</i> • Confirm that the evaluation criteria which is disclosed in the bidding documents is partly based on the specifications <i>Sec. 7.1(f) of the Public Procurement and Disposal General Manual, 2009</i> • Confirm the preparation of bidding documents is not commenced before specifications are ready <i>Sec. 7.1(h) of the Public Procurement and Disposal General Manual, 2009</i> • Confirm that the Specifications take into account total cost of ownership. <i>Sec. 7.1(i) of the Public Procurement and Disposal General Manual, 2009</i> • Confirm that the responsibility on preparation of the Specifications is shared between the user and technical departments and coordinated by the procurement unit <i>Sec. 7.1 of the Public Procurement and Disposal General Manual, 2009</i> • Confirm that Special Conditions are appropriately listed and communicated to the tenderer and form part of the TD. Check to confirm that the listed specifications include location and extent of site, extent of the contract, drawings and any other specification that do not form part of the General Specifications. <i>SSRBC,1986 and STD</i> • Confirm that the Specifications are approved by the end user and the appropriate senior officer <i>Sec. 2.1.1 and 4.3.8 of the Procurement Manual for Works, 2009</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
4.	To determine whether contract documents contained all	<ul style="list-style-type: none"> • Inequitable distribution of risks 	Risk assessment	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on procurement and project risk assessment • If the control is not documented, enquire from process owner how it is meant to be executed.

Audit Objectives	Risks	Expected Internal Controls	Audit Test
<p>necessary information and whether the contract was properly signed</p>			<p>TOI</p> <ul style="list-style-type: none"> Select one road then obtain the Procurement risk register from the project file Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the contracts register. Create a list of all contracted road projects. Select a representative sample of the road construction projects using an approved sampling criterion. Confirm that the accounting officer has established mechanisms for risk management <i>Reg. 158 of CGPFMR, 2015</i> Confirm that a contract implementation team is formed for each every complex and specialized procurement contract <i>Sec. 151 of PPADA, 2015</i> Confirm that as part of contract review, the team undertakes risk analysis <i>Reg. 138(3(c)) of the PPADR, 2020</i> Confirm that the team maintains a risk register for the project <i>Reg. 138(3(d)) of the PPADR, 2020</i> Confirm that any risks identified shall be isolated and addressed within a reasonable time <i>Reg. 138(3(d)) of the PPADR, 2020</i> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
	<ul style="list-style-type: none"> Contract lacks critical information 	<p>Reviews by the County Attorney</p>	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on contract reviews If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Select one road project and extract the contract • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the contracts register. Select a reasonable sample of the contractual agreements • Confirm that the written contract is based on the tender documents and any clarifications that emanate from the procurement proceedings <i>Sec. 135(2) of PPADA, 2015</i> • Confirm that the contract is signed by the accounting officer or an officer authorized in writing by the accounting officer of the procuring entity and the successful tenderer <i>Sec. 135(1) of PPADA, 2015</i> • Confirm that the following documents form part of the contract(<i>Sec. 135(6) of PPADA, 2015</i>); <ul style="list-style-type: none"> ✓ Contract Agreement Form; ✓ Tender Form ✓ Bills of quantities submitted by the tenderer; ✓ Drawings ✓ Schedule of Requirements; ✓ Technical Specifications; ✓ General Conditions of Contract; ✓ Special Conditions of Contract; ✓ Notification of Award. • Confirm that all written contracts are negotiated, drafted, vetted and interpreted by the County on behalf of the county executive and its agencies <i>Sec. 7(e) of The Office of the County Attorney Act, 2020</i> • Confirm that all contracts of a value exceeding Kenya shillings five billion are cleared by the Attorney-General before they are signed <i>Sec. 134(2) of PPADA, 2015</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		<ul style="list-style-type: none"> Unrealistically estimated construction periods 	Contract period	<ul style="list-style-type: none"> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. <p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on determination of contract periods If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one road project file and extract the following; <ul style="list-style-type: none"> ✓ Contractual Agreement ✓ General Conditions of Contract ✓ Special Conditions of Contract ✓ Evaluation and Negotiation Committee Report Review clauses that relate to the contract period Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the contracts register. Select a reasonable number of roads using an approved sampling criterion. Obtain the following documents; <ul style="list-style-type: none"> ✓ Contractual Agreement ✓ General Conditions of Contract ✓ Special Conditions of Contract ✓ Evaluation and Negotiation Committee Report Confirm that the Evaluation Committee undertakes a post-qualification analysis, taking into account the completion period and the Work Programme <i>Sec. 4.4.18 of Public Procurement Manual for Works, 2009</i> Where there is an urgent need that can be met by several suppliers, confirm that the Evaluation and Negotiation Committee competitively

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>negotiates on behalf of the procuring entity provided that the quality of work is not compromised <i>Sec. 131(d) of PPADA, 2015</i></p> <ul style="list-style-type: none"> • Confirm that the Special Conditions of Contract records the Commencement Date and Time of Completion <i>General Conditions of Contract; Standard Tender Documents for Procurement of Works (Roads, water Bridges etc.)</i> • Confirm that the project period is reasonable and covers the following phases <i>Sec. 5.3.1.2 Cost Estimation Manual for Performance Based Road Maintenance Contract; Volume II – Manual for Cost Administrators, 2019;</i> <ul style="list-style-type: none"> ✓ Initial Mobilization Period – bringing the road to the required service level ✓ Road Construction/Maintenance Period • Confirm that the Initial Mobilization Period and the Road Construction/Maintenance Period takes into account both the wet period and the dry period <i>Sec. 5.3.1.2 Cost Estimation Manual for Performance Based Road Maintenance Contract; Volume II – Manual for Cost Administrators, 2019</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
5.	To determine whether the contract was properly administered	<ul style="list-style-type: none"> • Contract not completed on time 	Approved Work Execution Programme	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on development and approval of Work Execution Programme • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one road project file and obtain the Approved Work Execution Programme • Confirm that the design documented under TOD is implemented as documented.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the contracts register. Select a reasonable number of ongoing/complete roads using an approved sampling criterion. • Confirm that the contractor submits the Work Execution Programme by the time that was specified in the contract documents before commencement of work. Confirm that it is submitted within 28 days after the date of the award of the contract. <i>Sec. 2.2(i) of the Supervision and Contract Evaluation Manual for Road Works, 2012, Clause 108 of SSRBC</i> • Confirm that the WEP covers all required information for proper execution and completion of the work within the contract period <i>Sec. 2.3.1 of the Supervision and Contract Evaluation Manual for Road Works, 2012</i> • Confirm that the submitted WEP is approved by the relevant technical department, including the modified WEP <i>Sec. 2.3.1 of the Supervision and Contract Evaluation Manual for Road Works, 2012</i> • Confirm that WEP contains General information and Work execution schedule <i>Sec. 2.3.1 of the Supervision and Contract Evaluation Manual for Road Works, 2012</i> • Confirm that the WEP for class A-D roads further contains <i>Sec. 2.3.2 of the Supervision and Contract Evaluation Manual for Road Works, 2012</i> ; <ul style="list-style-type: none"> ✓ Method Statement ✓ Personnel management plan (Inhouse and subcontractor staff) ✓ Equipment management plan ✓ Mobilization management plan ✓ Safety management plan ✓ Environmental and social management plan ✓ Quality control plan ✓ Quantity control plan ✓ Photograph plan

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that the WEP forms the basis of supervision by the resident engineer/project manager and is modified as directed by the engineer based on existing or presumed conditions <i>Sec. 2.3.1 of the Supervision and Contract Evaluation Manual for Road Works, 2012</i> • Confirm that the results of the supervision are recorded in the Supervision Check List(SCL) and agreed upon by the contractor <i>Sec. 2.4.3.(1) of the Supervision and Contract Evaluation Manual for Road Works, 2012</i> • Confirm that the SCL contains <i>Sec. 2.5 of the Supervision and Contract Evaluation Manual for Road Works, 2012;</i> <ul style="list-style-type: none"> ✓ Description ✓ Check Timing and frequency ✓ Reference ✓ Case Examples • Confirm that all corrective orders are recorded in a Site Diary date when issued and re-issued and date when corrected for proper monitoring <i>Sec. 2.4.3.(3) of the Supervision and Contract Evaluation Manual for Road Works, 2012</i> • Confirm that significant problems such as slippage in the timetable are brought to the immediate attention of the Procuring Entity(<i>Sec. 7.2.6 of the Public Procurement Manual for Works, 2009</i>) • Confirm that the project manager holds regular site meetings with the Contractor to identify the causes of any slippage in the schedule of works (<i>Sec. 7.2.6 of the Public Procurement Manual for Works, 2009</i>) • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Inadequate coverage of the scope • Construction deficiencies 	Supervision by project manager	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on contract supervision • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Select one road project file • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the contracts register. Select a reasonable number of ongoing/complete roads using an approved sampling criterion. • Confirm that the supervision is undertaken by the project manager/supervision engineer in consultation with the Procurement Unit and the Technical Department <i>Sec. 7.2 of the Public Procurement Manual for Works, 2009</i> • For effective supervision, confirm that the project manager has sufficient experience and qualifications <i>Sec. 7.2 of the Public Procurement Manual for Works, 2009, Scheme of Service for Road Engineers.</i> • Confirm that the supervision takes into account quality control (<i>Sec. 7.2 of the Public Procurement Manual for Works, 2009</i>) • Confirm that supervision of quality control monitors the following for effective contract management(<i>Sec. 7.2.2 of the Public Procurement Manual for Works, 2009</i>); <ul style="list-style-type: none"> ✓ Tests ✓ Identifying Defects ✓ Correction of Defects during: ✓ Construction Period ✓ Defects Liability Period ✓ Remedying of Uncorrected Defects • Confirm that the project manager maintains close supervision of the Contractor’s performance, work done, materials used, and labor force on the site (<i>Sec. 7.2.6 of the Public Procurement Manual for Works, 2009</i>) • Confirm that the supervisor notifies the Contractor in writing requesting rectification of any deficiencies in workmanship, materials used, safety or

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>environmental standards, or other required performance standards (<i>Sec. 7.2.6 of the Public Procurement Manual for Works, 2009</i>)</p> <ul style="list-style-type: none"> • Confirm that the project manager holds regular site meetings with the Contractor to identify the causes of any slippage in the schedule of works (<i>Sec. 7.2.6 of the Public Procurement Manual for Works, 2009</i>) • Confirm that the project manager conducts detailed checks on the Contractors claims for work performed, re-measure as appropriate, and prepare Interim Payment Certificates (<i>Sec. 7.2.6 of the Public Procurement Manual for Works, 2009</i>) • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. <p>Further verifications;</p> <ul style="list-style-type: none"> i. Materials and Material Testing <ul style="list-style-type: none"> • Confirm that all materials used in or upon the works are tested by the contractor and accepted by the engineer (<i>Clause 203 of SSRBC, 1986</i>) • Confirm that samples are tested before the materials are delivered in bulk upon the works (<i>Clause 203 of SSRBC, 1986</i>) ii. Verification of Site Clearances and Topsoiling <ul style="list-style-type: none"> • Identify the work to be done from the BoQ, Engineer’s Instructions and the measurement sheets the works to be done in Site Clearances and Topsoiling. Check if any of the following items is provided for in this BoQ and confirm that measurements for work done are accurate. Sample based on financial materiality of items and verify the following; <ul style="list-style-type: none"> a) Bush clearing(Art. 401 and 404 of SSRBC, 1986) <ul style="list-style-type: none"> ✓ Confirm that trees within the road reserve having a trunk girth of more than 450mm at a point and 600mm above the ground are not cut down, unless instructed by the engineer ✓ Confirm that the applicable rates is as per the BoQ multiplied by the No. of units of the cleared site

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that the cut trees(property of the procuring entity) are protected and preserved by the contractor until collected by the procuring entity ✓ Confirm that all vegetation is burnt or carted away to spoil area <p>b) Site Clearing and Backfill(Clause 401 and 404 of SSRBC, 1986)</p> <ul style="list-style-type: none"> ✓ Confirm that the obstructions designated to remain are not demolished and any damage which occurs as a result of the contractor’s failure to exercise caution, shall be repaired at the contractor’s expense ✓ Confirm that the demolished buildings, structures and fences have the components dismantled, cleaned and stacked in separate heaps ✓ Confirm that all materials not fit for reuse are removed from site to spoil areas ✓ Confirm that all the re-usable materials(property of the procuring entity) are protected and preserved by the contractor until collected by the procuring entity <p>c) Concrete Demolition(Clause. 401 and 404 of SSRBC, 1986)</p> <ul style="list-style-type: none"> ✓ Confirm that the obstructions designated to remain are not demolished and any damage which occurs as a result of the contractor’s failure to exercise caution, shall be repaired at the contractor’s expense ✓ Confirm that the demolished obstructions have the components dismantled, cleaned and stacked in separate heaps ✓ Confirm that all materials not fit for reuse are removed from site to spoil areas ✓ Confirm that all the re-usable materials(property of the procuring entity) are protected and preserved by the contractor until collected by the procuring entity

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>d) Topsoil stripping(Clause 402 of SSRBC, 1986)</p> <ul style="list-style-type: none"> ✓ Confirm that the depth of the topsoil does not exceed 200mm and where the depth exceeds 200mm, the portion below 200mm is treated as fill or spoil ✓ Confirm that the topsoil is transported and deposited in stockpile areas as instructed by the engineer ✓ Confirm that where the contractor strips to depths greater than those specified by the engineer, the contractor is made to replace the material with fill material at the contractor’s expense <p>e) Pipe Culvert Removal (Clause 403 and 404of SSRBC, 1986)</p> <ul style="list-style-type: none"> ✓ Confirm that the pipes designated to remain are not demolished and any damage which occurs as a result of the contractor’s failure to exercise caution, shall be repaired at the contractor’s expense ✓ Confirm that the demolished pipes have the components dismantled, cleaned and stacked in separate heaps ✓ Confirm that all pipes not fit for reuse are removed from site to spoil areas ✓ Confirm that all the re-usable pipes(property of the procuring entity) are protected and preserved by the contractor until collected by the procuring entity <p>iii. Earthworks</p> <ul style="list-style-type: none"> • Identify the work to be done from the BoQ, Engineer’s Instructions and the measurement sheets the works to be done in Earthworks. Check if any of the following items is provided for in this BoQ and confirm that measurements for work done are accurate. Sample based on financial materiality of items and verify the following; <p>a) Material Filling</p> <ul style="list-style-type: none"> ✓ Confirm that the materials used for are obtained from cuttings. Confirm that only the contractor has demonstrated and the

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>engineer agree that materials from cuttings are inadequate, that materials be obtained from borrow pits(505)</p> <ul style="list-style-type: none"> ✓ Confirm that earthworks proceed towards completion in an orderly and continuous manner(505) ✓ Confirm that the contractor submits a written request for approval of any layer at least 18 hours before he/she intends to cover the completed layer(505) ✓ Confirm that the hard materials are spread and levelled by a howler tractor weighing not less than 15 tonnes (505) ✓ Confirm that the fill material is not stockpiled on embankments without the express permission of the engineer ✓ Confirm that the embankments are raised up to the bridges and up to and over the culverts(505) ✓ Confirm that each layer of hard material is compacted by at least 8 passes of a towed vibrating roller weight at least 5 tonnes of dead weight(508) or a grid roller weighing not less than 13 tonnes of dead weight ✓ Confirm that where unsuitable materials are used in the embankments, the materials are removed and replaced by the suitable materials at the cost of the contractor(502) ✓ Confirm that the water used for compaction is clean , fresh and free from impurities and is obtained from a source approved by the engineer(508) ✓ Where the cuttings are obtained from a borrow pit, confirm that this is approved by the engineer(511) ✓ Confirm that adequate supervision of suitable material obtained from a borrow pit is provided to protect it from being contaminated with unsuitable material(511) <p>b) Material Cutting</p> <ul style="list-style-type: none"> ✓ Confirm that the spoil material is deposited in spoil areas as approved by the engineer(510)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that the contractor gives the engineer at least 24 hours' notice of his or her intention to commence spoiling operations at a particular location(510) c) Rock filling <ul style="list-style-type: none"> ✓ Confirm that the rock fill is obtained from a rock quarry, transported, placed in uniform layers, rolled and trafficked until it is fully embedded in the whole area as instructed(507) ✓ Confirm that the rock fill is of maximum dimension of 250mm, well graded and width of not more than 5% finer than 10mm(507) ✓ Confirm that the layer thickness and the number of layers is as instructed by the engineer(507) ✓ Confirm that each layer is blinded with smaller rock fragments so as to fill the many voids(507) ✓ Confirm that when required to place a filter fabric, the fabric is placed under or around the rock fill as instructed and that final layer of the rock fill is blinded with gravel(507) d) Planting(Grassing) <ul style="list-style-type: none"> ✓ Confirm that the Confirm that the contractor plants sprigs of approved indigenous 'runner' type grass at 150mm centers(514) ✓ Confirm that the contractor takes care for and waters the grass until it is firmly established(514) ✓ Confirm that the contractor protects the grass from being washed away by his watering or the rainfall or rainfall runoff before it is firmly established(514) ✓ Confirm that the contractor protects the grass from any other damages before it is firmly established(514) iv. Excavation and Filling for Structure <ul style="list-style-type: none"> • Identify the work to be done from the BoQ, Engineer's Instructions and the measurement sheets the works to be done in Excavation and Filling for Structure. Check if any of the following items is provided for in this

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>BoQ and confirm that measurements for work done are accurate. Sample based on financial materiality of items and verify the following;</p> <p>a) Material Excavation for Structures</p> <ul style="list-style-type: none"> ✓ Confirm that the sides of the excavation are kept vertical and are properly timbered or sheet piled, shored and strutted so as to prevent subsidence or stripping of the surrounding soil(703) ✓ Confirm that all excavated surfaces(in material other than hard material) on which structures are to be placed are compacted to 95% MDD immediately before foundations are constructed(703) ✓ Confirm that excavated surfaces in material are further excavated to achieve a minimum thickness of 50mm of blinding concrete(703) ✓ Confirm that the engineer’s approval of any excavation is obtained prior to any construction thereon(703) ✓ Confirm that all excavations are kept dry and protected from water by the contractor(704) ✓ Confirm that the excavation is neatly done to the shape required by the drawings or engineer’s instructions. Any over-excavation is backfilled by Class 15/20 concrete or concrete of similar grade at the contractor’s expense(707) ✓ Confirm that no filling around a structure commences without the approval of the engineer(707) ✓ Confirm that the filling or backfilling is done with selected materials approved by the engineer, brought up to horizontal layers not exceeding 150mm compacted thickness (707) ✓ Confirm that all structures put in place for the exclusion or removal of water from various parts of the works are removed on completion of the works(708) <p>b) Gabion</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that gabions are of "Maccaferri" boxes and/or "Reno" mattresses with a diaphragm of 1 meter centers or approved similar(711) ✓ Confirm that the dimensions of the gabion boxes are as instructed(711) ✓ Confirm that the gabions are constructed to the shapes and dimensions shown on the drawings or as directed by the engineer(711) ✓ Confirm that adjacent gabions do not vary by more than 25mm in line and/or level from each other(711) ✓ Confirm that the surface upon which the gabions are laid are compacted to a minimum dry density of 95% MDD and trimmed to the specified level as instructed(711) ✓ Confirm that gabions are laid with broken bond throughout to avoid continuous joints both horizontally and vertically(711) ✓ Confirm that pre-tensioning of gabions is approved by the engineer ✓ Confirm that the whole interior and the top layers are packed tight and hammered into place(711) ✓ Confirm that on completion of the construction, the gabions are painted with a thick bitumen to discourage vandalism(711) <p>c) Stone Pitching</p> <ul style="list-style-type: none"> ✓ Confirm that stone pitching is formed of hard stone, roughly dressed square(710) ✓ Confirm that the least dimension of any stone is not less than 200mm and the volume of not less than 0.01m³(710) <p>v. Culverts and Drainage Works</p> <ul style="list-style-type: none"> • Identify the work to be done from the BoQ, Engineer's Instructions and the measurement sheets the works to be done in Culvert and Drainage Works. Check if any of the following items is provided for in this BoQ and

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>confirm that measurements for work done are accurate. Sample based on financial materiality of items and verify the following;</p> <p>a) Culvert Cleaning</p> <ul style="list-style-type: none"> ✓ Confirm that all the culverts are maintained, free from silt and extraneous materials. Where this happens during construction, confirm that the materials are removed at the contractor's expense(819) ✓ Where damage occurs as a result of the contractor's failure to make adequate provision of drainage, confirm that the repairs are done at the contractor's expense(819) <p>b) Pipe Culvert Installation</p> <ul style="list-style-type: none"> ✓ Confirm that the contractor carries out excavations to the level, lines and dimensions shown in the Drawings and as instructed by the Engineer(804) ✓ Confirm that any over-excavations are backfilled with approved materials and compacted to the correct levels and dimensions at the expense of the contractor(804) ✓ Confirm that suitable materials are set aside for re-use and the unsuitable materials are spoilt with the approval of the engineer(804) ✓ Confirm that all the excavations are kept clean and free from water and the contractor undertakes further measures to de-water the excavations(804) ✓ Confirm that all particles larger than 20mm are removed prior to compaction(804) ✓ Confirm that the final excavated surface in soft material on which culverts or structures are to be constructed is compacted to a dry density of at least 95%MDD ✓ Where a satisfactory foundation cannot be achieved, confirm that unsuitable materials are removed until a suitable material is encountered(804)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that the Engineer’s approval is obtained prior to culvert installation(804) ✓ Confirm that the culverts are laid directly on in-situ material and where this material is found to be unsuitable, the invert is excavated and backfilled as specified in the Drawings or Engineer’s instructions(809) ✓ Where metal culverts are used, confirm that the pipes are bedded and jointed in accordance with the manufacturer’s recommendations. Confirm that such pipes are painted over the exposed area using bituminous paint and that all pipes with a diameter of 1.2m are also painted internally(809) ✓ Confirm that all pipes are scraped, cleaned inside before jointing(810) ✓ Confirm that all rigid joints are protected from wind, sand and rain by a covering approved by the engineer(810) ✓ Confirm that the culvert inlets and outlets are protected by stone pitching, gabions or rip-rap as may be instructed by the engineer(815) <p>c) Headwall construction</p> <ul style="list-style-type: none"> ✓ Confirm the Headwall is constructed in accordance with the dimensions and levels instructed by the Engineer. Where there are no instructions, confirm that the Headwall is left square(810) <p>d) Manhole installation</p> <ul style="list-style-type: none"> ✓ Confirm the Manhole is constructed in accordance with the dimensions and levels instructed by the Engineer. Where there are no instructions, confirm that the Headwall is left square(816) <p>e) Gulley Pot installation</p> <ul style="list-style-type: none"> ✓ Confirm the Gulley Pot is constructed in accordance with the dimensions and levels instructed by the Engineer. Where there are no instructions, confirm that the Headwall is left square(816)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>f) Drain Lining</p> <ul style="list-style-type: none"> ✓ Confirm the Drain Lining is in accordance with the dimensions and levels instructed by the Engineer. Where there are no instructions, confirm that the Headwall is left square(817) <p>vi. Grading and Gravelling Works</p> <ul style="list-style-type: none"> • Identify the work to be done from the BoQ, Engineer’s Instructions and the measurement sheets the works to be done in Grading and Gravelling Works. Check if any of the following items is provided for in this BoQ and confirm that measurements for work done are accurate. Sample based on financial materiality of items and verify the following; <ul style="list-style-type: none"> a) Grading <ul style="list-style-type: none"> ✓ Confirm that the road is graded as instructed by the engineer to restore the driving surface and drainage attributes of the road(<i>Contractual Agreement, BoQ</i>) ✓ Confirm that the length and dimensions of the roads are as per the engineer’s instructions(<i>Contractual Agreement, BoQ</i>) b) Gravelling <ul style="list-style-type: none"> ✓ Confirm that the material used in graveling is as instructed by the engineer(1001) ✓ Confirm that the formation is cleaned of all foreign matter and any potholes, loose materials, ruts, corrugations, depressions and any other defect(1005) ✓ Confirm that when instructed by the engineer, the contractor scarifies, waters, grades and recompacts the subgrade to line and level at the contractor’s expense(1005) ✓ Confirm that gravelling is done to the appropriate dimensions and lengths as instructed by the engineer(<i>Contractual Agreement, BoQ</i>) <p>vii. Paved Roads – Shoulder Maintenance and Repairs</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Identify the work to be done from the BoQ, Engineer’s Instructions and the measurement sheets the works to be done in Paved Roads – Shoulder Maintenance and Repairs Works. Check if any of the following items is provided for in this BoQ and confirm that measurements for work done are accurate. Sample based on financial materiality of items and verify the following; <ul style="list-style-type: none"> a) Shoulder Rebuilding <ul style="list-style-type: none"> ✓ Confirm that the materials used is as per the Drawings or as instructed by the Engineer(1102) ✓ Confirm that the shoulders are constructed in a manner as to not prevent water from draining off any pavement(1103) b) Shoulder Gravelling <ul style="list-style-type: none"> ✓ Confirm that the works are done according to the engineer’s instructions or BoQ(<i>Contractual Agreement, BoQ</i>) ✓ Confirm that the materials used is as per the Drawings or as instructed by the Engineer(1102) viii. Natural Material Base and Subbase <ul style="list-style-type: none"> • Identify the work to be done from the BoQ, Engineer’s Instructions and the measurement sheets the works to be done in Natural Material Base and Subbase Works. Check if any of the following items is provided for in this BoQ and confirm that measurements for work done are accurate. Sample based on financial materiality of items and verify the following; <ul style="list-style-type: none"> a) Pavement Removal <ul style="list-style-type: none"> ✓ Confirm that the pavement is scarified as instructed by the engineer to form a subbase/base(1204) b) Subbase/Base Rebuilding

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that the materials used is as instructed by the Engineer for the subbase and the base(1201 and 1202) ✓ Confirm that the material is graded and trimmed to final line and level(1204) ✓ Confirm that after compaction, the surface is well closed free from movement under compaction plant and free from planes, ridges, cracks, loose or segregated material(1204) ✓ Confirm that the material is deposited in such a quantity, spread to the full width required and compacted to the level of thickness in the Drawings or as instructed by the engineer (1204) ✓ Confirm that the completed layer is proof rolled with a steel three wheeled roller applying a load of not less than 5 tonnes per meter width or roll (1205) ✓ Confirm that the bases are kept continuously drained and any damage caused by water accumulation is repaired at the contractor’s expense(1207) <p>ix. Graded Crushed Stone Base and Subbase</p> <ul style="list-style-type: none"> • Identify the work to be done from the BoQ, Engineer’s Instructions and the measurement sheets the works to be done in Graded Crushed Stone Base and Subbase Works. Check if any of the following items is provided for in this BoQ, multiplied by the applicable rate and confirm that measurements for work done are accurate. Sample based on financial materiality of items and verify the following; <ul style="list-style-type: none"> a) Graded Crushed Stone <ul style="list-style-type: none"> ✓ Confirm that the material consists of crushed stone, free from clay, organic or other deleterious matter and is of physical requirement and grading as instructed by the engineer or specified in the Special Specifications(1303) ✓ Confirm that the material is crushed, screened, proportioned and mixing in accordance with the engineer’s instructions(1304)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that the graded crushed stone is moistened when being handled so as to avoid segregation and is not stockpiled in heaps higher than 5 meters(1304) ✓ Confirm that the graded crushed stones are transported damp and in such other way that segregation does not occur(1305) ✓ Confirm that during dumping and spreading operations, measures are taken to prevent segregation(1306) <p>x. Cement and Lime Treated Subgrade, Subbase and Base</p> <ul style="list-style-type: none"> • Identify the work to be done from the BoQ, Engineer’s Instructions and the measurement sheets the works to be done in Cement and Lime Treated Subgrade, Subbase and Base Works. Check if any of the following items is provided for in this BoQ and confirm that measurements for work done are accurate. Sample based on financial materiality of items and verify the following; <ul style="list-style-type: none"> a) Cement/Lime Stabilization <ul style="list-style-type: none"> ✓ Confirm that all lime is kept under cover and protected from moisture(1403) ✓ Confirm that consignments are used in the same sequence as they were delivered(1403) ✓ Confirm that damaged stock or stock stored on site for more than three months are not used, but are replaced at the expense of the contractor(1403) ✓ Confirm that the operators and laborers are provided with protective clothing, masks and goggles(1403) ✓ Confirm that the amount of cement or lime to be added is as per the instructions of the engineer(1404) ✓ Confirm that mixing by grader is not done, but by a purpose-built equipment(1405)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that mixed material that becomes segregated during transportation or is affected by weather is removed and replaced at the contractor’s expense(1406) ✓ Confirm that the spreading is done to the required width and such thickness as instructed by the engineer(1406) ✓ Confirm that compaction is done within 2 hours(for cement) and within 4 hours(for lime) after the cement or lime come into contact with the material to be treated(1407) <p>xi. Bituminous Surface Treatment and Surface Dressing</p> <ul style="list-style-type: none"> • Identify the work to be done from the BoQ, Engineer’s Instructions and the measurement sheets the works to be done in Bituminous Surface Treatment and Surface Dressing Works. Check if any of the following items is provided for in this BoQ and confirm that measurements for work done are accurate. Sample based on financial materiality of items and verify the following; <ul style="list-style-type: none"> a) Prime Coat <ul style="list-style-type: none"> ✓ Confirm that the surface to be sprayed is thoroughly cleaned by sweeping with mechanical brooms/washing or other approved means(1503B) ✓ Confirm that the surface is lightly sprayed with water to give complete coverage of the layer before applying the coat(1503B) ✓ Confirm that the coat is applied within 12 hours after the surface has been prepared(1504B) ✓ Confirm that all kerbs, road furniture, culvert headwalls, tree boles among other that are likely to be disfigured during the spraying of the coat are protected(1504B) b) Tack Coat

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that the surface to be sprayed is thoroughly cleaned by sweeping with mechanical brooms/washing or other approved means(1503B) ✓ Confirm that the coat is applied within 12 hours after the surface has been prepared(1504B) ✓ Confirm that all kerbs, road furniture, culvert headwalls, tree boles among other that are likely to be disfigured during the spraying of the coat are protected(1504B) <p>c) Surface Dressing</p> <ul style="list-style-type: none"> ✓ Confirm that the material used for surface dressing physical requirement and grading as instructed by the engineer or specified in the Special Specifications(1502C) ✓ Confirm that the surface to be sprayed is thoroughly cleaned by brushing with mechanical brooms/washing or other approved means before spraying. Hardened mud or other foreign matter shall be loosened by scrapping before sweeping(1507C) ✓ Confirm that the spraying width is one lane width so that construction traffic may run over the other lane(1508C) ✓ Confirm that rolling begins immediately after chippings have been spread and not later than two minutes after the application of the binder(1508C) ✓ Confirm that each point has at least 6 passes of the pneumatic tyre roller(1508C) ✓ Confirm that the road is not opened to the public until the binder has attained sufficient viscosity to prevent the stones being whipped off(1509C)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that temporary signs, barriers and removable bumps as instructed by the engineer are erected to control vehicle speeds to not more than 30km/h(1509C) ✓ Confirm that after two weeks all loose chippings are removed and taken away(1509C) xii. Bituminous Mixes • Identify the work to be done from the BoQ, Engineer’s Instructions and the measurement sheets the works to be done in Bituminous Mixes. Check if any of the following items is provided for in this BoQ and confirm that measurements for work done are accurate. Sample based on financial materiality of items and verify the following; <ul style="list-style-type: none"> a) Pavement Repairing ✓ Confirm that the bituminous mixing plant is located at the site(1603A) ✓ Confirm that the bituminous mixing plant is equipped with at least three bins for the storage of heated aggregates and a spate bin for filler. Confirm that all bins are covered to prevent the ingress of moisture(1603A) ✓ Confirm that all loose materials and foreign matter is cleaned with a mechanical broom or by other approved method(1604A) ✓ In case of any defect on the surface, confirm that no bituminous mix is laid before the defect is made good(1604A) ✓ During transportation of bituminous mix, confirm that each load is covered with canvas or similar covering to protect it from weather and dust(1608A) ✓ Confirm that the mixture is spread to level and line by laying the plant without segregation or dragging(1609A)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that the mixture is placed in width of one traffic lane at a time(1609A) ✓ Confirm that the compacted thickness is at least 2.5 times the maximum size of the aggregate for wearing course and at least 2 times for the binder course(1609A) ✓ Confirm that any mixture that becomes loose and broken, mixed with dirt or foreign matter or is in any way defective, is removed and replaced with fresh hot mixture(1611A) <p>xiii. Concrete Works</p> <ul style="list-style-type: none"> • Identify the work to be done from the BoQ, Engineer’s Instructions and the measurement sheets the works to be done in Concrete Works. Check if any of the following items is provided for in this BoQ and confirm that measurements for work done are accurate. Sample based on financial materiality of items and verify the following; <ul style="list-style-type: none"> a) Concrete Work <ul style="list-style-type: none"> ✓ Confirm that the cement is used in the order in which it is delivered(1703) ✓ Confirm that all cement for one structure is of the same source(1703) ✓ Confirm that cement from broken bags is not used in the works(1703) ✓ Confirm that cement stored on site for more than one month is retested in the laboratory of the Materials Branch of the Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works or KEBS Offices(1703)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that the concrete is transported from the mixer to the Works by means which prevents adulteration, segregation or loss of ingredients(1707) ✓ Confirm that the contractor obtains the engineer’s approval in writing before placing the concrete on the Works(1708) ✓ Confirm that before the concrete is applied on the Works, prior coating or mortar is applied (1708) ✓ Confirm that the compaction is done using the mechanical immersion vibrators operating at a frequency of 7,000 and 10,000 cycles per minute(1709) ✓ Confirm that fresh concrete is protected from rainfall and running water until it is sufficiently hard to resist damage from these causes(1711) ✓ Confirm that no traffic is allowed on any concrete surface until it is hard enough to resist damage by such traffic(1711) <p>b) Formwork</p> <ul style="list-style-type: none"> ✓ Confirm that damaged formwork is not re-used after it has suffered damage which is sufficient to impair the finished surfaces of the concrete(1722) ✓ Confirm that before any reinforcement is placed within formwork, it is cleaned and dressed with a release agent(1723) ✓ Confirm that before placing concrete, all dirt, construction debris and other foreign matter is removed completely from within the placing area(1723)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ When formwork is removed, confirm that it is carefully removed without shock or disturbance to the concrete or the support(1724) c) Reinforcement <ul style="list-style-type: none"> ✓ Confirm that all the reinforcements are from an approved manufacturer(1728) ✓ Confirm that no reinforcements are accepted in long length which have been transported bent over double(1729) ✓ Confirm that a reinforcement left exposed in the works is not left to suffer distortion, displacement or other damage(1731) ✓ Confirm that before concrete is placed on the reinforcement, the reinforcement is completely clean and free from all contamination including concrete deposited from previous operations(1731) xiv. Road Furniture Repair and Maintenance <ul style="list-style-type: none"> • Identify the work to be done from the BoQ, Engineer’s Instructions and the measurement sheets the works to be done in Road Furniture Repair and Maintenance. Check if any of the following items is provided for in this BoQ and confirm that measurements for work done are accurate. Sample based on financial materiality of items and verify the following; <ul style="list-style-type: none"> a) Boundary Posts <ul style="list-style-type: none"> ✓ Confirm that the posts are erected at the commencement of the contract(2001) ✓ Confirm that the posts are erected on the boundary of the road reserve at intervals of shown in the drawings or as instructed by the engineer(2001)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that the posts are constructed of concrete and reinforced with 10mm high yield deformed bars as shown in the Drawings(2001) ✓ Confirm that the post is embedded in concrete all round and under the butt and the remaining excavation backfilled as shown in the Drawings(2001) ✓ Confirm that the post are maintained in a position and kept clean until a Certificate of Completion is issued(2001) b) Road Marking <ul style="list-style-type: none"> ✓ Confirm that the prior to application of paints, the road surface is thoroughly cleaned of all loose materials and is completely dry(2005) ✓ Confirm that warning signs are erected when painting is in progress and traffic is not allowed to Passover the wet paint(2005) c) Road Sign Erection <ul style="list-style-type: none"> ✓ Confirm that the road sign is obtained from a manufacturer approved by the engineer(2004) ✓ Confirm that all colors, except black and grey, are reflectorized(2004) ✓ Confirm that bolts and nuts are spot welded after erection to prevent theft and a grey epoxy applied to all treated areas(2004) ✓ Confirm that the sign is embedded in concrete all round and under the butt and the remaining excavation backfilled as shown in the Drawings(2004)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that all trees and vegetation are cut to permit visibility of the sign and materials are not permitted to be dumped so as to obscure the sign(2004) d) Kerb installation <ul style="list-style-type: none"> ✓ Confirm that precast concrete kerbs are laid in accordance with the Drawings(2007) ✓ Confirm that any 1.0m length of kerb, edging or quadrant deviating more than 3 mm from the line and level at either end is made good by lifting and re-laying it at the contractor's expense(2007) e) Kilometer Marker post installation <ul style="list-style-type: none"> ✓ Confirm that the marker post is embedded in concrete all round and under the butt and the remaining excavation backfilled as shown in the Drawings and any surplus material removed to spoil(2008) f) Guardrail Repair <ul style="list-style-type: none"> ✓ Confirm that the rails are erected in accordance with the manufacturer's instructions and the Drawings(2006) ✓ Confirm that all surplus materials around the posts are removed to spoil(2006) ✓ Confirm that bolts and nuts are spot welded to the guardrail after erection to prevent theft or removal(2006)
		<ul style="list-style-type: none"> • Contract termination due to non-performance 	Review by the County Attorney	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on contract termination

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one road project file(terminated contract) • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the contracts register. Create a list of all terminated contracts (road projects). Select a reasonable number road contracts using an approved sampling criteria. • Confirm that the contract document specifies the grounds on which the contract may be terminated and specify the procedures applicable on termination <i>Sec. 153(2) of PPADA, 2015</i> • Confirm that the request for termination originates from the procurement management unit and is approved by the accounting officer <i>Sec. 153(1) of PPADA, 2015</i> • Confirm that the request for contract termination specifies the ground under which the contract may be terminated and provides for the procedures applicable on termination <i>Sec. 153(2) of PPADA, 2015</i> • Confirm that the request for approval for termination clearly states the reasons for termination, the contractual grounds for termination and the cost of terminating the contract <i>Reg. 141(3) of PPADR, 2020</i> • Confirm that the accounting officer terminates the contract within a reasonable time when the contract implementation team reports that(<i>Reg. 141(4) of PPADR, 2020</i>); <ul style="list-style-type: none"> ✓ The contractor is has not meet contractual obligations, and; ✓ Makes recommendation for termination • Confirm that a legal advice or clearance is obtained from the County Attorney in writing before terminating the contract <i>Reg. 141(5) of PPADR, 2020</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that all terminated contracts are reported to PPRA on a quarterly basis <i>Reg.141(6) of PPADR, 2020</i> • Confirm that the decision to terminate is seen to be expeditious, efficient, lawful, reasonable and procedurally fair. Check whether the contractor was given any warnings for non-performance. <i>Sec. 4(1) of The Fair Administrative Action Act,2015</i> • Confirm that the contractor is given reasons for the decision to terminate <i>Sec. 4(1) of The Fair Administrative Action Act,2015</i> • Confirm that when the contract is terminated, the outstanding advance payment(if any) is paid for by the contractor <i>Reg. 136(3) of PPADR, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Pollution 	Pollution Control	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on pollution control during road construction/maintenance • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one road project file. Review the Drawings to confirm that it provides for Pollution Control • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the contracts register. Create a list of all road projects. Select a reasonable number road contracts using an approved sampling criteria. Review the Drawings and undertake field visitation to;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that the contractor minimizes pollution of and disturbance to lands, roads and other places on or around the site (<i>Clause 115(c) of SSRBC, 1986</i>) ✓ Confirm that no trees or other vegetation are removed except to the extent that it is necessary (<i>Clause 115(c) of SSRBC, 1986</i>) ✓ Confirm that reasonable precautions in connections with surface water sources is taken to prevent silting, flooding, erosion of beds and banks and pollution of the water as to adversely affect the quality or appearance thereof, cause injury or death to human, animal or plant life (<i>Clause 115(f(i)) of SSRBC, 1986</i>) ✓ Confirm that reasonable precautions in connections with underground water sources is taken to prevent any interference with supply to or abstraction from such sources and to prevent pollution of water as to adversely affect the quality thereof (<i>Clause 115(f(ii)) of SSRBC, 1986</i>) ✓ Confirm that, where necessary, the contractor provides, maintains and removes on completion of the works, settling lagoons and other facilities to minimize pollution due to the works Confirm that reasonable precautions in connections with water sources is taken to prevent silting, flooding, erosion of beds and banks and pollution of the water as to adversely affect the quality or appearance thereof, cause injury or death to human, animal or plant life (<i>Clause 115(g) of SSRBC, 1986</i>) ✓ In regard to the use of the explosives; <ul style="list-style-type: none"> ➤ Confirm that the contractor only uses explosives at such times, places and in a manner approved by the engineer but the contractor remains liable should any accident occur (<i>Clause 119 of SSRBC, 1986</i>) ➤ Confirm that the contractor complies with the Government’s regulations with regard to transport, storage and use of explosives and radioactive materials (<i>Clause 115(e) of SSRBC, 1986</i>);

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ❖ Confirm that explosives are only used for the purpose for which they were licensed <i>Rule No. 4(1) of Explosives (Blasting Explosives) Rules, 1962(Rev. 2017);</i> ❖ Confirm that during transportation <i>Rule No. 33(1) of Explosives (Blasting Explosives) Rules, 1962(Rev. 2017);</i> <ul style="list-style-type: none"> ◆ A red flag at least 45 centimeters square is affixed to the front and rear of the vehicle during loading and transit; ◆ That cases or barrels of explosives are securely roped or otherwise secured, and fixed and wedged to prevent movement; ◆ That no vehicle conveying explosives delays or stops unnecessarily at any place where it might cause public danger, nor passes through any residential or built-up housing area unnecessarily; ◆ That all the vehicles carrying explosives are kept as far as possible from traction, railway and other engines that may emit sparks; ◆ That, on arrival at destination, explosives are transferred without delay from the vehicle to the place of storage; ◆ That in no circumstances are explosives left unattended. ❖ Confirm that quarries where explosives and machinery used are located in designated areas and not less than two kilometers away from human settlements <i>Reg.14(2) of the Environmental Management And Coordination (Noise and Excessive Vibration Pollution) (Control) Regulations, 2009</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		<ul style="list-style-type: none"> Traffic congestion 	Traffic Control	<ul style="list-style-type: none"> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. <p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on traffic control during road construction/maintenance If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one road project file. Review the Drawings to confirm that it provides for Traffic Control Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the contracts register. Create a list of all road projects. Select a reasonable number road contracts using an approved sampling criteria. Review the Drawings and undertake field visitation to; <ul style="list-style-type: none"> ✓ Confirm that access is provided to all properties adjacent to the site for the duration of the contract(<i>Clause 115(d) of SSRBC, 1986</i>) ✓ Confirm that the adjacent works and public roads are protected from the effects of the construction(<i>Clause 901 of SSRBC, 1986</i>) ✓ Confirm that when shown in the Drawings or instructed by the engineer, the contractor carries out improvement to any adjacent existing road(<i>Clause 902 of SSRBC, 1986</i>) ✓ Confirm that when shown in the Drawings or instructed by the engineer, the contractor maintains any adjacent existing road to the same standard as existed at the commencement of the contract(<i>Clause 903 of SSRBC, 1986</i>)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Confirm that when shown in the Drawings or instructed by the engineer, the contractor constructs and maintains the deviations and that such deviations are reinstated to the condition similar to the condition prevailing prior to the commencement of the deviation(<i>Clauses 904 and 905 of SSRBC, 1986</i>) ✓ Where the Drawings or instructions by the engineer indicate that passage of traffic is to be made through the works, confirm that(<i>Clause 906 of SSRBC, 1986</i>); <ul style="list-style-type: none"> ➤ Work is ordered in half widths or short lengths so as to pass traffic over or across the works ➤ All excavations and other hazards are properly protected with barriers and are illuminated at night ✓ Confirm that the number, type and sitting of the temporary signs is in accordance with the Drawings or as directed by the engineer(<i>Clause 907 of SSRBC, 1986</i>) ✓ Confirm that the temporary signs on diversion of access on to a new construction are properly labelled as instructed by the engineer(<i>Clause 908 of SSRBC, 1986</i>) ✓ Confirm that where the distance between the edge of the road or deviation and permanent works is less than 10 meters, continuous fences and barriers are erected(<i>Clause 907 of SSRBC, 1986</i>) • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Disputes 	Approved dispute resolution mechanism	<ul style="list-style-type: none"> • TOD • Establish the key requirements of laws, regulations, policies and procedures on dispute resolution • If the control is not documented, enquire from process owner how it is meant to be executed. • TOI • Select one road project file(with registered dispute(s))

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the contracts register. Create a list of all road contracts with disputes. Select a reasonable number of road contracts with disputes using an approved sampling criteria • Examine the Contract carefully to be aware of all contract conditions relating to the Resolution of Disputes • Confirm that any formal written complaints received from a Contractor is fully investigated and referred to the Head of the Procuring Entity to authorize correspondence or formal negotiations with the Contractor <i>Sec. 7.7 of the Public Procurement Manual for Works, 2009</i> • Confirm if the procuring entity is at fault, partly at fault or not at fault <i>Sec. 7.7 of the Public Procurement Manual for Works, 2009</i> • Confirm that meetings between the contractor and the procuring entity on dispute resolution are minuted, including agreed actions <i>Sec. 7.7 of the Public Procurement Manual for Works, 2009</i> • Where the dispute results into a loss to the procuring entity, confirm that an investigation done, confirm that an investigation is done by the Accounting Officer <i>Reg. 139(1) of CGPFMR, 2015;</i> <ul style="list-style-type: none"> ✓ To ascertain the extent and amount of the loss; ✓ To determine whether control or operational arrangements need to be improved in order to prevent the occurrence of similar losses in the county government entity; or ✓ To determine whether any offence or other fault of a public officer has been revealed by the loss

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Where it is established that the resultant loss is as a result of an offence or other fault of a public officer, confirm that the value of the loss is recovered from the <i>Officer Reg. 145(1) of CGPFMR, 2020</i> • Confirm that agreed actions that require changes any of the conditions of the Contract are reviewed by(<i>Reg. 132(2) of PPADR, 2020</i>); <ul style="list-style-type: none"> ✓ The Evaluation Committee for contracts without a contract implementation team or ✓ Contract implementation team for specialized and complex contracts • Confirm that the review report of the Evaluation Committee or Contract implementation team is forwarded through the head of procurement to the accounting officer for approval (<i>Reg. 132(2) of PPADR, 2020</i>) • Confirm that where no agreement is reached, the procuring entity considers employment of adjudication or arbitration services as specified in the contract <i>Sec. 7.7 of the Public Procurement Manual for Works, 2009</i> • Confirm that where the terms and condition of the contract are amended, an addendum is prepared for signature <i>Sec. 7.7 of the Public Procurement Manual for Works, 2009</i> • Confirm that all amended contracts are reported to PPRA on a quarterly basis <i>Reg. 141(6) of PPADR, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Staff capacity constraints such as inadequate numbers of staff due to slow or incompetent recruitment practices 	Approved Workflow	<p>TOD</p> <ul style="list-style-type: none"> • As tested under objective No. 2 <p>TOI</p> <ul style="list-style-type: none"> • As tested under objective No. 2 <p>TOE</p> <ul style="list-style-type: none"> • Confirm that the process flow, at a minimum, contains the following <i>Sec. 1.5 of the Public Procurement and Disposal General Manual, 2009</i>; <ul style="list-style-type: none"> ✓ Contract Management/Implementation

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Certification of Works ✓ Hand-Over and Usage. • Confirm that controls created as a result of the process flow are efficient and do not include unnecessary red-tapes so as to build robust business operations <i>Reg. 158(1(b)) of CGPFMR, 2015</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Staff capacity constraints due to lack of adequate qualifications and training 	Reviews(Rechecks) by the supervisor <ul style="list-style-type: none"> • Civil works function 	<ul style="list-style-type: none"> • TOD • Establish the key requirements of laws, regulations, policies and procedures on internal control(supervision) • If the control is not documented, enquire from process owner how it is meant to be executed. • TOI • Select one road project file • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation • TOE • Obtain the contracts register. Select a reasonable number of road contracts using an approved sampling criteria • Confirm that, where possible, supervision is built in the internal control system <i>Reg. 158(1(b)) of CGPFMR, 2015</i> • Confirm that ensure that all the supervised staff understand the objectives and performance targets of the department <i>G.7 (1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			<p>Approved Training Need Assessment Report</p>	<ul style="list-style-type: none"> • Confirm that all the supervised staff keep the supervisor(s) informed about progress and challenges <i>Sec. 2.1.2.1 of the Competency Framework for the Public Service, 2017</i> • Confirm that the supervisor demonstrates ability to provide technical supervision of staff <i>Sec. 2.2.2.3 of the Competency Framework for the Public Service, 2017</i> • Confirm that where delegation is done, accountability is retained by the supervisor <i>Sec. 2.2.3.3 of the Competency Framework for the Public Service, 2017</i> • Confirm that the project manager and the supervising engineer is formally appointed in writing <i>Cap. 7 of the Public Procurement Manual for Works, 2009</i> • Confirm that the Director of Roads or his/her representative checks the proceedings of work execution through the reports from the Resident Engineer(project manager) and makes occasional site visits, and progress meetings <i>Sec. 2.1(2) of the Supervision and Contract Evaluation Manual for Road Works, 2012</i> • Confirm that the project supervision is undertaken by Project Manager or Supervising Engineer in consultation with the Procurement Unit and the Technical Department <i>Sec 7.2 of the Public Procurement Manual for Works, 2009</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans <p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on Training and Development

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			<ul style="list-style-type: none"> • Procurement function • Civil works function 	<ul style="list-style-type: none"> • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the Training Need Assessment Report and the Annual Training Plan • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm that all training is based on identified training needs <i>Sec.1.1(4) of the County Public Service Human Resource Manual, 2013</i> • Confirm that the County Government allocates funds for financing of the training program <i>Sec.1.1(3) of the County Public Service Human Resource Manual, 2013</i> • Confirm that through supervision, the supervisor identifies employee development needs and helps them to achieve optimal performance <i>Sec. 2.3.2.1 of the Competency Framework for the Public Service, 2017</i> • Confirm that an evaluation and feedback system is undertaken to assess the impact of training on performance <i>Sec.1.4(3) of the County Public Service Human Resource Manual, 2013</i> • Confirm that the Training Needs Assessment is done at least once in two years. Check when it was last done <i>Sec.1.3(1) of the County Public Service Human Resource Manual, 2013</i> • Confirm that officers trained on long-term courses are bonded so as not to lose the skills (<i>Sec.1.3 (1) of the County Public Service Human Resource Manual, 2013</i>). Check that the Officers are bonded as follows; <ul style="list-style-type: none"> ✓ Training of six months up to one year – Bonding for one year

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Training of more than one year up to two years – Bonding for two years ✓ Training of more than two years up to three years – Bonding for three years ✓ Training of more than three years – Bonding as per the duration of the course but not exceeding five years • Confirm that a skill inventory of the available technical skills is maintained for future planning on training and recruitment <i>Sec.1.11 of the County Public Service Human Resource Manual, 2013</i> • Confirm that officers attend one training at a time <i>Sec.1.16(4) of the County Public Service Human Resource Manual, 2013</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Poor communication, this may lead to; <ul style="list-style-type: none"> ✓ Ambiguous project status ✓ Poor quality and cost control ✓ Delays on certifications and approvals ✓ Unwarranted variations 	Effective Communication	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on Communication • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one road project • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		<ul style="list-style-type: none"> and cost overruns ✓ Disputes, conflicts and lack of trust 		<ul style="list-style-type: none"> • Confirm any communication between the tenderer and the procuring entity is in writing <i>Sec. 4.4.16 of the Public Procurement Manual for Works, 2009</i> • Confirm that the procuring entity uses Standard Tender Documents for Procurement of Works (Roads, water Bridges etc.) issued by PPRA to communicate all the tender requirements. Confirm that any modification does not lead to significant changes that may render the communication ineffective <i>Sec. 1.5 of the of the Public Procurement Manual for Works, 2009</i> • Confirm that any communication between the Contractor and the County Government shall be adequate so that it facilitates work progress in accordance with Works Execution Programme and adaptation to any changes in site conditions. <i>Table 2.2(a); Supervision Checklist of the Supervision and Contract Evaluation Manual for Road Works, 2012.</i> Confirm that the communication is; <ul style="list-style-type: none"> ✓ Written as it is dated and can be used as evidence. ✓ Proper ✓ Timely • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Contract variations or amendments 	Review by the Evaluation Committee	<ul style="list-style-type: none"> • TOD • Establish the key requirements of laws, regulations, policies and procedures on contract variation or amendment • If the control is not documented, enquire from process owner how it is meant to be executed. • TOI • Select one road project file(with contract variation or amendment) • Confirm that the design documented under TOD is implemented as documented.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the contracts register. Create a list of all contracts with variation or amendment. Select a reasonable number of road contracts with variations or amendments using an approved sampling criteria • Confirm that the request for contract variation or amendment is reviewed and evaluated by an appointed; <ul style="list-style-type: none"> a) Contract implementation team for complex and specialized contracts <i>Reg. 132(2(a)) of PPADR, 2020</i> b) Evaluation Committee <i>Sec. 139(2) of PPADA, 2015</i> • Confirm that the Evaluation Report is submitted to the Accounting Officer through the Head of Procurement for a Professional Opinion <i>Reg. 132(2) of PPADR, 2020</i> • Confirm that the variation or amendment has been approved by the Accounting Officer <i>Sec. 139(1,2) of PPADA, 2015</i> • Confirm that the variation satisfies the following to (<i>Reg. 139(4) of PPADA, 2015</i>); <ul style="list-style-type: none"> ✓ Variation is done after twelve months of contract signing ✓ Quantity variation of works does not exceed twenty per cent of the original contract quantity ✓ Variation is to be executed within the period of the contract ✓ Cumulative value of all contract variations do not result in an increment of the total contract price by more than twenty five per cent of the original contract price ✓ Price variation is reasonable and is based on; <ul style="list-style-type: none"> ➢ Prevailing consumer price index obtained from Kenya National Bureau of Statistics, or; ➢ Monthly inflation rate issued by the Central Bank of Kenya;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		<ul style="list-style-type: none"> Poor sub-contracting arrangements. 	Approval of the Accounting Officer	<ul style="list-style-type: none"> Confirm that a quarterly report of the varied or amended procurement contracts to PPRA <i>Sec. 139(5) of PPADA, 2015</i> Where the variation is more than twenty-five percent, confirm that the works are re-tendered <i>Sec. 139(6) of PPADA, 2015</i> Where additional funding is required, confirm that the variation is done after the additional funding has been secured and committed prior to the variation <i>Reg. 132(4) of PPADR, 2020</i> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. <p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on sub-contracting If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one road project file(with contract sub-contracting) Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the contracts register. Create a list of all sub-contracted contracts. Select a reasonable number of sub-contracted road contracts using an approved sampling criteria Where sub-contracting is done, confirm that the tender documents did not prohibit sub-contracting <i>Sec. 149(1) of PPADA, 2015</i> Confirm that the sub-contracted firm has not been debarred from procurement proceedings by Public Procurement Administrative Review Board <i>Sec. 149(1) of PPADA, 2015</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		<ul style="list-style-type: none"> Delayed payment, 	Approved Payment Plan	<ul style="list-style-type: none"> Confirm that the successful tenderer retains responsibility towards the procuring entity for the obligations of the subcontractor <i>Sec. 149(2) of PPADA, 2015</i> Review the sub-contracting agreement provides that the successful tenderer <i>Sec. 7.12 of the Public Procurement Manual for Works, 2009;</i> <ul style="list-style-type: none"> ✓ Maintains active supervision. ✓ Accepts responsibility for the sub-contractor’s work. Confirm that the successful tenderer does not sub-contract the whole work and that the sub-contracted work does not exceed thirty-percent <i>Sec. 7.12 of the Public Procurement Manual for Works, 2009</i> Confirm that the sub-contracting arrangements receive prior approval of the procuring entity(accounting officer) <i>Sec. 7.12 of the Public Procurement Manual for Works, 2009</i> Confirm that the Contractor gives the Procuring entity not less than 14 days' notice of the intended date of the commencement of each Subcontractor's work, and of the commencement of such work on the Site <i>Art. 4.4.2 (c) of the Standard Tender Documents for Procurement of Works (Roads, water Bridges etc.)</i> Confirm that the subcontract includes provisions which would entitle the Procuring Entity to require the subcontract to be assigned to the Procuring Entity (Assignment of Benefit of Subcontract) (if or when applicable) or in the event of termination (Termination by Procuring Entity) <i>Art. 4.4.2(c) of the Standard Tender Documents for Procurement of Works (Roads, water Bridges etc.)</i> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. <p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on Prompt Payments

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		affecting progress of work		<ul style="list-style-type: none"> • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one road project file • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the contracts register. Select a reasonable number of ongoing/complete roads using an approved sampling criteria • Confirm that the contractor is not paid prior to satisfactorily performing its contractual obligations <i>Reg. 139(1) of PPADR, 2020</i> • Confirm that procuring entity makes prompt and timely payments to a contractor that meets its contractual obligations so as to avoid unnecessary interest and penalties on overdue amounts <i>Reg. 139(2,4) of PPADR, 2020</i> • Confirm that appropriate plans for procurement, cash flow and fund flow are in place to ensure that ensure that contractors are paid promptly as per the terms of contract. Review the requirements of the contract in regard to payments. <i>Reg. 139(6) of PPADR, 2020</i> • Confirm that on receipt of an invoice or a fee note, a procuring entity makes payment on first come first paid basis <i>Reg. 139(7) of PPADR, 2020</i> • Confirm that arrangements are made to make payment within sixty days from the date of receipt of the invoice <i>Reg. 150(1) of PPADR, 2020</i> • Confirm that where payment is likely to happen, a procuring entity may facilitate invoice discounting arrangements with a financial institution for the purpose of advancing credit to the affected contractor <i>Reg. 150(2) of PPADR, 2020</i> • Confirm that quarterly payment performance statistics are submitted to the National Treasury and PPRA demonstrating compliance with the

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		<ul style="list-style-type: none"> Political interference 	Approved Stakeholder Engagement Framework	<p>obligation to pay invoices within sixty days for publication <i>Reg. 150(4) of PPADR, 2020</i></p> <ul style="list-style-type: none"> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. <p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on Stakeholder Engagement If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one road project Establish that the certification for work done is in line with the regulatory requirements identified in TOD. Note any deficiencies in implementation Document the process of certification for work done <p>TOE</p> <ul style="list-style-type: none"> Obtain the contracts register. Select a reasonable number of contracted roads using an approved sampling criteria Confirm the involvement of citizenry, other stakeholders and interest groups in planning <i>Sec. 102(i) of the CGA (2012)</i> Confirm citizen participation in the approval of development proposals, projects and budgets <i>Sec. 87(b) of the CGA (2012)</i> Confirm that, in liaison with the National Treasury and PPRA, the County Treasury coordinates consultations with county stakeholders of the public procurement and asset disposal system <i>Sec. 33(2(c)) of PPADA, 2015</i> Confirm that transparency is fostered so as to create goodwill between the procuring entity and the stakeholders <i>Art. 227(1) of the Const. of Kenya, 2010</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> Confirm that, where possible, the project is labor intensive so as to create employment opportunities and be politically acceptable <i>Sec. 6.10.4 of the Public Procurement Manual for Works, 2009</i> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
6.	To establish that public funds are spent in a lawful, transparent, efficient and fair manner	<ul style="list-style-type: none"> Payment for works not done 	Certification of works before payment	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on certification of works done If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one road project Establish that the certification for work done is in line with the regulatory requirements identified in TOD. Note any deficiencies in implementation Document the process of certification for work done <p>TOE</p> <ul style="list-style-type: none"> Obtain the IFMIS payment details and create a list of all payments for roads construction. Select a representative sample based on the approved sampling criteria Confirm that certification of the works is done before payments are made <i>Reg. 150(1) of PPADR, 2020</i> Confirm that reasonable notice is given to the contractor’s representative for any works to be measured <i>Sec. 12.12 of Standard Tender Documents for Procurement of Works (Roads, water Bridges etc.)</i> Confirm that, when required, the contractor attends to examine and agree on the records <i>Sec. 12.13 of Standard Tender Documents for Procurement of Works (Roads, water Bridges etc.)</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that measurements are made on the basis of the Bill of Quantities <i>Sec. 12.2(b) of the Standard Tender Documents for Procurement of Works (Roads, water Bridges etc.)</i>. Re-perform the measurement/counting activity to confirm the accuracy of the measurements • Confirm that measurement is made of the net actual quantity of each item of the Permanent Works <i>Sec. 12.2(a) of the Standard Tender Documents for Procurement of Works (Roads, water Bridges etc.)</i>. • Confirm that the evaluation is done on the basis of the agreed measurements and the appropriate contracted unit price applied (Note any new rate). <i>Sec. 12.3.1 of the Standard Tender Documents for Procurement of Works (Roads, water Bridges etc.)</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans. <p>a) General Verifications</p> <ul style="list-style-type: none"> • Confirm that no payment is made for works not certified on the road project <i>Reg. 150(1) of PPADR, 2020</i>. Undertake general verification on the following; <ul style="list-style-type: none"> ✓ Existence of the road and when it was last constructed/maintained, whether the works to be audited relate to the works done and whether the road might have been done by a related state agency such as KeRRA ✓ Document the nature of the road before commencement and compare to the BoQ(For example, if the BoQ provided for the paving of a road that is already paved) <ul style="list-style-type: none"> ➤ Paved or unpaved

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ➤ Type of the road(Concrete road, Asphalt road, Gravel road, Earthen road, Murrum road or Bituminous road) and the nature of work to be done as per the BoQ ✓ Establish the nature works to be done on the road. Review the BoQ, Measurement Sheets and Engineer’s Instructions then undertake general verification(without re-measurements) on whether a combination of any of the following among other(as included in the BoQ, Measurement Sheets and Engineer’s Instructions) was done; <ul style="list-style-type: none"> ➤ Site Clearance and Topsoil Stripping ➤ Culvert and Drainage Works ➤ Earthworks ➤ Excavation and Filling for Structure ➤ Grading and Gravelling Works ➤ Passage of Traffic ➤ Paved Roads - Shoulder Maintenance and Repairs ➤ Natural Material Base and Subbase ➤ Graded Crushed Stone Base and Subbase ➤ Cement and Lime Treated Subgrade, Subbase and Base ➤ Bituminous Surface Treatment & Surface Dressing ➤ Bituminous Mixes ➤ Concrete Works ➤ Road Furniture Repair and Maintenance etc. <p>b) Specific Verifications</p> <ul style="list-style-type: none"> • Confirm that measurements are made on basis of engineer’s instructions, BoQ and Measurement Sheets SSRBC, 1986

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that all the payments for the specific works are at a minimum specifically supported by (<i>Reg. 150(1) of PPADR, 2020 and Sec. 7.5 of the Public Procurement and Disposal General Manual, 2009</i>); <ul style="list-style-type: none"> ✓ Measurement Sheet ✓ Engineer’s Instructions ✓ Technical Certification ✓ Original of any Interim or Final Inspection Report; ✓ Results of any analytical surveys; ✓ Calculation of any penalties liquidated damages if allowable under the contract; • Carry out other tests of operating effectiveness aligned to Contractual Agreement and BoQ <p>NB;</p> <ul style="list-style-type: none"> i. While these provisions are generic, the auditor is advised to ensure that he identifies the actual work to be done from the contract agreement and the BoQ ii. The engineer may issue instructions or the drawings may provide for works not covered in this programme, the auditor may develop additional tests for works not covered in this programme <p>i. Verification of General Items</p> <ul style="list-style-type: none"> • Identify the work to be done from the BoQ, Engineer’s Instructions and the measurement sheets the works to be done in Bill One; General Items. Check if any of the following items is provided for in this BoQ, multiplied by the applicable rate and confirm that measurements for work done are accurate. Sample based on financial materiality of items and verify the following (<i>Art. 141 of the SSRBC, 1986 and BoQ</i>); <ul style="list-style-type: none"> a) Vehicles for the engineer <ul style="list-style-type: none"> ➤ Confirm whether the vehicles supplied in number and type is in accordance with the Special Specifications(<i>Clause 138 of SSRBC</i>)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ➤ Confirm that the provided vehicle is replaced with a similar new vehicle after it has completed 150,000 km (<i>Clause 138 of SSRBC</i>) ➤ Confirm that the certified amount is properly casted; <ul style="list-style-type: none"> ❖ Provision of vehicles(<i>Clause 141(g) of SSRBC</i>) Certified amount = No. of vehicle months for each vehicle type multiplied by the applicable rate ❖ Kilometers travelled by the vehicle(<i>Clause 141(h) of SSRBC</i>) Certified amount = No. of km for each type of vehicle multiplied by the applicable rate b) Removal and alteration to existing services <ul style="list-style-type: none"> ➤ Confirm the certified amount does not include all costs incurred by the contractor as a result of programming and coordinating work to enable any alterations to the services being carried out and the cost of safety precautions deemed necessary due to proximity of the works to the power lines belonging to Kenya Power, but paid for at the contractor’s expense(<i>Clause 120 of SSRBC</i>) c) Land acquisition <ul style="list-style-type: none"> ➤ Confirm that the cost of land acquisition or rent is paid for as valued by the Government Valuer(<i>Clause 124 of SSRBC</i>) ➤ Confirm that where the contractor requests for purchase of land for any purpose and the land is not used, contractor is held responsible for all costs associated with the compensation, purchase and disposal of such land(<i>Clause 124 of SSRBC</i>) d) Miscellaneous accounts <ul style="list-style-type: none"> ➤ Confirm that the purchase and supply are made at the instruction of the Engineer(<i>Clause 139 of SSRBC</i>)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ➤ Confirm that the purchases and supplies are supported by appropriate receipts(<i>Clause 139 of SSRBC</i>) e) Overtime for engineer’s junior staff <ul style="list-style-type: none"> ➤ Confirm that the certified amount for overtime worked by the engineer’s junior staff, incurred owing to an earlier default by the contractor that results in the work being performed outside normal working hours is not included in the amount certified for payment, but paid for at the contractor’s expense(<i>Clause 140 of SSRBC</i>) f) Progress photographs <ul style="list-style-type: none"> ➤ Confirm that 36 color negatives are taken every month by the contractor from positions selected by the Engineer(<i>Clause 130 of SSRBC</i>) ➤ Confirm that the contractor supplies proof prints from each negative for the engineer to select negatives to be used by the contractor in producing two sets of photographs(<i>Clause 130 of SSRBC</i>) ➤ Confirm that each set contains 10 number, 200mm by 150mm colour prints(<i>Clause 130 of SSRBC</i>) ➤ Confirm that the contractor supplies one album with each set of photographs(<i>Clause 130 of SSRBC</i>) ➤ Confirm the certified amount to be the No. of sets multiplied by the applicable rate(<i>Clause 141(m) of SSRBC</i>) g) Signboards <ul style="list-style-type: none"> ➤ Confirm that the contractor erects and maintains the signboards in accordance with the layout, colours, dimensions and number as instructed by the engineer (<i>Clause 130 of SSRBC</i>) ➤ Confirm the certified amount to be the Number of each type multiplied by the applicable rate(<i>Clause 141(n) of SSRBC</i>) h) Materials and testing of materials

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ➤ Confirm that material testing is supported by testing results(<i>Clause 202 of SSRBC</i>) • Other tests may be developed for other works paid for. The auditor may develop the tests based on the measured works and the Bill of Quantity <p>ii. Verification of Works</p> <ul style="list-style-type: none"> • Confirm that each of the work item in the measurement sheet is coded in accordance with the coding in the BoQ(<i>BoQ</i>) • Obtain the BoQ and the measurement sheets. Identify all the Work Items to be verified. Sample the work items based on financial materiality of items and verify the following; • Confirm that each work item is supported by engineer’s instructions <i>Clause 3.3 of the Standard Tender Documents for Procurement of Works (Roads, water Bridges etc.</i> • Undertake physical verification to confirm that each work item, certified for payment, is actually done <i>Reg. 150(1) of PPADR, 2020;</i> <ul style="list-style-type: none"> ➤ Review the measurement sheets and the BoQ ➤ Undertake re-measurements of the work items listed in the measurement sheets ➤ Undertake casting to confirm that the totals in the measurement sheets agree with the Payment Certificate • Confirm that the Work Items are measured using the units provided in the BoQ and the rates applied for the Work Items are the contracted rates (<i>BoQ</i>). Undertake casting to confirm that the applied rate multiplied with the No. of units of the Work Items in the measurement sheet are accurate <p>iii. Verification of Daywork Schedule</p> <ul style="list-style-type: none"> • Identify the works to be done in Daywork Schedule. Sample based on financial materiality of items and verify the following; <ul style="list-style-type: none"> a) Plant(<i>Clause. 2202(a) of the SSRBC, 1986</i>)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that payment is only made for each item of plant for the time the item is actually working on the Dayworks as instructed by the engineer • Confirm that idle time due to nature of the Daywork or authorized method of procedure is paid for at half the tendered rate • Confirm that the rates for plant are the tendered rates and are only limited to; <ul style="list-style-type: none"> ✓ Supervision and transport of supervisory staff ✓ Transporting each item of plan to and from the pace of daywork ✓ Operators, drivers and turnboys, including overtime ✓ Electric power, water, fuel, oil, grease and other consumables and equipment ✓ Power cables, deliveries or suction pipes and fittings, steam or air hoses and tackle, and all other appurtenances required for the safe and efficient operation of the plant ✓ Maintenance, spare parts, drill bits and chisel points and all costs of repair ✓ Depreciation, insurance, overheads, profits and any other related costs or allowances <p>NB: These rates may be separately provided for in the BoQ or combined and specified as Daywork Schedule; Plant.</p> <p>b) Labor (Clause. 2202(b) of the SSRBC, 1986)</p> <ul style="list-style-type: none"> • Confirm that payment is only made for the time each class of labour is actually working on Daywork as instructed by the Engineer(2202(b) • Confirm that the rates for labour are the tendered rates and are only limited to; <ul style="list-style-type: none"> ✓ Supervision and transport of supervisory staff ✓ Any special allowance to such labour in respect of subsistence, overtime, bonuses, feeding, housing, holidays, transport to and from the place of Daywork, overhead charges in case of recruitments, camp administration, welfare and insurances ✓ Supply, transport about the site, use, maintenance, renewal of small tools used on Daywork

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ All other costs incurred in relation to employment of labour including overheads, profit and any other costs or allowances <p>NB: These rates may be separately provided for in the BoQ or combined and specified as Day work Schedule; Labour.</p> <p>c) Materials(Clause. 2202(c) of the SSRBC, 1986)</p> <ul style="list-style-type: none"> • Confirm that payment is only made for the materials instructed by the Engineer for use on Dayworks(2202(c) • Confirm that the rates for materials are the tendered rates and are only limited to; <ul style="list-style-type: none"> ✓ Cost of purchase or provision of materials ✓ Transport to site or place of Daywork ✓ Storage ✓ Insurance ✓ Handling ✓ Placing ✓ Supervision ✓ Overheads ✓ Profit and any other related cost or allowance <p>NB: These rates may be separately provided for in the BoQ or combined and specified as Daywork Schedule; Materials.</p> <p>iv. Certification for Payment</p> <ul style="list-style-type: none"> • Confirm that no payment is made for works not certified on the road project <i>Reg. 150(1) of PPADR, 2020.</i> • Confirm that the summary of BoQ – actual measurements agrees with the Interim/Final Valuation/Payment Certificate <i>Sec. 7.2.6 of Public Procurement Manual for Works, 2009</i> • Confirm that the initial/final certification is further provided by the Inspection and Acceptance Committee <i>Sec. 7.3 of Public Procurement Manual for Works, 2009</i> or the Contract Implementation Team in case of Complex and specialized contracts <i>Sec. 151 of PPADA, 2015</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		<ul style="list-style-type: none"> Deficiencies in accounting (expenditure not properly accounted for) 	Verification of documents before payment (Establishing an examination unit)	<ul style="list-style-type: none"> On payment of the retention amount, confirm that the defects have been corrected <i>Sec. 7.3 of Public Procurement Manual for Works, 2009</i> <p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on verification of documents before payment If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Sample one paid road project Establish that the verification of documents before payment is in line with the regulatory requirements identified in TOD. Note any deficiencies in implementation Walkthrough and document the process flow/ map. Document the process of project handing over <p>TOE</p> <ul style="list-style-type: none"> Obtain a listing of all paid road projects from IFMIS – IFMIS Payment Details. Select a representative sample based on the approved sampling criteria Confirm that the Payment Vouchers are properly supported by appropriate documentations. <i>Reg. 104 of CGPFMR, 2015</i> Confirm that the verification of documents before payments is built in the internal control system <i>Reg. 158(1(b)) of CGPFMR, 2015</i> Confirm that the Payment Vouchers are supported by (<i>Sec. 7.3 of Public Procurement Manual for Works, 2009</i>); <ul style="list-style-type: none"> ✓ Approved Payment Certificate ✓ Original Claim from the contractor (tax invoice <i>Sec. 6(2) of the VAT (Electronic Tax Invoice) Regulations, 2020</i>) ✓ Original of any interim or final inspection report ✓ Results of any analytical surveys

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Calculation of any penalties liquidated damages if allowable under the contract; ✓ Copies of relevant information from the contract document, records of approval and financial authorizations. • Confirm that payments are properly distributed as follows; <ul style="list-style-type: none"> ✓ 3% paid as Withholding Income Tax Third Schedule; Rates of Tax Art. 5 of the Income Tax Act, 2021 ✓ 6% of 116% paid as Withholding VAT(Sec. 42A(1) of Tax Procedures Act, 2015 ✓ Percentage specified in the specified in the Special Conditions of Contract held as retention(Standard tender document for procurement of works (buildings and associated civil engineering works) ✓ Balance paid as net amount to the contractor, less adjustments for advance payments as agreed(if any) • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Payment not authorized 	Segregation of duties	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on payment authorization • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one road project • Establish that the payment authorization is in line with the regulatory requirements identified in TOD. Note any deficiencies in implementation • Walkthrough and document the process flow/ map. • Document the process of project handing over <p>TOE</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Obtain a listing of all paid road projects from IFMIS – IFMIS Payment Details. Select a representative sample based on the approved sampling criteria • Confirm that the Payment Vouchers are properly supported by appropriate authority <i>Reg. 104 of CGPFMR, 2015</i> • Confirm that payment is not made from funds earmarked for other activities <i>Reg. 53 of the CGPFMR, 2015</i> • Confirm that payment is made by the Accounting Officer or an officer appointed in writing by the accounting officer <i>Sec. 151 of the PFM Act, 2012 and Reg. 23(1) of the CGPFMR, 2015</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Advance payment not well secured 	Bank Guarantee	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on the administration of advance payment • If the control is not documented, enquire from process own how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one road project • Establish that the administration of advance payment is in line with the regulatory requirements identified in TOD. Note any deficiencies in implementation • Walkthrough and document the process flow/ map. • Document the process of project handing over <p>TOE</p> <ul style="list-style-type: none"> • Obtain a listing of all paid road projects from IFMIS – IFMIS Payment Details. Identify payments whose contracts provide for advance payment. Select a representative sample based on the approved sampling criteria • Confirm that no works are paid for in advance unless specified in the tender documents and contract agreement <i>Sec. 146 of PPADA, 2015</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that the bid documents specify the amount of the advance payment allowed <i>Reg. 136(1) of PPADR, 2020</i> • Confirm that the advance payment is not made before the contract is signed <i>Sec. 146 of PPADA, 2015</i> • Confirm that the advance payment does not exceed 20% of the price of tender <i>Sec. 147(1) of PPADA, 2015</i> • Confirm that the advance payment is made to a successful tenderer who provides advance payment security equivalent to the advance <i>Sec. 147(1) of PPADA, 2015</i> • Confirm that the security is given by a reputable bank or any authorized financial institution issued by a corresponding bank in Kenya recognized by the Central Bank of Kenya, in case the successful tenderer is a foreigner <i>Sec. 147(1) of PPADA, 2015</i> • Confirm that the bank guarantee (<i>Reg. 136(2) of PPADR, 2020</i>); <ul style="list-style-type: none"> ✓ has been authenticated by the issuing bank in writing to the accounting officer; ✓ shall be on demand; ✓ shall not be allowed to lapse unless the contractor has done a commensurate work or has supplied works of equivalent value to the guarantee • Confirm that the advance payment is progressively deducted from any payment to the contractor <i>Reg. 136(2(d)) of PPADR, 2020</i> • Confirm that the contractor has affirmed in writing that the advance payment shall only be used for purposes of the contract <i>Reg. 136(4) of PPADR, 2020</i> • Confirm that when the contract is terminated, the outstanding advance payment is paid for by the contractor <i>Reg. 136(3) of PPADR, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
7.	To establish that the post-contract implementation stage is consistent with the existing procurement laws and regulations	<ul style="list-style-type: none"> Project not being put to use after completion 	Proper arrangements for handing over	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on project handing over If the control is not documented, enquire from process own how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Sample one completed road project Establish that the project handing over is in line with the regulatory requirements identified in TOD. Note any deficiencies in implementation Walkthrough and document the process flow/ map. Document the process of project handing over <p>TOE</p> <ul style="list-style-type: none"> Obtain a listing of all completed road projects. Select a representative sample based on the approved sampling criteria Confirm the existence a team to manage the handover and acceptance procedures <i>Sec. 151(2(f)) of PPADA, 2015, Sec. 7.3 of Public Procurement Manual for Works, 2009</i> Confirm that handing-over and final acceptance is done <i>Reg. 142(2(b)) of PPADR, 2020;</i> <ul style="list-style-type: none"> ✓ within 60 days before the end of the last period of guarantee on which all defects, poor workmanship and any other snags pointed out in the minute of acceptance are corrected ✓ within the period or last period of guarantee for the provisional acceptance if there has been partial acceptances Confirm that the handing-over and taking-over is supported by the necessary taking-over certificate <i>Sec. 7.2.4 of Public Procurement Manual for Works, 2009</i> Confirm that the Taking Over Certificate is in a format prescribed in <i>Appendix H of the Supervision and Contract Evaluation Manual for Road Works, 2012</i> and signed by; <ul style="list-style-type: none"> ✓ Contractor

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Resident engineer/project manager ✓ Authorized Officer of the procuring entity • Confirm that the road is put to immediate use after successful completion of the project so as to avoid wastage of public resources <i>Sec. 232(1(d)) of the Constitution of Kenya, Sec. 160(1) of PPADA, 2015</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Failure to hand over assets that should revert to the county government after completion of the contract(Loss of assets) 	Project Asset Register	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on maintenance of asset registers • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Select one road project file and identify assets acquired through Bill One • Review clauses that relate to the contract period • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the list of road projects (completed). Select a representative sample using the approved sampling criteria • Check for the fixed assets acquired through the utilization of provisions for Bill One • Confirm that a project asset register is maintained for each project and that all assets acquired are recorded in a register <i>Reg. 136(1) of the CGPFMR, 2015 and Reg. 170 of the PPADR, 2020</i> • Confirm that the asset register, at minimum, contains the following information (<i>Sec. 7.2.2 of the County Financial Accounting and Reporting Manual, 2015</i>);

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Date of purchase ✓ Acquisition cost of the asset ✓ Location of the asset ✓ Tag number ✓ Condition of the asset ✓ Supplier of the asset ✓ Maintenance contract(if any) ✓ Lifespan of the asset • Confirm that the register of land a buildings contains the following additional information(<i>Reg. 170(2) of the PPADR, 2020</i>); <ul style="list-style-type: none"> ✓ The terms on which it is held; ✓ Reference to the conveyance; ✓ Address; ✓ Disposal or major change in use; ✓ Any capital expenditure; ✓ Freehold or lease hold terms; ✓ Other pertinent details • Confirm that any land acquired is surrendered to the procuring entity after completion of the contract <i>Sec. 125 SSRBC, 1986</i> • Confirm that all apparatus, machinery and vehicles made available by the procuring entity for use by the contractor is reverted back to the procuring entity at the completion of the contract <i>Standard Tender Documents for Procurement of Works(Roads, water Bridges etc.)</i> • Confirm that the ownership documents for the assets handed over are secured and that the assets are registered in the name of the procuring entity <i>Sec. 4.9 of The National Treasury and Planning; Policy on Asset and Liability Management in the Public Sector</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		<ul style="list-style-type: none"> Accelerated deterioration of the road due to lack of a system of regular maintenance 	<p>Approved Annual Maintenance Plan</p>	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on maintenance of asset If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Select one road project Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the list of road projects (completed). Select a representative sample using the approved sampling criteria Confirm that a maintenance plan in respect of every non-financial asset is promptly prepared, enforced and included in the annual budgets of the entity for approval <i>Sec. 4.11.2 of The National Treasury and Planning; Policy on Asset and Liability Management in the Public Sector and Art. 73(2) of the General Guidelines on Asset and Liability Management in the Public Sector, 2020</i> Confirm that the Accounting Officer prepares annual reports on the extent to which the approved maintenance plan has been complied with and the extent of deferred maintenance <i>Art. 73(6) of the General Guidelines on Asset and Liability Management in the Public Sector, 2020</i> Confirm that the Accounting Officer prepares annual reports on the likely effects that maintenance budgetary constraints may have on the useful operating life of assets or asset classes <i>Art. 74(3) of the General Guidelines on Asset and Liability Management in the Public Sector, 2020</i> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		<ul style="list-style-type: none"> Contingent liabilities 	Certificate of Contract Close Out	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on Contract Close Out If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Sample one completed road project Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the list of road projects (completed). Select a representative sample using the approved sampling criteria Confirm that the completed contracts are closed out immediately after completion and a Certificate of Contract Close Out issued (<i>Sec. 154 of PPADA, 2015</i>). Confirm that the certificate is issued by; <ul style="list-style-type: none"> ✓ Head of Procurement Function for contract that is not complex and specialized ✓ Authorized Officer of the Technical Department where the contract that is complex and specialized Identify and investigate any liability that accrues after the close out of the contract Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.

5.0 PROJECT PROCESSES (HEALTH CARE SERVICES)

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

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	<p>Health Infrastructure To ascertain whether health investment has attained the desired health output such as improved access, improved demand and improved quality care of Kenya Essential Package for Health.</p>	<p>Lack/minimal improved access to Kenya Essential Package for Health (KEPH)</p>	<p>Adherence to access provision for the essential Package for Health (KEPH) services</p> <p>Health Facilities Service Registers</p>	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on adequate access provision to Essential Package for Health services If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the Health Sector Strategic and Investment Plan or County Health Strategy Plan Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE Adequate access provision to essential package for health service</p> <ul style="list-style-type: none"> Sample the available essential health services provided i.e. level II and III health facilities in the hard to reach areas

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> Establish whether the sampled level II & III health facilities are fully functional primary care facilities Ascertain whether the sampled health facilities infrastructure is functional and adequate. Ascertain through the available service charter or Maternity Services Health Facility Register (MOH 333) whether the maternity services are provided for free at the point of use in the sampled health facilities Ascertain whether the primary health care services such as reproductive, maternal, newborn, child and adolescent health (RMNCAH) are offered on free charge or at minimal user fee at the point of use Ascertain whether emergency services are offered for free at the point of use Ascertain whether the essential health services were availed to the population most at risk from cultural barriers (women, person with disability, elderly etc.) through examining the respective registers.
		<p>Unattained improved demand for Kenya EPH services</p>	<p>Adherence to demand provision for the essential Package for Health (KEPH) services</p> <p>Health Facilities Service Registers</p>	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on improved demand for Essential Package for Health services If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> Obtain the Health Sector Strategic and Investment Plan or County Health Strategy Plan Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>TOE Adherence to demand provision for the essential package for health services</p> <ul style="list-style-type: none"> • Confirm whether there is service charter detailing Essential Package Health services offered at the facility. • Confirm whether the service charter is publicly displayed in the different service units/departments • Check the health outreach program tools and evaluate their effectiveness. • Check the awareness tools used by the County Health Management Team (CHMT) and evaluate their effectiveness.
3		Failure to improve quality of care for KEPH services	Adequate quality of care for Essential Package for Health services.	Health Facilities Service Registers	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on adequate quality of care for Essential Package for Health services. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the Health Sector Strategic and Investment Plan or County Health Strategy Plan • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE Adequate quality care for the essential package for health services</p>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Establish the provision of policy development and regulation and confirm compliance. • Establish if there is maintained client satisfaction tool at the health facilities. • Review the client satisfaction survey tool to establish the client’s satisfaction levels. • Review the monitoring tool in place • Evaluate the effectiveness of the infectious prevention strategy mechanism in place at the health facility. • Review the data collection and reporting tools such as registers, summary forms and tally sheets maintained for recording each key results performance indicators.

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6.0 PROJECT PROCESSES (BUILDINGS)

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

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To confirm involvement of stakeholders in identification of project.	<ul style="list-style-type: none"> • Project rejection by stakeholders. • Project not put to use • Lack of project sustainability 	Public participation report.	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on public participation. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain public participation reports • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm stakeholder’s participation by verifying minutes of meetings at the initiation stage • Verify whether there was effective dissemination of information concerning the project (PFM ACT)

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>2012 SEC 207, Constitution of Kenya 2010 Article 201(a)</p>
2.	<p>To find out if feasibility study and environmental impact assessment were undertaken before project commencement.</p>	<ul style="list-style-type: none"> • Unviable projects. • Stalling of Projects. • Loss of funds • Adoption of wrong designs. • Litigations 	<p>Feasibility study and environmental impact assessment reports.</p>		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on preparation of feasibility study and environmental impact assessment reports. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Sample one project to find out if the feasibility study and environmental impact assessments were undertaken and reports provided. • Confirm that the design documented under TOD is implemented as documented in the TOD <p>TOE</p> <p>Sample using the sampling methodology to establish:</p> <ul style="list-style-type: none"> • If the feasibility study and environmental impact assessments were undertaken and reports provided. <p>PP&AD Regulations 2020. Reg. 71(2), PPAD SEC 60 (3)(a)</p> <ul style="list-style-type: none"> • Relevance of the two reports • Whether the issues raised in the feasibility study report were considered • If risk were identified and mitigating measures proposed.

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
3	Ascertain that there is a project design with clear specifications	<ol style="list-style-type: none"> 1. Cost overruns/underrun. 2. Project stalling. 3. Rejection of project by stakeholders. 4. Loss of funds 5. Litigations 	<ol style="list-style-type: none"> 1. Project documents. 	Design	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on the need to have the project design documents. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Sample one project to find out if the project designs were prepared with clear specifications.</p> <ul style="list-style-type: none"> • Confirm that the design is implemented as documented in the TOD <p>TOE</p> <p>Sample using the sampling methodology project to establish:</p> <ul style="list-style-type: none"> • If the project design was prepared and implemented as provided for in the technical requirements PP&AD Regulations 2020. Reg. 71(2), PPAD SEC 60 (3)(a)
4	To ascertain that the project is incorporated in annual approved budget	<ol style="list-style-type: none"> 1. Stalling of Project 2. Litigations. 3. Loss of funds 4. Cost overruns 	Approved annual budget		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on provision for projects in the annual approved budget. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the annual approved budget • Confirm that the design documented under TOD is implemented as documented in the TOD • Note any gaps in implementation

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>TOE</p> <p>Sample projects as per the sampling methodology and find out if:</p> <ul style="list-style-type: none"> • They are within the approved budget of the procuring entity PP& AD Act 2015 Sec. 45(3), • Projects are undertaken with sufficient funds to meet the obligations of the resulting contract reflected in its approved budget estimates. PP& AD Act 2015 Sec53 (8)
5	To confirm that standard tender documents are used.	<ol style="list-style-type: none"> 1. Bid Rigging 2. Unfair competition 3. Award of contract to Unqualified contractors 4. Loss of funds. 5. Cost Overruns 6. Abandonment of the project. 7. Poor service delivery. 8. Litigations 	Standard tender document	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations and policies on use of standard tender document. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the standard tender document • Sample one project to determine if the standard tender document is in use. • Note any gaps in implementation
				<p>TOE</p> <p>Sample projects as per the sampling methodology to establish:</p> <ul style="list-style-type: none"> • The standard tender documents were used (Article 227 of Constitution 2010, PP & AD Act 2015 Sec 58(1), PP & AD Regulations 68(1) • The tender document contains sufficient information. PP & AD Act 2015 Sec 58(2), PP & AD Regulations Eighth schedule

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
6	To establish that the bidding process is fair and competitive	<ol style="list-style-type: none"> 1. Bid Rigging 2. Inflated project costs. 3. Delays in project commencement. 4. Litigations. 5. Low/ Non absorption of funds. 6. Budget overrun. 7. Interest cost due to delays. (donor funded projects) 	Bid documents evaluated		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, and policies on submission of bids. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the bid document • Sample one project to determine if the Submission of bids is as per process set out in the TOD • Note any gaps in implementation <p>TOE</p> <p>Sample data using the sampling method, and on the sample data;</p> <ul style="list-style-type: none"> • Establish that Submission of tender documents whether in electronic or manual form, was done in writing, PP & AD Act 2015 Sec 77(1) • Verify that any tender submitted after the deadline was not accepted by the procuring entity. PP & AD Act 2015 Sec 77(3) • Find out if bids were signed electronically with a digital signature to establish the identity of the bidder submitting the bid or proposal online PP & AD Regulations Sec 55(14).

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
7	To verify that tender opening process is transparent and in line with provisions of the law.	<ol style="list-style-type: none"> 1. Bid Rigging 2. Litigations 	Adhoc tender opening committee minutes		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies on the appointment and mandate of the tender opening committee. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Sample a project and check if;</p> <ul style="list-style-type: none"> • There was an Adhoc tender opening committee • The committee was constituted in line with the law • Note any gaps in implementation <p>TOE</p> <p>Sample as per the sampling method and from the selected sample;</p> <ul style="list-style-type: none"> • Confirm if Adhoc tender opening committee was properly constituted PP & AD Act 2015 SEC 78 • Run the password log to identify whether the tender opening committee members logged into the system. PP & AD Regulations sec 57(2) • Obtain and verify the tender opening records to ascertain that the tender was opened on the stated date and time as per the tender advertisement. PP & AD Regulations sec 57(6) • Obtain and verify the tender opening records to ascertain whether tender opening process was witnessed by the bidders and other stakeholders PP & AD Regulations sec 57(8)

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
8	<p>Ascertain that tender evaluation conforms to the criteria set out in the standard tender document and provisions of the law</p>	<ol style="list-style-type: none"> 1. Bid Rigging 2. Litigations 3. Delay in project implementation 	<p>Tender Committee minutes</p>	<p>Evaluation report and</p>	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies on the appointment and mandate of the Evaluation committee. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Sample a project and check if;</p> <ul style="list-style-type: none"> • There was an Adhoc tender evaluation committee • The committee was constituted in line with the law • Note any gaps in implementation <p>TOE</p> <p>Sample as per the sampling method and from the selected sample and:</p> <ul style="list-style-type: none"> • Check if the evaluation committee was appointed by the accounting officer pursuant PPAD 2015 Sec 80(1) • Find out if the committee undertook its mandate in line with the PPAD Act 2015 Sec 80(2) • Confirm if the evaluation was carried out within a maximum period of thirty days. PPAD Act 2015 Sec 80(6) • Verify that the committee’s report was forwarded to the head of procurement for his recommendations and preparation of professional opinion. PPAD Act 2015 Sec 80(4),84(1) • Ascertain that the tender evaluation committee undertook due diligence to confirm and verify the qualifications of the tenderer who submitted the lowest evaluated responsive tender. PPAD Act 2015 Sec 83(1)

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> Ascertain that every member of the committee appended his or her signature as well as their full name and designation to the report PPAD Act 2015 Sec 83(3)(b) Verify that financial proposals were accessed and opened after the technical evaluation PP & AD Regulations sec 57(14)
9	To ascertain that the tender awarding process was conducted in accordance with the law	<ol style="list-style-type: none"> Litigations. Delay in commencement of the project None achievement of Project objectives 	Notification of award		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, and policies on the issuance of notification of award letter. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Sample a project and check it there was a notification letter issued.</p> <ul style="list-style-type: none"> Check implementation in line with the law. Note any gaps in implementation <p>TOE</p> <p>Sample as per the sampling method and from the selected sample,</p> <ul style="list-style-type: none"> Confirm that the Accounting officer of the procuring entity shall notify in writing the person submitting the successful tender that his tender has been accepted. PPAD Act 2015 Sec 83(1) Establish that the successful bidder signified in writing the acceptance of the award within the time frame specified in the notification of award. PPAD Act 2015 Sec 87(2)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
10	To ascertain the Process of contract preparation complies with provisions of the law	<ol style="list-style-type: none"> 1. Litigations. 2. Introduction of special conditions. 3. Loss of funds. 4. Delay of commencement of the project 	Performance security	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, and policies on performance security. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Sample a project and check it there was a performance security issued.</p> <ul style="list-style-type: none"> • Check implementation in line with the law. • Note any gaps in implementation <p>TOE</p> <p>Use data analytics to sample the projects and establish;</p> <ul style="list-style-type: none"> • The successful tenderer submitted a performance security equivalent to not more than ten per cent of the contract amount before signing of the contract PPAD ACT 142(1) • The performance security was unconditionally and fully seized by the procuring entity as compensation without prejudice to other penalties provided for by the Act when the contract was not well executed. PPAD ACT 142(2)
11	To confirm that the contract is implemented effectively and efficiently	<ol style="list-style-type: none"> 1. Poor workmanship 2. Stalling of projects 3. Litigations 4. Cost overruns 5. Delay in project implementation 	Report of the contract implementation team (CIT).	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies on appointment, composition and mandate of the contract implementation committee • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Sample a project and check it there was a Contract implementation team in place

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Check implementation in line with the law. • Note any gaps in implementation <p>TOE Use data analytics to sample the projects and establish;</p> <ul style="list-style-type: none"> • The accounting officer of the procuring entity appointed a contract implementation team, and its composition is as per the provisions of the Act. PPAD SEC 151(1) • Review the CIT progress reports to confirm their involvement PPAD Regulations sec 138(2) • Review project progress reports by project supervision team to ascertain that the project is moving as per the project plan. PPAD Regulations sec 138(2) • Check existence of the project risk register and establish its effectiveness and means of addressing issues raised PPAD Regulations Sec 138(4)
12	Establish that payments are promptly and timely made to contractors who have satisfactorily performed their contractual obligations	<ol style="list-style-type: none"> 1. Loss of funds 2. Double payments 3. Payment of works not done 4. Nugatory payments 5. Interest costs and penalties 6. Litigations 7. Delays in performance 	Payment account.	statement	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, and policies on payments of contractual works. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI Sample a project and check it there was a Schedules of Payments</p> <ul style="list-style-type: none"> • Check implementation in line with the law. • Note any gaps in implementation

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>TOE Use data analytics to sample the projects and establish;</p> <ul style="list-style-type: none"> Affirm that the contractor satisfactorily performs his contractual obligations prior to any payment by a procuring entity. PPAD Regulations Sec 139(1) Establish that the procuring entity makes prompt and timely payments to a contractor that meets its contractual obligations. PPAD Regulations Sec 139(1)
13	To confirm that termination is as per the provisions of the law and contract	<ol style="list-style-type: none"> Litigation Penalties Loss of funds 	Termination letter	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, and policies on termination of projects. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI Sample a project and check it there was a termination letter.</p> <ul style="list-style-type: none"> Check implementation in line with the law. Note any gaps in implementation <p>TOE Use data analytics to sample the projects and establish;</p> <ul style="list-style-type: none"> Review the contract document clause on termination to ascertain whether the grounds were founded and processes dully followed <p>PPAD Act sec 153</p> <ul style="list-style-type: none"> Determine that the termination is in line with the contract provision on the grounds for contract termination. PPAD Act sec 153(2).

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
14	Ascertain that the project closure was in accordance with the law and contract	<ol style="list-style-type: none"> 1. Loss of assets 2. Inhabitable site/facility 3. Ownership of the project 4. Litigations 5. Defects 6. Sub-standard works 	Final handing and taking over report		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies on handing over and taking over. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Sample a project and check it there was a handing over and taking over</p> <ul style="list-style-type: none"> • Check implementation in line with the law. • Note any gaps in implementation <p>TOE</p> <p>Use data analytics to sample the projects and establish;</p> <ul style="list-style-type: none"> • Verify that the contract was complete, prior to closing the contract file including all handover procedures, transfers of title if need be and that the final retention payment has been made; PPAD Act sec 151(h) • Confirm discharge of performance guarantee where necessary. PPAD Act sec 151(k) • Where assets were procured by the contractor for the client, review the contract terms and the payment certificates to ascertain that the assets reverted back to the client.

7.0 PROJECT PROCESSES (EDUCATION PROGRAMMES)

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

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1	To verify adequacy in infrastructure on early childhood development and vocational training centers within the county	Stalled or substandard infrastructure Project not put in use	Public participation on proposed infrastructure development	<p>TOD</p> <ul style="list-style-type: none"> Establish that there exist provisions or key regulations on public participation on infrastructure development. If not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain public participation report Confirm that the provisions or key requirements are implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Sample participants from the list of attendees to confirm their attendance in the public participation. Confirm stakeholder’s participation by verifying minutes of meetings at the initiation stage Confirm from payment records that the public involved in the participation were not paid.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm whether the stakeholder participation provided for the principles spelt out in Part VIII section 87 of the County Government Act. • Verify whether there was effective dissemination of information concerning the development (PFM ACT 2012 SEC 207, Constitution of Kenya 2010 Article 201(a))
			Approved ADP & Budget	<p>TOD</p> <ul style="list-style-type: none"> • Establish that there exist provisions or key regulations on annual development plan and budget. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved ADP and budget • Confirm that the project is provided for in the ADP and budget • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Sample projects as per the sampling methodology and find out if:</p> <ul style="list-style-type: none"> • They are within the approved budget of the procuring entity PP& AD Act 2015 Sec. 45(3), • Confirm whether variations or amendments had been approved in writing by the respective tender awarding authority within a procuring entity. PP& AD Act 2015 Sec 139 (1) (a)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			Approved drawings, designs and BoQ	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on the need to have the project design documents. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Sample one approved drawing, design and BQ to find out if the project designs were prepared. Confirm that the design is implemented as documented in the TOD Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Sample using the sampling methodology to establish:</p> <ul style="list-style-type: none"> If the project design was prepared and implemented as is provided for in the technical requirements PP&AD Regulations 2020. Reg. 71(2),PPAD SEC 60 (3)(a) To establish that the classroom design, is as per the guidelines on the various types of school buildings in safety standards manual for schools in Kenya, 2008.
			Signed contract with a contractor	<p>TOD</p> <ul style="list-style-type: none"> Establish whether there are provisions or key requirements on signing of contract with a service provider and whether they have been documented. If the control is not documented, enquire from process owner how it is meant to be executed.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>TOI</p> <ul style="list-style-type: none"> • Sample a signed contract with a contractor • Confirm that the design is implemented as documented in the TOD • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm that the classrooms construction is implemented as per the signed contract. • Confirm that construction of the classroom is as per the duration of the signed contract.
		<p>Poor workmanship Stalling of projects Cost overruns Delay in project implementation</p>	<p>Project management/implementation committee</p>	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements on project management/implementation team and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Sample one project implementation committee • Confirm that the design is implemented as documented in the TOD • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Use data analytics to sample the projects and establish;</p> <ul style="list-style-type: none"> • The accounting officer of the procuring entity appointed a contract implementation team, and its composition is as per the provisions of the Act. PPAD SEC 151(1)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> Review the CIT progress reports to confirm their contribution and the implementation of the team's recommendations PPAD Regulations sec 138(2) Review project progress reports by project supervision team to ascertain that the project is moving as per the project plan. PPAD Regulations sec 138(2) Check existence of the project risk register and establish its effectiveness and means of addressing the issues raised PPAD Regulations Sec 138(4) Undertake a physical verification to ascertain the existence of the assets in line with the provisions of the contract, and where applicable consult an expert.
		Ownership of the project Defects Sub-standard works	Project handing over/certificate of completion	<p>TOD</p> <ul style="list-style-type: none"> Establish whether there are provisions or key project handing over and issuance of completion certificate and whether they have been documented. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Sample one final handing and taking over report Confirm that the design is implemented as documented in the TOD Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Use data analytics or sampling to sample the projects and establish;</p> <ul style="list-style-type: none"> Verify that the contract was complete, prior to closing the contract file including all handover procedures, transfers of

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>title if need be and that the final retention payment has been made; PPAD Act sec 151(h)</p> <ul style="list-style-type: none"> • Confirm discharge of performance guarantee where necessary. PPAD Act sec 151(k) • Where assets were procured by the contractor for the client, review the contract terms and the payment certificates to ascertain that the assets reverted back to the client.
2.	To confirm adequate facilitation of education programs in the county	Under funding of programs	Approved Annual budget	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements on annual budget and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Obtain the annual approved budget</p> <ul style="list-style-type: none"> • Confirm that the education programs are provided for in the budget • Note any gaps in the budgetary provisions. <p>TOE</p> <p>Sample programs implemented as per the sampling methodology and find out if:</p> <ul style="list-style-type: none"> • They are within the approved budget of the procuring entity PP& AD Act 2015 Sec. 45(3), • There are Programs undertaken without sufficient funds to meet the obligations of the resulting contract are reflected in its approved budget estimates. PP& AD Act 2015 Sec53 (8)

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> Confirm variation or amendment had been approved in writing by the respective authority. PP& AD Act 2015 Sec 139 (1) (a)
			<p>Programs implementation/progress reports</p>	<p>TOD</p> <ul style="list-style-type: none"> Establish whether there are provisions or key requirements on progress reports and whether they have been documented. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain one program implementation/progress report and check if provisions have been followed. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Confirm if the budget allocation is adequate to implement the programs. Perform tests to confirm programs have been effectively implemented as required.
3.	<p>To check whether there is transparency and accountability in award of bursaries/scholarships in the county</p>	<p>Awarding of bursary to underserving people Fraud</p>	<p>Approved Bursary/scholarship policy</p>	<p>TOD</p> <ul style="list-style-type: none"> Establish whether there are provisions or key requirements on management of bursary/scholarship and whether they have been documented. If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> Obtain the policy and confirm that the provisions are implemented as documented in the TOD. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>From the policy test the following:</p> <ul style="list-style-type: none"> • That the policy creates a fund and its approved by the county assembly (PFM 116(1) & PFMr 197) • That the policy clearly defines who the beneficiaries of bursary/scholarship are and the process of selection. • Obtain a sample of beneficiaries and confirm that the process of selection was followed as provided.
			Fund Manager	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements on fund manager and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the policy and confirm that this is implemented as documented. • Confirm that the fund manager exists. <p>TOE</p> <ul style="list-style-type: none"> • Obtain the appointment letter of the fund manager • Verify that the roles and responsibilities in the appointment letter are as per the functions of the fund manager in the policy
			Bursary committee(s)	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements on Bursary committee(s) and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> • Obtain the terms of reference of a bursary committee and confirm this is implemented as documented.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain the appointment letters and/ gazette notice appointing the committee(s) and Confirm that the appointment was approved by the right authority as per the policy • Confirm that the functions in the appointment letters are as per the policy • Get evidence that the committee(s) invited applicants to apply for bursary. • Confirm that all received applications were recorded in a register. • Obtain the Minutes for the period and the bursary beneficiaries list and ascertain that all beneficiaries were recommended/approved by the committee(s) after scrutinizing the application forms • Confirm from the minutes and award list that the amount awarded is not more than fees structure as guided by the ministry of education circular on fees structure (for scholarship) • Confirm that the committee maintains a databank of all beneficiaries of bursary/scholarship in the county.
			Cheques and bank transfer	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements on cheques and bank transfer and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Sample a bank transfer or cheque bursary transaction and confirm that the provisions are implemented as documented. • Walkthrough and document the process flow/map. Note any gaps in implementation <p>TOE Obtain a sample of bursary/scholarship beneficiaries and perform the following tests:</p> <ul style="list-style-type: none"> • Verify the amount awarded by the committee against the cheque issued/bank transfer amount. • Confirm the institution the cheque/transfer was made visa vis the beneficiaries’ institution. • Perform bank reconciliation to confirm accuracy and completeness of the process. • Confirm acknowledgement of receipts from the institutions that have benefited from the bursary.
			Monitoring and evaluation reports	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements on monitoring and evaluation and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> • Obtain a sample of monitoring and evaluation report and confirm whether it is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE Sample monitoring and evaluation reports for the period and test:</p> <ul style="list-style-type: none"> • That it was approved

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • There is evidence that it was received by the management • Select a sample of the recommendations made in the report and confirm whether action was taken
4	To confirm compliance with the vocational training grant guidelines in the utilization of VTC grant within the county	Non compliance Loss of funds by with the vocational training grant guidelines Funding uncredited training centers and courses	Registration of vocational training centers	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements on registration of vocational training centers and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> • Select one VTC and confirm that the provisions on registration are implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOD</p> <p>Sample Vocational Training Centers (VTC) according to geographical location and visit to test the following:</p> <ul style="list-style-type: none"> • Obtain the registration certificate and confirm that it was registered by the TVET board (TVET Act 2013) • Obtain the registration certificate for courses offered and confirm that they were registered by the board (TVET act 2013) • If the vocational training center is offering exams, confirm that it is registered as an exam center by the various examining body. <p>Circular no. moest/vit/11/4(43) of 11th april,2018</p>
			Board of Management	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements on board of management of vocational training centers and whether they have been documented.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> Obtain the terms of the Board of Management and confirm that it is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>For a selected sample of VTC:</p> <ul style="list-style-type: none"> Obtain appointment letters of the Board of Management (BoM) and confirm that they meet the criteria set in the provisions/policy on representation (county vocational training Act, Tvet Act 28) Obtain minutes of the BOM and verify if minimum number of meetings were held. From the minutes, confirm whether the agendas address the core function of the BoM. <p>Circular no. moest/vit/11/4(43) of 11th april,2018</p>
5	To confirm that the grant monies are utilized in the intended items as stipulates in Circular no. moest/vit/11/4(43) of 11 th april,2018	Diversion of funds to other use	Approved VTC Workplan/Budget	<p>TOD</p> <ul style="list-style-type: none"> Establish whether there are provisions or key requirements on VTC budget/workplan and whether they have been documented. If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> Obtain one VTC budget and confirm that it is implemented as documented in the provisions. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>For a selected sample of VTCs test whether:</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • An annual budget was prepared and submitted to the BoM for submission. • Obtain minutes of the BoM to confirm approval of the budget (County TVET act (40), 2017) • Obtain the VTC Budget and verify that the grant funds have been included and budgeted on vote lines that were allowed by the Circular no. moest/vit/11/4(43) of 11th april,2018 • Confirm that the budget was submitted to the director of vocational training at least three months before commencement of a new financial year. Circular no. moest/vit/11/4(43) of 11th april,2018
6	To confirm that vocational training grant is utilized for the intended purpose	Diversion of funds	VTC Grant Bank Account	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements on bank account and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> • Obtain the policy and confirm that it is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Obtain a county bank account' register and confirm that a special purpose account was opened for the grant. PFMr 76 • Obtain a letter approving the opening of the bank account from the CEC member for finance PFMr • Obtain the approved budget, CRF funds received report and the grant bank account to confirm that all grant monies received was subsequently transferred to the grant account. PFMR 74 • Obtain the grant account cashbook and bank statement and confirm that the funds were paid to the vocational training centers only. In case of any inter account borrowing, confirm that there was a written approval from the CECM Finance and the funds are refunded before the end of the financial year.
7	To confirm the Vocational training reports are submitted on time	Delay in submission of reports	Quarterly technical and financial reports	<p>TOD</p> <ul style="list-style-type: none"> • Establish whether there are provisions or key requirements on technical and financial reporting and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> • Obtain a sample of quarterly technical and financial report and confirm that it is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Obtain the quarterly reports for period and test that:</p> <ul style="list-style-type: none"> • They were approved and submitted to the CECM in charge of vocational training by end of every quarter.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Test for errors and misrepresentation of information in the reports. <p>Circular no. moest/vit/11/4(43) of 11th april,2018</p>

DRAFT

8.0 COMPLIANCE PROCESSES

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

Reviewed By:

8.1 Sub-Process: Governance

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
1.	<p>Confirm that the county executive committee is properly constituted and performs its duties in accordance with the set laws and regulations.</p>	<ul style="list-style-type: none"> • Capacity constraints of the CEC due to; <ul style="list-style-type: none"> ✓ Lack of qualifications and skills ✓ Legal suits due to lack of representation and diversity ✓ Lack of clearly defined TOR on appointment • Inadequate Capacity • Group think • Corruption • Abuse of office 	<p>Appointment letters for County Executive Committee members</p>		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on appointment of county executive committee. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the County executive committee letters • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm that the county executive committee is composed of the following as per <i>Art. 179 of the COK 2010</i>: <ul style="list-style-type: none"> ✓ The county governor and the deputy county governor; and ✓ Members are appointed by the county governor, with the approval of the assembly, from among persons who are not members of the assembly. ✓ The numbers of members appointed are not more than one-third of the number of members of the county assembly if the

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>assembly has less than thirty members; or ten, if the assembly has thirty or more members.</p> <ul style="list-style-type: none"> • Review qualifications of the county executive committee members to confirm that they are as per <i>Sec 35(3) of CGA, 2012</i> <ul style="list-style-type: none"> ✓ is a Kenyan citizen; ✓ is a holder of at least a first degree from a university recognized in Kenya; ✓ satisfies the requirements of Chapter Six of the Constitution; and ✓ Have knowledge, experience and a distinguished career of not less than five years in the field relevant to the portfolio of the department to which the person is being appointed. ✓ Does not hold any other State or public office. • Review the composition of the CEC on diversity/ inclusiveness to confirm that(<i>Sec 35 of the CGA, 2012</i>); <ul style="list-style-type: none"> ✓ Not more than two thirds of either gender; ✓ Takes into account representation of minorities, marginalized groups and communities; and ✓ Takes into account representation of community and cultural diversity within the county. • Confirm that the CECMs have signed their appointment letters that clearly stipulate their roles and other terms of appointment.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> ✓ Roles and responsibilities in line with <i>Section 183 of the COK(2010)</i> and section 36 of the <i>CGA act 2012</i> ✓ Remuneration and benefits in line with the gazette notice NO. 6518 of 7th July, 2017 ✓ Accountability as required by <i>Section 183 of the COK(2010)</i> • Confirm that the CECMs have taken oath of Office prior to taking over Office <i>Sec. 38 and First Schedule of the CGA, 2012</i> • Confirm that the CECMs undertake their mandates in accordance with the appointment letters • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<p>Members do not understand the role or responsibilities of the CEC</p>	<p>Orientation Program</p>	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on orientation of new members of the county executive committee • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Interview one CECM and confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Obtain the training attendance registers and training programs for the CECMs • Confirm that the CECMs are provided with effective induction in order to familiarize themselves with their responsibilities <i>Sec. 15 of Mwongozo; The Code of Governance, 2015</i> • Review the contents of the Induction Training Programme to confirm that the induction programme is comprehensive enough to cover(<i>Sec. 15 of Mwongozo; The Code of Governance, 2015</i>); <ul style="list-style-type: none"> ✓ Roles and responsibilities of the CECMs ✓ General principles of Corporate Governance ✓ County Executive Committee Practices ✓ Orientation of the County Government ✓ Strategic Plans ✓ Financial Status ✓ Policies ✓ Risk Management ✓ Compliance Program ✓ Code of Ethics • Confirm that competence needs assessment of the CECMs is periodically done and an Annual Development Plan developed to identify the gaps <i>Sec. 15 of Mwongozo; The Code of Governance, 2015</i> • Confirm that the CECMs are provided with continuous development programs that are designed to keep the CECMs abreast with latest developments in the respective sectors, corporate governance and other critical issues relating to the operation of the CEC 15 of <i>Mwongozo; The Code of Governance, 2015</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures,

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					service delivery standards, minutes of meetings and strategic plans.
		Poor setting of agenda	Approved Procedures for meetings	Operational	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on the county executive committee meetings. If the control is not documented, enquire from process owner how it is meant to be executed <p>TOI</p> <ul style="list-style-type: none"> Sample one minute and confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the County executive committee meetings calendar and minutes file of meetings for the period under review. Sample the minutes using an approved sampling criteria Confirm that CEC Papers are made available to the CECMs not less than ten days before the date of the meeting <i>Sec. 1.8 of Mwongozo; The Code of Governance, 2015</i> Sample the meetings held and confirm that the Meetings of the county executive committee were held as stipulated in <i>sec 41 of CGA, 2012;</i> <ul style="list-style-type: none"> ✓ The deliberations of the meetings of the county executive committee were recorded in writing. ✓ That there was quorum of meetings of a county executive committee which is more than one half of its membership.

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> ✓ That resolution of the county executive committee was by majority of the members present and voting. ✓ The resolution is made available to the public • Confirm the agenda on conflict of interest that all members declared any conflict of interest which was recorded in the minutes <i>Sec. 16(8) of the Leadership and Integrity Act, 2012</i> • Confirm that there was agenda in County executive committee meetings to determine the organization of county as per <i>section 46 of the CGA, 2012</i> <ul style="list-style-type: none"> ✓ establishing, continue or vary any department, and determining the objects and purposes of the department; ✓ determining the number and nature of departments at the decentralized units; ✓ abolishing any department; and ✓ Determining or change the name of any department. • Confirm that the agenda in County executive committee meetings related to the functions defined in <i>Art. 183 of the COK, 2010</i>: <ul style="list-style-type: none"> ✓ Implemented county legislation; ✓ Managed and coordinated the functions of the county administration and its departments; ✓ Prepared proposed legislation for consideration by the county assembly. ✓ Provided the county assembly with full and regular reports on matters relating to the county. • Confirm that there was agenda, discussions and resolutions in County executive committee meetings

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>to facilitate urban area or city planning as per <i>section 37 of the CGA, 2012</i>;</p> <ul style="list-style-type: none"> ✓ In monitoring the process of planning, formulation and adoption of the integrated development plan by a city or municipality within the county. ✓ In assisting a city or municipality with the planning, formulation, adoption and review of its integrated development plan; ✓ In facilitating the coordination and alignment of integrated development plans of different cities or municipalities within the county and with the plans, strategies and programs of national and county governments; and ✓ Resolve any disputes or differences in connection with the planning, formulation, adoption or review of an integrated development plan. <ul style="list-style-type: none"> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans
		<p>Failure to meet stakeholder expectations</p>	<p>Performance management plan</p>		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on the designing and implementation of the annual performance management plan. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Obtain the approved plan and confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Performance Management Plan</p> <ul style="list-style-type: none"> • Confirm that the county executive committee has designed and approved performance management plan to evaluate performance of the county public service and the implementation of county policies in accordance <i>section 47(1) of the CGA, 2012</i> • Confirm that the approved performance management plan with contains(<i>section 47(2) of the CGA, 2012</i>); <ul style="list-style-type: none"> ✓ objective, measurable and time bound performance indicators; ✓ linkage to mandates; ✓ annual performance reports; ✓ citizen participation in the evaluation of the performance of county government; and ✓ Public sharing of performance progress reports. • Confirm that the governor submits the annual performance reports of the county executive committee and public service to the county assembly for consideration <i>section 47(3) of the CGA, 2012</i> • Confirm that the performance management plan and reports are made available to the public <i>section 47(4) of the CGA, 2012</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that the performance management plan is linked to the Sectoral Plans <i>section 109(2(b)) of the CGA, 2012</i> • Confirm that the Performance Management System conforms to the nationally applicable guidelines on performance management <i>section 113(3) of the CGA, 2012</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans
			Performance Contracts		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on performance contracting • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain a sample signed PC and confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain a listing of all PCs for the CECMs and the County Secretary and sample based on the approved sampling criteria • Confirm that the County Government a Performance Contracting Tool to be used in assessing the performance of the CECMs and the CS(<i>Sec. 13.1 of</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test														
					<p><i>the County Governments Performance Contracting Guidelines For The Financial Year 2018/2019</i>);</p> <ul style="list-style-type: none"> Confirm that the following weights are assigned to the Performance Criteria and Indicators; <table border="1" data-bbox="1339 407 2003 732"> <thead> <tr> <th>Performance Criteria</th> <th>Weight (%)</th> </tr> </thead> <tbody> <tr> <td>Financial Stewardship and Discipline</td> <td>10</td> </tr> <tr> <td>Service Delivery</td> <td>10</td> </tr> <tr> <td>Institutional Transformation</td> <td>15</td> </tr> <tr> <td>Core Mandate</td> <td>60</td> </tr> <tr> <td>Cross-Cutting</td> <td>5</td> </tr> <tr> <td>Total</td> <td>100</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Confirm that the CECMs and the CS are allowed to negotiate the PCs to ensure that they are aligned to CIDP, SDGs, the 'Big Four' Initiatives, Governor's manifesto, SPS, and the approved budget estimates for the financial year <i>Sec. 12 of the County Governments Performance Contracting Guidelines For The Financial Year 2018/2019</i> Confirm that the Performance Management and Coordination Secretariat is in place and comprising of CECM CO(s) Directors Heads of Sections/Units as Per <i>14.1 of the County Governments Performance Contracting Guidelines For The Financial Year 2018/2019</i> Confirm that that Performance Management and Coordination Secretariat vetted the performance contracts stipulated in (<i>14.1 of the PCG</i>) Confirm that the signed PCs are cascaded to lower levels and signed by (<i>Sec. 16.1 of the PCG</i>); <ul style="list-style-type: none"> ✓ Chief Officers 	Performance Criteria	Weight (%)	Financial Stewardship and Discipline	10	Service Delivery	10	Institutional Transformation	15	Core Mandate	60	Cross-Cutting	5	Total	100
Performance Criteria	Weight (%)																		
Financial Stewardship and Discipline	10																		
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	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> ✓ Directors ✓ Heads of Sections • Confirm that the signed PCs are further cascaded to downstream institutions and linking specific deliverables and targets to individual officers through work plans and the staff performance appraisal tool. Confirm that all other Officers have signed the Staff Performance Appraisal Forms <i>Sec. 16.1 of the PCG</i>
			Performance reports	contracting	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on Performance contracting reporting. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain one annual Performance contract report and confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm that there was Performance Monitoring and Reporting as per 16.2 of the PCG • Confirm that the Submission of Performance Reports was adhered to (16.3 of PCG). <ul style="list-style-type: none"> ✓ Submit quarterly performance reports within fifteen (15) days following the end of a quarter. ✓ The annual performance reports thirty (30) days after the end of the contract year for all performance indicators. The reports should

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>be in the prescribed formats as provided in Annex III of the PCG 2018/19</p>
			<p>County Assembly oversight</p>		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on the county assembly oversight over the County executive committee are in place. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain one oversight report and confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain all reports submitted to County Assembly by the executive Test to confirm that as per CGA sec 47(3) that the Governor submits all annual performance reports of the county executive committee and public service to the county assembly for consideration. Verify that as per CGA sec 92 (2) the Governor submits an annual report to the county assembly on citizen participation in the affairs of the county Confirm per CGA sec 30(2)J the governor submits to the county assembly an annual report on the implementation status county policies and plans;

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that on being requested to do so by the county assembly, the County Treasury s prepares and submits to the county assembly a report on any matter relating to its responsibilities within fourteen days of the request. As per section 124 of the PMFA 2012 • Confirm that actions were taken on the resolutions of the County Assembly communicated to the County Executive.
		Integrity deficiencies	Approved Leadership and Integrity Code	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on approval and signing of Leadership and Integrity Code for State Officers in the County • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain one file of a member of the County executive committee • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>T.O.E</p> <ul style="list-style-type: none"> • Obtain all the files of the CECMs • Confirm that the County Government has developed a Specific Leadership and Integrity Code for State Officers in the County <i>Sec. 37 of the of Leadership and Integrity Act, 2015</i> • Confirm that the Specific Leadership and Integrity Code for State Officers in the County has been

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>approved by EACC <i>Sec. 39 of the of Leadership and Integrity Act, 2015</i></p> <ul style="list-style-type: none"> • Confirm that the CECMs have signed the Specific Leadership and Integrity Code issued by the County Government at the time of taking the oath of office or within seven days of assuming a State office <i>Sec. 40 of Leadership and Integrity Act, 2015</i> • Where there has been any breach of the Code, confirm how the disciplinary proceeding has been dealt with as <i>per section 41 of the Leadership and integrity Act 2012</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
2.	<p>Confirm that the Accounting officers are properly appointed and perform their duties in accordance with the set laws and regulations.</p>	<ul style="list-style-type: none"> • Capacity constraints of the Accounting Officers due to; <ul style="list-style-type: none"> ✓ Lack of qualifications and skills ✓ Legal suits due to lack of representation and diversity ✓ Lack of clearly defined TOR on appointment <p>Inadequate capacity</p> <p>Abuse of office</p>	Appointment letters	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on the appointment and duties of county accounting officers If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain a sample file and Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>T.OE</p> <ul style="list-style-type: none"> • Obtain the appointment letters of the Accounting Officers and Chief Officers

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that the chief officers were nominated by the governor from a list of competitively sourced as recommended County Public Service Board <i>Sec. 45(1(a)) of the CGA, 2012</i> • Confirm that the nominated Chief Officers are sufficiently qualified and experienced as per the approved Job Specifications <i>Sec. 45(1(a)) of the CGA, 2012</i> • Confirm that the county assembly has vetted and approved appointment of the county chief officers <i>Sec. 45(1(b)) of the CGA, 2012</i> • Confirm that a county chief officer is responsible to the respective county executive committee member for the administration of a county department as provided under Sec 46 of the CGA. • Confirm that the Chief Officers have signed their appointment letters that clearly stipulate their roles and other terms of appointment. <ul style="list-style-type: none"> ✓ Roles and responsibilities in line with and <i>Sec. 45(3) and 46 of the CGA act 2012 and Sec. A.11(1) of the County Public Service Human Resource Manual, 2013</i> ✓ Remuneration and benefits in line with the SRC Circulars ✓ Accountability and reporting as required by <i>Sec. 45(3) of the CGA act 2012</i> • Confirm that the Chief Officers undertake their mandates in accordance with the appointment letters as Chief Officers • Confirm that the CECM, Finance has appointed Accounting Officers with due regard being given to person responsible for the administration of a county

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>government entity(Chief Officers) <i>Sec. 148(1) of the PFMA, 2012</i></p> <ul style="list-style-type: none"> • Confirm that all County Government entities have a designated accounting officer <i>Sec. 148(3) of the PFMA, 2012</i>, except for the circumstances that the county government has adopted a centralized county financial management service as provided for in <i>Sec. 148(4) of the PFMA, 2012</i> • Confirm that the Chief Officers undertake their mandates in accordance with the appointment letters as Accounting Officers • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Integrity deficiencies 	Approved Code of Conduct		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on Code of Conduct for Public Officers in the County • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the signed Code of Conduct for one Chief Officer • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Obtain all the files of the Chief Officers who have been designated as Accounting Officers

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that the County Government has developed a Specific Code of Conduct and Ethics for Public Officers in the County <i>Sec. 5(1) of the Public Officers Ethics Act, 2003</i> • Confirm that the Chief Officers have signed the a Specific Code of Conduct and Ethics issued by the County Government at the time of taking the oath of office or within seven days of assuming a State office <i>Sec. 34 of The Public Service Code of Conduct and Ethics, 2016</i> • Where there has been any breach of the Code, confirm how the disciplinary proceeding has been dealt with as <i>per section 41 of the Leadership and integrity Act 2012</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> • Accounting Officers do not understand their roles and responsibilities 	Orientation Program	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on orientation of new Accounting Officers • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Interview one Accounting Officer and confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Obtain the training attendance registers and training programs for the Accounting Officers • Confirm that the CECMs are provided with effective induction in order to familiarize themselves with their responsibilities <i>Sec. 1.6 of the County Public Service Human Resource Manual, 2013</i> • Confirm that copies of the County Governments PFM Regulations, 2015 has been made available to all the Accounting Officers <i>Sec. 5 of the CGPFMR, 2015</i> • Review the contents of the Induction Training Programme to confirm that the induction programme is comprehensive enough to impart required knowledge, skills and attitudes to enhance their performance as Accounting Officers <i>Sec. 1.4(1) of the County Public Service Human Resource Manual, 2013</i> • Confirm that competence needs assessment of the Accounting Officers is periodically done and an Annual Development Plan developed to identify the gaps <i>Sec. 1.4(4) of the County Public Service Human Resource Manual, 2013</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		Failure or delay in submitting statutory reports	Statutory timelines		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on the reporting timelines for accounting officers • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Obtain one report and confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm that the entity keeps financial and accounting records that comply with the PFMA Act; <i>Sec. 149(2)(b) of the PFMA, 2012</i>. The records include; <ul style="list-style-type: none"> ✓ Cash book(<i>Reg. 100 of the CGPFMR, 2015</i>) ✓ Vote Control Book(<i>Reg. 51(1(i)) of the CGPFMR, 2015</i>) ✓ Register of all Bank Accounts(<i>Reg. 87(1) of the CGPFMR, 2015</i>) ✓ Imprest Register (<i>Reg. 93(4(c)) of the CGPFMR, 2015</i>) ✓ Assets Register(<i>Reg. 136(1) of the CGPFMR, 2015</i>) ✓ Register of all losses(<i>Reg. 146 of the CGPFMR, 2015</i>) ✓ Register of all budgetary reallocations(<i>Reg. 47(2) of the CGPFMR, 2015</i>) ✓ Such other books of accounts and records for proper maintenance and production of the accounts of the Vote (<i>Reg. 100 of the CGPFMR, 2015</i>) • Confirm that all financial and accounting records that the entity keeps in any form including in electronic form are adequately protected and backed up <i>Sec. 149(2)(c) of the PFMA, 2012</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Confirm that a quarterly financial statements and report for a county government entity is prepared in a format prescribed by PSASB and submitted to The County Treasury not later than fifteen days after the end of the Quarter <i>Sec. 166(3) of the PFMA, 2012</i> • Confirm that an annual financial statements and report for a county government entity is prepared in a format prescribed by PSASB and submitted to The Auditor-General and a copy to County Treasury, the Controller of Budget, and the Commission on Revenue Allocation not later than three months after the end of the Quarter <i>Sec. 164(4) of the PFMA, 2012</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.

8.2 Sub-Process: Legal Compliance

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
1.	To establish that the county legal services department is established and is operating in compliance with laid down rules and regulations.	Lack of County Legal Office	Organization Structure – Establishment of the Office of the County Attorney		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on establishment of county legal services. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Obtain the appointment letter and Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm that the county government has established The office of the County Attorney provided for in <i>Sec 4 of the Office Of The County Attorney Act, 2020</i> • Confirm that the person appointed to the office by the Governor and approved by the County assembly (<i>Sec 5 of the Office Of The County Attorney Act, 2020</i>); <ul style="list-style-type: none"> ✓ is an Advocate of the High Court of Kenya of at least five years standing; and ✓ Meets the requirements of Chapter Six of the Constitution. • Confirm that the County Attorney has signed the appointment letters that clearly stipulate their roles and other terms of appointment. <ul style="list-style-type: none"> ✓ Roles and responsibilities in line with and <i>Sec. 7 of the Office of The County Attorney Act, 2020</i>); ✓ Remuneration and benefits in line with the SRC Circulars ✓ Accountability and reporting as required by <i>Sec. 45(3) of the CGA act 2012</i> ✓ Term <i>Sec.6(1) of the Office of The County Attorney Act, 2020</i>); • Confirm that the County Attorney has taken oath of Office prior to taking over Office <i>Sec. 5(3) and First</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p><i>Schedule of the Office of The County Attorney Act, 2020)</i></p> <ul style="list-style-type: none"> • Confirm that the County Attorney does not engage in any other gainful employment that may result in a conflict of interest <i>Sec. 11 of the Office Of The County Attorney Act, 2020)</i> • Confirm that the County Attorney undertakes his/her mandates in accordance with the appointment letters as the County Attorney. Confirm that County Attorney performs the following functions as per Sec 7 of the Office Of The County Attorney Act, 2020; <ul style="list-style-type: none"> ✓ attends the meetings of the county executive committee as an <i>ex-officio</i> member of the executive committee; ✓ shall, on the instructions of the county government, represent the county executive in court or in any other legal proceedings to which the county executive is a party, other than criminal proceedings; ✓ shall advise departments in the county executive on legislative and other legal matters; ✓ shall negotiate, draft, vet and interpret documents and agreements for and on behalf of the county executive and its agencies; ✓ shall be responsible for the revision of county laws; • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
		Integrity deficiencies	Approved Leadership and Integrity Code	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on approval and signing of Leadership and Integrity Code for State Officers in the County If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the personal file of the County Attorney Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>T.O.E</p> <ul style="list-style-type: none"> Confirm that the County Government has developed a Specific Leadership and Integrity Code for State Officers in the County <i>Sec. 37 of the of Leadership and Integrity Act, 2015</i> Confirm that the Specific Leadership and Integrity Code for State Officers in the County has been approved by EACC <i>Sec. 39 of the of Leadership and Integrity Act, 2015</i> Confirm that the County Attorney has signed the Specific Leadership and Integrity Code issued by the County Government at the time of taking the oath of office or within seven days of assuming a State office <i>Sec. 40 of Leadership and Integrity Act, 2015</i> Where there has been any breach of the Code, confirm how the disciplinary proceeding has been dealt with as <i>per section 41 of the Leadership and integrity Act 2012</i>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<ul style="list-style-type: none"> Staff capacity constraints such as inadequate numbers of staff in the Office of the County Attorney 	Approved Staff Establishment Plan	Staff	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on developing and approving the Staff Establishment Plans If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the Staff Establishment Plan for the Office of the County Attorney Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Confirm that the Approved Staff Establishment Plan has created the following Offices and positions <i>Sec. 17 and 18 of the of the Office Of The County Attorney Act, 2020</i>; <ul style="list-style-type: none"> ✓ County Solicitor ✓ County Legal Counsel(Legal Officers) Confirm that that the establishment of the Offices is approved by CPSB as required by <i>Sec. 60 of the CGA, 2012</i> in consideration of; <ul style="list-style-type: none"> ✓ Establishment of the public office serves public interest in line with the core functions of the county government;

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> ✓ There exists no other public office in the county public service discharging or capable of discharging the duties for which the county is requested to establish another office; ✓ Upon the establishment of the office, the vacant office is filled competitively and transparently in accordance with the prescribed appointment or promotion procedures; ✓ The establishment of the office including its level of grading, qualification and remuneration does not disadvantage similar offices in the county public service or occasion unfair competition for staff among county public bodies; ✓ The establishment of the office does not confer unfair advantage to a group of or individual serving public officers; ✓ The county government entity has prudently utilized offices previously provided in its establishment; and ✓ Funding for the office to be established is duly provided for <ul style="list-style-type: none"> • Confirm that the vacant positions are filled competitively as required by <i>Sec. 60(1(c)) of the CGA, 2012</i> • Confirm that the appointed Officers meet such qualifications and skills as provided for in <i>Sec. 17 of the Office Of The County Attorney Act, 2020</i> for the County Solicitor and <i>Sec. 18 of the of the Office Of The County Attorney Act, 2020</i> for the Legal Counsel • Confirm that the Officers do not engage in any other gainful employment that may result in a conflict of

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p><i>interest Sec. 11 of the Office Of The County Attorney Act, 2020</i></p> <ul style="list-style-type: none"> Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans.
		<p>Poor representation of the county government in legal proceedings</p>	<p>Assignment of authority and responsibility</p>		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on legal proceedings If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> Obtain the legal proceeding case file Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Obtain the legal proceedings case files. Undertake sampling using an approved sampling criteria Confirm that County Attorney represents the county executive in court or in any other legal proceedings to which the county executive is a party, other than criminal proceedings <i>Sec. 7(c) of the Office Of The County Attorney Act, 2020</i> Where delegation is done by the County Attorney to the County Solicitor or any other legal counsel, confirm that it is made through an instrument(in writing) and that the function is performed according to the instrument <i>Sec. 14 of the Office Of The County Attorney Act, 2020</i>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Confirm that when representing the County Executive in legal proceedings, the County Attorney, the County Solicitor or the Legal Counsel are bound by the Code of Ethics provided in the <i>Second Schedule of the Office Of The County Attorney Act, 2020</i> with regard to; <ul style="list-style-type: none"> ✓ Integrity ✓ Confidentiality ✓ Honesty ✓ Loyalty and dedication ✓ Quality of service ✓ Competence ✓ Diligence ✓ Selflessness ✓ Transparency ✓ Conflict of interest • Confirm that a department or public entity established within a county executive does not engage the services of a consultant to represent the County Executive in legal proceedings without the approval without the approval of the County Executive Committee <i>Sec. 16(1) of Office Of The County Attorney Act, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans
		Inadequate funding of the County Attorney's Office	Approved Budget	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on funding of the office of the county attorney. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Obtain the county approved budget and review the allocations for the Office of the County Attorney • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm that when the Office of the County Attorney is established, the County Government allocates funds to the Office as required by <i>Sec. 60(1(g)) of the CGA, 2012</i> and <i>Sec 27 of the Office Of The County Attorney Act, 2020</i> • Confirm that the funds are sufficient to enable the Office of the County Attorney is able to cater for administrative expenses of the Office and such other purposes <i>Sec 27(2) of the Office Of The County Attorney Act, 2020</i> • Carry out other tests of operating effectiveness aligned to specific county policies, procedures, service delivery standards, minutes of meetings and strategic plans
		Failure or delay in submitting statutory reports	Statutory timelines		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on annual reporting by county attorney. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the county annual report • Confirm that the design documented under TOD is implemented as documented.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Confirm that after the thirtieth of June in each year, the County Attorney prepares and furnishes the Governor a report of the operations of the Office during the year that ended on thirtieth June <i>Sec. 28(1) of Office Of The County Attorney Act, 2020</i> • Confirm that the Annual Report contains (<i>Sec. 28(2) of Office Of The County Attorney Act, 2020</i>); <ul style="list-style-type: none"> ✓ the financial statements of the Office; ✓ a description of the activities of the Office; and ✓ Such other information relating to its functions that the Office may consider necessary. • Confirm that The County Attorney submits to the Clerk of the County Assembly a copy of the report furnished to the Governor for tabling before the County Assembly within fifteen days after the day on which the Governor receives the report <i>Sec. 28(3) of Office Of The County Attorney Act, 2020</i>

8.3 Sub-Process: County Legislative Process

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1	To ascertain that the process followed in	Enactment of irregular laws due to non-	<ul style="list-style-type: none"> • The approved County Assembly calendar 	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on County legislation.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
	<p>making laws by the County Assembly is effective, efficient and complies with the Standing Orders.</p>	<p>adherence to standing orders.</p>		<p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved County Assembly calendar. • Obtain the county Assembly standing orders. • Obtain the County Assembly Procedure and Rules Committee reports. • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. • Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Ascertain that the calendar of the County Assembly has been approved by the county Assembly as required by law. Article 185 of the Constitution of Kenya, 2010. • Ascertain that the approved Calendar of the County assembly has been published in the county gazette, County Assembly website and at least two newspapers of national circulation. Article 199 of the Constitution of Kenya, 2010 and Section 25 County Government Act 2012. • Ascertain whether the assembly calendar is implemented as per the County Assembly standing orders. • For a selected sample of bills ascertain that the Chairperson of the Sectoral Committee to which a Bill is committed or a Member designated for that purpose by the Committee, shall present the Committee’s report to the County Assembly within twenty calendar days of such committal and upon such presentation, or if the Committee’s report is not

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>presented when it becomes due, the Bill is ordered to be read a Second Time on such day as the County Assembly Business Committee shall, in consultation with the Member or the Committee in charge of the Bill, appoint. As per the relevant standing orders or Model County Assembly Procedure and Practice Manual Section 112 (Report Stage).</p> <ul style="list-style-type: none"> For a selected sample, ascertain whether the County Assembly Procedure and Rules Committee considered and reported on matters relating to the Standing Orders as required by the County Assembly standing orders.
2.	To ascertain that the procedures followed in enactment of the County Finance Act complies with the provisions of the law.	Delayed delivery of services, programs & projects	The County Finance Act and County appropriation Act	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on enactment of the County Finance Act. <p>TOI</p> <ul style="list-style-type: none"> Obtain the approved County Assembly calendar and the Standing Orders Obtain the Approved Finance Act Obtain the approved appropriation Act Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Ascertain that the County appropriation bill has been considered and approved within the required timeline (Sec 130 of the PFM Act, 2012 and the County Assembly standing orders) Ascertain that the finance bill has been considered and approved within ninety days after passing the

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				Appropriation Bill (Sec 132 & 133 of the PFM Act, 2012 and the County Assembly standing orders)
3.	To establish whether the Members County Assembly extend professional knowledge, experience or specialized knowledge to any issue for discussion in the County Assembly.	Inadequate skills and capacity of the members of County Assembly in carrying out their legislative role	Training Calendar for the members of county assembly and the support staff	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on capacity building of Members of County Assemblies. <p>TOI</p> <ul style="list-style-type: none"> Obtain training needs analysis and the training program Obtain the county Assembly standing orders Obtain the County Assembly Procedure and Rules Committee reports Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Ascertain whether the training program arrived at through a training needs analysis has been implemented as per Section H3 of the PSC HR policy and procedures manual 2016. For a selected sample, ascertain if the procedures prescribed in the standing orders are being followed, including the engagement of technical experts where necessary. As per the Second Schedule of the County Government Act, 2012.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
4.	To establish whether the County Assembly respects the principle of public participation.	Possible litigation from affected stakeholders	<ul style="list-style-type: none"> Public participation policy 	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on public participation. <p>TOI</p> <ul style="list-style-type: none"> Obtain the public participation policy Obtain the County Assembly standing orders Obtain the Petitions Register Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Establish whether there is in place a public participation policy as best practice. Establish whether there are any petitions or suits filed in court with regard to the failure of the county Assembly to conduct public participation during legislation. County Government Act Section 3 (f) and 87. For the selected sample of bills, ascertain whether the Sectoral Committee to which the Bill was committed facilitated public participation and took into account the views and recommendations of the public when the Committee makes its report to the County Assembly as per the relevant standing orders Establish whether public participation was carried out in accordance to Article 196 of the Constitution of Kenya, 2010, County Government Act 87 and the County assembly standing orders.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
5.	To ascertain that the MCAs disclose, and take reasonable steps to avoid, any conflict of interest, real or apparent, in connection to any matter to be discussed in the County Assembly or Committee.	Conflict of interest in enactment of county assembly laws.	Conflict of interest registers	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on county legislation. <p>TOI</p> <ul style="list-style-type: none"> Obtain the County Assembly integrity training programs for MCAs as a best practice. Obtain the County Assembly conflict of interest registers. Obtain the County Assembly policy on management of gifts for state officers and the gifts register. Obtain the declaration of wealth forms registers. Confirm that the design documented under TOD is implemented as documented. Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> For the selected sample, ascertain whether the integrity training programs for MCAs were attended and a back to office report filed with the relevant officer as a best practice. Ascertain whether conflict of interest registers have been filled. Section 17 (9) Public Service Code of Conduct and Ethics 2016. Ascertain whether gifts to state officers are reported and entered in the gift register. Section 15 Public Service Code of Conduct and Ethics 2016. Ascertain whether members of the county assembly are declaring their wealth regularly as required under Part IV Public Officers Ethics Act, 2003.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
6.	To ascertain on the effectiveness and efficiency of the committees' activities.	Lack of value for money	County Assembly Procedure and Rules Committee reports	<p>TOD Establish the key requirements of laws, regulations, policies and procedures on county assembly committee activities.</p> <p>TOI</p> <ul style="list-style-type: none"> • Obtain the County Assembly standing orders • Obtain the minutes and reports of the committee on implementation. • Obtain sectoral committee minutes and reports • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • For a selected sample of bills passed by the County Assembly, ascertain whether the committee on implementation examined its operationalization and where operationalized, the extent to which such operationalization has taken place within the minimum time necessary, as per the relevant standing order. • For the selected sample of select committee minutes, establish whether the meetings occurred and had quorum.

9.0 INFORMATION TECHNOLOGY PROCESSES

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

9.1 Sub-Process: General IT Controls

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
1.	To confirm that the information technology infrastructure is in line with the provisions of the law.	Noncompliance to laws	ICT Roadmap		<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on designing the technology infrastructure. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Obtain ICT Roadmap</p> <ul style="list-style-type: none"> Confirm that the design documented under TOD is implemented as documented. Walkthrough and note any gaps in implementation <p>TOE</p> <p>Confirm that the design, implementation, and delivery of the infrastructure architecture shall adhere to the infrastructure architecture principles which includes:</p> <ol style="list-style-type: none"> Ensuring technology diversity is contained Technology components are able to interoperate and exchange information

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>IT GOVERNANCE STANDARDS 2019 SEC 5.4</p> <ul style="list-style-type: none"> • Confirm that the implemented LAN/WAN, internet, computing, enterprise networks, storage, and data center supporting business operations were in line with the Infrastructure Standards IT GOVERNANCE STANDARDS 2019 SEC 5.4 • Find out if annual evaluation of capacity of IT infrastructure to understand the current environment and plan for future needs was done. • Establish there was a framework for IT infrastructure improvement in place GOVERNMENT ICT STANDARDS 2019 SEC 7.3.2 • Verify if realistic targets for IT infrastructure improvement, were prioritized with achievable solutions GOVERNMENT ICT STANDARDS 2019 SEC 7.3.2
2.	To verify if all the Applications in use comply to the provisions of the law	<ul style="list-style-type: none"> • Fraud • Loss of money • Noncompliance to law 	Systems and Applications database		<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on standardized use of applications. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Obtain Systems and Applications database Confirm that the design documented under TOD is implemented as documented.</p> <ul style="list-style-type: none"> • Walkthrough and note any gaps in implementation

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>TOE</p> <p>Confirm that in the Systems and Applications security used:</p> <ul style="list-style-type: none"> • Electronic signatures are used to safeguard against non-repudiation of transactions Information security standard 2019, Sec 7.3.9 • Policies are developed taking into consideration, requirements of electronic signature Information security standard sec 8.3.4
3	To find out if policies, procedures and operational processes against recognized standards or established policies are in place	Noncompliance to law	ICT Policies and guidelines	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on policies and guidelines to be used by the ICT team • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Obtain policies and guidelines</p> <p>Confirm that the design documented under TOD is implemented as documented.</p> <ul style="list-style-type: none"> • Walkthrough and note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Assess the management, maintenance, planning, and appropriateness of Documented Policies, Procedures, Standards, and Guidelines including, but not limited to: <ol style="list-style-type: none"> a. General IT and IS Policies and Procedures b. All Security Policies including HIPAA, HITECH. State and other Security Requirements, etc. c. All Privacy Policies including HIPAA, HITECH. State and other Privacy Requirements, etc.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				d. Policies and Procedures for Release of Information e. Employee Termination Process f. Personnel Practices e.g., clearance policies and procedures (background check, etc.), visitor and maintenance personnel control, disciplinary policies g. Vendor Policies and Procedures h. Change management policies <ul style="list-style-type: none"> • Assess the general state of training provided to IT staff and the related policies, procedures, and plans, schedules, and training records.
4	To establish if there is adequate planning in terms of ICT	Inadequate plans	ICT Roadmap	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on planning on ICT matters • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Obtain ICT Roadmap Confirm that the design documented under TOD is implemented as documented.</p> <ul style="list-style-type: none"> • Walkthrough and note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> • Review County Executive Committee agenda and Minutes from the past year for content relevant to IT. • Establish and document follow up plans as appropriate. • Review Business & IT Strategic Planning Initiatives.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> Establish and document follow up plans as appropriate Review status of IT initiatives underway (changes in business operations or IT Infrastructure, outsourcing initiatives, web strategies, etc.) and note those impacting risks and controls.
5	To find out if there are adequate security controls in place	Cyber crime	Information Security Policy	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on implementation of information security. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Obtain Information Security Policy Confirm that the design documented under TOD is implemented as documented.</p> <ul style="list-style-type: none"> Walkthrough and note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> Review the list of trading partners / business associates with whom the organization shares or exchanges electronic information, and assess arrangements for information security and compliance across organizational Boundaries. The Access to Information Act, 2016 Sec 11(1)(3) Confirm that there is an approved information security policy in place that contains:

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>a) objectives and principles to guide all activities relating to information security;</p> <p>b) Assignment of general and specific responsibilities for information security management;</p> <p>c) Defined roles;</p> <p>d) Processes for handling deviations and exceptions.</p> <p>Information security standard 2019 Sec 5.1</p> <ul style="list-style-type: none"> • Verify if the following are configured in line with GoK information security standards • VLANs - Firewall and Perimeter Security Architecture • Connections to Third Parties • Remote Network Administration to Servers • Encryption of Sensitive Information • Virus <p>E-mail Security</p> <ul style="list-style-type: none"> • Wireless Security Management • Redundancy of Network Infrastructure • Auditing and Monitoring of Security Logs • Network Intrusion Detection - Network Segmentation • Segregation of Duties • Default User IDs and Network Device Configuration • Network Inventory and Asset Management • Network Configuration Management • Vulnerability and Patch Maintenance <p>Government ICT standards 2019 Sec 8.9</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
6	To establish that the date centers established are as per standards	Poor functioning data centers	Report of the data center	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on establishment and management of data centers. If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <p>Obtain Information Security Policy Confirm that the design documented under TOD is implemented as documented.</p> <ul style="list-style-type: none"> Walkthrough and note any gaps in implementation <p>TOE</p> <p>Confirm that the County government has created a data center. Sec 6.1.2 on infrastructure sharing, as per the National ICT Policy.</p> <p>Check if the centers are a minimum of a level 2 as provided by the Sec 6.1.2 on data centers as per the National ICT Policy.</p> <p>Verify if the data center site space and layout comply with the standards. Appendices A.1 of the data center standards</p>
7	To verify if Electronic waste management is undertaken as per the provision of the law	<p>Environmental pollution</p> <p>Non adherence to the law</p>	Electronic Waste Management policy	<p>TOD</p> <ul style="list-style-type: none"> Establish the key requirements of laws, regulations, policies and procedures on implementation of information security. If the control is not documented, enquire from process owner how it is meant to be executed.

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<p>TOI Obtain Electronic Waste Management policy Confirm that the design documented under TOD is implemented as documented. Walkthrough and note any gaps in implementation</p> <p>TOE</p> <ul style="list-style-type: none"> • Check if there is an inventory of e-waste production, Sec 6.2.1(Environmental section) of the National ICT Policy • Verify if the e-waste is categorized as per provision of Sec 4.2 of the Guidelines for E waste management by NEMA 2010 • Confirm the collection and storage of the e-waste is as per the provisions of Sec 6.3 of the Guidelines for E waste management by NEMA 2010.
8	To find out the efficacy of the Backup recovery measures in place	Loss of data	Back up policy	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on Back up policy • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI Obtain Back up policy Confirm that the design documented under TOD is implemented as documented. Walkthrough and note any gaps in implementation</p> <p>TOE Check if the backup policy defines the organization’s requirements for backup of information, software and system. Sec 9.3.1 of Information Security standard The backup plan should consider</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> i. Accurate and complete records ii. Frequency of backups iii. Backups shall be stored in a remote location iv. Physical and environmental protection c v. Backup media shall be regularly tested vi. Where necessary encryption are used for confidentiality <ul style="list-style-type: none"> • Confirm existence of Appropriate business continuity plans for recovering from malware attacks, including all necessary data and software backup and recovery arrangement Sec 9.3.2d of Information Security standard • Find out if there are designated staff to manage the day to day operational activities in IT e.g. back up, Appendix 4 of IT Governance standards.
9	To establish implementation of adequate Telecommunication infrastructure	4. Inefficient infrastructure	Telecommunication policy	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on Telecommunication • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain Telecommunication policy • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and note any gaps in implementation <p>TOE</p>

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<ul style="list-style-type: none"> • Review technical configurations, charts, schematics, • network diagrams to confirm if they comply with the standards • Review documentation regarding approved remote communication channels, mechanisms, protocols, and standards (i.e., extranet, VPN, SSH, FTP, Wi-Fi) • Review procedures for setting up, siting, and managing networked work stations and portable and mobile devices. • Assess the security of procedures for monitoring, adding, removing, and configuring all devices on the network • Review description of messaging architecture, authentication, encryption methods, auditing/logging • Determine whether telecommunications provide a reliable and secure environment. • Consider load balancing devices, redundant systems, and alternate procedures for the continuation of telecommunication operations • Determine if EDI (Electronic Data Interchange) is utilized. If so, evaluate security and authenticity of interchange

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
10	To verify that there is a continuous skills improvement of the ICT staff.	Poorly trained staff on emerging issues	Training plan		<p>TOD Establish the key requirements of laws, regulations, policies and procedures on training of ICT staff If the control is not documented, enquire from process owner how it is meant to be executed.</p> <p>TOI Obtain Training plan</p> <ul style="list-style-type: none"> i. Sample one employee to confirm that training is done. ii. Confirm that the design documented under TOD is implemented as documented. iii. Walkthrough and note any gaps in implementation <p>TOE Sample as per the sampling methodology and verify:</p> <ul style="list-style-type: none"> I. Training and awareness requirements for specific procedures and information security requirements are done Sec 15.1.2 k of Information security standard 2019 II. That all software development personnel receive training Sec 7.1.7 of Information security standard 2019 III. Trainings are arranged for personnel using mobile devices to raise their awareness Sec 6.1.2.7 of Information security standard 2019 IV. Trainings are undertaken on procedures and responsibilities to deal with malware protection on systems. Sec 9.4.14 of Information security standard 2019

	Audit Objectives	Risks	Expected Controls	Internal	Audit Test
					<p>V. An assessment of the employees’ understanding is conducted at the end of an awareness, education and training course to test knowledge retention and understanding Sec 10.4.5 of Information security standard 2019</p> <p>VI. Training and awareness requirements for specific procedures and information security requirements are done Sec 15.1.2 k of Information security standard 2019</p>

DRAFT

10.0 STRATEGIC PLANNING PROCESSES

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

10.1 Sub-Process: Strategic Planning (SP formulation, M&E and SP Execution (Service delivery))

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
1.	To check compliance with laws and regulations in the preparation and approval of the strategic plan.	<ul style="list-style-type: none"> - Implementation of projects not in the strategic plan. - Improper allocation of resources. 	Guidelines to Strategic Plan formulation	<p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on preparation and approval of strategic plan. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved strategic plan; • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Confirm that the five-year county integrated development plan has</p> <ul style="list-style-type: none"> (a) clear goals and objectives; (b) an implementation plan with clear outcomes; (c) provisions for monitoring and evaluation; and (d) clear reporting mechanisms <p>{County Government Act S. 108 (1)}</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			<p>Guidelines on the implementation of the Strategic Plan</p>	<p>Obtain list of participants and ascertain that there was public participation {{Constitution of Kenya 2010 Article 174 (c)}}</p> <p>TOD</p> <ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on implementation of the strategic plan. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved strategic plan; • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <p>Confirm that county integrated development plan identified—</p> <p>(a) the institutional framework, which includes an organization chart, required for—</p> <p>(i) the implementation of the integrated development plan; and</p> <p>(ii) addressing the county’s internal transformation needs;</p> <p>(b) as informed by the strategies and activities set out in the plan—</p> <p>(i) any investment initiatives in the county;</p> <p>(ii) any development initiatives in the county, including infrastructure, physical, social, economic and institutional development;</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
			<p>Monitoring and evaluation framework</p>	<p>(iii) all known projects, plans and programs to be implemented within the county by any organ of state; and (iv) the key performance indicators set by the county. {County Government Act S. 108 (2)} Confirm that a resource mobilization and management framework is reflected in the county’s integrated development plan and shall at least— (a) include the budget projection required under the law governing county government financial management; (b) indicate the financial resources that are available for capital project developments and operational expenditure; and (c) include a financial strategy that defines sound financial management and expenditure control: as well as ways and means of increasing revenues and external funding for the county and its development priorities and objectives, which strategy may address the following— (i) revenue raising strategies; (ii) asset management strategies; (iii) financial management strategies; (v) capital financing strategies; (vi) operational financing strategies; and (vii) strategies that would enhance cost-effectiveness. {County Government Act S. 108 (4)}</p> <p>TOD</p>

	Audit Objectives	Risks	Expected Internal Controls	Audit Test
				<ul style="list-style-type: none"> • Establish the key requirements of laws, regulations, policies and procedures on monitoring & evaluation of the strategic plan. • If the control is not documented, enquire from process owner how it is meant to be executed. <p>TOI</p> <ul style="list-style-type: none"> • Obtain the approved strategic plan; • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation <p>TOE</p> <ul style="list-style-type: none"> - Ascertain the existence of a monitoring & evaluation system. - Obtain appointment letters and confirm that there is established a monitoring and evaluation team. - Check the terms of reference for the monitoring and evaluation team. - Confirm the reporting structure of the M & E Team. - Sample some of the M&E reports and ascertain the implementation of recommendations thereof.