Supreme Auditor

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The nexus between auditing and improved service delivery

REPUBLIC OF KENYA

OAG

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

VISION

Making a difference in the lives and livelihoods of the Kenyan people

MISSION

Audit services that impact on effective and sustainable service delivery

OUR CORE VALUES

Integrity ● Credibility ● Relevance
Accountability ● Independence

Editor's Note

Welcome to the 18th Edition of *The Supreme Auditor*. This Issue has been curated for you, our valued stakeholders. I extend sincere appreciation to our contributors for dedicating their time to share insights on audit and related emerging issues. Your dedication to advancing dialogue in public accountability continues to enrich this publication and the profession at large.

Our cover story explores a fundamental question: Why do audit recommendations matter? Audit reports are powerful tools for promoting accountability in the public sector, but only when they lead to meaningful change. Without impact, reporting remains incomplete. The true success of public audit is not measured by the number of reports produced, but by their impact on the lives and livelihoods of the citizens, which can be achieved by implementation of audit recommendations.

In this edition, we also highlight the Office's commitment to environmental sustainability as a pillar of responsible governance. Through our tree-growing initiative, we recognise that our responsibility does not end with planting. Rather, it extends to protecting and nurturing every seedling to maturity. We further examine the critical role auditors play in the public debt conversation. By independently verifying debt information, evaluating debt management strategies, ensuring legal compliance, identifying risks, and promoting accountability in government borrowing, auditors contribute meaningfully to informed public discourse. Be sure to read our feature on Public Debt Audit.

Have you heard of the ClimateScanner, a tool that provides a high-level diagnostic of a country's climate action architecture? The ClimateScanner marks a strategic shift in how climate action is evaluated and strengthened. In this issue, we unpack its significance and relevance. Transparency in financial management also remains central to our mission. Head teachers have been encouraged to prioritise timely submission of financial statements and maintain up-to-date books of account. After all, audit is not an event, but a continuous process that begins the moment public funds are disbursed.

You will also find an engaging reflection from a sports writer who reminds us that audit reports are not merely about numbers. They are about people. They tell stories of athletes, the nature of stadiums, communities waiting for promised facilities, and taxpayers whose contributions must translate into tangible benefits.

There is much more in these pages. Insightful, thought-provoking, and relevant content for you to explore and draw lessons from.

We also invite you to be part of the next edition. Submit your articles (not more than 600 words) and share your perspectives with our growing readership.

Welcome, and happy reading.

Dennis Odunga.

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Beyond the numbers:
Why auditing matters more than ever

Why it takes almost a year to
undertake a Performance Audit

Auditing in the Artificial Intelligence Era:
Resist or cave in?

Beyond the Pitch: How audit reports are powering a wave of Sports storytelling

The nexus between auditing and improved service delivery

Mark Gachanja

Audit reports are often treated as the final destination of the audit journey. Thick volumes are tabled before Parliament and County Assemblies, headlines are made, debates are held, and then, too often, the moment passes. Yet without demonstrable impact, even the most technically sound audit report remains a mere document. An unfinished story. Impact is what gives meaning to audit work; it is the bridge between professional scrutiny and improved lives for citizens.

For the Office of the Auditor-General (OAG) of Kenya, whose mission is *"to make a difference in the lives and livelihoods of the Kenyan people,"* impact is not optional. It is the ultimate purpose of auditing. And impact is realised not at the point of reporting, but at the point of implementation of audit recommendations.

Audit is a means, not an end

At its core, auditing is about accountability of public resources. But accountability alone is not enough. Citizens do not benefit merely from knowing that funds were misused, controls were weak, or laws were breached. They benefit when these weaknesses are corrected, systems strengthened, and public services improved.

An audit report without follow-up is like a medical diagnosis without treatment. The diagnosis may be accurate, even brilliant, but the patient does not heal unless the prescription that emanates from a proper diagnosis, is taken as prescribed. This is why the final and critical stage of the audit process is not reporting, but the implementation of audit recommendations.

From findings to impact: The missing link

Audit findings answer the question: What went wrong?

Recommendations answer the more important question: What should be done differently? Or what can we do to improve on service delivery, accountability?

Impact answers the ultimate question: Did anything change for the better?

When audit recommendations are implemented, financial leakages are sealed, service delivery bottlenecks are removed, systems become more efficient, and public trust in government institutions improve.

Action by the Office

In line with the International Standards of Supreme Audit Institutions (ISSAI), among them ISSAI-3000, which require Supreme Audit Institutions to establish effective mechanisms for tracking, follow-up and reporting on the implementation of audit recommendations, the OAG has operationalised a Framework for Tracking, Follow-Up and Reporting on the Implementation of Audit Recommendations. The Framework provides a structured, systematic approach for monitoring management actions, assessing the status of implementation, and reporting progress to oversight bodies. This Framework reinforces accountability, strengthens audit impact, and ensures that audit recommendations translate into tangible improvements in governance, service delivery, and prudent use of public resources.

Lessons from other Supreme Audit Institutions

Supreme Audit Institutions have recognised that audit impact is the true measure of audit value. In the United Kingdom, Canada, South Africa, and Rwanda, for example, structured follow-up mechanisms, strong parliamentary oversight, and enforcement of recommendations have transformed audit from mere reporting to reforms.

The critical role of oversight bodies

In Kenya, Parliament and County Assemblies play a pivotal role through oversight committees such as Public Accounts Committees (PAC), Public Investments Committees (PIC), and County Public Accounts and Investments Committees (CPAICs). Their recommendations complement those of the Auditor-General and are essential for accountability and improvement in service delivery.

After auditing, what next?

Therefore, after auditing, management of the audited public entities must own the recommendations, develop implementation plans, ensure continuous follow-up, enforce consequences for inaction, and measure impact.

Audit reports are powerful but only when they lead to meaningful change. Without impact, reporting is incomplete. The true success of public audit is not measured by the number of reports produced, but by the number of lives improved.

Roots of Accountability: Growing a greener tomorrow at Ngong Hills Forest

Joan Otieno

The morning mist clung softly to the ridges of Ngong Hills Forest as teams moved across the slopes, carrying tiny seedlings and the promise of something far greater. The hills, famous for their sweeping beauty and restless winds, seemed to pause for a moment shaped not just by scenery, but by purpose. With every hole dug and every seedling pressed gently into the soil, the land began to tell a new story; one of renewal, responsibility, and hope.

On this once degraded stretch of forest land, the Office of the Auditor-General (OAG) turned intention into action by planting 10,000 trees across 10 acres, in partnership with the Kenya Forest Service and the Ngong Hills Forest Metro Community Forest Association. The exercise became a living expression of accountability, reaching far beyond reports and numbers into the very earth that sustains communities and livelihoods.

The Auditor-General FCPA Nancy Gathungu, CBS, led the initiative that reflects the Office's growing commitment to environmental sustainability as a pillar of responsible governance. At a time when climate change is reshaping economies, ecosystems, and public priorities, planting trees stood as a fitting metaphor for the institution's work. Just as an audit safeguards public resources for present and future generations, a forest protects the nation's natural wealth, its water towers, biodiversity, fertile soils, and resilience against climate shocks.

Each seedling carried quiet symbolism. These were not simply trees, but green signatures of foresight, rooted in the belief that institutions must lead by example. Their delicate stems spoke of new beginnings, while their future strength pointed toward restored landscapes, healthier ecosystems, and communities better protected from the uncertainties of a changing climate.

The exercise was undertaken under the *Adopt-A-Forest* Programme, through a framework of collaboration signed with the Kenya Forest Service in 2024. Its purpose was clear: to rehabilitate degraded forest land while contributing to Kenya's ambition of achieving 30 percent tree cover and supporting the national vision of growing 15 billion trees by 2032. Forests are often silent witnesses to governance decisions. When they are neglected, the consequences are felt by citizens through water scarcity, food insecurity, soil erosion, and economic loss. Restoring them, therefore, is not only an ecological duty but also an act of responsible stewardship.

Through the Office's Climate Change Unit, which conducts performance audits on climate mitigation and resilience programmes, OAG recognizes that accountability today must include sustainability. At the coastline, where 2,250 mangroves have already been planted with local communities, the Office's environmental footprint continues to grow.

A seedling survives through care, patience, and vigilance; the same virtues that define effective oversight. Planting may be the visible beginning, but nurturing is where commitment is truly tested. That is why the Office has pledged to maintain the Ngong Hills Forest site for the next three years, ensuring the young trees grow to maturity. Plans to adopt an additional 10 acres every two years further demonstrate that this is not a one-off gesture, but the beginning of a lasting green legacy.

As the final seedlings settled into the earth, the message was clear: the future is not grand declarations, it begins with something as small as a seedling.

And so, on those storied hills, the OAG did more than plant trees. It planted resilience, restored hope, and reminded us that the strongest legacies, like the mightiest forests, begin with roots.

Every step fences the future:
A run for conservation at Oloolua Forest

Nelson Otemba

Set against the lush greenery of Oloolua Forest, the 2026 conservation run delivered a clear message: *this was more than a fitness activity. It was a united call to protect a vital natural resource*. Located off Ngong Road in Kajiado County, just outside Nairobi, the forest provided an ideal setting for an initiative that blended wellness, community, and environmental responsibility.

The Office of the Auditor-General (OAG) participated in the event at the invitation of the PS, State Department for Irrigation, Ephantus Kimotho, CBS, and Kenya Forest Service, which organised the run. The event brought together staff and partners under the theme *"Every Step Fences the Future."* Held on 25 April 2026, the run aimed to raise funds to secure the forest through fencing and restoration, addressing threats such as encroachment, illegal settlement, pollution, overgrazing, and biodiversity loss. The initiative reflects a broader commitment to sustainable development and aligns with Kenya's climate action priorities.

The event began at 8:00 a.m. with well-organised logistics to ensure participants' safety and comfort. Marshals and clear signage guided runners along designated routes, while safety measures such as mandatory use of the underpass at the Standard Gauge Railway crossing, were strictly enforced. Despite some uneven terrain, participants navigated the course with enthusiasm, supported by proper gear, hydration, and a shared sense of purpose. Parking and coordination were efficiently managed from Embulbul Primary School, with participants directed to the starting point at Turaco Camp along Bulbul–Gataka Road. Both the start and finish lines were set within the forest, immersing runners in its tranquil environment.

Participants chose between two race categories: a 10-kilometre route and a 5-kilometre option. The longer course combined tarmac and murram roads, taking runners through Forest Line Road, Tamfeeds Gataka Junction, Ushirika Road, Kandisi Bridge, and beneath the railway line before looping back through Esenetoi Bridge. The shorter route offered a gentler experience, guiding runners along scenic forest trails past key landmarks before reconnecting at Esenetoi Bridge. Both routes showcased the forest's natural beauty, from cool morning air to chirping of birds and flowing streams.

Runners described the experience as both energising and memorable. Many highlighted the physical and mental benefits of the activity, while others appreciated the immersive natural setting that made the run unique and refreshing.

"I enjoyed the race because it was my firs time to run in the forest. The scenic forest trails were breathtaking. The cool morning air, chirping of birds, and natural streams made it unforgettable. I would wish to encourage more staff to be taking part in such noble events." shared Enock Toroitich, a Senior ICT Officer.

Another runner, Wangari Kamau, an Audit Associate reflected *"I would like to sincerely thank the Office for giving me the opportunity to participate in this event. I'm pleased to share that I completed the 10km race, which was both a fulfilling and a memorable experience. The setting was especially beautiful, with the route taking us through the forest, making the run even more enjoyable. I truly appreciated the chance to represent the Office, and I'm grateful to be part of the team that took place in the marathon."*

The event drew participation from senior government officials, including Principal Secretaries from various ministries. Among them was Dr Chris Kiptoo of the National Treasury, who joined the 10-kilometre run and emphasized the forest's ecological and social importance. He noted its role in supporting biodiversity, water catchment, recreation, tourism, and cultural heritage, calling for collective action to preserve such spaces for future generations.

Beyond the run itself, the initiative aims to mobilise Ksh. 70 million to fund restoration efforts, including tree planting, water catchment protection, and the construction of approximately 25 kilometres of protective fencing around the forest. The broader goal is to safeguard the 618-hectare ecosystem, which has served as a biodiversity refuge since its gazettement in 1932 and continues to provide clean air and ecological balance amid expanding urban development.

Ultimately, the Oloolua Forest Run symbolised more than endurance or competition. It represented a shared commitment to conservation, demonstrating how collective action can contribute to preserving Kenya's natural heritage.

Beyond the numbers

Dennis Odunga

Auditing has long been associated with money. Confirming if the figures are adding up. Sifting through stacks of files, complex spreadsheets, and holding serious boardroom discussions to ascertain that appropriate measures were put in place to guarantee prudent utilization of funds. While those elements exist, auditing in the public sector is far more meaningful than just a display of figures. At the Office of the Auditor-General (OAG), auditing is about auditing and reporting about the use and management of public funds. This calls for various auditing approaches.

In an era where citizens, Parliament, development partners, and investors increasingly demand transparency, one fundamental question stands out: Are public resources being used for the intended purpose? Audit exists to provide an independent and credible answer.

What Is an Audit in the Public Sector?

An audit is an independent and objective examination of financial information, systems, or programs. Its purpose is to assess whether public funds are properly accounted for, whether activities comply with the law, and whether government initiatives deliver intended results.

Just as in the medical sector, an audit evaluates the condition of an entity or institution, identifying strengths and weaknesses and recommending sustainable improvements. It is not conducted to assign blame, but to promote sound management of public resources.

Independence is the foundation of this work. The Auditor-General performs audits without fear, favour, or external influence. This delicate yet important undertaking is anchored on OAG's core values of Integrity, Credibility, Relevance, Accountability, and Independence. These values guide auditors as they step out to interact with clients each year.

Types of Audits

In fulfilment of its constitutional mandate, the Office undertakes three primary types of audits. Each serves a distinct purpose in strengthening accountability.

- **Financial Audit – Ensuring Accuracy**

Financial audits focus on whether financial statements present a true and fair view of an entity's financial position. They assess whether:

- Reports are prepared in accordance with applicable standards
- Transactions are properly recorded
- Financial information is free from material misstatement

In simple terms, this audit answers the question: Can the numbers be trusted? This is because behind every figure lies a public service such as classrooms constructed, medicines procured, roads maintained and or passports and identity cards issued.

- **Compliance Audit – Upholding the Law**

Public institutions operate within a framework of laws, regulations, and approved budgets. Compliance audits examine whether these rules are being followed. They determine whether:

- Expenditure aligns with legal and budgetary provisions
- Procurement processes adhere to established procedures
- Public officers act within the authority granted to them

Compliance audits reinforce the principle that public resources must be managed within the boundaries of the law.

- **Performance Audit – Measuring Impact**

Performance audits go beyond accuracy and legality to examine results. They assess whether programmes and projects are:

- Economical in the use of public resources
- Efficient in implementation
- Effective in achieving intended objectives

For example, if funds are allocated for a water project, the performance audit seeks to establish whether residents of that particular community are accessing clean water. It focuses on value for money and improved service delivery.

Responding to Emerging Risks

In order to respond to the evolving governance issues that also promote the use of emerging technologies, the Office has also incorporated other forms of specialised audits. Such thematic audits include:

- **Information Systems Audits,** which assess the reliability and security of digital systems and data. It is meant to assess Information Technology Systems to ascertain its efficiency, effectiveness and reliability and ensure proper controls are in place.
- **Forensic Audits,** which are conducted where there are indications of fraud or financial misconduct, to ensure those found culpable are held to account.
- **Public Debt Audits,** which examine borrowing processes and debt sustainability. It is meant to confirm whether the Government is sustainably managing public debt and whether public debt is in used for intended purposes.
- **Specialized Assessment Services,** which include assessments being undertaken outside the framework of auditing, like the Financially Led Climate Action Programme (FLLoCA) and Kenya Power Company's Green Project , aimed at expanding accessibility of clean electricity in the country.
- **Procurement Audit** which are conducted to ensure transparency and value in the acquisition of goods and services.
- **Citizen Accountability Audit** entails seeking to enlist and foster the support of the citizens through Community-Based Organisations (CBOs), to exercise civil oversight and provide feedback on the application and management of public resources.
- **Public-Private Partnership (PPP) audits**, involve the independent examination of PPP projects to determine whether they have been conceived, procured, implemented, and managed in compliance with the Public Private Partnerships Act, 2021, relevant regulations, and the terms of the respective contractual agreements..

More than oversight

Each audit type plays a complementary role. Financial audits assure accuracy. Compliance audits safeguard legality. Performance audits evaluate impact. Specialised audits address emerging risks. Together, they strengthen governance and promote responsible stewardship of public resources.

Auditing may begin with documents and data, but it aims at protecting resources meant for roads, hospitals, schools, and other essential services. Therefore, beyond the numbers, auditing of public entities is about building confidence in the institutions and leaving citizens assured that there is someone somewhere watching over how their taxes and any additional money borrowed or received as grants to enhance government operations are utilised.

Public Debt Audit:
The auditors' input in the public debt debate

Dr. Gideon Mokaya

Kenya's debt burden continues to rise significantly, reaching historically high levels in recent years. According to the Annual Public Debt Report for FY 2024/2025 by The National Treasury, total public debt stood at approximately Kshs.11.8 trillion (about 67.8% of GDP) as of June 2025.

In recognition of the huge public interest that has been generated with the rise of public debt and the need for greater accountability and scrutiny of the same, the Office of the Auditor-General (OAG) established a Public Debt Audit Directorate to examine the government's debt to ensure that the debt is sustainable, used efficiently, and complies with relevant laws and regulations.

Audit of Public debt is an independent examination of how a government manages its borrowing and debt obligations and entails evaluation of policies, decisions, and processes guiding debt management to establish if they are lawful, cost effective, transparent and sustainable. It examines in details how debt is borrowed and utilised, and assesses debt risk management and repayment plans.

The National Treasury prepares an annual Medium-Term Debt Management Strategy (MTDS) and an annual Public Debt Management Report (PDMR), which details the measures the government intends to take to manage public debt over the medium to long term. This is done with a prudent degree of risk, and compliance with debt ceilings under the Public Finance Management Act Cap 412A and the Constitution. The Government also relies on strategies such as, use of Eurobonds and syndicated loans, use of commercial loans for infrastructure, blending concessional and semi-concessional borrowing and use of deficit financing instruments to manage external debt.

In the performance audit report titled "Effectiveness in Management of Public Debt in Kenya," the Auditor-General evaluated whether government borrowing was consistent with the Medium-Term Debt Strategy (MTDS). The audit recommended the implementation of a comprehensive and sustainable debt management strategy that aligns closely with the country's economic growth objectives and encouraged prioritisation of concessional borrowing options to keep debt servicing costs manageable.

Financial obligations that the Government controls and must repay, either directly or indirectly include borrowed money in form of loans, bonds, treasury bills and guaranteed loans taken by other state-owned entities.

Section 50(1) of the Public Finance Management (PFM) Act, CAP 412A requires the national government to ensure that its financing needs and payment obligations are met at the lowest possible cost in the market, in due consideration of possible risks, while ensuring that the public debt is sustainable.

Article 229(4)(g) & (6) of the Constitution gives the Auditor-General the mandate to audit and report on the public debt and to confirm whether public money has been applied lawfully and in an effective way. Public debt audit, therefore is an independent process of examining the government's debt to ensure that it is accurately contracted, recorded, managed, and used for its intended purposes.

Some of the key audit findings reported in previous public debt audits are as follows;

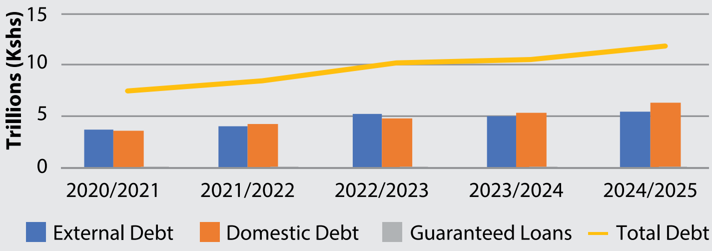
- Outstanding public debt stood at 67.8% of GDP as at 30 June 2025, exceeding the statutory debt anchor of 55% of GDP.
- Debt expenditure reached Kshs.1.612 trillion in FY 2024/25. Debt servicing consumed approximately 66% of ordinary revenue and accounted for 88% of Consolidated Fund Services expenditure.
- In FY 2023/2024 alone, the National Treasury paid Kshs. 1.58 billion in idle commitment fees due to low absorption capacities and failure by implementing agencies to jumpstart infrastructure projects (such as the Kenol-Sagana-Marua Road and Mombasa-Mariakani Highway) within agreed timeframes.

Why Public debt audit reviews the following:

- **The level and rate of growth of public debt**

  Over the last five years, total public debt has grown at an average annual rate of 12% from about Kshs.7.55 trillion in 2020/2021 Financial Year (FY) to about Kshs.11.79 trillion in 2024/2025 Financial Year. The trend shows an annual average growth rate of 10% on external borrowing and 15% on domestic borrowing, with a shift from a ratio of 49:51% in 2020/2021 FY to 54:46% in 2024/2025 FY in favour of domestic borrowing.

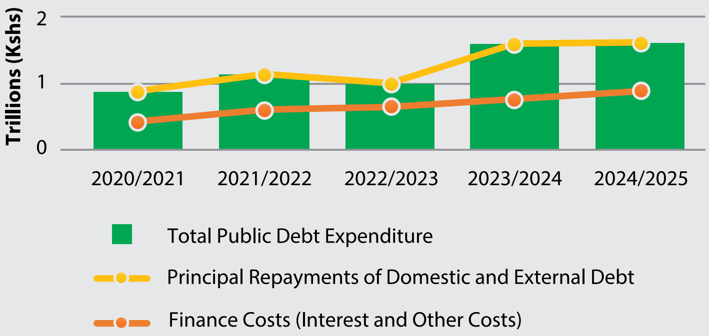
Fig 1: Public Debt expenditure over the last five years



Source: OAG Analysis

Debt servicing costs more than doubled over the five years starting from FY 2020/2021, exploding from Kshs. 780.60 billion to an estimated Kshs.1.72 trillion by the close of FY 2024/2025.

Fig 2: Debt Servicing Cost over the last 5 years



Source: OAG Analysis

Assessing the scale and trajectory of public debt enables the Office to establish compliance with debt ceilings and fiscal rules set out in the PFM Act and highlight the impact of debt servicing costs to budget allocations.

- **Whether the Public Debt is sustainable in a wide range of circumstances**
  Through the PFM (Amendment) Act, 2023, Kenya moved its public debt ceiling from a nominal figure to an anchorage percentage of debt to GDP ratio of 55% in present value terms, with a five-year window to 2028 where the anchorage may be surpassed by 5% under exceptional circumstances. As at 30 June, 2025, the debt to GDP ratio stood at 67.8%. The International Monetary Fund (IMF) deemed Kenya's debt sustainable but cautioned of distress should it veer further into the 70% debt to GDP ratio. Public debt audit therefore assesses the country's indebtedness against prescribed ceilings and strategies and spurs measures to manage risks of debt distress.

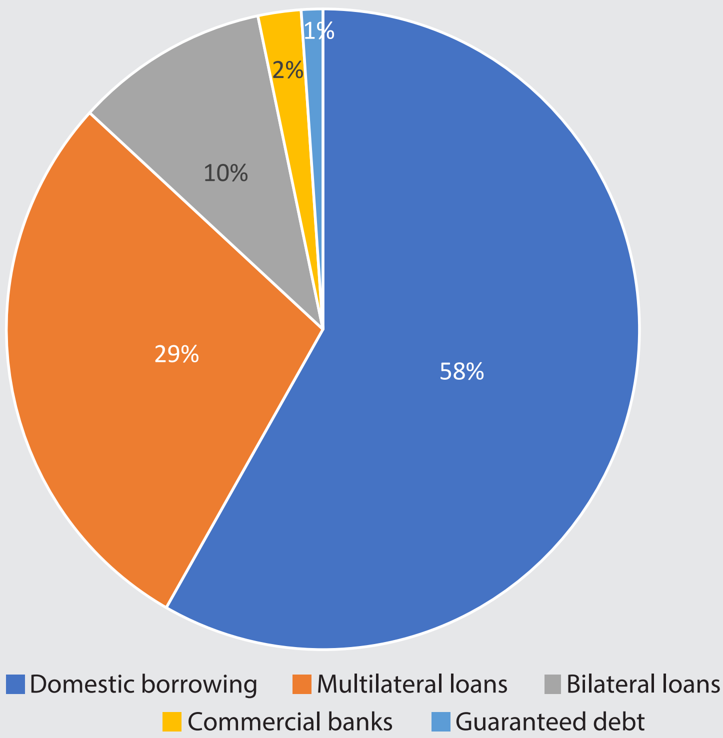
- **How public debt has been used to lower public borrowing costs over the long term**
  Section 62(3) of the PFM Act, CAP 412A states that the objective of the Public Debt Management Office is minimising the cost of public debt management and borrowing over the long-term taking account of risk. Performance Audit Reports on Management of Cash and Domestic Debt found that domestic loans funded recurrent expenditure instead of development projects. Performance Audit Reports on Public Debt Servicing Activities reviewed interest and principal repayments which pose risks of penalties or higher interest charges, resulting in high borrowing costs in the long term.

- **The impact of deficit financing and contributing to debt and fiscal sustainability**
  Deficit financing arises when government expenditure exceeds revenue and the resulting shortfall is financed through borrowing. In Kenya, the National Treasury finances budget deficits through domestic borrowing and contracting external loans. The Performance Audit Report on Deficit Financing Operations confirmed that the National Treasury borrowed to finance budget gaps leading to accumulated public debt.

- **Use of public debt in avoiding economic crises because of poorly structured debt**
  The Auditor-General's Performance Audit Report on Management of Cash and Domestic Debt by the National Treasury, 2024 stated that improper structuring of domestic debt can raise refinancing risks and borrowing costs, potentially creating economic stress.

- **The public debt portfolio**
  As at 30 June 2025, Kenya's public debt stood at Kshs.11,785,430,628,956. Domestic borrowing formed 53%, multilateral loans 26%, bilateral loans and international sovereign bonds each 9%, commercial banks 2%, guaranteed debt 1%, while other external loans constituted a negligible share. Public debt audit seeks to determine whether the debt portfolio has the optimal mix to achieve the economy perspective of contracting cheaper loans.

Figure 3: Kenya's Public Debt Portfolio Composition as at 30 June, 2025



Source: OAG Analysis

- **Repayment of the public debt and the interest and penalties thereon**
  In enforcing compliance with section 50(1) of the Public Finance Management Act, 2012, public debt audit seeks to promote adherence to prompt loan servicing terms, deter avoidable financing costs such as penalties on late servicing and commitment fees on undrawn funds, while ensuring sustainability.

  In a nutshell, auditors play a critical oversight role in the public debt discourse by independently verifying the accuracy and completeness of debt information, evaluating the effectiveness of debt management strategies, assessing compliance with applicable legal and regulatory frameworks, and identifying risks within the debt portfolio. The auditors therefore enhance accountability in government borrowing and provide recommendations aimed at strengthening debt management systems and structures.

What it entails to conduct performance audits

Nicholas Onyango

Performance audits are important in assessing whether public programmes and organisations are operating efficiently, effectively, and in accordance with intended objectives.

Undertaking these audits is an iterative process, systematically done to generate a report that is evidence based. The duration for executing a Performance Audit, which entails planning and reporting is approximately nine months to a year. Whereas some stakeholders might find the period to be long, the process of coming up with performance audit reports is quite comprehensive and every stage calls for a thorough examination of documents coupled with proper analysis aimed at arriving at objective, accurate and reliable findings. The auditing process is greatly influenced by the scope of the audit, complexity of the area or matter under consideration, the availability of data and quality considerations.

Undertaking a performance audit entails the following phases: overall planning, planning at engagement level, execution and reporting.

- **Overall planning:** This involves the development of a strategy, annual plans and often the identification of audit topics;
- **Planning at engagement level:** This involves understanding the audit area, defining audit objectives, scope, criteria and selecting the audit focus area;
- **Execution:** This is the most time-intensive and involves: gathering qualitative and quantitative evidence based on the audit plan, testing systems, controls, and processes to determine whether they function as intended, verifying information through triangulation and maintaining proper documentation in working papers to support findings.
- **Reporting:** This involves analysing the evidence collected and generating findings that are logical, evidence-based, and linked to performance outcomes, drawing conclusions and recommendations that address root causes besides seeking management response to the findings.

At least 76 performance audit reports have been generated since 2012, and more continue being produced annually with recommendations that if implemented, provide solutions to emerging societal issues. However, Parliamentary uptake and discussion of the audit reports has been below expectations, when compared to the interest accorded to the Financial Audit Reports that mainly focus on confirming whether the financial statements comply with financial reporting standards. This comes against the backdrop of the National Assembly Speaker, the Right Hon. Moses Wetang'ula directing that departmental committees accord more attention to performance audit reports.

"Given the centrality of the performance audit reports in the streamlining of resource mobilization by public institutions, I hereby direct that the Committees ought to prioritise the examination of the performance audit reports and table respective reports for consideration by the House as appropriate," the Speaker said in a communication to Members of Parliament in May, 2024.

So far, only two reports have been debated, creating a gap between audit production and accountability outcomes. Despite the low uptake, the audits have influenced administrative and institutional reforms in various agencies. For instance, an audit on provision of mental health in the country contributed to the conversion of Mathari Referral Hospital to a semi-autonomous government agency to strengthen management and service delivery. Further, the reports continue to trigger improvements and enhance proper governance through:

Promoting accountability and transparency: Ensures legislature, oversight bodies and the citizen hold management of entities accountable as whether resources deployed are used economically, efficiently and effectively.

Improved efficiency and effectiveness: recommendations provided streamline activities, optimize resource utilization, and achieve better outcomes with the available funds.

Support better decision making: the audits identify gaps, risks and opportunities that management can use to undertake strategic and operational decisions.

Promoting good governance: the audits assess weakness in internal controls and helps entities to strengthen governance structures and reduce risk of mismanagement or program failures.

Assessment of value for money: the audits identify whether the program objectives were met at reasonable cost and provide alternatives that are economical.

Therefore, it is not about reducing the reporting timelines but pushing for increased appetite amongst the lawmakers to discuss and adopt the reports. Thereafter, implementation of the audit recommendations will greatly improve service delivery besides preventing disasters such as extreme floods and other calamities that could have been avoided through appropriate interventions.

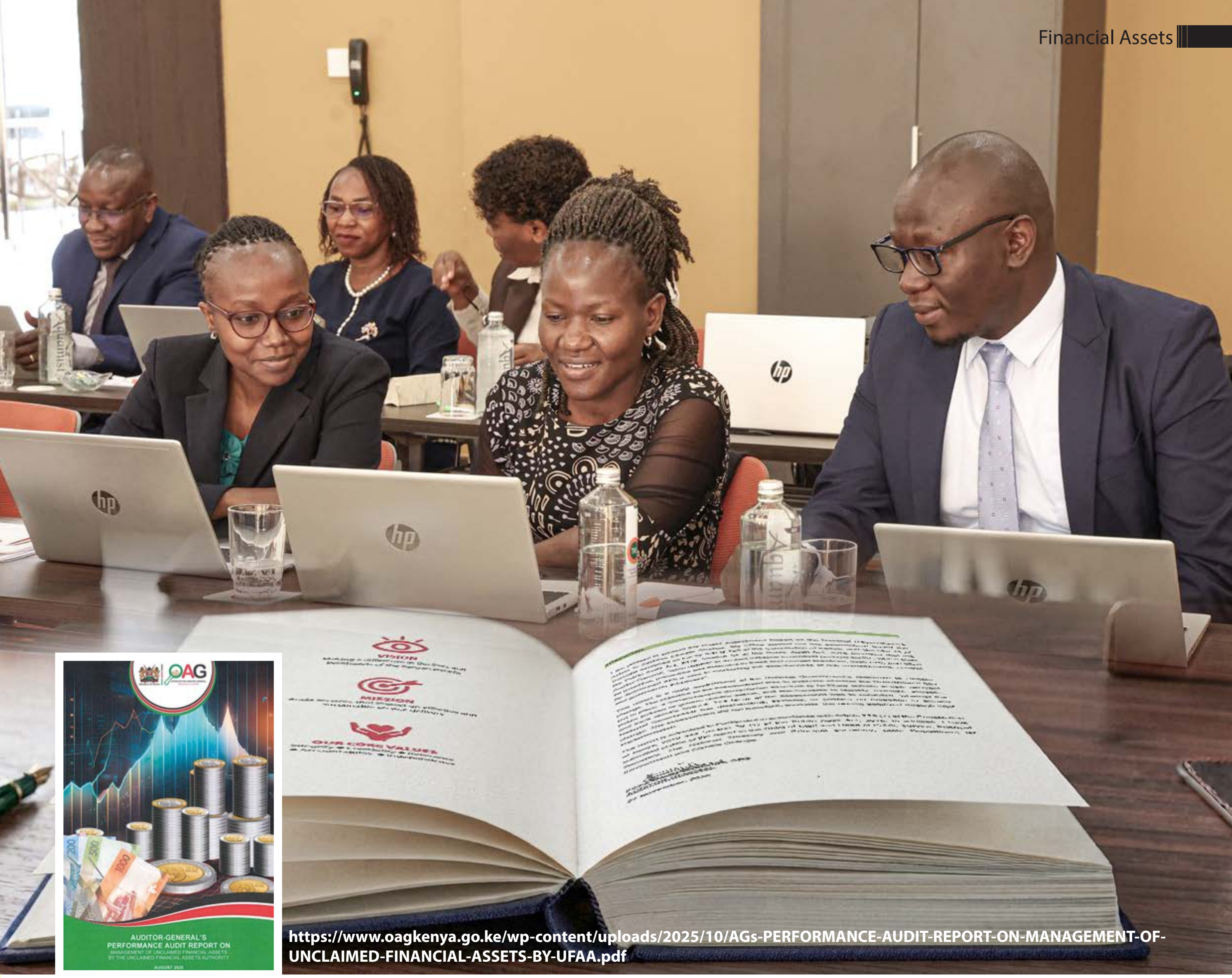
Financial Audit

- Provided for under Article 229(4) of the Constitution;
- Aimed at confirming whether the financial statements comply with financial reporting standards;
- Meant to address misstatements whether due to fraud or error;
- The Auditor-General issues a report containing the Auditor-Generals Opinion on the status of the financial statements;

Performance Audits

- Provided for under Article 229(6) of the Constitution and Section 36 of the Public Audit Act, 2015 Cap. 412B;
- Aimed at confirming whether the intended outcomes of a project, system, intervention, program, or institution are achieved;
- Address the economy, efficiency, and effectiveness in processes in the use of public resources.

For more information, log on to the OAG Website: https://www.oagkenya.go.ke/performance-audit-reports/



https://www.oagkenya.go.ke/wp-content/uploads/2025/10/AGs-PERFORMANCE-AUDIT-REPORT-ON-MANAGEMENT-OF-UNCLAIMED-FINANCIAL-ASSETS-BY-UFAA.pdf

The Silent Billions: Inside the audit of Kenya's forgotten wealth - Unclaimed Financial Assets

Emily Oyoo

You know those dormant bank accounts? Unclaimed dividends? Forgotten shares? Well, in Kenya, there is a huge pile of money sitting around, billions of shillings, to be exact, that belong to people who might not even realise it is theirs. All these concerns prompted the Office of the Auditor-General (OAG) to consider an audit on Unclaimed Financial Assets.

So, why did the Office of the Auditor General conduct this audit?

Unclaimed financial assets aren't government money. They belong to the citizens but lie idle because the owners can't be found.

Over time, concerns emerged about:

- Low levels of surrender of unclaimed financial assets by asset holders;
- Delays in reuniting assets with rightful owners;
- The growing balance of funds retained in the Trust Fund;
- Gaps in managing non-cash assets such as shares.

The Office therefore conducted a performance audit to assess whether the measures put in place by the Unclaimed Financial Assets Authority (UFAA) were effective in:

- Ensuring compliance by holders in surrendering unclaimed assets;
- Safeguarding the assets received;
- Facilitating reunification with rightful owners.

The review covered financial years 2018/2019 to 2023/2024.

Non-compliance of Holders in Surrender of Assets

As of August 2024, the Authority had received Kshs.65 billion in unclaimed financial assets from asset holders. However, a 2018 baseline survey estimated that

Kshs.397 billion was held across institutions, meaning only about 16.4% of the projected assets had been surrendered. This indicates that most unclaimed assets may still be held by banks, insurance companies, SACCOs, listed companies, and even public institutions.

The audit found that voluntary surrender by holders remained low, and public institutions have not fully met surrender requirements.

Behind the numbers lies a simple concern: If assets are not surrendered, they neither cannot be safeguarded, nor can they be returned to their rightful owners.

Reunification: The Missing Link

The ultimate goal is reunification, which means returning funds to their rightful owners. Between 2018/2019 and 2023/2024, about Kshs. 65 billion was received from holders. However, by August 2024, only about 4% (Ksh.2.6 billion) had been returned to their rightful owners.

Key barriers included incomplete contact information of potential owners, limited tracing methods, delays in verifying claims, and a claims process that discouraged small-value claimants.

Safeguarding the Funds

The Authority invested Kshs.22.3 billion in government securities and generated Kshs.13.1 billion in investment income over six years. This shows a careful protection of the assets already surrendered.

However, a significant policy gap was observed: While Kshs.3.4 billion financed operations of UFAA, Kshs.9.6 billion (73%) of the investment income remains retained and reinvested in the Trust Fund, with no clear framework guiding its use for socio-economic development.

The 2008 Task Force on Unclaimed Financial Assets, envisioned these funds contributing to long-term development in areas like education, healthcare, and community support. Kenya has the money, but there is need for a sustainable framework to streamline operations.

The Shares That Never Moved

Another major gap that existed was with non-cash assets such as shares.

The Authority has not been able to receive 1.7 million units of shares because it is not legally allowed to operate a Central Depository and Settlement Corporation (CDSC) account. This means some unclaimed shares remain with original holders instead of being under the custody of the Authority. Without a mechanism to receive and protect these assets, reunification becomes even more complicated.

The Way Forward

The audit recommended:

- Strengthening enforcement and compliance mechanisms to ensure holders surrender assets to UFAA. This will enhance compliance on surrender of unclaimed financial assets by institutions,
- UFAA in collaboration with The National Treasury, should have the Unclaimed Financial Assets Act, 2011, and Unclaimed Financial Assets Regulation, 2016, amended to enable the Authority update holder reporting forms. This will facilitate documentation of relevant contact information of apparent owners.
- Enhancing collaboration with counties, regulators, and community administrators to reunification of assets to rightful owners;
- Simplifying claims processes for low-value claims;
- Expanding service access through channels such as Huduma Centres;
- Developing a framework for utilising investment income for socio-economic development.

In jurisdictions like the US, authorities maintain transparent public registries, and streamline digital or decentralised claim processes to reunite assets with their owners.

More Than Numbers

Unclaimed financial assets may sit quietly in accounts and registers, but they represent real people, real savings, and real expectations.

- Every shilling belongs to someone.
- Every system weakness delays a rightful claim.
- Every reform brings the system closer to the people it serves.

And when the system works as it should, forgotten wealth stops being forgotten. It finally finds its way home, and can contribute to the development and wealth creation for families.

Tulip mania: Why Auditors should care when a flower becomes more expensive than a house

Rahab Mbuthia

In the 1630s, in the prosperous Dutch Republic, a flower rose to a level of value that defied reason, economics and sanity. A single tulip bulb ordinary to the garden, extraordinary to society became worth more than a house in Amsterdam. It was the world's first recorded financial bubble: Tulip mania.

To put the scale into a familiar context, imagine a mansion in an upmarket Runda address, in Nairobi, valued at Kshs. 85 million being exchanged not for land, not for gold, but for a single flower bulb. That was the market price at the peak of the frenzy.

How Tulips turned into a speculative Commodity

When tulips were introduced in Europe, they were rare, colourful and unlike anything else in elite gardens. Certain varieties, especially multi-coloured "broken" tulips, became luxury symbols. Demand soared, not for planting, but for reselling. Tulips shifted from being admired plants to speculative assets.

Prices rose sharply, allowing traders and ordinary citizens alike to buy bulbs with the hope of quickly selling them at profits. Eventually, a single bulb could purchase:

- A furnished home in Amsterdam
- A full year's salary for a skilled worker
- Approximately 12 acres of land

The market operated on the fuel of expectation rather than practicality. Value was anchored in anticipation, not intrinsic worth.

The Collapse of Illusion

In February 1637, buyers began to lose confidence. Within days, the market crashed. Bulbs that once rivaled property values reverted to being just flowers beautiful but commercially insignificant. Fortunes evaporated. What had been considered wealth became worthless overnight.

Tulip mania provided the earliest documented evidence that markets driven by hype are fragile and unsustainable.

Kenya's Parallel: The Quail Egg Craze

Modern society is not immune to speculative irrationality. In Kenya, a similar wave of excitement surrounded quail eggs in 2013 and 2014. Rumoured to cure numerous ailments such as cancer and hypertension they became a booming business. Farmers rushed to raise quails, expecting extraordinary profits. However, demand never caught up. As soon as scrutiny replaced hearsay, prices collapsed. The lesson is simple: businesses built on rumours cannot withstand reality.

The Global Example: The 2008 Financial Crisis

The same pattern appeared on a global scale during the U.S. housing bubble (2003–2008). Banks extended credit recklessly, risky mortgages were packaged as safe investments, and homebuyers took loans they couldn't afford. When defaults surged, the global financial system unraveled. The crisis was not caused by houses, but by illusions, unsustainable values disguised as assets.

Modern Bubbles: New Forms with Same Psychology

Today's markets continue to flirt with speculative excesses. The world has witnessed:

- Cryptocurrency bubbles
- Meme stock frenzies
- Overpriced digital assets
- Speculative real estate pricing

Technology changes the platforms, but not human behaviour. Greed, fear and the desire for rapid gains persist.

Beyond History: A Human Reflection

Tulips never stopped being beautiful; they simply ceased to be financial fantasies. The same applies in life. We frequently inflate the worth of ideas, opportunities and even relationships based on potential rather than reality. When illusions burst, what remains may still have beauty but not the exaggerated value we assigned. Hope becomes hype when logic is abandoned.

Why Auditors must Pay Attention

Every financial bubble reveals the cost of unchecked optimism. Auditors serve as guardians against illusions that threaten institutions, economies and public trust. Their work requires:

- Independence to resist influence or pressure
- Rigour to validate rather than assume
- Professional skepticism to question value before it becomes risk

Auditors do more than verify numbers. They evaluate assumptions, challenge narratives and protect systems from the consequences of mass imagination disguised as financial opportunity.

Conclusion

Whether it is a flower, house, digital token or a promising business idea, value becomes dangerous when it is driven by excitement rather than substance. History demonstrates that societies repeatedly pay the price when fantasy goes unquestioned.

The lesson remains timeless: value must be tested, not assumed. Responsibility rests significantly on those who audit, analyse and inspect the truth behind the figures. In a world eager to chase the next big thing, Auditors serve as custodians of reality.

Auditing in the Artificial Intelligence Era: Resist or Cave in?

Lincoln Kithandi, CISA

In the evolution of human society, two spheres have long defined us: our physical capabilities and our cognitive prowess. Through the annals of history, man has pitted strength against the environment, creating tools, harnessing nature, and establishing civilization. Yet, for all our physical achievements, it is our cognitive domain that sets us apart — our ability to reason, analyze, communicate, and most profoundly, empathize.

Initially, machines were our competitors solely in the realm of raw physical power. Robots welded our cars and stacked our warehouses, tasks that required precision and endurance but not understanding. As machines took on the brunt of manual work, a cognitive renaissance took place. The human brain became the most valuable asset in industries, leveraging skills in which we held an undisputed edge: learning, communication, analysis, and most distinctively, understanding human emotions.

As the line between human and machine starts to blur, it is the world of cognition where the real contest is shaping. The auditing profession serves as a prime example. Previously, audit tasks revolved around painstaking manual reviews, with professionals meticulously sifting through data in search of discrepancies. Today, Artificial Intelligence (AI) has entered this arena, not just to assist but to revolutionize.

AI in auditing is no longer about number-crunching at accelerated speeds. These smart algorithms can predict financial risks, detect subtle anomalies, and even understand patterns and trends that might evade a human eye. With deep learning, AI can dive into vast datasets, offering insights that can transform the very fabric of financial transparency.

While AI offers a seemingly perfect solution to the intricacies of contemporary auditing, it introduces its own set of dilemmas. From ethical concerns about data privacy and determining the boundaries of AI's access to potential reliability issues and biases, the technology isn't flawless. Additionally, as AI assumes a more significant role in the audit workflow, the looming question persists:

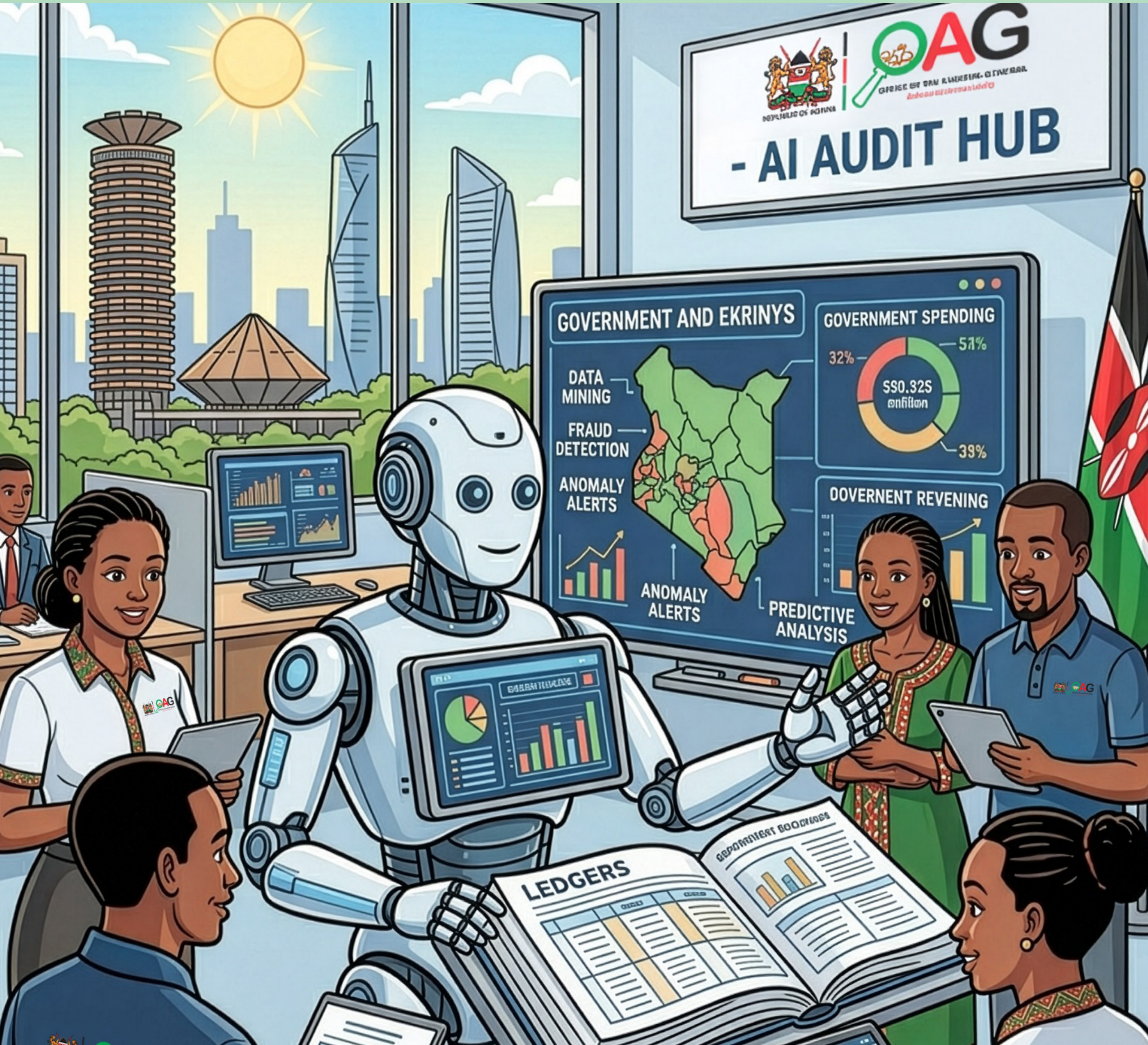
Could auditors become redundant in this ever-evolving landscape?

Yet, the potential benefits are undeniable. From efficiency to unprecedented levels of accuracy, AI promises to take auditing to new heights, driving innovation and redefining standards of financial transparency. AI no longer merely computes but thinks, often outclassing us in areas we deemed exclusively human. While robots once rivaled our muscles, AI now challenges our minds, even delving into understanding our emotions. It makes one ponder: beyond the realms of the physical and cognitive, is there any sanctuary left where humanity can confidently claim superiority?

The general reception of technology remains a divisive debate. Naysayers decry job redundancies and the potential loss of entire professions, and they're not entirely unjustified in their fears. The rapid advancement of AI, while remarkable, also walks hand-in-hand with safety and ethical conundrums. For instance, should we entrust our roads to self-driving cars? Yet, numbers paint a vivid picture. Globally, approximately 1.25 million lives are lost annually due to road traffic accidents whereas in Kenya, about 4,000 lives are lost each year under similar circumstances. More than 90 percent of these accidents are caused by human errors like drink-driving, use of phone while driving and driving when one is exhausted, amongst other causes. Self-driving cars will never do any of these things. Though they suffer from their own problems and limitations, and though some accidents are inevitable, replacing all human drivers by computers is expected to reduce deaths and injuries on the road by about 90 percent. In other words, switching to autonomous vehicles is likely to save the lives of a million people every year. Hence it would be madness to block automation. After all, what we ultimately ought to protect is humans – not jobs. Redundant jobs will give way to newer, unforeseen opportunities, just as they always have. The horizon of potential is infinite, and it beckons to those willing to adapt and reimagine.

History reminds us that every significant technological advancement, from the steam engine to the computer, was initially met with resistance and fear. Yet, the technologies also brought about unforeseen opportunities and advancements. The AI-driven future promises the same. It presents a world of endless potential, tempered by challenges, ethical debates, and the eternal quest for balance.

Therefore, as we navigate this technological shift of the rise of AI, one question remains: In a world where jobs evolve and technology continuously redefines boundaries, where do you stand? Will we resist change, or will we embrace it and redefine our role within it? The future of auditing will not be determined by technology alone but how we choose to respond to it.



Historic moment: OAG on the global map as it wins international audit bid

Jesse Mutua

The Auditor-General achieved a significant international milestone after being appointed External Auditor to the Preparatory Commission of the Comprehensive Nuclear-Test Ban Treaty Organisation (CTBTO) for the 2026–2027 period.

The appointment was unanimously endorsed by Member States during the 64th session of the Commission held on 7 November 2025 in Vienna, Austria.

The Auditor-General formally assumes the role in June 2026, taking over from the current External Auditor, the Accounts Chamber of the Russian Federation.

The AG won the bid following a strategic approach to bidding for international assignments. The journey started with the Office's International Bids Committee, in conjunction with the State Department for Foreign Affairs, developing a strategy to guide bidding for international audits.

At the time the Auditor-General underscored the importance of developing the strategy and aligning it with the Office's strategic priorities.

This achievement is particularly noteworthy, as it marks the first time in 35 years that the Office will audit a United Nations-affiliated international organisation.

The last such engagement was with the International Atomic Energy Agency (IAEA), underscoring the growing confidence in the OAG's professionalism, independence, and technical capacity on the global stage.

To mark the occasion, Kenya's Embassy and Permanent Mission in Vienna hosted Auditor-General FCPA Nancy Gathungu, CBS, for a "Know Your Client" engagement, alongside a reception to appreciate Member States that supported Kenya's successful bid.

The CTBTO is an international organisation that will be formally established once the Comprehensive Nuclear-Test-Ban Treaty enters into force. The Treaty seeks to outlaw nuclear test explosions worldwide.

In preparation, the organisation is responsible for verifying compliance with the ban through a global monitoring system and onsite inspections. The Preparatory Commission for the CTBTO and its Provisional Technical Secretariat were established in 1997 and are headquartered in Vienna, Austria. Their mandate is to put in place the institutional, technical, and operational frameworks necessary for the effective implementation of the Treaty.

Kenya is among six countries alongside Costa Rica, Japan, Nepal, Romania, and Sweden appointed during the Preparatory Commission's first session to serve on the CTBTO Credentials Committee.

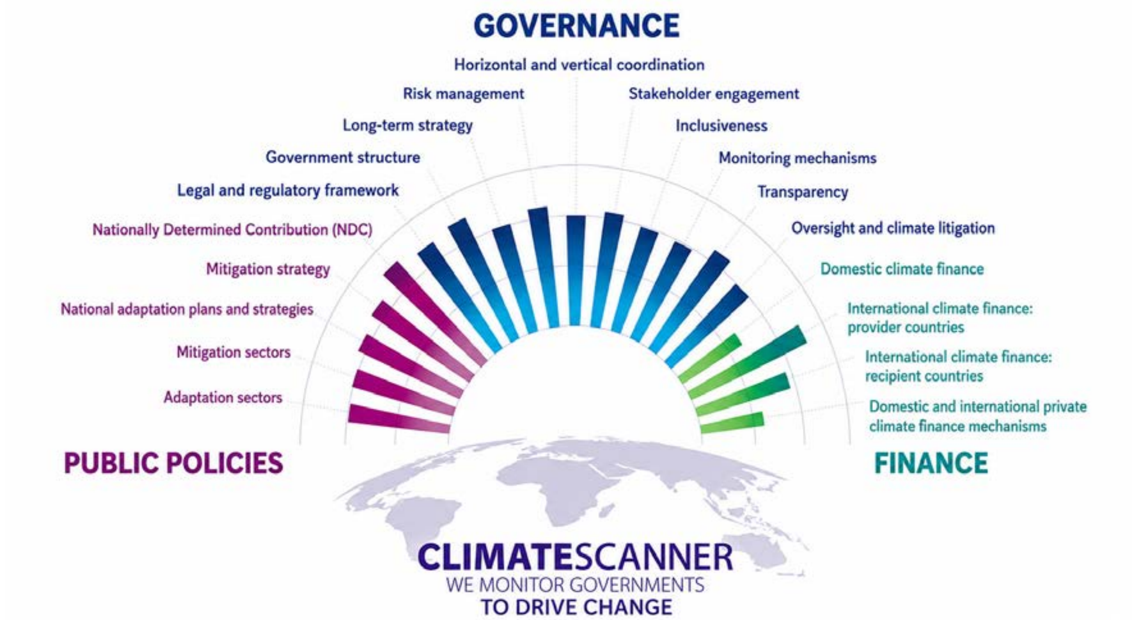
The Bidding Process entailed a rigorous process that is meant to ensure an entity that is capable and the best rated to deliver on the mandate is picked to undertake the assignment.

The Office through the State Department for Foreign Affairs received the invitation to bid on 21 January 2025. Subsequently, the Auditor-General submitted a bid to CTBTO through the State Department on 12 March 2025.

In addition to SAI Kenya, there were five (5) bids received from SAI Russia (current CTBTO auditors for Financial Year 2024 and 2025), SAI Ukraine, SAI France, SAI Thailand and SAI Korea.

The bid was accepted and the Auditor-General was invited to make an oral virtual presentation on 28 April 2025. This was an opportunity to demonstrate the OAG competence and capability to audit the CTBTO and the presentation was well received by the representatives of the State Signatories.

The event in pictures.



ClimateScanner: An auditor-led Rapid Assessment Framework that could accelerate climate action

Millicent Ochieng

Governments worldwide are facing escalating fiscal, economic, and social risks arising from climate change. This has been manifested through extreme weather events, rise in sea-levels, biodiversity loss, and disruptions to food and water systems.

Climate action is no longer solely an environmental concern; it is fundamentally linked to governance quality, financial resilience, and national stability. As governments confront growing fiscal and operational risks linked to climate change, public sector oversight institutions are under increasing pressure to promote accountable climate action.

To address the growing need for structured climate accountability, the International Organisation of Supreme Audit Institutions (INTOSAI) launched ClimateScanner in 2022 as an auditor-led rapid assessment framework. Developed by auditors from 18 Supreme Audit Institutions (SAIs), including Kenya, ClimateScanner was designed to assess national governments' readiness for climate action in a systematic, standardised, and comparable manner. Since its global rollout in 2024, the tool has been implemented in more than 100 countries.

ClimateScanner provides a high-level diagnostic of a country's climate action architecture. Rather than beginning with lengthy performance or compliance audits, it delivers a rapid yet comprehensive snapshot of strengths, weaknesses, and best practices in climate action.

The Framework assesses critical pillars of readiness: international commitments and global cooperation; national climate policies and strategies; institutional arrangements; stakeholder engagement and coordination mechanisms; climate risk assessment processes; climate financing arrangements; inclusivity in climate action; monitoring and evaluation systems; and transparency frameworks. By applying standardised criteria, the tool ensures comparability across jurisdictions while respecting national contexts and priorities.

The initiative is designed not merely to assess but to catalyse climate action. Its impact stems from several built-in features. First, the standardised methodology enhances credibility and enables benchmarking across countries. Second, results are made publicly accessible through a dedicated web-based platform (www.climatescanner.org), increasing transparency and strengthening external oversight.

Third, the Framework is designed as a planning tool for SAIs, enabling them to use assessment results to prioritise high-risk audit areas while leveraging existing information to streamline and reduce the time required for audit planning. Fourth, the Framework is adaptable and designed for periodic reassessment, ensuring continuous improvement and methodological refinement.

ClimateScanner is expected to address climate change challenges in an impactful way by translating identified weaknesses into targeted corrective actions. Global assessment results indicate that many governments have made progress in setting ambitious climate goals, enacting legislation, establishing institutional arrangements, developing mitigation strategies, and identifying climate risks. However, persistent gaps remain in integrating science into risk assessments, developing comprehensive adaptation plans, mainstreaming climate considerations into national budgets, promoting climate justice, attracting international climate finance, and mobilising private-sector investment. By clearly identifying these weaknesses, the tool shifts the conversation from general commitments to precise reform priorities, enabling governments to focus on areas with the greatest systemic impact.

A central contribution of ClimateScanner lies in strengthening accountability in climate spending. Climate finance is often fragmented, complex, and difficult to track. The Framework examines whether climate change considerations are integrated into national budgeting processes, whether financial allocations align with policy commitments, and whether mechanisms exist to effectively attract and manage international climate finance.

By equipping SAIs with structured, comparable data, ClimateScanner enhances their capacity to scrutinise public expenditure and assess value for money in climate-related spending. In doing so, it transforms climate finance from a policy aspiration into a transparent and auditable area of public governance.

In conclusion, ClimateScanner marks a strategic shift in how climate action is evaluated and strengthened. Its rapid, standardised, and comprehensive assessment approach is reshaping how national climate readiness is evaluated. By empowering SAIs worldwide, the initiative enhances transparency, strengthens accountability, and builds public trust in climate action. Its global adoption promotes collaboration, highlights best practices, and identifies urgent gaps that require attention. Ultimately, ClimateScanner supports the global effort to meet climate goals and build a resilient and sustainable future.

The Auditor-General, FCPA Nancy Gathungu, CBS during a tree planting exercise at Ngong Hills Forest.

The Auditor-General, FCPA Nancy Gathungu, CBS with other Auditors-General from developing countries for the INTOSAI Development Initiative (IDI) Mastery Leadership Development, in Nairobi.

The Auditor-General FCPA Nancy Gathungu, CBS, with the Principal Secretary, The National Treasury, Dr Chris Kiptoo, CBS.

The Auditor-General, FCPA Nancy Gathungu, CBS with H.E. Cecily Mbarire, the Governor of Embu County, Dr. Patrick Mariru, the PS, Ministry of Defence, and Mr Joel Arumoyang, the PS, State Department of Public Works during the opening of the Embu Regional Office.

Deputy Auditor General Isaac Ng'ang'a (centre) with a delegation from Malawi on a benchmarking visit to the Office.

Deputy Auditor General, FCPA Edwin Kamar (centre) with delegates during the Information Systems Audit training in Nairobi.

OAG staff engaging stakeholders during the International Anti-Corruption day.

Auditor-General, FCPA Nancy Gathungu, CBS with Ms. Guo Caiyun, the Deputy Auditor General, National Audit Office of China and Dr. Isma Yatun, Chair of the Audit Board of the Republic of Indonesia during the 10th meeting of the INTOSAI Working Group on Big Data.

The Office received regional and national awards in recognition for outstanding contributions to governance.

Chief Justice and President of the Supreme Court of Kenya, Hon. Martha Koome, EGH with the Auditor-General, FCPA Nancy Gathungu, CBS, at the Judiciary leadership meeting.

OAG staff engaging the public during an exhibition.

Technology: Future of Audit but not replacing Auditors

Wambugu Mbari

The audit profession is steadily but swiftly experiencing a period of transformation unlike any before. The shift is a significant drift from the past. Emerging technologies, evolving regulations, and shifting expectations from the public and stakeholders are reshaping how audits are planned, conducted, and communicated.

For those of us early in our careers, this transformation is not something distant - it is the environment we are growing into. The future of auditing will demand new thinking, new tools, and a renewed commitment to public trust.

Traditionally, audits have relied heavily on manual processes, sampling, and retrospective evaluation. While these approaches remain relevant, they are no longer sufficient on their own. Organisations today generate vast amounts of data, operate highly automated systems, and face complex risks including cybersecurity, environmental accountability, digital payments, and artificial intelligence. The auditor of the future must therefore be both a financial expert and a skilled evaluator of systems, data, and emerging trends.

Technology will play a critical role in enhancing the audit function. Tools like automated analytics, machine learning, and intelligent risk assessment are quickly becoming part of the audit toolkit. Data analytics, for example, allows auditors to examine full populations instead of limited samples. This means exceptions can be detected earlier, patterns can be analysed in real time, and risk assessments can be more precise.

However, technology is not replacing auditors-it is enhancing their work. Automation can process large datasets, but it cannot apply professional judgment, ethical reasoning, or contextual understanding. A system may flag an anomaly, but an auditor must determine whether it represents a risk, an error, or a justified exception. In the future, the most valuable auditors will be those who understand how to blend analytical tools with critical thinking.

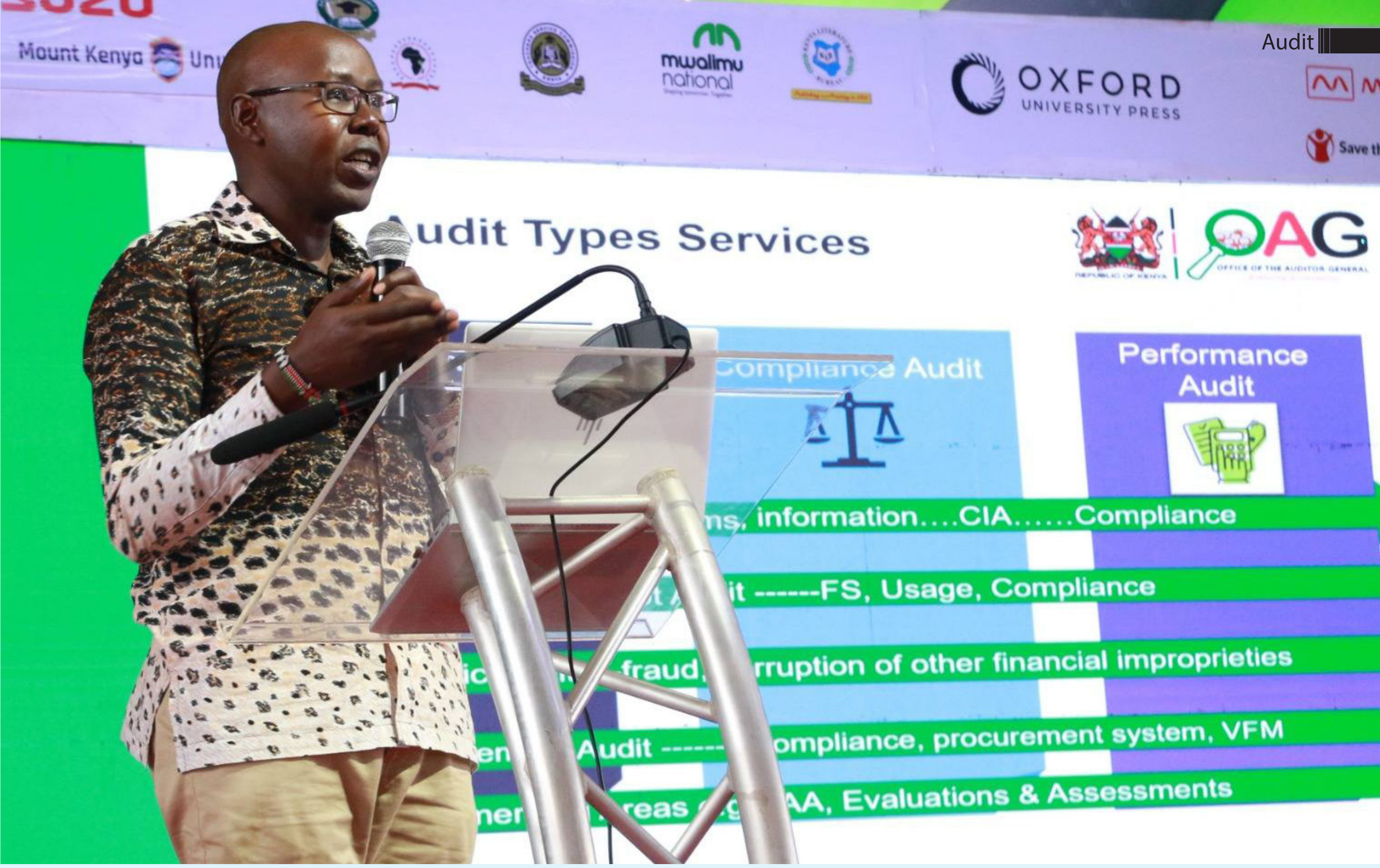
Another defining feature of the future audit landscape will be the emphasis on real-time and continuous auditing. Instead of reviewing information months after the fact, auditors may engage throughout the operational cycle. This shift will require closer collaboration with management, stronger systems understanding, and agile audit approaches. For young professionals, this environment offers exciting opportunities: more interaction, more learning, and more influence in promoting accountability.

Soft skills will also matter more than ever. Communication, emotional intelligence, adaptability, and the ability to explain complex information clearly will differentiate excellent auditors from technical experts. As reporting shifts toward clearer, more accessible language, auditors must learn to tell the story behind the numbers — what it means, why it matters, and how it can improve governance.

Ethics will remain the cornerstone of the profession. With greater reliance on technology, the risk of manipulation, cybersecurity breaches, and misuse of automated systems increases. Young auditors must uphold professional scepticism and integrity while embracing innovation. The responsibility to safeguard public resources and ensure transparency does not change simply because the tools do.

Ultimately, the future of auditing is a blend of tradition and transformation. While technology will reshape how we work, the core mission-strengthening accountability and building trust-remains constant. For young professionals, this is an exciting time to be part of the field. We are not just adapting to change; we are shaping it.

The future auditor must be curious, adaptable, collaborative, and committed to lifelong learning. Those who embrace this mindset will not only succeed but lead the profession forward.



Safeguarding public funds: Enhancing accountability in Schools through quality audits

Joan Otieno

Against the backdrop of coastal breeze and the vibrant hum of over 9500 secondary school principals, the Kenya Secondary School Heads Association (KESSHA) Annual Conference unfolded at the Sheikh Zayed Hall in Mombasa bringing together key stakeholders and policymakers in a spirited dialogue on education reforms, leadership, and accountability and setting the stage for dialogue on critical reforms in the education sector. Among the prominent partners present was the Office of the Auditor-General (OAG), marking a historic milestone in engagement with education sector stakeholders.

As a key player in the public accountability ecosystem, OAG made its debut as an exhibitor and resource partner at the conference, offering practical insights on audit readiness and financial compliance in schools. The Office's mandate stretches well beyond the education sector alone: it currently provides oversight to 2,449 public entities across the country. These include 961 county governments, 580 state corporations and semi-autonomous government agencies (SAGAs), 414 technical and vocational education and training institutions (TVETs), 227 secondary schools, 47 political parties, 47 county executives, 47 county assemblies, 47 county receivers of revenue, 40 universities, 19 national polytechnics, 16 national receivers of revenue, and 4 pension schemes. The Office's active participation demonstrated its growing commitment to fostering good governance and sound financial management within Kenya's education system.

From Budget to Books: A Call for Accountability

One of the most anticipated sessions of the conference was a virtual keynote address by the Auditor-General FCPA Nancy Gathungu, CBS, who spoke passionately on the topic "Audit Readiness: From Budget to Books." Her message was clear: schools must not view audits as punitive exercises but as valuable opportunities to strengthen systems, build accountability, and improve service delivery.

"OAG is your partner in delivering sustainable and quality education," she emphasized. "Our work adds value. When financial records are clear and timely, it becomes easier to build trust with stakeholders, including parents, communities, and the government," the Auditor-General told the enthusiastic head teachers.

Deputy Auditor-General FCPA Edwin Kamar, who represented the Office, reinforced the Auditor-General's message. He appealed to the head teachers to embrace transparency, urging them to prioritize the timely submission of financial statements and maintain up-to-date books of accounts.

"Audit is not an event but a process that begins the moment funds are disbursed. When you are audit-ready from day one, there's no need to panic at the end," FCPA Kamar told the head teachers.

He added, "We are not auditors who point fingers. We are partners who walk with you towards stronger financial management. Let our audits be a mirror, not a hammer."

The message resonated deeply with the school heads, many of whom expressed a new appreciation for the audit process as a mechanism for strengthening governance and protecting learners' futures.

"The Office of the Auditor-General is your ally in promoting quality, accessible, and transparent education. We are committed to value addition through audits that strengthen institutional accountability," the Deputy Auditor-General went on.

Voices of Accountability: FCPA Georgina Muchai and Public Sector Accounting

FCPA Georgina Muchai, CEO of the Public Sector Accounting Standards Board (PSASB), echoed the Office's call for greater accountability in school finances. Her session emphasized the need for standardised financial reporting, in compliance with the International Public Sector Accounting Standards (IPSAS), and enhanced collaboration between accounting bodies, schools, and oversight institutions.

"Our children deserve schools that are well managed, financially sound, and accountable. Financial integrity is not a choice. It's a necessity," she said.

A Hub of Learning: The OAG Exhibition Booth

For the first time, the OAG showcased its mandate through an interactive exhibition booth. Staff from the Office welcomed hundreds of school heads, educators, and stakeholders eager to understand the Office's operations.

What stood out were the candid conversations with school heads, many of whom expressed appreciation for the Office's outreach. From financial reporting concerns to the need for audit demystification, these dialogues revealed a shared goal between auditors and educators, to safeguard public resources for quality education delivery. Some of the lingering questions persisted:

- Why are some KESSHA levies flagged in audits?;
- What do the different audit opinions mean?; and
- How can small schools without accountants comply with audit expectations?

Such feedback illuminated recurring cross-cutting issues found in audit reports of public secondary schools:

- Incomplete or delayed submission of financial records;
- Use of untrained personnel for accounting and procurement;
- Non-compliance with procurement laws;
- Lack of policy awareness around e-Government procurement systems; and
- Ambiguities in the handling of school associations' levies

Voices from the Field: What Schools Expect

During the conference, it became evident that school principals desire more than oversight. They want sustainable partnerships aimed at enhancing quality in their schools' financial operations. Their expectations were clear:

- Increased training at sub-county levels;
- Clear, timely feedback on audit queries;
- Practical support on compliance, especially for smaller institutions; and
- A more collaborative tone in audit engagements
- Equally, the Office voiced its expectations, thus:
- Timely submission of financial records by 31 August annually;
- Improved record-keeping;
- Full compliance with financial and procurement laws; and
- Embracing the audit process as a performance-improvement tool

A notable resolution was the principals' commitment to work with the Ministry of Education and partners like the Kenya Education Management Institute (KEMI) to train bursars and enhance financial probity.

Looking Ahead: Building Trust, Enhancing Accountability

The KESSHA Conference was not just another event on the calendar but such a landmark in collaborative governance. It provided the OAG with an unmatched platform to connect with education leaders, clarify misconceptions about audits, and identify systemic challenges facing schools. Participation in the KESSHA Conference showcased the OAG not just as a regulator, but as a proactive, listening partner.

In advancing accountability within the education sector, the Office has also appealed to the National Assembly's Budget and Appropriations Committee to review the financial reporting timelines for public secondary schools and Technical and Vocational Education and Training (TVET) institutions. The Office proposed aligning the reporting period with the academic calendar by shifting the reporting deadline to December, noting that the current timelines present reconciliation challenges and place unnecessary pressure on the audit process. The proposed change is expected to improve the accuracy of financial reporting, enhance accountability, and facilitate more efficient audit cycles.

As the Government seeks to ensure the Competency-Based Education succeeds, the Office remains steadfast in its mission: to safeguard public funds, ensure accountability, and ultimately support a thriving, transparent education sector where resources benefit every learner. After all, when schools are audit-ready, education becomes future-ready.

Changing the accountability conversation, one outreach at a time

Joan Otieno

Across Kenya, from the seaside shores of Mombasa to the breezy lakeside avenues of Kisumu, a quiet but powerful transformation has been unfolding, one conversation at a time.

At first glance, exhibition grounds at Agricultural Society of Kenya (ASK) Shows present a vibrant spectacle of colour and energy. Tents stretch across open fields, banners flutter in the wind, and voices rise in animated exchange. But beyond the vibrancy lies something deeper. At the heart of it all, the Office of the Auditor-General's (OAG) exhibition stands draw in a steady stream of visitors not merely as an information hub but as a space of dialogue, curiosity, and discovery.

For many Kenyans, the term audit has been remote, technical and to some extent foreign. However, a step into the OAG exhibition booths, and that perception begins to shift. Students lean forward and engage with bright-eyed curiosity, professionals engage in thoughtful debate, and citizens pause, often for the first time, to ask a simple but profound question: How are out taxes being managed?

What unfolds in these moments goes beyond awareness; it fosters connection

Across trade fairs and exhibitions, a consistent truth emerges: while citizens deeply value accountability, many have not fully understood how institutions like OAG operate or how audits impact their daily lives. A question surfaces repeatedly: Why doesn't the Office prosecute cases on accountability? What happens after an audit? And as OAG teams patiently unpack these concerns, a clearer understanding begins to take shape. Citizens start to recognise the link between audits and the roads they use, the schools their children attend, and the healthcare services they rely on. In that realization, awareness becomes the first spark of accountability.

But perhaps the most remarkable shift is not just in understanding, it is in ownership.

Complex audit terminologies, once perceived as impenetrable, are being translated into everyday conversations. Reports that were once regarded as complex are now being repositioned as practical tools that empower citizens to ask questions, demand answers, and to track the use of public resources. Barriers are breaking down, and in their place, a more inclusive dialogue is emerging.

Community members, local leaders, and students are no longer passive recipients of information. They don't simply listen and nod or applause in agreement. They want to be part of the process. How can we contribute? They ask. Do audit findings reflect what we see on the ground? These are not idle questions; they are signals of a profound shift. Citizens are stepping out of the margins to the centre of governance, becoming active participants in shaping accountability.

The outreach spaces are making this possible. They are turning accountability from a concept into a shared journey.

Yet, these engagements are not one-sided. As much as OAG speaks, it listens. Beneath the lively exchanges lies a deeper current of expectation. Stakeholders speak candidly about the need for stronger follow-through on audit recommendations. They want assurance that gaps identified lead to real, tangible change. Others call for timely reporting and closer collaboration with oversight bodies, emphasizing that accountability must not end with a report, but must continue through action.

These voices matter. They are shaping the future of accountability.

Within the colourful booths, another story is quietly unfolding, the story of inspiration. Students wander in, curious at first, then captivated. For many, this is their first close encounter with public sector auditing, and it leaves a lasting impression. Career possibilities begin to take shape, and with them, a new generation inspired by integrity, transparency, and service. In these interactions, seeds are being planted that will grow into the auditors, leaders, and accountable citizens of tomorrow.

And perhaps most significantly, trust is taking root.

By stepping beyond Office walls and into public spaces, OAG is redefining how it is seen and understood. No longer distant or abstract, the Office is becoming more human, more approachable, and more transparent. Trust is not being built through reports alone, but also being nurtured through presence, through conversation, and through a visible commitment to serve. Increasingly, auditors are no longer viewed as fault-finders, but as partners in the shared pursuit of accountability.

As these engagements continue to ripple across regions and platforms, one truth stands clear: outreach is not a supporting act; it is central to the Vision and mission of the Office. It is a bridge that connects institutions to the people they serve, a voice that amplifies citizen concerns, and a spark that transforms information into impact.

And in that connection, across regions, conversations, and communities, the true strength of Outreach activities in Enhancing Public Accountability is coming to life.

The Power of the Pause: Reflections from the AWAK Black and Gold Annual Dinner

Halima Hussein

On a warm December evening, draped in black and gold, ten lovely ladies and I from the Office of the Auditor-General did something rather unusual. We paused. Not to review files, not to meet deadlines, and certainly not to chase audit queries, but to attend the Annual Dinner hosted by the Association of Women Accountants of Kenya (AWAK), held on 10 December, 2025 at the elegant Serena Hotel.

For a few hours, spreadsheets gave way to soft lighting, audit trails to lively conversation, and dare we admit, professional seriousness to laughter and take it easy moments. It was a welcome shift as the merry-making tidy air and relaxed bodily movements made the venue, a comfortable place to be.

The evening's theme, *"The Power of the Pause: Integrating Mindfulness and Stress Management,"* felt almost ironic at first. After all, auditors are not exactly known for pausing. We are trained to move quickly, precisely, and with purpose. We must think critically and respond decisively because we are guided by evidence. Deadlines do not wait, and neither do accountability demands. Therefore, we are duty bound to deliver timely quality audits. In our world, momentum is often mistaken for effectiveness. But that evening, gently and in a convincing manner, challenged this deeply ingrained mindset.

Rather than suggesting we slow down our ambition or compromise on quality, the theme reframed the idea of a "pause" as a strategic tool. A pause, we were reminded, is not inactivity; it is intention. It is the moment between stimulus and response where better decisions are made. For professionals entrusted with judgment, integrity, and public trust, that distinction matters more than we might care to admit.

The keynote address by Mercy Wanjau, Secretary to the Cabinet, brought this message to life with remarkable clarity. She spoke of leadership not as a relentless sprint, but as a disciplined balance—knowing when to push forward and when to step back. One particularly striking insight was her reminder that clarity does not always come from doing more; sometimes, it comes from seeing better. And to see better, one must occasionally pause.

Her reflections on sustainable leadership resonated deeply. In high-pressure environments-like ours-resilience is often worn like a badge of honour, usually measured by how much one can endure. Yet, as she pointed out, true resilience is not built on constant over-extension. It is nurtured through deliberate rest, reflection, and self-awareness. In simpler terms: even the best auditors need a moment to audit themselves.

Beyond the speeches, the evening offered something equally valuable—connection. Surrounded by accomplished women who navigate demanding careers with both competence and grace, the dinner became more than an event; it became a shared experience. Conversations flowed easily, laughter came naturally, and for once, no one was asking for supporting documents.

The black and gold theme, while undeniably elegant, symbolized more than just style. It reflected confidence, unity, and a shared commitment to excellence. It was a quiet reminder that while we each carry individual responsibilities; we are part of a larger professional community that supports and strengthens one another.

As the evening came to a close, I found myself carrying back more than just memories (and perhaps a few photos worth keeping). There was a quiet but powerful insight: in our pursuit of accountability, efficiency, and impact, we must not forget the value of reflection.

Because ultimately, the power of the pause is not about stopping the work—it is about ensuring that when we move, we move wisely, purposefully, and sustainably.

And perhaps, just perhaps, it is also a reminder that even auditors are allowed a well-deserved evening off, in an environment where, queries are not raised and opinions documented.

Beyond the Pitch: How Audit Reports are powering a wave of Sports storytelling

Angwenyi Gichana

Growing up, I never imagined that my love for sports would one day evolve into a passion for storytelling. Like many children of my generation, football was more than a game. It was an escape, a shared language, and a dream we chased on dusty fields after school.

Back then, access to live broadcast matches was a luxury. Television sets were rare, often black-and-white, and tightly controlled by parents who decided when and what we could watch. Large public screens and endless sports channels were unheard of. Yet, despite these limitations, our passion thrived. We didn't question it. It was simply the reality we knew.

Today's child lives in a different world. A fulfilling life shaped by technology, shifting societal norms, and an evolving understanding of children's rights. With smartphones, internet access, and round-the-clock entertainment, exposure has expanded dramatically. It is largely indoors unlike during our time, when we could at most times, be in the field. While this offers immense opportunities for learning and talent development, it also comes with new challenges. Parents must now be more vigilant, ensuring that what appears to be an innocent football match isn't something entirely different. The balance between access and guidance has never been more delicate.

For me, however, those early limitations did little to dim my enthusiasm. If anything, they strengthened it. My love for sports carried me through high school and into a journalism classroom, where I began to shape that passion into a profession. Soon enough, I found myself immersed in the fast-paced world of sports writing—covering matches, interviewing players, and capturing the thrill of competition in words.

There was something magical about being present at a game. The roar of the crowd, the tension in the air, the decisive moments that could change everything. Writing about sports wasn't just about reporting scores. It was about telling stories that resonated.

Then came an unexpected twist in my journey: Audit Reports. Produced by the Office of the Auditor-General (OAG), these documents initially felt far removed from the world I knew. They were dense, technical, and seemingly tailored for journalists covering Parliament, politics, or business. To be honest, they didn't look like the kind of material that would compete for space on the prime pages of a newspaper. In newsroom banter, such stories were jokingly relegated "next to the obituary pages," a subtle jab at their perceived lack of appeal.

But curiosity has a way of opening doors. Through media workshops organised by the

OAG, I began to see these reports in a different light. What once appeared overwhelming became accessible. A simple glance at the table of contents could lead me directly to areas of interest, and to my surprise, sports was one of them.

After all, sport is not just about talent and competition. It is also about investment, infrastructure, and accountability. The Ministry of Sports, like any other government entity, is subject to audit. Within those reports are stories waiting to be told. Stories about funding, stalled projects, and missed opportunities.

Take, for instance, revelations from Audit Reports that Kshs. 10.85 billion was unaccounted for in the Nairobi's Talanta Sports City project. The reports further indicated that the 60,000-seater project's cost had ballooned from an approved KSh 35 billion to KSh 45.85 billion without proper procurement clearance.

For a sports journalist, this is more than a financial headline. It is a human story. It raises critical questions: What does this mean for athletes who depend on such facilities? What opportunities are lost when projects stall or funds are mismanaged? And ultimately, who bears the cost?

Audit reports, I realised, are not just about numbers. They are about people. They tell the stories of athletes training in dilapidated stadiums, of communities waiting for promised facilities, and of taxpayers whose contributions must translate into tangible benefits. They shine a light on the gap between allocation and impact.

The OAG has taken deliberate steps to make these stories more accessible. Simplified audit reports, commonly referred to "Popular Reports," now present key findings in clear, concise language, empowering not just journalists but also citizens to understand how public funds are being used. Additionally, the OAG website has become a vital resource, providing easy access to these reports for media practitioners and other stakeholders.

For journalists, this presents an opportunity. One that extends far beyond traditional reporting boundaries. You don't have to be stationed in Parliament to tell impactful stories from audit findings. The issues highlighted in these reports are not confined to Parliamentary oversight committee rooms. They are unfolding in our communities every day. They are visible in stalled road projects, unfinished stadiums, and the unrealised potential of athletes who could have brought glory to the nation.

These are stories that deserve a voice. And that voice can come from anywhere, be it from the sports writer attending the committees or with a keen interest from the sidelines. The stories are ripe for anyone willing to look beyond the surface. Audit reports provide the facts, but it is through storytelling that those facts come alive.

In the end, the intersection of sports and accountability reveals something powerful. That behind every game, every stadium, and every athlete lies a deeper narrative about governance, responsibility, and the future we are building. For those willing to explore it, the story is already there. Yes, waiting to be told.

Mr. Angwenyi Gichana is a veteran sports writer

Exhaustion to Excellence:
Rethinking productivity through Wellness

Miriam Abonyo

A few years ago, I believed that the more exhausted I felt, the more productive I had been. At the time, I was juggling both work and academic commitments, constantly pushing myself to deliver in every area. I often ended my days mentally stretched, wearing fatigue like a badge of honour.

Over time, however, I began to notice that something was not adding up. Despite the long hours across different responsibilities and constant effort, my energy fluctuated. My focus would waver, and small challenges sometimes felt disproportionately overwhelming. Yes, I was getting results, but not at my highest potential. That realisation resulted to a quiet but defining decision. I chose to prioritise my wellness. Not occasionally or conveniently but intentionally.

The Turning Point

At first, the idea of adding exercise to an already demanding schedule felt unrealistic. I kept telling myself I would start "when things slowed down." But they never did. Eventually, I confronted a simple but powerful truth: if I waited for life to become less busy, I would never prioritise my health.

So, I started small. No grand transformation but just a commitment to show up consistently. Early morning gym sessions, weekend walks, improved sleep habits, and more mindful eating. It wasn't dramatic. It was discipline. And slowly, that discipline began to reshape how I showed up at work.

The Unexpected Workplace Impact

Within weeks, the changes became noticeable, not just physically, but mentally. My thinking became clearer during strategy discussions. I was more patient in long meetings, and my stress felt more manageable. I grew more confident when presenting ideas. Fitness wasn't just strengthening my body. It was sharpening my mind. I began to understand that wellness was not taking time away from work. It was improving the quality of how I worked.

Redefining Productivity

There were still days when I did not feel like training. Days when staying in bed seemed far more appealing than hitting the gym or any other physical activity. But I showed up anyway. Sometimes reluctantly, sometimes negotiating with myself all the way to the gym. Surprisingly, that simple act of "just showing up" built something powerful. Discipline. Before long, that discipline extended beyond fitness. Deadlines became non-negotiable, procrastination reduced, my work became more structured, and my resilience under pressure improved.

What started as a workout routine evolved into a life routine. Fitness taught me a powerful lesson: "motivation comes and goes, but discipline builds excellence."

When Wellness Shapes Organisational Culture

This personal journey also reshaped how I view organisational culture. I came to appreciate that when an organisation encourages employee wellness, through initiatives such as participation in activities like the annual Standard Chartered Marathon, it is doing more than promoting fitness. It is making a strategic investment in its people. Such initiatives build resilience, boost morale, and cultivate the stamina required for sustained performance. Healthy teams are more adaptable, more focused, and ultimately more effective. And that translates directly into organisational excellence.

Conclusion

If you are reading this and thinking, "I don't have time," I once thought the same. But wellness doesn't always require sweeping changes. It is all about one step at a time. Small, intentional habits such as taking the stairs to the upper floors of an office instead of the elevator, incorporating regular movement into your routine, and prioritising quality sleep, can make a significant difference in improving our well-being, focus, and overall performance.

Today, I no longer celebrate exhaustion. I choose clarity, I protect my energy and invest in habits that support both my body and mind. I have come to appreciate that health is not separate from career success. It is one of its strongest foundations. When we treat wellness as a priority rather than an afterthought, we unlock not only better performance, but a more sustainable and fulfilling way of working and delivering productivity that resonates with set organisational targets.

The Office Receives AFROSAI-E Award for Best Performance Audit Report

Joan Otieno

The Office of the Auditor-General (OAG) has been awarded for the Best Performance Audit Report of 2025, a prestigious recognition by the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E). The award celebrates an outstanding audit that demonstrated the power of performance auditing in strengthening accountability and improving public service delivery.

The award was presented during the AFROSAI-E Strategic Review and Governing Board Meeting in Monrovia, Liberia, where Supreme Audit Institutions (SAI) from across English-speaking Africa convened to share experiences and celebrate excellence in public-sector auditing. The winning report, Performance Audit of the Kenya Urban Support Programme (KUSP) Phase I, was selected as the best among submissions from Ghana, Mauritius, Tanzania, Uganda, and Kenya.

This recognition marks a significant milestone for the Office, underscoring the growing impact of performance auditing in ensuring value for money and enhancing public service delivery.

Performance audits are critical in assessing whether government programmes and projects are implemented efficiently, effectively, and economically. Unlike financial audits, which focus on the accuracy of financial statements and compliance with regulations, performance audits evaluate whether public interventions achieve their intended objectives and deliver meaningful outcomes for citizens.

The audit focused on the Kenya Urban Support Programme (KUSP), a government initiative aimed at strengthening urban governance, enhancing institutional capacity, and improving infrastructure and service delivery in municipalities and urban areas nationwide. As Kenya's urban centres continue to expand, programmes such as KUSP are vital in addressing the challenges of urbanization and ensuring sustainable, quality services for residents.

Through a rigorous process, the audit team assessed the programme's implementation, highlighting both achievements and areas for improvement. The report provided evidence-based findings and practical recommendations to enhance programme effectiveness and support better outcomes for citizens. Its balanced analysis, clarity of presentation, and relevance to public sector management distinguished it from other entries and earned praise from the judging panel.

The AFROSAI-E Prize is one of the most respected honours in Africa's public auditing community. It celebrates excellence in performance auditing and encourages Supreme Audit Institutions to produce impactful audits that contribute to improved governance and accountability. Reports are judged against stringent criteria, including audit quality, methodological rigour, relevance of findings, clarity of reporting, and the potential impact of recommendations.

This achievement reflects the Office's years of investment in professional development, technical capacity, and adherence to international auditing standards. It is also a testament to the dedication and expertise of the audit team, who successfully translated complex audit evidence into a report capable of influencing policy and improving public sector performance.

Beyond technical excellence, the award demonstrates the value of performance audits to citizens. By examining whether public programmes deliver intended results, performance audits provide decision-makers with objective information to improve service delivery, strengthen accountability mechanisms, and ensure that public resources generate the greatest possible benefit.

The award serves as a reminder of the impact of their work of the staff and the importance of maintaining the highest standards of professionalism and integrity. Each audit conducted contributes to strengthening accountability and supporting better governance outcomes for present and future generations.

As the Office continues to execute its constitutional mandate, the AFROSAI-E Prize stands as both an achievement and a challenge, to continue innovating, enhancing audit quality, and producing work that drives positive change. This continental honour reaffirms the Office's position as a trusted guardian of public accountability and a leading voice in promoting effective, efficient, and transparent management of public resources.

FAQ's Segment

Q: What does the Office of the Auditor-General (OAG) do?

A: In accordance with Article 229 of the Constitution of Kenya, the OAG is charged with the primary oversight role of ensuring accountability in the use of public resources within the three arms of government (the Legislature, the Judiciary and the Executive) as well as the Constitutional Commissions, Independent Office of the Controller of Budget (CoB) and any entity funded from public funds. In addition, Article 229(6) of the Constitution requires the Auditor-General to confirm whether or not public money has been applied lawfully and in an effective way.

Q: Who Audits the Office of the Auditor-General?

A: The Office of the Auditor-General is audited by an independent auditor appointed by the National Assembly as outlined in Article 226(4) of the Constitution of Kenya.

Q: How does the Auditor-General express satisfaction or not in the Audit Reports?

A: In the audit reports, the Auditor-General expresses satisfaction or non-satisfaction of the financial statements through audit opinions. These opinions are unqualified/ Unmodified, qualified/modified, adverse or disclaimer.

Q: What do the Audit Opinions mean?

A: An unqualified/unmodified opinion is a clean opinion, meaning that the books of accounts and the supporting records agree with the financial statements presented and no material misstatements have been found.

The financial statements present fairly, in all material respects the operations of the audited entity.

A qualified opinion means that the recorded financial transactions are to a large extent in agreement with the supporting records, except for cases where material misstatements or omissions in the financial statements are noted. The issues, though deemed material, are not widespread or persistent.

An adverse opinion is issued when the financial statements significantly disagree with the underlying books of accounts and/or standards. The problems are widespread, persistent and require considerable interventions by management for rectification.

A disclaimer of opinion means that the financial statements exhibit serious and significant misstatements that may arise from inadequate information, limitation of scope, inadequacy or lack of proper records such that the Auditor-General is not able to form an opinion on the financial operations.

Q: How can citizens/stakeholders access audit reports from OAG?

A: The reports are mainly available on the OAG website, www.oagkenya.go.ke.

Every audited entity also receives a copy of the audit report for their entity.

However, the reports can only be made available to the public after they have been submitted to Parliament and the relevant County Assemblies.

Q: Does the OAG have Regional Offices?

A: Yes, OAG has established 16 regional offices spread across the country to not only maintain a continuous audit presence at the grassroots level, but to enhance efficient and cost-effective provision of audit services.

Compiled by Dennis Odunga.

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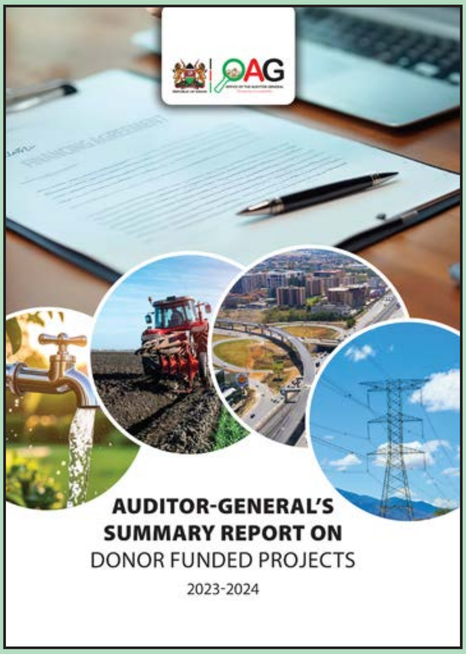
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

OFFICE OF THE AUDITOR-GENERAL ANNUAL CORPORATE REPORT 2023 - 2024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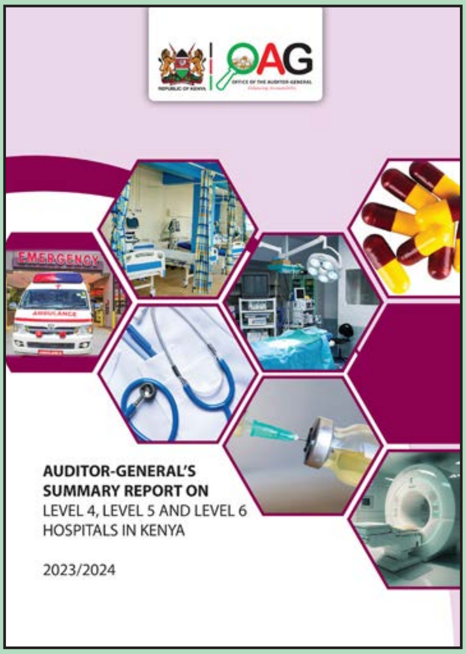
2023-2024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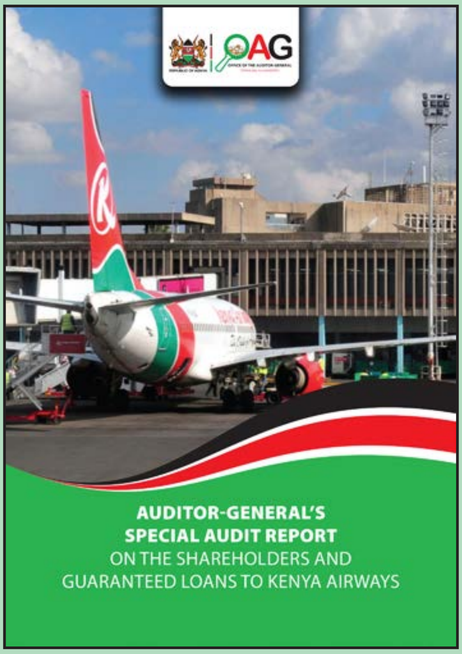
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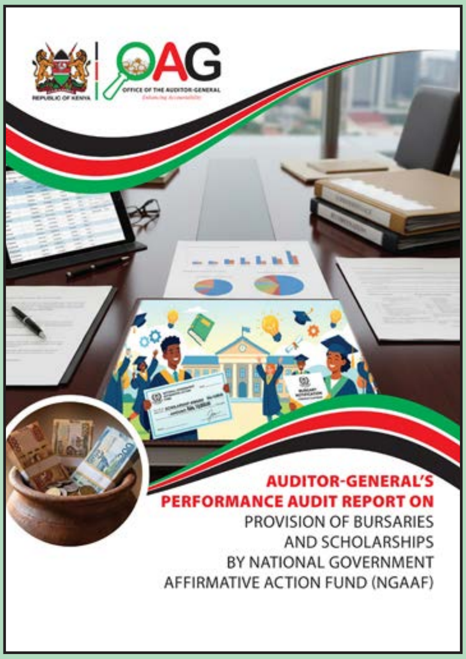
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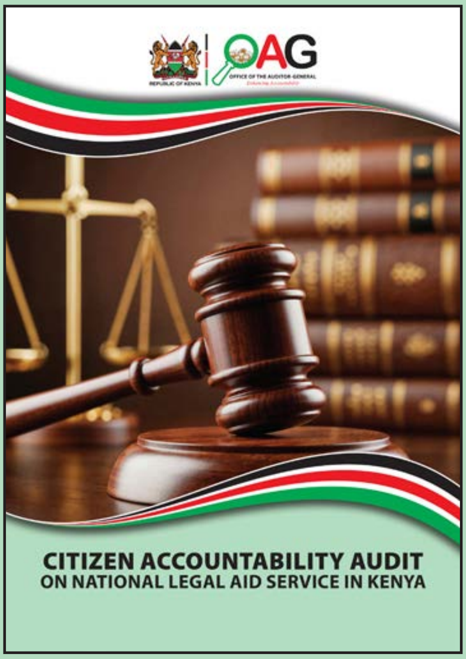
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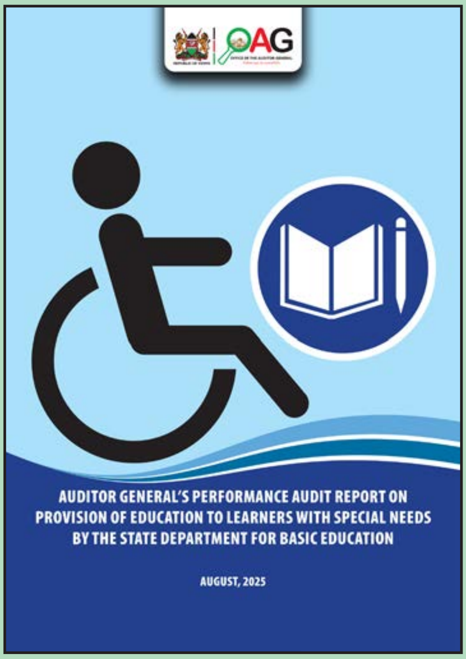
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BY THE STATE DEPARTMENT FOR BASIC EDUCATION
AUGUST, 2025


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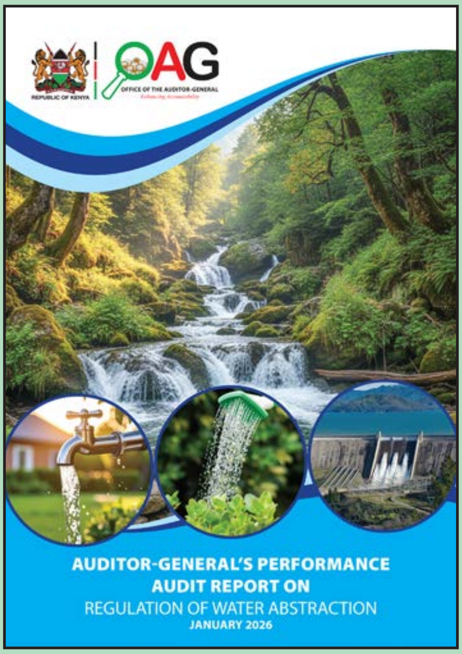
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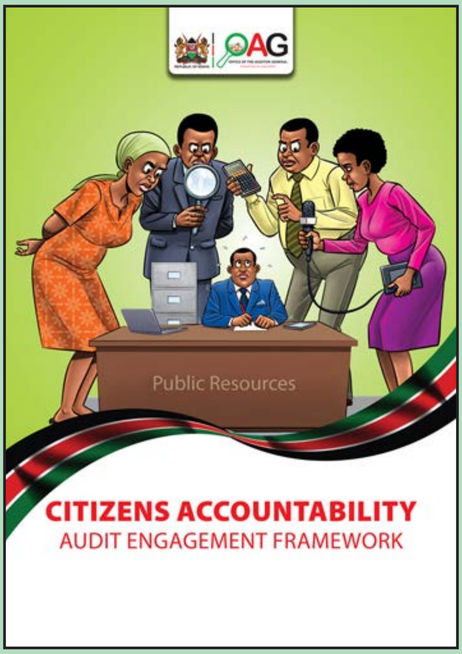
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