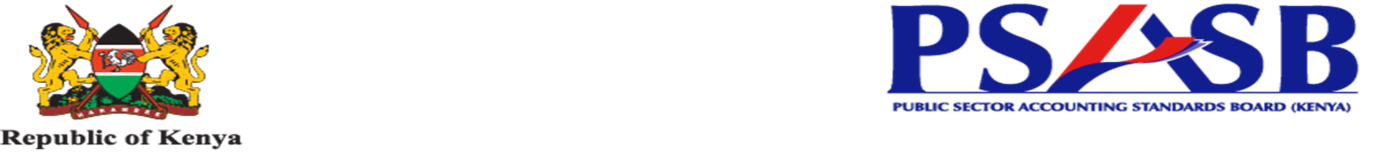
**Draft County Audit Programs**

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**GOVERNMENT OF KENYA**

**DRAFT AUDIT PROGRAMS FOR COUNTY GOVERNMENTS**

**April 2024**

**AUDIT OF PROGRAM EDUCATION PROJECTS**

**(To be customised for each Program)**

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

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|  | **Audit Objectives** | **Risks** | **Expected Internal**  **Controls** | **Audit Test** |
| 1 | To verify adequacy in infrastructure on early childhood development  and vocational training | Stalled or substandard infrastructure  Project not put in use | Public participation on proposed infrastructure  development | **TOD**   * Establish that there exist provisions or key regulations on public participation on infrastructure development. * If not documented, enquire from process owner how it is meant to be executed. |
|  | centers within the county |  |  | **TOI**   * Obtain public participation report * Confirm that the provisions or key requirements are implemented as documented. * Walkthrough and document the process flow/ map. Note any gaps in implementation |
|  |  |  |  | **TOE**   * Sample participants from the list of attendees to confirm |
|  |  |  |  | their attendance in the public participation. |
|  |  |  |  | * Confirm stakeholder’s participation by verifying minutes of |
|  |  |  |  | meetings at the initiation stage |
|  |  |  |  | * Confirm from payment records that the public involved in |
|  |  |  |  | the participation were not paid. |

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|  | **Audit Objectives** | **Risks** | **Expected Internal**  **Controls** | **Audit Test** |
|  |  |  |  | * Confirm whether the stakeholder participation provided for the principles spelt out in Part VIII section 87 of the County Government Act. * Verify whether there was effective dissemination of information concerning the development (**PFM ACT 2012**   **SEC 207, Constitution of Kenya 2010 Article 201(a)** |
|  |  |  | Approved ADP & Budget | **TOD**   * Establish that there exist provisions or key regulations on annual development plan and budget. * If the control is not documented, enquire from process owner how it is meant to be executed.   **TOI**   * Obtain the approved ADP and budget * Confirm that the project is provided for in the ADP and budget * Walkthrough and document the process flow/ map. Note any gaps in implementation   **TOE**  Sample projects as per the sampling methodology and find out if:   * They are within the approved budget of the procuring entity **PP& AD Act 2015 Sec. 45(3),** * Confirm whether variations or amendments had been approved in writing by the respective tender awarding authority within a procuring entity. **PP& AD Act 2015 Sec**   **139 (1) (a )** |

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|  | **Audit Objectives** | **Risks** | **Expected Internal**  **Controls** | **Audit Test** |
|  |  |  | Approved drawings, designs and BoQ | **TOD**   * Establish the key requirements of laws, regulations, policies and procedures on the need to have the project design documents. * If the control is not documented, enquire from process owner how it is meant to be executed.   **TOI**   * Sample one approved drawing, design and BQ to find out if the project designs were prepared. * Confirm that the design is implemented as documented in the TOD * Walkthrough and document the process flow/ map. Note any gaps in implementation   **TOE**  Sample using the sampling methodology to establish:   * If the project design was prepared and implemented as is provided for in the technical requirements **PP&AD Regulations 2020. Reg. 71(2),PPAD SEC 60 (3)(a)** * To establish that the classroom design, is as per the   guidelines on the various types of school buildings in safety standards manual for schools in Kenya, 2008. |
|  |  |  | Signed contract with a contractor | **TOD**   * Establish whether there are provisions or key requirements on signing of contract with a service provider and whether they have been documented. * If the control is not documented, enquire from process owner how it is meant to be executed. |

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|  | **Audit Objectives** | **Risks** | **Expected Internal**  **Controls** | **Audit Test** |
|  |  |  |  | **TOI**   * Sample a signed contract with a contractor * Confirm that the design is implemented as documented in the TOD * Walkthrough and document the process flow/ map. Note any gaps in implementation   **TOE**   * Confirm that the classrooms construction is implemented as per the signed contract. * Confirm that construction of the classroom is as per the duration of the signed contract. |
|  |  | Poor workmanship Stalling of projects Cost overruns Delay in project  implementation | Project management/implem entation committee | **TOD**   * Establish whether there are provisions or key requirements on project management/implementation team and whether they have been documented. * If the control is not documented, enquire from process owner how it is meant to be executed.   **TOI**   * Sample one project implementation committee * Confirm that the design is implemented as documented in the TOD * Walkthrough and document the process flow/ map. Note any gaps in implementation   **TOE**  Use data analytics to sample the projects and establish;   * The accounting officer of the procuring entity appointed   a contract implementation team, and its composition is as per the provisions of the Act. PPAD SEC 151(1) |

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|  | **Audit Objectives** | **Risks** | **Expected Internal**  **Controls** | **Audit Test** |
|  |  |  |  | * Review the CIT progress reports to confirm their contribution and the implementation of the team’s recommendations PPAD Regulations sec 138(2) * Review project progress reports by project supervision team to ascertain that the project is moving as per the project plan. PPAD Regulations sec 138(2 * Check existence of the project risk register and establish its effectiveness and means of addressing the issues raised PPAD Regulations Sec 138(4) * Undertake a physical verification to ascertain the existence of the assets in line with the provisions of the contract, and where applicable consult an expert. |
|  |  | Ownership of the project Defects  Sub-standard works | Project handing over/certificate of completion | **TOD**   * Establish whether there are provisions or key project handing over and issuance of completion certificate and whether they have been documented. * If the control is not documented, enquire from process owner how it is meant to be executed.   **TOI**   * Sample one final handing and taking over report * Confirm that the design is implemented as documented in the TOD * Walkthrough and document the process flow/ map. Note any gaps in implementation   **TOE**  Use data analytics or sampling to sample the projects and establish;   * Verify that the contract was complete, prior to closing the contract file including all handover procedures, transfers of |

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|  |  |  |  | title if need be and that the final retention payment has been made; **PPAD Act sec 151(h)**   * Confirm discharge of performance guarantee where necessary. **PPAD Act sec 151(k)** * Where assets were procured by the contractor for the client, review the contract terms and the payment certificates to ascertain that the assets reverted back to the client. |
| 2. | To confirm adequate facilitation of education programs in the county | Under funding of programs | Approved Annual budget | **TOD**   * Establish whether there are provisions or key requirements on annual budget and whether they have been documented. * If the control is not documented, enquire from process owner how it is meant to be executed.   **TOI**  Obtain the annual approved budget   * Confirm that the education programs are provided for in the budget * Note any gaps in the budgetary provisions.   **TOE**  Sample programs implemented as per the sampling methodology and find out if:   * They are within the approved budget of the procuring entity **PP& AD Act 2015 Sec. 45(3),** * There are Programs undertaken without sufficient funds to meet the obligations of the resulting contract are reflected   in its approved budget estimates. **PP& AD Act 2015 Sec53 (8)** |

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|  |  |  |  | * Confirm variation or amendment had been approved in writing by the respective authority. **PP& AD Act 2015 Sec 139 (1) (a )** |
|  |  |  | Programs implementation/progr ess reports | **TOD**   * Establish whether there are provisions or key requirements on progress reports and whether they have been documented. * If the control is not documented, enquire from process owner how it is meant to be executed.   **TOI**   * Obtain one program implementation/progress report and check if provisions have been followed. * Note any gaps in implementation   **TOE**   * Confirm if the budget allocation is adequate to implement the programs. * Perform tests to confirm programs have been effectively implemented as required. |
| 3. | To check whether there is transparency and accountability in award of bursaries/scholarships in the county | Awarding of bursary to underserving people Fraud | Approved Bursary/scholarship policy | **TOD**   * Establish whether there are provisions or key requirements on management of bursary/scholarship and whether they have been documented. * If the control is not documented, enquire from process owner how it is meant to be executed   **TOI**   * Obtain the policy and confirm that the provisions are implemented as documented in the TOD. * Walkthrough and document the process flow/ map. Note any gaps in implementation   **TOE** |

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|  | **Audit Objectives** | **Risks** | **Expected Internal**  **Controls** | **Audit Test** |
|  |  |  |  | From the policy test the following:   * That the policy creates a fund and its approved by the county assembly (PFM 116(1) & PFMr 197) * That the policy clearly defines who the beneficiaries of bursary/scholarship are and the process of selection. * Obtain a sample of beneficiaries and confirm that the   process of selection was followed as provided. |
|  |  |  | Fund Manager | **TOD**   * Establish whether there are provisions or key requirements on fund manager and whether they have been documented. * If the control is not documented, enquire from process owner how it is meant to be executed.   **TOI**   * Obtain the policy and confirm that this is implemented as documented. * Confirm that the fund manager exists.   **TOE**   * + Obtain the appointment letter of the fund manager   + Verify that the roles and responsibilities in the   appointment letter are as per the functions of the fund manager in the policy |
|  |  |  | Bursary committee(s) | **TOD**   * Establish whether there are provisions or key requirements on Bursary committee(s) and whether they have been documented. * If the control is not documented, enquire from process owner how it is meant to be executed   **TOI**   * Obtain the terms of reference of a bursary committee and confirm this is implemented as documented. |

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|  |  |  |  | * Walkthrough and document the process flow/ map. Note any gaps in implementation   **TOE**   * + Obtain the appointment letters and/ gazette notice appointing the committee(s) and Confirm that the appointment was approved by the right authority as per the policy   + Confirm that the functions in the appointment letters are as per the policy   + Get evidence that the committee(s) invited applicants to apply for bursary.   + Confirm that all received applications were recorded in a register.   + Obtain the Minutes for the period and the bursary beneficiaries list and ascertain that all beneficiaries were recommended/approved by the committee(s) after scrutinizing the application forms   + Confirm from the minutes and award list that the amount awarded is not more than fees structure as guided by the ministry of education circular on fees structure (for scholarship)   + Confirm that the committee maintains a databank of all beneficiaries of bursary/scholarship in the county. |
|  |  |  | Cheques and bank transfer. | **TOD**   * Establish whether there are provisions or key requirements on cheques and bank transfer and whether they have been documented. * If the control is not documented, enquire from process owner how it is meant to be executed   **TOI** |

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|  | **Audit Objectives** | **Risks** | **Expected Internal**  **Controls** | **Audit Test** |
|  |  |  |  | * Sample a bank transfer or cheque bursary transaction and confirm that the provisions are implemented as documented. * Walkthrough and document the process flow/map. Note any gaps in implementation   **TOE**  Obtain a sample of bursary/scholarship beneficiaries and perform the following tests:   * + Verify the amount awarded by the committee against the cheque issued/bank transfer amount.   + Confirm the institution the cheque/transfer was made visa vis the beneficiaries’ institution.   + Perform bank reconciliation to confirm accuracy and completeness of the process.   + Confirm acknowledgement of receipts from the institutions that have benefited from the bursary. |
|  |  |  | Monitoring and evaluation reports | **TOD**   * Establish whether there are provisions or key requirements on monitoring and evaluation and whether they have been documented. * If the control is not documented, enquire from process owner how it is meant to be executed   **TOI**   * Obtain a sample of monitoring and evaluation report and confirm whether it is implemented as documented. * Walkthrough and document the process flow/ map. Note any gaps in implementation   **TOE**  Sample monitoring and evaluation reports for the period and test:   * + That it was approved |

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|  |  |  |  | * There is evidence that it was received by the management * Select a sample of the recommendations made in the report and confirm whether action was taken |
| 4. | To confirm compliance with the vocational training grant guidelines in the utilization of VTC grant within the county | Non compliance  Loss of funds by with the vocational training grant guidelines Funding uncredited training centers and courses | Registration of vocational training centers | **TOD**   * Establish whether there are provisions or key requirements on registration of vocational training centers and whether they have been documented. * If the control is not documented, enquire from process owner how it is meant to be executed   **TOI**   * Select one VTC and confirm that the provisions on registration are implemented as documented. * Walkthrough and document the process flow/ map. Note any gaps in implementation   **TOD**  Sample Vocational Training Centers (VTC) according to geographical location and visit to test the following:   * Obtain the registration certificate and confirm that it was registered by the TVET board (TVET Act 2013) * Obtain the registration certificate for courses offered and confirm that they were registered by the board (TVET act 2013) * If the vocational training center is offering exams, confirm that it is registered as an exam center by the various examining body.   Circular no. moest/vit/11/4(43) of 11th April,2018 |
|  |  |  | Board of Management | **TOD**   * Establish whether there are provisions or key requirements on board of management of vocational training centers and whether they have been documented. |

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|  | **Audit Objectives** | **Risks** | **Expected Internal**  **Controls** | **Audit Test** |
|  |  |  |  | * If the control is not documented, enquire from process owner how it is meant to be executed   **TOI**   * Obtain the terms of the Board of Management and confirm that it is implemented as documented. * Walkthrough and document the process flow/ map. Note any gaps in implementation   **TOE**  For a selected sample of VTC:   * + Obtain appointment letters of the Board of Management (BoM) and confirm that they meet the criteria set in the provisions/policy on representation (county vocational training Act, Tvet Act 28)   + Obtain minutes of the BOM and verify if minimum number of meetings were held.   + From the minutes, confirm whether the agendas address the core function of the BoM.   Circular no. moest/vit/11/4(43) of 11th april,2018 |
| 5. | To confirm that the grant monies are utilized in the intended items as stipulates in Circular no. moest/vit/11/4(43) of 11th april,2018 | Diversion of funds to other use | Approved VTC Workplan/Budget | **TOD**   * Establish whether there are provisions or key requirements on VTC budget/workplan and whether they have been documented. * If the control is not documented, enquire from process owner how it is meant to be executed   **TOI**   * Obtain one VTC budget and confirm that it is implemented as documented in the provisions. * Walkthrough and document the process flow/ map. Note any gaps in implementation   **TOE**  For a selected sample of VTCs test whether: |

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|  | **Audit Objectives** | **Risks** | **Expected Internal**  **Controls** | **Audit Test** |
|  |  |  |  | * An annual budget was prepared and submitted to the BoM for submission. * Obtain minutes of the BoM to confirm approval of the budget (County TVET act (40), 2017) * Obtain the VTC Budget and verify that the grant funds have been included and budgeted on vote lines that were allowed by the Circular no. moest/vit/11/4(43) of 11th april,2018 * Confirm that the budget was submitted to the director of vocational training at least three months before commencement of a new financial year.   Circular no. moest/vit/11/4(43) of 11th april,2018 |
| 6. | To confirm that vocational training grant is utilized for the intended purpose | Diversion of funds | VTC Grant Bank Account | **TOD**   * Establish whether there are provisions or key requirements on bank account and whether they have been documented. * If the control is not documented, enquire from process owner how it is meant to be executed   **TOI**   * Obtain the policy and confirm that it is implemented as documented. * Walkthrough and document the process flow/ map. Note any gaps in implementation   **TOE** |

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|  | **Audit Objectives** | **Risks** | **Expected Internal**  **Controls** | **Audit Test** |
|  |  |  |  | * Obtain a county bank account’ register and confirm that a special purpose account was opened for the grant. PFMr 76 * Obtain a letter approving the opening of the bank account from the CEC member for finance PFMr * Obtain the approved budget, CRF funds received report and the grant bank account to confirm that all grant monies received was subsequently transferred to the grant account. PFMR 74 * Obtain the grant account cashbook and bank statement and confirm that the funds were paid to the vocational training centers only. In case of any inter account borrowing, confirm that there was a written approval from the CECM Finance and the funds are   refunded before the end of the financial year. |
| 7. | To confirm the Vocational training reports are submitted on time | Delay in submission of reports | Quarterly technical and financial reports | **TOD**   * Establish whether there are provisions or key requirements on technical and financial reporting and whether they have been documented. * If the control is not documented, enquire from process owner how it is meant to be executed   **TOI**   * Obtain a sample of quarterly technical and financial report and confirm that it is implemented as documented. * Walkthrough and document the process flow/ map. Note any gaps in implementation   **TOE**  Obtain the quarterly reports for period and test that:   * + They were approved and submitted to the CECM in charge of vocational training by end of every quarter. |