

REPUBLIC OF KENYA

NYANDARUA COUNTY ASSEMBLY

1ST ASSEMBLY- 5TH SESSION

OFFICIAL REPORT

Wednesday 1st January, 2017

The Assembly met at the Assembly Chamber (P.C.E.A Hall) at 2:30 p.m.

[The Speaker (Hon. Ndegwa Wahome) in the Chair]

PRAYER

QUORUM CALL AT THE COMMENCEMENT OF THE SITTING

(There is quorum as confirmed by the Clerk-at-the-Table)

Speaker: There being quorum we can proceed with the business of the session.
First order.

MOTION

REPORT AUDITED FINANCIAL OPERATIONS OF THE NYANDARUA COUNTY ASSEMBLY FOR THE PERIOD 1ST JULY 2013 TO 30TH JUNE 2014

Yes, member for Githioro and the Chairperson of the Public Investments and Accounts Committee Hon. Silvester Kagiri Mwangi.

Hon. Silvester Kagiri: Thank you Mr Speaker, I beg to move the following motion;

That this House does adopt the report of the Public Investments And Accounts Committee on the Audited Financial Operations of the Nyandarua County Assembly for the period 1st July 2013 to 30th June 2014 as a report of this House and the recommendations there in as resolutions of this House.

Mr Speaker, this is the report from the Auditor General for the period 1st July 2013 to 30th June 2014. This is the year that we came here and as usual, all the financial operations of the County Government are audited by the Auditor General and the report is submitted to this House for investigation by the committee.

Mr Speaker, we scrutinised the report as required by the law. It has timelines according to the constitution and that is two months after it has been committed to the committee. We are supposed to respond to the queries that have been raised by the Auditor General.

As it is known by everyone, there are some issues that were raised by the Auditor General concerning the financial operations of that year. According to the mandate of the

committee, we scrutinized the report seeking response from the accounting officer, that is the office of the Clerk, on the queries that had been raised.

I want the members to bear in mind that some of the queries are touching on individual members. I always say that there is no sacred cow when it comes to public funds. Some of these things may follow someone when you shall not be serving here.

We thank the office of the Speaker and the office of the Clerk for facilitating us. I also appreciate the members of the committee who worked tirelessly to compile this report. I commend the secretariat for the good job. Working with numbers to see whether what you have is correct, is tedious.

Mr Speaker, I will not read the report but I will highlight some of the queries that were raised by the Auditor General which were more than twenty. On page 13, there is the most critical that I would like the members to note.

Irregular procurement and administration of the County Assembly car loan and mortgage. Those that have gone through the report know the issue that the Auditor General had raised. We sought response from the management and we were given. The committee has some findings. Some of the members did not submit their title deeds and car log books as security. On page 16 it was recommended that the County Assembly should recover the total loans from every member of the County Assembly from their salaries before 31st July 2017. We recommended that the management should resolve to recover the unpaid amount or the balance and pay as at 31st July, 2017 from the member's gratuity. If a member will not have paid the whole amount before 31st July, 2017, that money should be recovered from his or her gratuity.

The next query that is critical is the irregular procurement and payment of tour services. This is when the members travelled to Malaysia and Singapore. The response by the management was true and we know it. The management said that the members were supposed to be paid quarter per diem. After more scrutiny we found that the members had paid personally for their accommodation only that they made arrangements with the agent.

On page 22 there is unrecorded and unsurrendered imprests. Before the systems were put in place by the department of finance, members were given money to pay their ward staff. Members can remember that the initial months we were given money to go and pay the staff. To date there are some members that have not accounted for that money. This is an individual case to every member and I can see that the Clerk to this committee is in the house and we agreed to make this list. Every member will be given the document so that they can know what to do.

Next is the irregular ward office expenditure. This is the money that the members get for the ward office expenditure and to date there are some members that have not supported their expenditure. The members have clerks in their offices who are our personal assistants and the members should make sure that the imprests they are given are accounted for so that these things do not follow them after they have left office.

There are responses from the management and the recommendation is that the County Assembly should ensure that ward imprest is recorded in the imprest register. This will make accounting for this money easy. Recovery measures should be instituted to the member of the County Assembly who has not surrendered as required. I said that there is no sacred cow on matters to do with public funds and we have to do this. This is not personal money and therefore it has to be accounted for. The accounting officer responsible should ensure that all payments are made in accordance to section 203 of Public Finance Management Act. That is all from the ward and I can see the member for Leshau Pondo smiling, probably he is up to date in his accounts. For those that have not accounted they should know that the audited report is a public document and some of our opponents are using this as a weapon. Account for that money and get your name cleared as early as now.

The other query is unprocedural variation of the bill of quantities in the construction of the prefabricated chambers. We went through the management's response and as part of the assembly we understood what was going on. However, after consideration we found that there were some instances where the law was not followed. That is why the committee recommends that the County Assembly should ensure adherence to the laid down procurement laws and regulations. The Board should ensure it does this so that we do not get this query in future.

Next are the untaxed allowances for the County Assembly Service Board. We could not find any circular that said that the allowances should not be taxed. We got the response from the management and as a committee, we got satisfied that the money was recovered.

Hon. Silvester Kagiri: The annexures are there; they are so many. One can get copies from the Office of the Clerk. Some issues such as those on page 32 were contentious. But there were no proper guidelines then to guide the operations of the County Assembly, though there was a body called Transition Authority. Even if the Auditor General tried to blame the beneficiaries of allowances, we tried to enquire whether there was communication from the offices but we found there was none. In addressing the audit queries, we tried to be as neutral as possible not to be seen to be leaning on the side of the assembly.

One item on page 32 of the report is on Uneconomical and Inefficient Expenditure on Travel and Accommodation Allowances to MCAs for Report Writings in Hired Hotels/Institutions Premises.

Hon. Members, you remember this concerns report writing. It was agreed that would be given fuel allowances of Kshs.5000 while travelling to towns like Nakuru and Naivasha and Kshs.7000 when travelling to towns like Nairobi. The law says that any extra kilometre travelled by an MCA should be compensated on A-A rates basis. The rate of paying travel allowances then saved the management a lot of money. The management should sit with auditors to agree on an appropriate level. Mr Speaker, on this matter there is a recommendation though there were no reports on the same. The Committee recommended that the management should review the practice of report writing at far-flung and expensive places as a measure to minimize the costs associated with these exercises in future.

Other queries include: Irregular and Imprudent Use of Public Resources on Sectorial Review Meeting at Multi Media University and Irregular Payment of Sitting Allowances to Members While Attending I.C.T Seminar at Kisumu. During the latter Members were paid per diems and sitting allowances. Members were not supposed to be paid sitting allowances. So we have to be surcharged. I know the members of the Board are here and with regard to this, I wish to state that for members to be paid sitting allowances, the sitting should be gazetted if it's outside the assembly. Payment of allowances to Members for attending the ICT seminar in Kisumu was illegal and so we have to be surcharged, I'm sorry. I was also paid sitting allowances during the said seminar.

(Laughter)

The annexures on the money the Members should be surcharged is with the Clerk. Tomorrow, individual Members will receive communication on the money they ought to be surcharged. This report has been compiled thoroughly. The Committee can substantiate everything in and pertaining to the report.

Another query is on Ad hoc the Committee on Alcoholic Drinks (4-7 June 2014). Though the relevant Members will not be surcharged the allowances paid for this one, in future The Finance Department should ensure that the officers are usually facilitated for the travelling day appropriately by making sure that proper dating is done to coincide with the actual days attended. This will help avoid such queries in future.

On irregular sitting allowances for Agriculture Committee report writing on the Status of Fertilizer Dissemination in Nyandarua County at K.S.M.S, the Committee recommended that the affected officer(s) should be surcharged accordingly.

Irregular Accommodation Allowances to Implementation Committee was given a clean bill of health. But the Committee recommended that the Finance Department should keep records with proper dating to avoid incidences that could be construed negatively.

The Committee wrote a report on irregular accommodation allowances on Justice, Legal Affairs and Public Service /Public Investments and Accounts Committee on the illegal employment of staff in the defunct town council of Ol'kalou. Some of the Members did not attend the meetings though they were paid allowances. Two Members of my Committee are affected. This was not as a result of forwarding attendance lists. The Committee recommended that the members concerned should be surcharged immediately and ensure that those funds are channelled to proper use in areas beneficial to the public.

Another query is Irregular Accommodation Allowance by Committee Members of the Joint Committee on Roads, Public Works and Transport for Nyeri, Murang'a and Nyandarua Counties at K.S.M.S of Kshs. 218,000.00 from 28th April -1st May 2014. The Committee indicates dates of events/meetings in the report so that Members can remember. The Committee recommended that the affected members should be surcharged with immediate effect.

Under Irregular Expenditure for Attending KICOSCA Games at Nairobi I must say that all Members attended the KICOSCA games. The management convinced the Committee that the circumstances that made it pay Members allowances during the above mentioned event were satisfactory.

Members of the County Assembly were paid per diem for attending a workshop for The National Alliance (TNA) members organized by NARJ in partnership with TNA. I do not know whether the Member for Magumu who was not a Member of TNA was paid the per diem.

Another query was unprocedural Recruitment of Staff. I wish the Chairperson of the CASB was here. The Committee scrutinized the application documents that were presented to it but some of them were not adding up. Some of the officers had no required documents. Though the management tried to convince the Committee, it was not satisfied. The Committee did not give a harsh recommendation on this one; but some of the officers are not supposed to be working for this County Assembly since by the time of applying for their positions they did not have the required documents.

The Committee has documents to substantiate this. CASB should note that. Should officers who came for the interview and were not picked went to court, the whole recruiting process would be nullified. Recruitment processes should be competitive. At the back of our mind we know that if the Committee recommended that the affected officers be sent home, the CASB gave them appointment letters, the County Assembly would use a lot of money to compensate them since it was not their fault but the fault of CASB. This query may continue reoccurring until the CASB advises the affected officers to bring the relevant documents. I rest my case on this one but we were not happy on how the recruitment of the affected officers was done by the Board. Since we are heading to the end of the term, we should say: let the sleeping dog lie, we should not wake it up.

Page 60 of the report has a query on Irregular Accommodation Allowances Paid to Members of the County Assembly. Before the car and mortgage scheme for the Members of the County Assembly was rolled out, we, the Members of this Assembly, used to receive Kshs.5000 each every Tuesday as accommodation allowances. This was to enable Members arrive at or before 9 O'clock for assembly sittings on Wednesdays. The management convinced the Committee arguing that without the said scheme in place, Members could not have managed to acquire houses near the Assembly Chambers. Nonetheless, the Committee Mr. Speaker, Sir, recommends that the County Assembly should ensure that rules and regulations

governing management of public funds are adhered to. Unprocedural allowances should be discouraged.

There is a query on Irregular Payment of Speaker's Entertainment Allowance While on a Foreign Tour. This was explained and we got satisfied with the explanation. They called it contingencies and therefore it was not entertainment allowance.

Concerning lack of IFMIS, that time we did not have the infrastructure. Right now it has been installed and members are paid through IFMIS.

Mr. Speaker, Sir, our conclusion was that the County Assembly's financial management should be guided by the Constitution of Kenya, PFM Act, 2012, Public Procurement and Disposal Act 2005 and Regulations 2006, Public Sector Accounting Standards and other relevant legislations and financial frameworks. This implies that the finance department should always be deducting taxes and consequently, submitting them to KRA.

In addition, the County Assembly should establishment of a financial policy to complement existing legislation and financial guidelines on issuance and surrender of imprest so that they are always adequately accounted for. Further, it is imperative that the County Assembly sticks to the budget to avoid some audit queries in future.

That was the advice of the committee to the management of this assembly. The clerk of the committee will give every member the amount that he or she will be surcharged. We have to be a good example to the rest. We are the oversight team and we should be the role models to the rest. We are now scrutinizing the audit reports for Ol'kalou Water Company as well as the Nyandarua Water Company.

With those many remarks I call upon hon. Dorcas to second the motion.

Speaker: Hon. Dorcas.

Hon. Dorcas Kihara: Thank you Mr Speaker, Sir, I raise to second this report from the Public and Investment committee which is the first report on the audited reports of Financial Operations of Nyandarua County Assembly for the period July 2013 to 30th June 2014.

As the chairman has said, the issue here is what the members will be surcharged because each and every member needs to be cleared, by tomorrow every member will be aware of what he has to pay. We have also recommended in this report that the board should make sure each member pays their loan, members will receive their updated statements by 2 P.M. tomorrow. I know this is a hard time for we need to go for campaigns and still get cleared, but this has affected all of us even the PIC/PAC members and as an oversight body, we need to lead by example, with those few remarks I beg to second.

(Question proposed)

Speaker: Hon. Nancy the county member from Kipipiri ward.

Hon Nancy Ng'ang'a: Thank you Mr Speaker, I also rise to support this report of the Public Accounts Committee which I am a member, first I want to thank the management for responding to the queries from the auditor General, they responded in a way that will not raise questions even in future.

Our able chair has explained everything so well and I hope there will be no resistance from the people because everything is self-explanatory. Where members needed to refund, even from us the members of the committee they will, we are all in agreement that we truly used the money and we are ready to pay it back. As a committee we are happy because we are not expecting resistance from the honourable members.

Another issue is where there was an irregularity in employment especially the communication department which was affected so much. On that one I do not know what will

happen in future. As you are aware people out there know who was employed irregularly. Sometimes it is so bad when you hear them talk and say “*ngoja wacha twende huko...*” I am saying this in quotes and pinpointing at this one case Mr Speaker. On this one that was employed by the board and was found to be suitable than the rest, the management responded that among all the interviewees, this one responded so well. However, whoever was picked did not have any documents, never had a certificate or a diploma and just passed through the word of mouth. Mr Speaker we have to be very careful. The board next time should be very careful when it comes to employment.

I support the motion.

Speaker: Hon. Kariuki Muchiri, the Leader of Majority.

Hon Kariuki Muchiri: Thank you Mr. Speaker, I raise to support the report of the Public Investments and Accounts Committee on the Audited Report for the financial year 2013/14. I actually commend them for a job well done. Mr Speaker, this is the first assembly and the members were not privy to most of the information on how they were supposed to be paid and mistakes were bound to happen. We went to Kisumu and we were paid sitting allowances because we thought we can sit anywhere and get paid. Now that the assembly knows that, I am sure that because I am in the board these mistakes are not happening. The only way to deal with it is actually to go by the recommendations of the committee. Where a member of a certain committee has been found that he was paid irregularly and this money needs to be recovered the best thing is for the department of finance to do its work without further inquiry from the members.

We know it actually happened and because we want to set a good example even to the executive, let it happen and let it happen very soon. Let that money be recovered. We cannot go to the campaigns and the elections with debts, these debts might come haunting us. It is important that this money is recovered and paid to the county treasury so that it can go and do other works.

On the issue of employment, I was not in the board then but I can say that now the interviews we are doing are overboard and we are actually employing those people who are supposed to be employed, but if a mistake occurred, then we will have to live with those mistakes in the audit queries. There is nothing much we can do because once you employ a person whether regularly or irregularly to sack that person we must go through a lot of procedure, so we will have to live with the mistake that happened.

I urge the members to agree to pay the money that we are required to pay. Let us pay and we will be comfortable once we get out of this assembly. I urge the committee clerk to provide the information that the chairman has said. Let each member be provided with what he or she is supposed to pay back to the government so that we can make plans in advance of how this money will be recovered and with those a few remarks, I beg to support the report.

Speaker: Yes, member for Githabai Ward, Hon. Peter Kairu.

Hon. Peter Kairu: Thank you Mr. Speaker, Sir. I wish to support this report and commend the committee for a job well done. I wish to state, as a member of this committee, that there is no favouritism in this report. Although the good book says that during the time of ignorance the Lord forgave us, the auditor general did not forgive anyone. I am expected to repay over Kshs. 100,000 for meetings I attended but never signed the attendance register.

There are also cases of people who were employed without the requisite qualifications which I feel is a mockery to those who used their grey matter appropriately. This is a cause of demoralization and I urge, in future that those employed will be qualified with proper documents.

Speaker: Yes, Member for Gathanji, Hon. Samuel Thuita.

Hon. Samuel Thuita: Thank you, Mr Speaker, Sir. I rise to support this report on the basis of prudent use of public funds. This is a report of the auditor General for the F/Y 2013/14.

The PFMA provides that such a report should be submitted to the House not more than 90 days from the day of the report. This means, therefore that the report ought to have been submitted sometime in 2014. All these members and staff that are to be surcharged should have been surcharged a very long time ago. Now, we only have a few months to the end of our term. From where are we to get these monies? I would also wish to say that some of these queries raised here cannot be truly verified. It was so long ago that we may not remember whether or not we did travel and if we did, whether we travelled at the stipulated date or the committee's travel date was rescheduled as was common practice then.

(Hon. Dorcas Kihara rises on a point of information)

Speaker: Member for Gathanji, do you require information from the county member from Githioro?

Hon. Samuel Thuita: Yes Mr. Speaker, Sir, I do.

Speaker: Very well. Proceed County Member from Githioro.

Hon. Dorcas Kihara: Thank you Mr. Speaker, I want to inform the member for Gathanji that the Committee was guided and confirmed the attendance register.

Speaker: Proceed Member for Gathanji.

Hon. Samuel Thuita: Thank you Mr. Speaker, Sir. Some committees that required to travel were rescheduled to travel at a later date to avoid clashing but no letter was issued to support the rescheduling. The initial letter was deemed to be sufficient.

Additionally, Mr Speaker, some of these recommendations based on the SRC guidelines and circulars came over a year later. We cannot judge the members with laws that came later. The law does not apply retrospectively. This is illegal and it could have been avoided had this report come at the appropriate time and the queries responded to promptly. I support the report with reservations.

Speaker: Yes, County Member from Magumu, Hon. Teresia Kamau.

Hon. Teresia Kamau: Thank you Mr Speaker. The PIC/PAC has done its work and mine is to urge the members to pay their dues so that we can protect our integrity. This is an electioneering year and some of us will be seeking political seats. Thank you Mr. Speaker, I support and call the mover to respond.

Speaker: Yes, Member for Githioro and Chairperson PIC/PAC, Hon. Silvester Kagiri.

Hon. Silvester Kagiri: Thank you Mr Speaker. I wish to thank the members for their contributions and support for this report. I especially would like to thank them for agreeing to pay these monies. Two wrongs do not make a right. A crime was committed and we have to make it right for both the Members and the staff. Thank you Mr. Speaker, Sir, I beg to move.

(Question put and agreed to)

ADJOURNMENT

Speaker: Having exhausted the business of the day, as appearing on the order paper, this House stands adjourned till tomorrow, Thursday 2nd February 2017 at 2.30 p.m.

(The House rose at 3.36 p.m.)

