REPUBLIC OF KENYA

NYANDARUA COUNTY ASSEMBLY

2ND ASSEMBLY- 2ND SESSION

OFFICIAL REPORT

Wednesday 21st February 2018

The Assembly met at the Assembly Chamber at 9.00 am.

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

Prayer

QUORUM CALL AT THE COMMENCEMENT OF THE SITTING

(The clerk-at-the-table confirms that there is quorum)

Speaker: Hon. Members, quorum having been recognized, we can proceed with the business for the sitting.

First Order.

PAPER(S)

REPORT ON THE ASSUMPTION OF THE OFFICE OF THE GOVERNOR

Speaker: Yes the Member for Kiriita and Chairperson of the Committee on Legal Affairs, Labour and Intergovernmental Relations and Coordination, Hon. Justus Gaita Wagura.

(Hon. Salome Kamau rises on behalf of Hon. Justus Gaita)

Speaker: Oh, I think the Vice Chair and the County Member from Magumu, Hon. Salome Kamau is handling the issue.

Hon. Salome Kamau: Mr Speaker, Sir, on behalf of the Chair of the Committee on Legal Affairs, Labour and Intergovernmental Relations and Coordination, I rise to table the Committee's Report on the Consideration of the Report on the Assumption of Office of the Governor. I beg to table.

Speaker: Very well, Hon. Members, the Paper is duly tabled and the House Business Committee shall give further directions on how the same shall be processed.

Next order.

NOTICE OF MOTION

REPORT ON THE ASSUMPTION OF THE OFFICE OF THE GOVERNOR

Speaker: Yes the County Member from Magumu and Vice Chairperson of the Committee on Legal Affairs, Labour and Intergovernmental Relations and Coordination, Hon. Salome Kamau.

Hon. Salome Kamau: Thank you Mr Speaker, Sir. Again, on behalf of the Chairperson of the Committee on Legal Affairs, Labour and Intergovernmental Relations and Coordination, I beg to give notice of the following motion:

THAT this House does adopt the Report of the Committee on Legal Affairs, Labour and Intergovernmental Relations and Coordination on the Consideration of the Report on the Assumption of Office of the Governor as a report of this House and the recommendations therein as the resolutions of this House. Thank you Mr Speaker, Sir.

Speaker: Very well; the notice of the motion on that report is duly given and the House Business Committee shall give directions on how the same shall be processed.

Next order.

MOTIONS

(TO BE MOVED)

STATUS OF IMPLEMENTATION OF COUNTY ASSEMBLY RESOLUTIONS FOR THE PERIOD 2013-2017

Speaker: Yes, the Member for Wanjohi and the Chairperson of the Committee on Implementation, Hon. Isaac Kung'u Wanjiru.

Hon. Isaac Kung'u: Thank you Mr Speaker. I beg to seek leave of the House not to move this motion this morning due to the fact that the Members have been so engrossed in the report by the Public Accounts and Investments Committee that they have not had time to look at the report by the Committee on Implementation. Through your guidance, Mr Speaker, could we allow the Chairperson of PIC/PAC this time to dispense with the business he was unable to finish during the last session?

(Hon. James Gachomba rises on a point of order)

Speaker: The Member for Njabini Kiburu, a Member seeking for leave of the House cannot be out of order. It is allowed and unless there is a contrary opinion, I was to intervene and ask the Chairperson of the Implementation Committee to move this particular motion at another time so that he does not disrupt the flow of the motion on the PIC/PAC report.

You appreciate, Hon. Members, that the Chairperson of PIC/PAC was not able to conclude because the House lost quorum at around 5 pm. Unless there are very compelling reasons as to why we should not proceed with the motion on the PIC/PAC report, I would cede the grounds and agree that we grant leave to the Chairperson of the Committee on Implementation to move the motion at any other time but now, as allocated by the House Business Committee. The Member for Njabini Kiburu, you had something to say but, obviously, nobody was out of order. Do you want to make an intervention?

(EXPUNGED)

Speaker: I do not want to extend that debate, the Member for Geta. There is no reason why we should not proceed with what we started yesterday and I will call upon the Hon. Member for Gatimu and the Chairperson of the Committee on Public Accounts and Investments to continue from where he stopped as directed yesterday.

RESUMPTION OF BUSINESS INTERRUPTED ON 20TH FEBRUARY 2018 AT 4.38 P.M

MOTION

AUDITED FINANCIAL STATEMENTS OF THE EXECUTIVE FOR YEAR ENDED 30TH JUNE 2015

Hon. Kieru Wambui: Thank you Mr Speaker, Sir. I beg to move the motion;

THAT this House does adopt the Report on the Audited Financial Statements of the County Government of Nyandarua (Executive) for the year ended 30th June, 2015 as a report of this House and the recommendations therein as resolutions of this House.

In the resumption of interrupted business as you have directed, I would request the Hon. Members to go to page 32 on the recurrent expenditure. Mr Speaker, Sir, an analysis of budget vs. actual expenditure revealed that the County Government actual recurrent expenditure in some items exceeded the budget allocations for the year under review as follows:

ITEM	FINAL BUDGET KSH.	ACTUAL EXPENDITURE KSH.	OVER/ (UNDER) EXPENDITURE KSH.	ACTUAL AS % OF BUDGET
Compensation of Employees	1,386,574,028	1,401,032,517	14,458,489	101%
Use of goods and services	734,662,079	789,798,337	55,136,258	108%
Transfer to other GOK Entities	80,890,697	86,146,320	5,255,623	106%
Other Grants & Transfers	67,500,000	103,513,833	36,013,833	153%
Social Security Benefits	13,185,530	15,539,108	2,353,578	118%
Acquisition of Assets	178,950,215	67,008,168	(11,942,047)	37%

Other payments	165,000,000	117,040,341	(47,959,659)	71%
Total	2,626,762,549	2,580,078,624	(46,683,925)	98%

The County overspent on five items and underspent on two items indicated above with the total over expenditure of Kshs.113, 217,781 and under-expenditure of Kshs. 159,901,706 of the recurrent budget for the year. No explanation was provided for the over expenditure. Further, this expenditure was not regularized through supplementary estimates.

Recurrent Expenditure per Department

Ministry	Budget Kshs.	Actual Kshs.	Under expenditure Kshs.	Over-expenditure Kshs.
Executive, County attorney, intergovernmental relations & CPBS	290,848,869	267,177,288	23,671,581	-
Finance &economic planning	393,593,088	381,498,602	12,094,486	-
Agriculture, livestock & fisheries	264,493,820	269,470,222		4,976,402
Lands, housing & physical planning	75,666,000	53,490,207	22,175,793	
Roads transport & public works	74,510,000	77,618,661		3,108,661
ICT & E-Government	53,523,223	48,898,347	4,624,876	
Health services	708,435,212	714,868,651		6,433,439
Education, Gender ,youth & sports	147,611,932	153,673,211		6,061,279
Industrialization, coop &trade	64,121,696	56,887,492	7,234,204	
Tourism, wildlife & sports	10,597,750	13,918,994	-	3,321,244
Water & environment	65,148,484	65,335,559		187,075
County Assembly	478,112,475	477,241,390	871,085	
TOTAL	2,626,662,549	2,580,078,623	72,772,025	24,088,100

The following was noted:

A. The above analysis shows that five County executives departments and County assembly underspent by a total of Kshs 72,772,025 while six departments overspent by Kshs 24,008,100 above the approved budget hence an overall recurrent expenditure of Kshs. 48,683,926. No explanation was provided for the variances noted.
B. From the above analysis, it is clear that reallocation of funds from one department to another, with the department of health incurring the highest over expenditure of ksh.6,433,439 while executive &CPSB realized under-expenditure of kshs.23,971,581 during the year under review.
C. The reallocation of recurrent funds was not regularized through supplementary budget as required by the PFM, Act 2012.

The Nyandarua County Executive officers told the committee that the under-expenditure occurred due to the late disbursement of funds by the National Treasury. However, no explanation was provided for the over expenditure. Mr Speaker you know how shrewd the executive is. When you ask them why they underspent, they say it is because the money was released late but if you ask them why they overspent, they do not have a response.

The Committee observed that the late disbursement of funds caused an underutilization of funds by the County Government of Nyandarua. Further, the Committee observed that the County Executive was in contravention of Section 135 (2) of the PFM Act which states that;

> A county government shall submit a supplementary budget in support of the additional expenditure for authority for spending.

Mr Speaker, you realize that the funds that were over-spent are the funds going into individual officers' pockets in terms of per diems and what-have-you but the funds that were to be channeled to *Wanjiku* were underspent.

Mr Speaker, the Committee recommended:

- That the National Treasury should disburse funds in a timely manner.
- That Section 135(2) of the PFM Act, 2012 should be adhered to.

On revenue analysis, Mr Speaker, the County Government surpassed the budgeted revenue collection by Kshs. 40,629,472 in 2014/2015 financial year as follows;

Revenue source	2014/2015 Budget Kshs.	2014/2015 Actual Kshs.	Over Collection	Actual as % of Budget
Exchequer Release	3,758,296,517	3,758,296,517	-	100
Danida Grants	16,480,000	16,480,000	-	100

Other Receipts	200,000,000	240,629,472	40,629,472	120
Total	3,974,776,517	4,015,405,989	40,629,472	101

i) The County Government received the full estimated exchequer disbursements and Danida grants of Kshs3,758,296,517 and Kshs16,480,000 respectively during the period under review. However, the management did not disclose bank balance brought forward from 2013/2014 of Kshs599,526,460 to fund the budget of 2014/2015

ii) Other receipts comprised of revenue from local sources and the actual collected total Kshs240,629,472 against budget of Kshs200, 000,000, exceeding the budget by Kshs40,629,472. However, the budget of Kshs200,000,000 was not analyzed into various specific revenue sources, hence comparative analysis of budget and actual collection could not be carried out. We do not know where the kshs200,000,000 came from.

iii) Cashbook and bank reconciliation statements for revenue account 0620261016673 at Equity bank were not prepared during the year under review.
Cashbook and bank reconciliation statements for revenue accounts 0620261016673 Equity bank were not presented.

iv) Included in other receipts of kshs240, 629,472 for the year ended 30th June 2015, is an unanalyzed amount of kshs13, 617,286 described as direct banking. The accuracy of this revenue therefore could not be ascertained. This direct banking was not clear, as there were no schedules supporting it.

The management did not include in its written response an explanation as to why they did not disclose the bank balances brought forward from FY 2013/14 of Kshs599,526,460 to fund the budget of FY 2014/15. However, during their oral submissions, they stated that the errors were occasioned by lack of adequate staff. Now, they have shifted the blame yet when we called all the staff to appear before the committee, there were directors of accounts and very highly qualified people.

The Committee made the following observations: That it was erroneous for the finance department not to include the balance brought from FY 2013/14 as the opening balance in the FY 2014/15. The amount of Kshs599,526,460 is material and thus it affected the accuracy of the financial report for the financial year 2014/15. This is financial misreporting which impacts negatively on the image of the County. The County treasury should ensure that all the financial records are correct and accurate and in line with the International Financial Reporting Standards. The County Government almost lost this money because it was not captured in the balance brought forward. The buck stops with us the politicians because we are the ones branded thieves.

The Committee proposed that the County treasury should always prepare financial statements in line with the International Financial Reporting Standards (IFRS). On revenue sources, the management indicated that Nyandarua County had identified thirty (30) revenue sources. These are; single Business permits, produce cess and royalties, bus and Matatu fees, liquor license, open air market fees, plot rates, motorcycle fees, health services, among others.

The budget had been analyzed into different sources as per Nyandarua County Integrated Development plan (CIDP) 2013-2017 with little adjustments. Quarterly reviews were made which resulted to changing the initial budget from Kshs. 172,992,941 to Kshs. 200,000,000. Revenue budgets from J.M hospital and Engineer Hospital were considered to increase own local revenue to Kshs. 200,000,000.

The Committee observed that the response given by the finance department was insufficient as it failed to answer the concern raised by the Auditor General. The department should have attached a detailed report containing the breakdown of the Kshs200,000,000 consisting of local revenue. The issue was not the source of the revenue but the actual figures that were collected by the County. Lack of adequate information for both the Auditor General and the Committee made it impossible to analyse the local revenue and determine the actual local revenue collected. This reporting was not in line with the form recommended by the Accounting Standards Board.

Mr Speaker, the Committee recommended that the Finance Department should be found culpable for not availing the necessary information to the Auditors as required by the Accounting Standards Board.

On cashbook and bank reconciliation statements, the management indicated that Bank reconciliation statement for Equity bank account no.062061016673 was prepared for the period under review.

The Committee made the following observations; that the attached bank reconciliations statements did not contain the bank reconciliations for the months of July and August 2014. The failure to include the bank reconciliation statement for the month of July 2014, which is the base month makes it difficult to verify the correctness of information provided. That the management failed to present the bank reconciliation Statements to the Auditor General for auditing and review. The committee recommended that the County Treasury should always provide all the necessary information to the Auditor General.

Mr Speaker, Sir, the management included in the actual other receipts of Kshs. 240,629,472 for the year ended 30th June 2015, was Kshs. 13,617,286 described as direct banking. The source of revenue was analysed as direct banking when bank reconciliation was prepared indicating a difference between the sum of all total banking made and total deposits received in the banks. The County through regular enforcement sensitizes the public to be forwarding all deposit slips to cash offices in all sub-counties, for exchange for official receipts. The County Government has instituted timely bank reconciliations to reflect such cases for immediate actions.

The Committee made the following observations; the explanation that the difference was occasioned by the difference between the deposits received and the total banking does not conclusively answer the audit query. The explanation does not hold water as bank reconciliations are done on monthly basis and any difference should have been noted and rectified. Further, the management failed to provide the Committee with the alleged bank reconciliation that help identify the money as direct banking.

The Committee also observed that the issue of depositing money in the banks without issuing the official receipts may be subject to abuse leading to misappropriation of funds. The department however stated that they have since rectified the situation by instituting timely bank reconciliations. The Committee recommends that the Accounting Officer must always do timely bank reconciliations to avoid misappropriation of funds or having inaccurate records.

Mr Speaker, Sir, the Revenue records maintained by the County Government revealed that the County had uncollected revenue amounting to kshs.5, 265,497,440 as at 30th June 2015. The revenue relates to rates and rents of properties in various parts of the County. It appeared like no efforts were made to recover the revenue, some of which have accumulated over several years.

Revenue records maintained by the County Government revealed that the County had uncollected revenue amounting to Kshs. 5,265,497,440 as at 30th June 2015 relating to rent and property rates. The County Government had given a waiver on all property rates from mid-April to June 2015 in an effort to recover all revenue arrears. The conditions given were that the rates payer clears the principal and all accrued land rates within this period.

The County Government of Nyandarua operates on LAIFOMS (Local Authority Information Management System) inherited from the defunct local authority. The system maintenance is a challenge to many County Governments in Kenya. The system is capable of duplicating the arrears on penalties for the rent and rates on properties hence reporting inaccurate figures. The County Government has appointed a Committee to help it in cleaning data on land rates records so that an accurate data can be obtained to reflect correct land rates arrears. The County contracted KCB/Riverbank in revenue automation so that realistic debt can be reflected.

Mr Speaker, Sir, the Committee made the following observations: That the County has a lot of funds in form of arrears from land rates which can otherwise go a long way in service delivery. Besides, explanation given by the department that (LAIFOMS) is unreliable is true. However, the department should have instituted measures to deal with the unpaid rates and have an accurate system without prompting from the office of the Auditor General. The department also failed to explain how the new measures have improved revenue collection or the reduction errors. Mr Speaker, the Committee recommends that County Executive Member for Finance and Economic Planning should establish a policy to ensure that the land rates in arrears are paid.

Mr Speaker, Sir, on revenue under banking, all collection for the County are supposed to be banked intact in collection accounts and later transferred to County Revenue Fund account at the Central Bank of Kenya. However, a comparison of revenue collection by the County and the bank statements availed for audit revealed an under banking at Kshs.17,875,289 as shown in the table below:

UNDER BANKING	KSHS.	KSHS.
Total collection as per County records	-	240,629,472
Collection as per bank statement: KCB	198,351,791	-
Equity bank	24,402,391	222,754,289
Under banking	-	17,875,289

Failure to bank revenue promptly may create opportunities for misappropriation of funds. It has not been possible therefore to ascertain that all the revenue collected was accounted for.

The management responded by saying that during the year under review, Equity Bank statements reflected total revenue collected from 1st July 2014 to 30th June 2015 at Kshs. 64,436,183.17 and not Kshs 24,402,391 as claimed. The department provided the Committee with a bank statement for an equity bank account no.062061016673 that showed a closing balance of Kshs. 64,436183.17.

The Committee made the following observations: That the bank statement for equity bank account no.062061016673 was not provided to the Auditor General. That a closing balance of Kshs. 64,436,183.17 at the said account would have led to an overbanking of Kshs. 22,158,502.17 (198,351,791+ 64,436,183.17 -240,629,472=22,158,502.17). This means that the financial records from the departments were still inaccurate thus the Committee could not determine whether the funds were collected and accounted for accurately.

That the department failed to provide the bank statement showing the opening balances of the referenced account as at 1st July 2014. They only attached the closing statement for 29th and 30th June 2015. The Committee thus could not verify the accuracy of the funds collected in the account due to lack of the opening balance.

The committee recommends;

- That the Department of Finance and Economic Planning should always present the accurate and right documents to the Auditor General and in conformity with the accounting standards.
- That administrative action should be taken against the officers responsible for preparing financial statements.

Mr Speaker, Proper revenue control requires that accountable documents purchased be recorded as inventory from where issues are made. Issues are normally made to revenue officers responsible for revenue collection. The revenue officer is then supposed to surrender the duly filled up accountable documents and the system updated with the same. However, analysis of accountable documents issued through LAIFOMS system between 1st July 2013 to 30th June 2015 revealed cases of accountable documents that were issued but not surrendered, resulting to possible revenue loss during the same period amounting to kshs.83,240,526.

The management responded by indicating that all accountable documents received by Nyandarua County from government printer or prequalified suppliers to supply such books were recorded immediately in the counter receipt book register (CRBR) in the head office. Books are issued to Sub-County Revenue officers and the same recorded in the sub counties CRBRs. The issued receipt books to Sub-counties were controlled and audited in all sub counties. Due to unavailability of space the receipt books were retained in sub counties awaiting external audit. All sub counties CRBs were availed for audit. All books were returned and controlled. Copies of County receipts books counterfoil were attached.

Mr Speaker, Sir, the Committee made the following observations: That the information given by the department contradicted that given by the office of the Auditor General. While the department insisted that the accountable documents were availed to the Auditor General, the Auditor notes that they were not availed.

That the counterfoil receipt book register provided by the department are inconclusive as they are not clearly signed by the recipients and they do not show the number surrendered. The documents submitted thus cannot be used to address the concern raised by the Auditor General. This may lead to the County losing funds to the revenue collectors. That the County Treasury should ensure that those charged with the task of revenue collection in the County adhere to the rules governing accountable documents.

Further. Mr. Speaker, Sir, the Committee wrote to the County Secretary requesting his office to respond to the audit queries. The office of the County secretary responded via two letters dated 7th April 2017 and 2nd November 2017. The Committee made their findings and observations purely based on the responses made in the two letters. On over expenditure,

(i) The Auditor General had noted that the approved budget for compensation of employees was Kshs.1,386,574,028 while the actual expenditure was Kshs.1,401,032,517 amounting to an over expenditure of Kshs.14,458,489. It was further noted that the over expenditure was not regularized through a supplementary budget.

(ii) The Auditor General raised a concern that the County spent Kshs.1,401,032,517 which is 35% of the total revenue of Kshs.4,015,405, 989 received during the financial year ending 30th June 2015. However, there was no agreed percentage prescribed by the CECM in-charge of finance in a regulation and approved by the County Assembly of wages against the total revenue as required by section 107(2) of the PFM Act, 2012.

The management did not respond to these audit queries, because they are ‘bosses’.

The Committee found that the over expenditure of Kshs. 14, 458,489 was done in contravention of section 135(2) of the Public Finance Management Act**.** This section requires that the over expenditure should have been approved by the County Assembly;

The then CECM for finance failed to enact regulations on the percentage for compensation of employees as required by section 107(2) (c) of the Public Finance Management Act, 2012. However, this is not perilous as it did not exceed 35% of the total as stipulated under Regulation 25 (1) (a) and (b) of the Public Finance Management Regulations (County Governments), 2015. They might be safe since the regulations were enacted in 2015 but remember they were supposed to follow the said regulation.

The Committee recommends as follows;

- That the County Executive Committee Member for Finance and Economic Planning should, for the period under review, was culpable of violating Section 135 (2) of the Public Finance Management Act, 2012 and necessary action should be taken.
- That the County Executive Committee Member for Finance and Economic Planning and the County Public Service Board should ensure that the County public service wage bill is sustainable.

Irregular relocation allowance

Mr Speaker, Sir, this is a new phraseology from the Executive. We enquired from the auditors and they confirmed that there is nothing like relocation allowance. There were relocation allowances amounting to Kshs. 314,118, which were paid to the newly recruited sub County and ward administrators. The AG stated that the payments are not in the code of regulations hence irregular and should be recovered from the concerned staff.

The directorate responded that the County Public Service Human Resource Manual of May 2013 provides for the relocation allowance under section F. 9 (1) which provides as follows;

When an officer is transferred from one station to another, he will be eligible for payment of transfer allowance amounting to one (1) month's basic salary immediately he is released to the new station provided the new station is not less than 40 km from the old station.

The manual provides for transferal, not relocation.

The Committee observed that indeed there was a provision on transfer allowance provided in the County Public Service Human Resource Manual. The Committee however required information on who were the beneficiaries, how they were appointed, when they were appointed and whether the distances were calculated to comply with the manual. The human resource office replied that the sub-County administrators were appointed in September 2014 and there was no transfers. They further stated that the sub-County administrators were not paid transfer allowance but relocation allowance. Further the ward administrators were appointed in February 2015 and others in August 2015 and were not paid relocation allowance. They provided an internal memo from the Ag. Chief Officer, Department of Legal and Public service requesting the Chief Officer, Department of Finance to pay relocation allowance for the following officers;

1. Joseph Kamau Gathenge
2. John Kamau Ngugi
3. Grishon Kinyanjui Njongo
4. Loise Njambi Gakaho
5. Florence Wairimu Gichogo

The Committee made further observations that;

That the County Public Service Human Resource Manual provides for transfer allowance and not relocation allowance. You know when these people want to confuse you they drop unfamiliar words. They used the phrase 'relocation allowance' which is nowhere in law.

The Committee also observed that the department failed to indicate the original locations and the new locations that the officers were transferred to. Even if the transfer allowance was to be given, it would not be allowable if the distance was less than forty kilometres.

The department did not provide the Committee with the schedules proving that the relocation allowances were paid to the said officers. The truth is that the reason they did not provide the schedules is that no officer qualified to be given the allowance. This made it difficult for the Committee to establish if there was merit in the payment of the "relocation allowance". The Committee observed that the sub-County administrators were newly recruited thus they did not qualify for a transfer allowance as provided by the County Public Service Manual, (S. F 9(1).)

The Committee recommends that the "relocation allowance" (transfer allowance) paid to the five (5) officers should be recovered by the payroll section. This should be done immediately since the officers are still in office.

Irregular Payment of Non- Practicing Allowance

Mr Speaker, Sir, an officer was paid Kshs.460,000 being non-practicing allowance through the payroll in July 2014. The correct amount payable should have been Kshs.46,000 resulting to overpayment of Kshs. 400,000. No evidence was availed to show that the officer refunded the money. Further, no pay change advice on the payment of non- practicing allowance was availed for twenty eight (28) members of staff that were paid the non- practicing allowance totaling Kshs.977,000 per month. The propriety of this payment therefore could not be verified.

The management responded that the overpayment of Kshs.400,000 to Zakayo G. Gichuki in July 2014 was paid vide a bankers cheque dated 21st August 2014 which contained the amount less the tax which would be refunded by KRA.

The other staff were paid as per the regulations governing the terms and conditions of the officers' engagement prior to being seconded and the guidelines in the Transition to Devolved Government Act Special issue of 7th February 2014 under terms and conditions of seconded officers. They further stated that the officers who were paid were seconded from the national government. They were mainly in the health department and were allowed to benefit from non-practicing allowance. They further provided a copy of the Collective Bargaining Agreement (CBA) which allowed officers working for the defunct local authorities to draw non-practicing allowances. The agreement had been registered in court as required by law.

The Committee made the following observations;

That Dr. Zakayo G. Kariuki had refunded the overpaid non-practicing allowance (Kshs. 324,404.55) vide a bankers Cheque No. 036403030001514 and dated 21st August 2014.

That the guidelines on payment of non-practicing allowances for Health workers from the Salaries and Remuneration Commission were given after the period under review as they are dated 14th September 2015. This infers that the guidelines were not applicable in the financial year 2014/15 but in the financial year 2015/16. The Circular from S.R.C was specific that the allowances were supposed to take effect from 1st July 2015 thus the circular does not exonerate the department.

That the gazette notice special issue Vol. CXVI No. 20 stipulates that the remuneration including allowances shall not disadvantage the seconded officers. However, the gazette notice does not specifically mention non-practicing allowance though it is specific about medical and house allowance. That there is a contradiction in the information given and that Human Resource should have consulted the S.R.C before paying the allowances.

That the workers from defunct local authorities had a CBA that was duly registered in Court on 7th February 2013. This means that the directorate was right to pay non-practicing allowance.

However, the directorate failed to provide the said information to the Auditor General on time, which would have avoided the audit query. Failure to provide the said information to the Auditor General painted black the image of our count government.

As a committee we recommend as follows;

- Before paying any allowances/benefits that are not clear, the Human Resource department should always seek advice from S.R.C. If a government department fails to consult independent commissions, it makes avoidable mistakes. In case the Executive departments are not clear on specific benefits and allowances, they should write to SRC for clarifications.
- That the department should always provide all the necessary documents to the Auditor General in time. This should be done in future, failure to which we will hold them culpable.

Special Salary

Mr Speaker, Sir, the payroll indicated that sixty-seven (67) members of staff were paid special salary totaling to Kshs.1,519,968 during the year under the review. There was no evidence or explanation on what constitutes special salary and the reasons for payment. The personal files with the relevant pay change advice or letters were not availed for audit review thus, there is a possibility of the County Government incurring irregular payments to employees.

The management response was that the office of the County Secretary stated that they could not verify the accuracy of the query as the details of the sixty-seven (67) employees who benefitted from the special salary was not availed. They however stated that a payroll scrutiny revealed that the staff who benefitted from the special salary were those under the Economic Stimulus Programme (ESP). They explained that the reason it was referred to as special salary was because it was a consolidated pay which was not acceptable in the IPPD system as a block figure. They further attached a copy of the appointment letter of staff under ESP and stated that the situation had been rectified since all employees were absorbed into the County Public Service. After a request from the committee, they also provided a list of the sixty-seven (67) staff members who received the special allowance. That poses a serious contradiction.

What did the Committee observe?

The management response given is adequate and the supporting documents were sufficient. However, the Committee was concerned that the office did not submit the necessary documents to Auditor General. In future, the department should submit all the necessary documents to the Auditor General to avoid unnecessary queries.

The Committee recommends that the office of the County Secretary should always ensure that the Auditor General receives all the relevant documents for audit review**.**

Over Payment of Special Duty Allowance

The Accounting Officer is allowed to grant a special duty allowance to an officer who is called upon to undertake duties of a higher post which the person has qualifications for. This is provided for under the Code of Regulation under section J.5 (1). This allowance is payable at the rate of ten percent (10%) of the officer's substantive basic salary. It was however noted that some officers earned more than the recommended rate. This affected the following officers;

1. Muriuki Lydia Wambui
2. Kariuki Anne Wanjiru
3. Kinuthia Peter Nduati
4. Mwai Mariam Muthoni
5. Onyango Eric Ayayo
6. Muturi Miriam Wanjiru
7. Muli Joel Ngui
8. Mwangi Daniel Irungu

The officers were paid at a rate higher than their basic salaries.

Mr Speaker, Sir, the management's response was that the special duty allowance was paid in accordance with the County Public Service Human Resource Manual requirements. Section F.6 stipulates that special duty allowance shall be paid at the rate of 10% of the officer's basic salary or 10% of the minimum basic salary of the higher grade whichever is higher. The calculations were done at the higher grade as it was the "higher" of the two. The recommendation was approved by the Inter-ministerial Human Resource Committee as the County Human Resource Advisory Committee was not in place. Further they explained that the payments made for the months of April had arrears for the month of March and the payments made in June had arears for the month of May.

The Committee noted that the discrepancies identified by the Auditor General were caused by using different rates. Whereas the Auditor General used 10% of the basic salaries, the human resource directorate used 10% of the higher grade. The arrears affected the computation but generally the explanation given by the department was satisfactory. The Committee also noted that the department should have availed the information to the Auditor General in time to avoid negative opinion. The payments of such allowances should have been done on time without arrears for proper records and accounting. The Committee's recommendation is that the office of the County Secretary should always avail all the documents to the Auditor General in good time.

In the IPPD system, arrears are fed manually. Because of the risk involved, strong controls on payment of arrears should be instituted. Analysis of payroll data for the month of June 2015 revealed that ninety (90) employees earned salary arrears. The basis of payment of these arrears was not availed putting into question the genuineness of these payments.

Mr Speaker, Sir, the management stated that the appendix 1 referred in the report was not attached to the audit report and therefore could not be verified. The analysis and inspection of the payroll indicated that the salary arrears paid to the staff were genuine. An example of Dr. Swaleh Swabra and Lydia Muriuki were indicated as employees who had arrears. The office also provided an extract of the payroll for the year ending 30th June 2015. The office stated that there was no policy on payment of arrears but they were paid at the earliest opportunity.

The Committee observed that the Auditor General did not attach the appendix on arrears in the report as claimed thus it was difficult to scrutinize this audit query. The payroll provided by the office of the County secretary could not assist the Committee in establishing whether the arears were genuine or not as there were no specific figures on arears. The Committee can only deduce from the fluctuating figures that the difference is caused by the arrears. The Committee noted that feeding of arrears manually was not wrong and it usually happens as the IPPD system has no module for automatic feeding such figures and they have to be fed manually. The response given by the office was satisfactory.

Mr Speaker, the Committee recommends that the payroll director should always use the IPPD system to pay salary arrears. I do not know how, but this should be done.

Salaries and Remuneration Commission circular no. SRC/TS/CGOVT/3/16 dated 27th November 2013 on reviewed remuneration and benefits for members of the County assembly (MCAs) set their salary structure. However, it was noted that in their second year in office the MCA earned a basic salary of Kshs. 137,063 instead of Kshs.134, 063 resulting to an overpayment of Kshs. 3000 per month totalling Kshs. 36,000 in a year per MCA. This constitutes irregular overpayment and should be recovered.

Through a letter dated 6th February 2018, the Clerk to the County Assembly, Hon. Nderi Ndiani, who is also the accounting officer of the Assembly, informed the Committee as follows;
That Salary and Remuneration Commission Circular No. SRC/TS/CGOVT/3/16 dated 27th November 2013 indicated the Annual Increment amount as Ksh.13, 313.00.00 for the first year and Ksh10, 313.00, for the consecutive years. However, the error was corrected in the third year wherein the members were paid a basic salary of Kshs.144,375.00 which translated to an increment of Ksh.7, 313.00 which then balanced off the overpayment and as such no need for recoveries. Mr Speaker, the increment was supposed to be Kshs.10,313 for the financial year 2015/16.

However, instead of the Members being paid Kshs.144,375, they were paid three thousand shilling less by the office of the Clerk. Henceforth, the money was recovered.

Upon examination of the said circular, the Committee found the response by the Accounting Officer satisfactory and therefore recommends that the Accounting Officer should always avail all the documents to the Auditor General in good time, to forestall unnecessary audit queries. This should be done to avoid cases of bad names being used against us by the Auditor General.

The above query is in this report and not the report on financial expenditure by the County Assembly because by then, Members of the County Assembly were paid by the County Executive. Nowadays the County Assembly operates its own accounts.

Mr Speaker, Sir, it was noted that the County had continued to use unstructured Microsoft Excel manual payrolls with no standard format. Manual payrolls are prone to errors and fraud. Further, the County could process more than five manual payrolls per month some with only one person being paid. This made auditing of the manual payrolls difficult. Arising from the use of the manual system, there were errors in calculation of PAYE and NHIF. An analysis of payment for PAYE and NHIF for seventeen (17) officers resulted in the following difference;

PAYE			NHIF		
Paid	Recomputed	Difference	Paid	Recomputed	Difference
323,517.25	382,400.04	+58,882.79	23,820.00	23,400.00	-420.00

The errors noted may lead to lose of County Government revenue due to heavy penalties and fines for the failure to compute due income tax and NHIF contributions. You know the KRA and the NHIF charge very high penalties for failing to obey their regulations.

The management revealed that the County Government has introduced a standard template for manual payroll payments. Further, the County has structured the processing of salary/wages payments to avoid processing of many payrolls in a month. There were unstructured Microsoft Excel manual payrolls during the period under review, which were prone to errors. The errors did not result in any financial loss to the County Government and no penalties were incurred.

The Auditor General says that the errors may led to loss of public money. But they cannot say that because the county government did not lose money they are lucky. They are only lucky because the KRA and the NHIF did not follow them.

Mr Speaker, Sir, the Committee made the following observations;

That the human resource office admitted that there were errors as noted by the Auditor General and that the office has since rectified the mistake by putting in place a structured system for payment through manual payroll. However, the department failed to explain how the County did not lose money given that there exists in the law deadlines for submissions and penalties for failure to submit statutory deductions.

The committee observed that the human resource office admitted that there were errors as noted by the Auditor General and that the office has since rectified the mistake by putting in place a structured system for payment of manual payroll. However, the department failed to explain how the County did not lose money given that there exists in law deadlines for submissions and penalties for failure to submit statutory deductions.

Mr Speaker, we will not even know whether they were fined because they only said verbally that they were not signed. We know there are regulations on failure to comply; penalties are there for failure to remit statutory deductions on time.

We recommend that the Human Resource Department should ensure that all statutory deductions are paid on time to avoid loses due to penalties and fines. That should always happen with respect to human resource department.

On recruitment of staff and ECDE teachers, the AG says that the County Government recruited a total of four hundred (400) early childhood teachers and were placed on temporary employment terms, earning monthly salary of Kshs.10,000 each translating to Kshs.48,000,000 per year. It was noted that there was a pending court case barring the County Governments from recruiting the teachers. Further, no provision was made in the approved budget for the salaries of new teachers. The County has also recruited seven hundred and sixty two (762) new staff since 2013 despite not having carried out staff evaluation to identify skills available and staff shortage. The distribution of new staff is as indicated in the table.

You can see that they all total to 762. The Auditor General also noted that the County Government did not have an approved staff establishment and therefore the basis of recruitment of additional staff could not be determined. The County is at risk of not achieving set service delivery programs for funding unbudgeted for staff recruitment. The large number of staff and related cost may also affect ability of the County to fund development programs.

The management responded that pre-primary education, village polytechnics, home crafts centres and childcare facilities are devolved functions under the constitution. Thus, they are responsibilities of the County Government. The County Government was already in the process of recruiting four hundred (400) CDE teachers prior to the court case filed by Kenya National UNION of Teachers (KNUT). After the filing of the case, the County Government stopped the recruitment of ECDE teachers. The County Public Service Board (C.P.S.B) then consulted with the relevant stakeholders and advised the County accordingly. The County Government thus recruited preparatory assistants and not ECDE teachers.

The E.C.D.E preparatory assistants were not paid salaries but top-ups to add to what was being paid by the parents. The budgetary provision for the engagement of the ECDE preparatory assistants was provided for by the department of Education, Culture and Social Services.

The County has developed and approved the County organizational structure and has already developed a draft County establishment. The requests for recruitments were forwarded by the respective chief officers based on critical needs and were based on the existing structures prior to devolution.

Mr Speaker, the Committee observed that indeed KNUT had gone to Nairobi High Court to challenge the recruitment of ECDE teachers by County Governments under petition 127 of 2014. That the matter has since been concluded and County Governments are allowed to recruit ECDE teachers.

The CPSB alleges to have consulted the Transition Authority (TA) and the CECM in-charge of the Department of Legal and Public Service. However, a scrutiny of the referenced documents shows that the CECM only requested information and documents on the recruitment but there was no letter showing what advice was given. Further, the letter from the TA is on secondment of ECDE officers from the National Government to County Governments and not recruitment of ECDE teachers.

That the ECDE preparatory assistants were paid a “monthly allowance” of Kshs. 10,000. The appointment of the preparatory assistants started with effect from 1st January 2015. The department attached a budget extract showing a block figure of Kshs.152,041,600. However, there is no itemized budget to show that the money for payment of the ECDE preparatory assistants’ remuneration was provided for as a line item in the budget.

Mr Speaker, we recommend that the CPSB in conjunction with the department of Education, Culture and Social Services should come up with a comprehensive scheme of service for the ECDE teachers. That the Accounting Officer in the Department of Education, Culture and Social Services shall ensure that all the budgeting principles and guidelines are adhered to.

That the CPSB shall not recruit any employees without proof of budgetary allocation; that the Office of the County Secretary and the CPSB shall conduct a comprehensive Human Resource audit within two (2) months from today or from the day this report will pass; that the CPSB shall not recruit more employees (with the exception of Chief Officers) until the Human Resource Audit is conducted for all departments. You know what that could mean.

On bonding of officers, Mr Speaker, the Auditor General noted that Section P.21 of the code of regulations requires every serving officer who attends a training lasting more than six (6) months to enter into a formal agreement binding him to serve in the public service for a specified period of time. A sample of personal files for officers with training levy deductions however revealed that the County does not bond its employees after undergoing training. Officers may therefore leave the County at will after completion of sponsored training before serving the County.

Mr Speaker, this is where the County Government takes its people for too many trainings and actually, one person might go for a training that lasts for more than two years. The County pays for these trainings. The County did not have any agreement to bind that person. The person might finish the training and when he comes back, he/she might decide to go to another county yet we are the people who paid for the training of this person.

According to the response of the management, the audit report does not specify the employees who underwent training without being bonded. For the period under review, only one officer benefited with a training of a period exceeding six months. The officer was bonded by the County. The County has improved in enforcing bonding regulations where employees are bonded before being cleared to undergo a training. The forms have been in use from the year 2016.

The committee observed that the office of the County Secretary failed to provide any document showing that the County bonded the officer, who underwent training. Besides, the County has since developed a bonding form, which has been implemented. The County Government should always adhere to the best human resource practices without waiting for prompting from other bodies.

The Committee recommended that the human resource office should ensure adherence to the best practices in the human resource sector.

On the issue of Irregular House allowances paid to Governor and Deputy Governor, the Auditor General noted that a total of Kshs.1,130,000 was paid during the year under review to the governor and the deputy governor, in respect of house allowances for eight (8) months. Payrolls indicate that the Governor was paid a total of Kshs.640,000 at the rate of Kshs.80,000 per month while the deputy governor was paid a total of Kshs.490,000 at the rate of Kshs.70,000 per month. The payments were however made contrary to Salaries and Remuneration Commission's circular SRC/TS/CGOVT/3/61 dated 18th December 2013, prohibiting payment of House allowance as part of housing benefits but instead the Governor is entitled to be provided with residential house paid by the County Government, while the deputy governor receives a consolidated pay composed of 60% basic pay and 40% allowances and does not qualify for a housing benefit as per the gazette notice. The payment of the house allowance is therefore irregular and inconsistent with the provision of the SRC gazette notice.

It was further noted that since January 2015 when allowance paid to the governor was stopped official residence has not been identified and paid for thereby inconveniencing the governor which may impact negatively on service delivery.

The management responds that there were various correspondences between the County Government, the Council of Governors and SRC. The SRC through a letter dated 24th October 2016, noted that housing benefit would not be provided inform of House allowance but as housing benefit. The SRC noted that most counties did not have houses befitting the status of Governors. The Commission further advised counties to set aside funds for construction of the Governors official residence. They further stated that the County had set aside approximately Kshs.250,000,000 for the financial years 2017/18, 2018/19 and 2019/20 for the construction of the governor's official residence. The house benefit was not extended to the deputy governor according to the SRC circular dated 7th September 2015. The deputy governor's house allowance was paid in the absence of official house allowance.

The Committee observed that the County does not have an official residence for the Governor thus the explanation given in regard to House allowance is justified. That the funds for the construction of the Governor's official residence are provided for in the budget for the FY 2017/18. That there is need to provide continuous funding for the construction of the Governor's residence as the Kshs.10,000,000 provided is not adequate. They needed Kshs.250,000,000 but had only Kshs.10,000,000. I wonder whether they wanted to provide a house suspended in the air.

The payment of the deputy governor's house allowance was made in contravention of the Salaries and Remuneration Commission's gazette notice No. 2888 of 1st March 2013. The payment is also against the guidelines and advice of the SRC given on 7th August 2015 and 7th September 2015 respectively.

The committee recommends that the County should set aside funds for the construction of the governor's official residence.

That legitimacy of the Kshs.490,000 paid as house allowance to the deputy governor should be confirmed with the Council of Governors and SRC by the Office of the County Secretary and the same reported to the Committee and the Committee on Implementation within sixty (60) days.

DEPARTMENT OF HEALTH SERVICES

This was the best department, Mr Speaker, because it only had one query no wonder the person had been handpicked to become the CECM in charge of the same docket. May he continue serving the country wherever he is. While other departments had a million of queries, this one only had one.

Mr Speaker, the query was on Irregular Reallocation of Development Funds. The Auditor General noted that it was reported that a sum of Kshs.61,000,000 was allocated in the approved recurrent budget for purchase of drugs. An additional Kshs.46,400,000 from development vote was reallocated and utilized in purchase of drugs which is considered a recurrent item according to classification by the National Treasury and therefore the sum was irregularly charged according to the PFM Act, 2012.

The management responded that through a letter dated 31st October 2017 referenced NYA/CECM/A06/VOL.III/18, the Executive Committee Member for Health informed the Committee that a total of Kshs.107,000,000 was required for purchase of drugs. Therefore, they split the amount between the recurrent and development vote and therefore the department did not consider it a reallocation. The department further explained that medical drugs are considered to improve the livelihoods of the citizens and are therefore of development in nature.

Mr Speaker, that is a lie. Drugs are always a recurrent expenditure and development. This is what they always say and you heard them telling us that a fire engine and porridge is development. They can never be.

The committee observed that in view of the account codes that classify medical drugs as a recurrent item, the Committee observed that the management contravened Section 154 (1) (b) of the PFM Act, 2012 which demands that capital expenditures should only be used to defray capital expenditures.

The committee recommends as follows: The Accounting Officer should adhere to proper planning and budgeting, to ensure adequate funding on priority projects. If they knew they would spend Kshs.107,000,000, let it be as such in the budget. You should not get money from development to get the needed money. If there is a budget that we do not touch, it is the budget for the department of health. We allow them to buy drugs and work and we have never defrayed anything from them. Therefore, it is understandable why they did what they did. Mr Speaker, it is the only query and they would have sorted it out and escape the questions raised by the Auditor General. In addition, the Accounting Officer should institute measures to ensure adherence to International Public Sector Accounting Standards (IPSAS) consistent with the Public Finance Management Act, 2012. Mr Speaker, if they continue putting fire engine under development vote, expect such questions.

DEPARTMENT OF WATER, ENERGY, ENVIRONMENT & NATURAL RESOURCES

Mr Speaker, the first query is on Feasibility Study for Ol'kalou Town Water Sewerage System. This is the monster called Tahal. As previously reported in FY 2013/2014, the Auditor General reported that the contract for feasibility study of Ol'Kalou sewerage system was entered into through single sourcing on 30th April, 2014 with M/s Tahal group, an Israel based firm without competitive bidding in contravention of Section 29 of the Public Procurement and Disposal Act, 2005. The contract agreement indicated that the cost of stage one on 0inception was agreed upon at a sum of USD 625, 000 (Kshs.55,312,500) while the cost of stage two for preparation of the final report was to be determined upon completion of stage one. It was not possible to determine how the cost was arrived at and whether value for money was realized on the consultancy.

The Auditor General noted that one of the reasons for awarding Tahal Group the consultancy services for the water master plan and design review of Ol'kalou Sewerage system was to help establish partnership towards implementing the project worth Kshs.18.5 billion. There is no evidence of funding secured for the project and therefore it is not clear when the project will be implemented. Subsequently, the funds already spent on the first phase of the study may go to waste if a financier of the project is not identified.

Mr Speaker, Sir, the Committee observed that the matter was addressed in depth in response to the audit report of FY 2013/14 and further, an ad-hoc Committee was established by the House in July, 2015 with the following terms of reference; To conclusively and exhaustively deal with the entire 'Tahal issue' and give the House a way forward.

It was noted that the County Executive flouted Section 16(1) and 28(1) of the Public Private Partnerships Act No 15 of 2013 that requires the establishment of a public private partnership node for a contracting authority, in this case the County Government, that intends to enter into a public private partnership arrangement with a private party and the use of prevailing market rates or full allocation of cost for the purpose of determining the cost of delivering a facility or services respectively. The Committee recommended, *inter alia*;

i. That before the County Government and County Government entities enters into any form of agreement, written legal advice must always be sought and the approval of the County Executive Committee obtained.
ii. That a Public Private Partnership node and all the necessary infrastructure be established in the County Government to deal with all matters relating to public private partnerships.
iii. That proper planning and budgeting must be complied with as provided under the Constitution, the County Government Act, and the Public Finance Management Act.
iv. That the Nyandarua County Government should strength its cooperation with the State of Israel for the benefit of the people of Nyandarua.

Mr Speaker, those were the recommendations by the ad hoc committee. The committee recommends that the Accounting Officer furnishes the Committee with a report on the status of the project as well as the implementation of the House resolutions with regards to the matter within sixty (60) days of adoption of this report. Let us be furnished with the status of the project; how far did the project go? Kshs.55,312,500 was spent and therefore we deserve to know the status of the project. I saw those people the other day, I don't know whether they came to finish.

Mr Speaker, on the issue of Kirima Water Project, which is in Shamata ward, the Auditor General reported that the full contract sum of Kshs.1, 550, 200 was paid for Kirima Water Project despite the project being about 90% complete. The works entailed construction of a water intake along the river, bush clearing, trenching, and laying of pipes and backfilling. A total of four hundred thirty (430) pipes had been already bought and the contractor was not on site at the time of audit. No justification was provided for the irregular payment and therefore the propriety of the expenditure could not be confirmed.

The work was 90 percent complete but the contractor had been paid full amount (100 percent). The management responded by saying that through a letter dated 31st October, 2017 and referenced NYA/CNT.GOVT/WATER/1/314 the County Executive Committee Member for Water, Tourism, Environment and Natural Resources informed the Committee that;

i. The Kirima water project was started in 1968 and has never undergone expansion due to lack of funds
ii. An increase in population necessitated the need for expansion by constructing an additional water intake and laying of pipelines
iii. An intake was constructed at a cost of Kshs.1,550,200 and had been completed at the time of inspection save for fixing of the outlet and washout closing valves for fear of vandalism.
iv. The four hundred and thirty pipes (430) were laid under a labour contract not included in the Kshs.1,550,200
v. The project is now complete and serving the intended beneficiaries.

The committee observed that two projects' completion certificates were availed, indicating the two separate contracts awarded for the project. That is, Karurumo Water Intake involving the

Construction of the intake at a cost of Kshs.1,507, 977.79, which commenced on 21st May, 2015 and was completed on 22nd June, 2015. Kirima Water Project involving trenching, pipe laying and back filling at a cost of Kshs.2,497,312 which commenced on 3rd June, 2015 and was completed on 18th June, 2015. Mr Speaker, you can agree with me that this was a very good contractor; two weeks and he was done. The Committee faulted the department for failure to submit documents for audit review. They gave us very good documents but unfortunately, they did not give the document to the Auditor General. Were the documents cooked for the committee or they were really there? That is our main question.

On scrutiny of the completion certificates, the Committee found that the response by the executive was satisfactory as they indicated that the entire project was completed in the year under review and therefore opined that the payment was regularly made. We therefore exonerate the department but we recommend that the Accounting Officer should always avail all the required documents for audit review to forestall unnecessary audit queries.

On unutilized Water Pipes of Simbara Water Project, the Auditor General reported that the department procured assorted water pipes at a cost of Kshs.2,04,890 for Simbara Water Project. A visit to the site on 30th September 2015 revealed that the pipes were delivered and kept in the compound of an individual and had not been used. No reason was provided for the delay in laying down the pipes for the intended purpose and the pipes may get damaged or stolen thus jeopardizing the project.

The management responded by saying that through a letter dated 31st October, 2017 and referenced NYA/CNT.GOVT/WATER/1/314 the County Executive Committee Member for Water informed the Committee that;

a) Simbara water project was being implemented by the water department together with the locals who provided labour for trenching and laying the pipes
b) At the time of audit inspection, the pipes had been supplied but had not been laid because the locals were still organizing on how to dig trenches to lay the pipes. It entailed apportioning the works among themselves which was immediately finalized and the pipes laid with technical support from the field officers
c) The project is completed and water is now flowing to the intended beneficiaries.

The Committee observed that the completion certificate was not attached and therefore could not ascertain that the project was complete although the department reported that the project was indeed complete. In this regard, the Committee to an extent vindicated the department as it had done its part by procuring and supplying the pipes. The locals delayed in trenching and ultimately, laying the pipes.

Mr Speaker, the Committee recommends that the County Government should enter into a contract with the locals of such joint projects to ensure that the project is implemented within set timelines. In this case, the pipes would have been laid without delay and thus reflect value for money.

Mr Speaker, we need to understand what happened because many members will experience these issues. Some locals will have a water project in the wards and they want pipes. Therefore, as they representatives, you will request pipes for example for Simbara Water Project. The role of the county here is to buy the pipes. The community’s role is to install the pipes because the project is theirs. So what happened is that the County Government bought 430 pipes and were taken a person’s home in Simbara. And, now because the community had not done the trenches and therefore, they remained in this person's home, they were getting damaged because of the exposure to the sun. That is the reason why the committee made the aforementioned recommendation. The locals should therefore do the trenching before the pipes are procured by the County Government.

Muti-ini water project, Mr Speaker, which is in Engineer ward was constructed at a cost of Kshs.9,486,120 which involved Supplying of pipes by M/s Ndirangu Hardware at a cost of Kshs.7,161,120 and labour works by M/s Crater Enterprises at a cost of Kshs.2,325, 000. The two firms were paid full contract sums on 22nd June, 2015 and 25th June, 2015 respectively.

The Auditor General reported that at the time of audit, there was no water flowing although the pipes had been laid indicating that the project was incomplete despite making full payment to the contractor. Further, there was a section on a road crossing which had not been done.

Mr Speaker, the management responded by saying that, in a letter dated 31st October, 2017 and referenced NYA/CNT.GOVT/WATER/1/314, the management concurred with the audit report that there was no water flowing in the pipeline, but explained that at the time of the audit inspection, Tana and Athi Rivers Development Authority (TARDA) was repairing the intake and had as a result diverted the river.

Further, they explained that the road crossing section was not covered under the labour contract but was done in the following financial year and the project was now fully completed and is serving the intended beneficiaries.

The committee observed that the project completion certificate dated 19th June, 2015 was availed to the Committee, that is, Muti-ini Water Project which entailed trenching, pipe laying and back filling at a cost of Kshs.2,325,000 and therefore the Committee was convinced that the project was completed. Besides, the Committee faulted the department for delayed construction of the section of the road crossing that was necessary for the success of the project.

Mr Speaker, the total amount of about Kshs.9 million for the project was paid to the two contractors. One of the contractors was paid around Kshs.7 million to supply pipes and install all other features of a water system. The second contractor was given a contract worth Kshs.2.3 million to day the pipe laying. The committee however observed that the department delayed construction and therefore, we faulted them. The recommends that proper project planning should be adhered to, to avoid delays in completing related projects.

DEPARTMENT OF ROADS, PUBLIC WORKS AND TRANSPORT

Mr Speaker, this is another menace that is equivalent to the department of finance and this House should take note. That is why we write these reports query after query. The Chief Officer, Eng. Robert Ndumia appeared before the Committee on 4th December 2017 to provide clarity on audit queries raised in the audit report. This was occasioned by the department's failure to provide written submissions as requested by the Committee vide letters NCA/ADM/5/109 and NCA/ADM/5/114 dated 5th June and 24th October 2017 respectively.

The first query in this department is Unsupported Expenditure. On Grading of Unspecified Ward Roads, the Auditor General noted that the County Government spent a total of Kshs.85,702,774 on grading various roads in all the twenty five (25) wards. However, bills of quantities and contract agreements for all contracts were not made available for audit review. Further, details and cost of roads that were graded in each ward were not provided.

The management response, Mr Speaker, was that the Accounting Officer was asked to furnish the Committee with details of the road works done during the period under review. He explained that the monies had been shared equally amongst the twenty five (25) wards. Through a letter dated 4th December 2017 and referenced NYA/CNT.GOVT/R & W/039/2, the Chief Officer pointed out that the priority area in the FY 2014/15 was on improving infrastructure and in this case access roads. He availed details of the grading works (light grading, heavy grading and additional works) carried out in twenty four wards (Kaimbaga Ward was left out) and related local service orders totalling to Kshs 61, 166, 908.

The Committee made reference to the progress report tabled in the House on Wednesday 21st June, 2017 by Hon. Sylvester Mwangi Kagiri, the then Chairperson of the Public Accounts and Investments Committee on the audit report on the financial operations of the County Government for the FY 2014/15. The said report contained the Committee's findings of a site visit conducted to verify the validity, or otherwise, of the queries raised by the Auditor General with regard to Njabini-Kiarutara road. Mr Speaker Hon. Gachomba is not here to talk about this.

The Committee as then constituted had observed that;

a) The road did not exhibit any signs of recent upgrading despite the fact that the scope of work included gravelling
b) The width of the road narrowed as you got further into the forest
c) No culverts had recently been installed. Moreover, a broken culvert along the road had caused drainage breakdown leading to further dilapidation of the road.
d) Logging in the area has also exacerbated the damage.

The Committee confirmed that the contract period was indicated in the bid as six (6) months contrary to the query raised by the Auditor General. The Accounting Officer confirmed that the width of the road narrowed due to increased cutting volumes, which indicated a variation to the Bill of Quantity. The Committee observed that the design and standard of the road may have been compromised if the BQ was not implemented to the letter. The Committee noted that the decision to carry out the project was rushed and a feasibility study on the viability of the project was not conducted.

They told us that the road narrowed as you entered the forest. This means that the executive also agrees with the auditor general and the committee. They gave a reason that the cutting volumes increased. We were left wondering whether there was a site before preparation of the BQs. When doing BQs, one must visit the site and ascertain the status of the site, that in the beginning it shall not be required to cut more but as we get deeper into the forest we need to cut more. You cannot steal from *Wanjiku* by narrowing the road so that it is only usable by one vehicle at a time, not even with a motorbike.

The Accounting Officer did not indicate whether the evaluation Committee had recommended an extension of the contract period according to Section 139 of the Public Procurement and Asset Disposal Act, 2015. The Committee heard that gravelling was partly done along the road and therefore value for money was not attained. Further, the Committee questioned whether site instructions were given and properly followed.

This contractor did gravel patching. They have gravelled here and there and this is not as per the contract. The contract was to gravel the whole road, 14kms at a cost of 37 million. When one does it in patches, it is like doing maintenance and that is not as per the contract. It was noted that the County Governments of Murang'a and Nyandarua had a joint meeting where they agreed to construct the road jointly. The Committee noted with concern that there was no evidence of any formal agreement entered into by the two governments and therefore neither of the two County

Governments was bound to implement the project. Even if the County Government of Nyandarua had fully implemented its part of the project, benefits of having the project completed in full would not have been realized as the County Government of Murang’a failed to implement its part.

It is important to note that County Governments are encouraged to cooperate and set up joint Committees and joint authorities in performance of their functions under Article 189 of the Constitution of Kenya, 2010. Further, the matter would have been pursued with the Council of County Governors which is mandated under Section 20 (1) (f) of the Intergovernmental Relations Act, 2012 to receive reports and monitor the implementation of inter-County agreements on inter-County projects.

In particular, regulation 128 (1) of the Public Finance Management Regulations, 2015 provides for initiation and undertaking of joint infrastructure investments. That is if they are joint ventures between two or more county governments where either the nature or costs of the project(s) is beyond the means of one County Government, the project traverses more than one county government territory or the project benefits can be enjoyed by more than one county government. In this case, the road cuts across the Aberdare Forest, which partly lies in Nyandarua and partly in Murang’a Counties and would therefore benefit the citizens of both counties.

Regulation 128 (2) further provides that a joint infrastructure investment shall be solemnized through an intergovernmental agreement which shall be filed with the office of the Attorney-General and the Department of Justice and shall specify, *inter alia*,

a) The county governments involved
b) The management and administrative structure of the joint investment project
c) The description of the joint investment project and its objectives
d) The responsibilities and obligations of each county government involved
e) The joint investment project implementation modalities including procurement procedures and administrator of the project; and
f) The dispute resolution mechanisms, between the county governments involved and the arbitrator.

The County Executive erred for not solemnizing the proposal in accordance with the laid down procedures. What does this simply mean? Before you do a project that touches more than one county, the law requires that you enter into an agreement. For this one there was no agreement. Even if Nyandarua did the 14kms within the law, and were constructed nicely, value for money would not have been achieved. This is because Murang’a County has not shown any interests to date. We would have lost money. In future we should always enter into formal agreements that are binding and they be deposited with the Attorney General. The Committee recommends that;

a) The Department of Roads, Public Works and Transport should quantify the works done against the certificates paid for.

Mr Speaker, the project was for Kshs. 37 Million. Kshs. 32 Million was paid and Kshs. 5 Million was stopped. The department should go and quantify the works done versus the amount paid. Kshs. 32 Million paid must be seen in works of similar value. There is no way you can stop Kshs. 5 Million yet you have paid Kshs.32 Million but the works done are worth only Kshs. 4 Million. That is theft.

a. The County Government should always enter into agreements with other County Governments/ entities before embarking on such joint ventures.

Mr Speaker we lost money, about Kshs. 32 Million-we lost it because there was no agreement and we were not sure whether Murang'a County would ever do its part. It was waste of money.

b. The Accounting Officer should adhere to the procurement laws and procedures on variations to the contract. Variations should however be avoided as they may cause unnecessary delays in project completion.

They varied the works. If the road was supposed to be seven metres wide, why do you make it four metres wide as you enter into the forest? The variations should not be occasioned and should be within the law and you cannot do that and steal from *Wanjiku*. You had rather do 10kms but seven metres wide and not 14kms that cannot help you. One time I challenged the people of Gatimu the point of having a 20kms road that you cannot use to go where you want because there are no culverts or drainage. You had rather walk 5kms and get to where you want.

c. The Accounting Officer should report the contractor to the Public Procurement Oversight Authority for unsatisfactory performance with a view of having them blacklisted.

Mr Speaker, this is a joint venture. A contractor cannot do shoddy work, be paid Kshs. 32 Million without colluding with the officers.

d. The Accounting Officer should take necessary steps to ensure that project implementation is always well planned and executed in line with the bill of quantities and acceptable standards and specifications.

You cannot tell me that you are doing a road that is cross cutting two counties where one part of the road is seven metres wide while another is four metres and then tell me that the cost of doing that road is Kshs. 37 Million. Shame on you!

e. The Accounting Officer should report on the action plan in place towards establishing the aforementioned joint venture with the County Government of Murang'a.
f. The Auditor General should conduct a special audit to ascertain the propriety of the expenditure.

We have requested for a special audit on that road. Next is the unaccounted for Funds from the Transition Authority (TA). The Auditor General reported that the County Government received an amount of Kshs. 61, 592, 200 from the Transition Authority for infrastructure development and purchase of Hansard equipment at the inception of County Government. Records indicate that out of this amount, the County Executive used funds totalling to Kshs.21, 659, 341 in FY 2013/14 in renovating and partitioning of leased premises. In April 2015, the County Government awarded a contract for construction of county headquarters at a sum of Kshs. 39, 000, 000 and an amount of Kshs. 9, 369, 229 had been paid as at 30th June 2015 for certified works. The balance of the funds amounting to Kshs. 30, 563, 630 has not been accounted for as indicated in Transition Authority letter dated 14th October 2015. It was not explained why the County Government delayed in accounting for the funds for about three (3) years after receiving them.

Management Response: In a meeting held on 4th December 2017, the Accounting Officer absolved the department for failure to account for the funds explaining that the Finance and Economic Planning Department was the custodian of the amount as it was the department handling transition. No response was obtained from the latter department hence the Committee could not establish whether there was misuse of funds or not. The Committee recommends that the County Executive does avail a comprehensive report on the said expenditure including an account of the balance of Kshs. 30, 563, 630 within sixty (60) days of adoption of this report.

Procurement of Motor Grader: A tender for supply of motor grader was awarded to the lowest evaluated bidder M/s Achelis Materials Handling Ltd, at a contract sum of Kshs. 24, 323, 000. Although the equipment was delivered, original tender documents and notice of tender in daily newspapers were not provided for audit review. The Accounting Officer admitted the audit query which he attributed to the failure of his department to avail the original tender documents which he said remain untraceable to date. He however availed copies of the tender advertisement dated Thursday, 19th December 2013 and minutes of the tender Committee meeting held on 4th March, 2014. He also availed copies of the evaluation report, the inspection and acceptance Committee report and the payment vouchers in favour of M/s Achelis Materials Handling Ltd.

The Committee noted that the above stated crucial procurement documents relating to an expenditure of Kshs.24, 323, 000 were missing. It concluded that the original tender documents were intentionally misplaced to conceal a malpractice. The Committee further observed that pursuant to Section 153 (1) of the PFM Act, 2012 the Accounting Officer of a County Government Entity is responsible for the management of the entity's assets and liabilities. The officer shall manage those assets in such a way as to ensure that the County Government entity achieves value for money in acquiring, using or disposing the assets. In this regard, the Committee finds the Accounting Officer culpable of maintaining records regarding the procurement and ownership of all the assets under the department. The Committee recommends that;

a) The Accounting Officer should take full responsibility for the misplacement of the original procurement documents. The Officer should submit to the Assembly the said missing documents or certified copies as well as the ownership documents for the said grader including a vehicle search within sixty (60) days of adoption of this report.
b) The Accounting Officer should confirm whether the motor grader is recorded in the asset register and the latter should be availed to the Committee.
c) The Ethics and Anti-Corruption Commission (EACC) should investigate this matter with a view to taking appropriate legal action against the suspects.

Mr Speaker, what we found out is that we do not have documents for the graders supposedly owned by the county. We could be having graders that are not ours and probably are registered under an individual's name. We require a search to be done so that we can know the owner of these graders. They have misplaced the documents and the graders are not in the assets register. What should we guess? Within sixty days, the ownership documents of these graders should be provided to the county assembly; that is the two New Holland graders and the roller. An assembly is an entity that is able to do search. We do not even know whether they were new when they were bought. They might even be second hand that is why they keep on breaking down. They could be twelve years old yet we are being told that they are new.

Next is Payment of Pending Bills for 2013/2014. The Auditor General reported that;

a) During the financial year under review, the County Government paid pending bills brought forward from the year 2014 totaling to Kshs. 162, 631, 789. Out of the total payment, an amount of Kshs. 25, 761, 850 had no supporting documents and it was therefore not possible to confirm the basis and propriety of this payment.
b) Payments amounting to Kshs. 7, 467, 720 to various contractors were made for unspecified road works alleged to have been carried out in 2013/2014, that is;

	Contractor/Name	**Amount(Kshs.)**
1	Mt. Moriah Construction	1, 379, 600
2	Kebe Construction Co	2, 497, 920
3	Steward Holding Limited	1, 000, 000
4	Sesei Enterprises Ltd	360, 000
5	Vescon Enterprises Ltd	403, 200
6	Eliud Nyogoro	1, 257, 000
7	Paul Kuria	570, 000
	Total	7, 467, 720

Management Response: The Chief Officer reported that the aforementioned Kshs. 25, 761, 850 was related to the purchase of Motor Grader worth Kshs. 24, 323, 000 (whose payment voucher was availed), and other payments of Kshs. 1, 438, 850 whose supporting documentation were not availed to the Committee.

He, however, submitted documents; payment vouchers, local service orders, completion certificates, site instructions related to some of the road works done. The Committee noted that Chief Officer only managed to justify payments of Kshs. 6,134, 520 made to Mt. Moriah Construction, Kebe Construction Co., Steward Holding Limited and Eliud Nyogoro. Payments made to Sesei Enterprises Ltd, Vescon Co Ltd and Paul Kuria could not be confirmed through supporting documents. The Committee recommends that;

The Accounting Officers should always avail all supporting documentations to the Auditor General to avoid unnecessary queries. The Accounting Officer should avail supporting documentation for all payments made to Sesei Enterprises Ltd, Vescon Co Ltd and Paul Kuria and the payments amounting to Kshs. 1, 438, 850 that were made for undisclosed activities.

The Accounting Officer should install measures to ensure that bills are always cleared within the financial year they relate to.

The County Treasury should ensure timely release of funds to departments to enable them settle bills before closure of a financial year.

Next is Roads Department Budget: The County had an initial roads budget of Kshs. 225, 022, 002 for the year under review. However, the Auditor General reported that the said budget was not approved citing disagreements between the County Executive and the County Assembly and the dispute was apparently taken to court for settlement. The above stated allocation was revised in the supplementary budget, increasing it by Kshs. 444, 074, 687. This increased the allocation to Kshs.669,096,689 which was obtained from reallocating funds from other departments.

Management Response: The Chief Officer agreed that the reallocation of Kshs. 444,074, 687 over and above the initial roads budget of Kshs. 225, 022, 002 may have crippled other departments although the extent to which they were affected could not be quantified.

The Committee observed that during the period under review, improvement of infrastructure was a priority area occasioning the increase of the roads budget. The Committee is however not privy to any information regarding the alleged Court case and therefore concluded that the same was misreported by the Auditor.

The Committee acknowledges that the reallocation was effected through a supplementary budget approved by the County Assembly in line with Section 135 of the PFMA, 2012. It recommends that the Department of Finance and Economic Planning should improve on planning and budgeting to avoid distorting the budget as this may cripple other County development programs.

Mr Speaker it should be known that this assembly has powers, and if we decide that it is water that will be provided, we should not play politics like we did the other day during the supplementary budget. This time roads were allocated about Kshs. 225 Million. This amount was not meant to buy vehicles or fire engines but to construct roads and bridges only. When the budget came here, we said that we have problems with roads and we increased that to Kshs. 424 Million. No one should tell you that you cannot change the budget. Those are just politics and they do not mean anything. The roads budget shot from Kshs. 225 Million to Kshs. 424 Million and that can happen again if we want. If we want to make provision of water a priority, we shall do that and no one can distort that.

The Department Of Finance and Economic Planning had issues to do with Unsurrendered Revenue Receipt Books. We talked about this earlier and we recommended that

- That a special audit should be conducted on local revenue collection and those found culpable of any misappropriation should be held personally responsible for any loss to the County.
- That the County Executive Committee Member for Finance and Economic planning should put in place mechanisms to ensure that revenue collection is accountable and verifiable.

Construction of Market Sheds; the auditor general found out that the market stalls were too small and could only accommodate a few traders.

- The projects were incomplete.
- Engineer ward market which was to consume Kshs.4, 155,009 had not been constructed.

Information available indicated that the allocation was used to construct a road, but the relevant details including the approval for reallocation, payment vouchers and other documents were not made available for audit review. The committee recommended that;

- That the Accounting Officer should be held liable for not submitting documents to the Committee.
- That the County Government of Nyandarua (Executive) should adhere to Section 154 (2) (c) of the Public Finance Management Act.

In other audit queries there was; Comparison of Imprest Balance between Documents Submitted and Financial Statements;

Management response was that imprest amounting to Kshs. 2,080,606 had been surrendered but the IFMIS had not knocked out the figure due to inconsistency in the IFMIS reporting module. The Committee observed that the total outstanding imprest balance according to the financial statements was Ksh.24, 657,493. However, documents submitted to the Committee revealed an outstanding imprest balance of Sh. 26,738,099 which reflected a variance of Kshs. 2,080,606. We recommended that the Accounting Officer has the mandate of determining how much money is to be used as imprest. Therefore, within sixty (60) days after adoption of this report, the Accounting Officer should report to the County Assembly on the money that was used as imprest in the period under review.

IFMIS Imprest Printouts; the management response was that the eight (8) Executive departments did not had outstanding imprest balances as at the close of the Financial Year. On 15th November 2017, the Committee wrote a letter to the Department of Finance and Economic Planning requesting for Imprest Printouts for all department for the FY 2014/2015. However, they submitted imprest printouts for only three departments (Roads, Public Works and Transport; Water, Environment and Natural Resources; Legal Affairs, ICT and E-government). The Committee felt frustrated since IFMIS Imprest Printouts from the eight departments were not submitted including those related to the Governor's Office. Therefore, due to limitation of scope, the Committee could not establish the total outstanding imprest balances for the eight departments.

Committee Recommendation is that a special audit be performed on Imprests in the County Government of Nyandarua (Executive). Mr Speaker on this we told them to provide imprest print out for all departments and they only provided for three. The three that they provided were confusing because they translated to Kshs.24 Million. After a through scrutiny by the committee, they translated to Kshs.26 Million. We were left wondering about the imprest of the office of the Governor, the department of Education, Land and Agriculture. If three department interest could add up to Kshs. 24 million, what about the ten department. Mr Speaker find x in the equation.

- That the Accounting Officer should be held liable for failure to submit documents to the Committee.
- That the Accounting Officer should surcharge employees who did not surrender imprests during the period under review.
- That the CECM for Finance and Economic Planning should, within sixty days, submit to the Committee the County Government policy that guides issuance of imprests in line with Public Finance Management Act, 2012 and the Government Financial Regulations.
- That the County Treasury and all Chief Officers must ensure that regulations on issuance and surrender of imprests are strictly followed.

In the department of lands there was unauthorized reallocation of appropriated funds. The Auditor General was concerned that Kshs.30, 000, 000 appropriated for the proposed construction and completion of an office block and associated works for this department was irregularly reallocated to the Department of Finance and Economic Planning.

Let me read the committee observations. The Committee found both the County Treasury and the department under study to have erred as the reallocation was initiated by the County Treasury and not the A.I.E holder. That is the office block that is coming up around here. This money was reallocated from lands department to go and do market sheds. When this department realized that they could not absorb the money they were supposed to write to county treasury and tell them that they may not absorb the Kshs. 30 Million so that it could advice accordingly. That did not happen. Instead, the county treasury wrote to lands initiating the reallocation.

There was no evidence of the department's Accounting Officer's response to the reallocation hence discounting their role as the A.I.E holder. The reallocation was also in contravention of Section 154 (2) of the PFM Act, 2012 on the procedure for reallocation. The Committee opined that the reallocation was not necessary as the project would have been implemented in phases with phase one being constructed using the available funds, that is, the Kshs.30,000,000 and phase two Kshs. 45, 209, 586 budgeted for in the FY 2015/2016.

One is supposed to construct with what he or she has like they are doing now. For the office they are constructing now they wanted about Kshs. 79 Million but what was available was Kshs. 30 Million. The Committee recommends that the County Executive Committee Member for Finance and Economic Planning should take disciplinary action against the responsible Accounting Officers for this irregularity. The Committee attributed the audit query to poor planning. It recommends that in future, the Accounting Officer should ensure that available funds for project implementation match the scope of works.

In the department of Education, Culture & Social Services; Mr. Speaker Sir**,** the County Executive Member, Hon. Faith Wanjiru Mbugua appeared before the Committee alongside Mr. Joseph Njoroge (Director of Education) and Mr Fredrick Irungu, (an Accountant) on 4th December 2017. The officers asked for more time to respond adequately to the questions raised by the Committee. The department had failed to respond to letters sent to them earlier referenced NCA/ADM/4/51 and NCA/ADM/4/54 dated 5th June and 24th October, 2017 respectively, seeking written submissions on the audit queries raised in relation to the year ended 30th June, 2015 . The CECM however regretted the failure of the department to respond to the letters and committed herself to henceforth provide information timely.

They had several queries: The departmental vote book indicates that the department was issued with an A.I.E amounting to Kshs. 2, 000, 000 on 27th November 2014 to cater for basic salaries. However, scrutiny of the vote book indicates that the cash was spent on payment of undisclosed allowances totalling to Kshs.1,918,400 and not salaries.

The related payment vouchers were not availed for audit verification and therefore the propriety of this expenditure could not be ascertained. Through a letter dated 7th December, 2017 and referenced NYA/CNT.GOVT/EDC/17/C.A./VOL.4/29, the County Executive Committee Member for the department informed the Committee that; in the financial year under review, the Department had insufficient recurrent allocation and it therefore requested for funds virement from the basic salaries vote to allowances and fuel votes. You can see these people.

Does this mean that salaries vote heads are high so that you can reallocate money from them? This is what we have always said, that when the budget is being prepared, let every department do a payroll sheet for tits staff. Example: Kieru Wambui this is his Salary. Man Ngeche, this is his salary. Maguna this much, but this people will always give a block figure. Compensation to Employees, department of Education, 163 Million! This should be broken down like the assembly does. The assembly starts from the Speaker all way to the lowest paid in the assembly. This is not the case in the Executive. One cannot really tell or get 2 million from a vote head called compensation to employees.

1. Preparation of vouchers was done and the same was entered in the department vote book.

2. The County Treasury did not approve the virement hence no payments were processed from the basic salaries vote head.

On committee observations, the committee was satisfied with the department's response but faulted the Accounting Officer for failing to record the correct information in the vote book at the time of audit leading to the audit query. The Committee recommends that the Accounting Officer must establish measures to ensure accurate records are kept and maintained to reflect the true status of the accounts of the department. Unexplained Procurement of Textbooks and Teaching Materials for ECD, this is where the education department led by Charity steals money from.

The department procured ECD textbooks from M/S Mountain Top Publishers Ltd Nairobi. However, there was no evidence whether the supplier was competitively identified and awarded the tender contrary to Section 74 of the Public Procurement and Disposal Act, 2005.

The department procured the education and Library supplies worth Ksh.1,831,350 out of Kshs. 1,993,500 that was issued to the A.I.E holder for use. An amount of Kshs.162,150 was indicated as relating to expenses on various items whose payment vouchers were not provided for audit review. The Committee was informed that;

a) The award to procure ECDE textbooks and teaching/learning materials from Mountain Top Publishers was approved through a tender Committee meeting held on Thursday 08/05/2015. The minutes of the said meeting were availed to the Committee.

The choice of a publisher was guided by the approved list of publishers by the Kenya Institute of Curriculum Development as contained in the *Orange Book*, 14th Edition Volume One January 2015.We should know why Orange House publishers were picked out of the one thousand listed.

a) The balance of Ksh. 162, 150 could not be traced in the IFMIS payment details of the year and there were no payment vouchers in regard to the balance
b) The department did not provide details relating to the award of contract to Mountain Top Publishers hence it was not possible to confirm if the publisher was the most competitive supplier.
c) The department could not ascertain whether the unutilized balance of Kshs.162,150 was retained in the Exchequer account or was utilized as indicated in the audit query.

The Committee recommends that the Accounting Officer should take necessary action to ensure procurement processes are followed and well documented, and that records are available for review. The reason we are calling the Public Procurement Oversight Authority is because we found out that Orange Publishers has many suppliers. How they decided to go to Mountain top publishers is wanting and dubious. Where the Chief Officer for Education is, you must be very careful.

On the Department Of Communication, Legal, ICT and Inter-Governmental Affairs; Consultancy for Legal Service; Mr. Speaker, The Department of Legal and ICT had an overall budget of Kshs.69,520,000 that included an amount of Kshs.11,000,000 for development. However, the County did not spend development funds, as they were unable to finalize the process of procurement and rolling out an automated County revenue collection system.

During the year under review, the County prequalified suppliers for both legal and ICT services. Though the County had a legal department, the department contracted out legal services including preparation of contract agreements for signing with suppliers. Further, the department engaged two law firms to prepare several bills for enactment by the County Assembly. Although quotations were floated, the firms quoted similar amounts and the County Government awarded the services which was shared among the two firms as follows. I want members to see monkey business here.

Law firm	**LSO No.**	**date**	**Amount Kshs.**	**Bills**
Serah Kimani Advocates	4002	22/5/15	1,500,000	3 bills

The CEC for Legal by this time was Mr Kimani, so you can obviously guess who was Serah Kimani. She was also given another two tenders as you can see below and the given to Gichiengo Gitau.

Serah Kimani Advocates	4004	22/5/15	1,500,000	3 bills
Serah Kimani Advocates	4005	22/5/15	1,500,000	3 bills
Gichiengo Gitau Advocates	4006	22/5/15	1,500,000	3 bills
Gichiengo Gitau Advocates	4007	22/5/15	1,500,000	3 bills
Gichiengo Gitau Advocates	4008	22/5/15	1,500,000	3 bills
Total			9,000,000	

Although the two law firms were issued with LSOs for the works in May 2015 as shown above, draft bills had not been presented to the County Government as at the time of audit in December 2015. There were no evidence from the County indicating the validity period of the contract or whether the LSO had been cancelled.

Management response: The two law firms (Serah Kimani Advocates and Gachiengo Gitau and Company Advocates) were prequalified and awarded the contracts by the tender Committee. The parties did not sign any contracts. The two firms did not deliver any bills thus they were not paid. The department cancelled LSO 4006, 4007 & 4008 issued to Gachiengo Gitau Advocates vide a letter dated 29th August 2016. That Serah Kimani Advocates moved to court demanding for payment for the bills claiming she had delivered the same to the County. The matter is ongoing at Engineer Chief Magistrate court CMC civil No. 62 of 2016.

The department provided a status report of all court matters as at 30th May 2017, showing the likelihood of liabilities arising upon conclusion of some of the cases. Different advocates are handling the cases. Mr Speaker, this is what they do, they give you work and it is not done, they give themselves work and when they fail, they go to sue the County Government. You sue the county you were supposed to work for, and demand them to pay you damages having given work to yourself.

Committee Observations; Committee is alive to the fact that there are only two advocates working in the department. This means that they can be overwhelmed by the wide-ranging legal duties. The department should be in a position to conduct some of the duties such as drafting agreements and contracts with suppliers. Given the fact that the County has many legal issues, it is important that the office of the County Attorney is established as provided by the Nyandarua County Office of the County Attorney Act, 2016.

That there is contradictory information on the receipt of nine (9) bills prepared by Serah Kimani Advocates since the department claims they did not receive them while the firm stated it delivered the said bills. The matter is still in court thus this Committee cannot deal with this issue due to the *sub judice* rule. The department failed to ensure that there was a contract between the County Government and the two firms which would have helped to solve the disagreement. The Committee is concerned that the said bills were not forwarded to the Assembly by the department. Committee Recommendations

- That the Governor and the County Public Service Board should speed up the process of establishing the Office of the County Attorney. Hatuna sahii.
- That the Department should ensure that all agreements and contracts are not contracted out to law firms.

That the Department should ensure there are clear contracts between the County Executive and the suppliers to avoid loss funds for non-delivery. Court Cases The County Government court cases status report indicate that a total of sixty (60) cases were pending as at 30th June 2015. The cases were being handled by various lawyers though no costs had been attached to each case. Some of the related to the defunct local authorities. Determination of the cases by the courts is pending and may impact negatively on the County if the courts rule against it. It was therefore not possible to confirm the actual contingent liability the County may face when the cases are concluded. The management responded by saying that the department attached a report showing the status of various court cases against the County as at 30th May 2017.

The Committee made the following observations; that there are many cases against the County and the likely contingent liabilities total to approximately Kshs.12,500,000. Several cases were inherited from the defunct local authority. The report revealed that the department has a panel handling various cases. The department had failed to give the court cases' status report to the auditor general, which would have prevented this particular audit query.

That the office of the County Attorney should be established with the necessary personnel to help reduce on legal fees paid to law firms. the Department should always provide all the necessary documents to the auditor general.

Mr Speaker, in Agriculture the contract for the construction of a Pack House was competitively awarded by the department of agriculture to the lowest evaluated contractor at a sum of Kshs.50,175,680. The work involved construction of a cold storage and packing area for County produce by the local farmers.

The auditor general was concerned that the project was not included as a line item in the FY 2014/15 Budget and allocated funds. Instead, funds were reallocated from three items; Kshs. 18, 517, 715 for Purchase of Specialized Plant, Kshs.4, 996, 701 for Purchase of tree seeds and seedlings and Kshs.1,164,876 for Other Capital Grants and Transfers. No authority from the County Treasury to regularize the reallocation was provided for audit review contrary to Section 154(2) of the PFM Act, 2012. Mr Speaker, through a letter dated 9th June, 2017 referenced MOALF/NYA/CEC/AUDIT/ACC/4/VOL1/32 the Chief Officer for the department informed the Committee that;

a) The Nyandarua County integrated Development Plan proposes processing and value addition in that it proposes the construction of seven (7) cold storage structures in the County for promotion of horticultural crops for export.

This was meant to alleviate poverty levels in both the rural and urban areas in addition to creating employment and increasing income earned from horticulture in Nyandarua and neighboring counties.

b) The proposed hundred (100) metric tons Nyandarua County Pack house with a cold storage facility was expected to store horticultural produce as farmers plan to export it or to sell in other major markets in the country.
c) That the Department had budgeted for the construction of a horticultural cold storage facility as a budget line item
d) The department further explained that they had sought authority from the County Treasury via a letter dated 6th June, 2015 to reallocate funds from sub-votes that were likely to be underutilized, that is, Kshs.2, 500, 000 from Livestock production, Kshs.2, 800, 000 from Irrigation and Drainage and Kshs.5, 400, 000 from Agriculture department.

We observed that,

a) A horticultural cold storage facility had been budgeted for as a line item in the FY 2014/15 for only Kshs.14, 000, 000
b) Had the department found the project a priority, the same should have been considered for budget allocation in the Annual Development Plan, as stipulated in Section 126 (1) of the PFM Act, 2012.
c) The approval letter from the County Treasury was not annexed hence the Committee could not ascertain whether authority was duly granted in which case the Accounting Officer was in contravention of Section 154(2) of the PFMA, 2012.
d) The department did not avail a project completion certificate to confirm whether the project was duly completed.

The Committee recommends that the County Executive Committee Member for Finance and Economic Planning should take disciplinary action against the Accounting Officer for contravening financial procedures on reallocation of funds.

Commitments (Pending Bills). This was another query, as I conclude and hope that Hon Loise is getting ready to come and second, the County had pending bills, which ought to have been settled on or before 30th June 2015, amounting to Kshs. 407,802,113. Pending bills is an indication of imprudent financial management and may distort the budget for FY 2015/2016 to which they may be charged.

The Accounting Officers admitted the query and further attributed the pending bills in their departments to delayed releases of funds. The Outstanding Commitments for the County Assembly as at 30th June 2015 were fully supported through invoices with Kshs.10,785,520.00 supported through completion certificates while the allowances were supported by claim forms. On the observations. The Committee agrees with the auditor general’s opinion further noting the following;

a) The pending bills may a false illusion of the development budget vs recurrent budget ratio as required by law since they are also included in the 30% development budget for the financial year in which they are charged.
b) Failure to settle bills in time inconveniences suppliers and causes a drawback to the economy of the County and the Country at large.
c) The House, has in the past, made resolutions with regards to pending bills, in particular, with regards to pending bills in the roads department.
d) Had the bills totaling Kshs.407, 802, 113 been settled during the period and the expenditure charged to the accounts for FY 2014/2015, two (2) departments would have recorded over expenditures totaling to Kshs.8, 735, 918 under Recurrent and/or Development Votes as indicated:-

Department	Pending Bills		Total		
	Recurrent Budget	Development Budget	Actual Expenditure plus pending bills	Approved Budget	Over Expenditure
Agriculture, Livestock & Fisheries	20,324,701	4,919,878	462,557,899	454,715,115	(7,842,784)
Finance & Economic Planning	47,072,620	5,187,351	512,277,404	511,384,270	(893,134)

The Committee recommends that;

a. Accounting Officers should control their expenditure within the budget limits that are approved by the County Assembly
b. Accounting Officers should ensure timely procurement to provide adequate time for service delivery and payment to the service providers.
c. The County Executive Member for Finance and Economic Planning should institute measures to comprehensively address cases of pending bills across departments. In this regard, she should submit to the Assembly an action-taken report within sixty (60) days of the adoption of this report.

Mr Speaker, that is all, but I will go through the general conclusion; that we found out from the whole report.

The Committee made the following recommendations, that;

1. The County Executive Committee Member for Finance and Economic Planning shall in exercise of the powers vested in him/her under section 103(3) of the Public Finance Management Act, 2012 ensure accounting procedures and regulations are adhered to at all times to enhance prudent use of public resources.

And we say ‘SHALL’, this is to mean the buck stops with her, if not, we all know what happened to Honourable Ngaruiya.

2. Accounting Officers shall endeavor to address any unresolved audit query pursuant to Section 149(2) (l) of the Public Finance Management Act, 2012.
3. Accounting Officers shall always seek audience with the Auditor General in a view to resolve all audit queries through explanations and reconciliations acceptable to the Auditor General during the audit process and before the final audit report is drafted.

When the Auditor General finishes his work it is the duty of the accounting officer to make sure that the assembly gets this report. They should make sure that every query raised by the Auditor General is well responded to.

4. Accounting Officers, in compliance with Section 166 of the PFM Act, 2012 shall monitor the expenditure trends with a view of making necessary adjustments during the supplementary estimates to ensure that only funds that can be absorbed during the year are provided for.

5. The County Treasury shall ensure timely release of funds to all departments to avoid cases of under-expenditure.

6. The County Executive Committee Member for Finance and Economic Planning, as the head of the County Treasury and the person responsible for designation of Accounting Officers shall impose sanctions on Accounting Officers who provide inaccurate information to public officers regarding financial matters.

7. In view of the impending change of office holders and in particular Chief Officers, the County Executive Committee member for Finance shall ensure that all records of past financial years are kept and maintained properly for future reference.

8. The County executive Member for Finance and Economic Planning shall submit a report on how various departments have addressed the recommendations and findings of the audit report of FY2013/14 within sixty (60) days of adoption of this report.

9. The County Government shall strengthen its Monitoring and Evaluation infrastructure for effective evaluation of the implemented programs.

What we are saying here is all the departments in Nyandarua, have no a Monitoring and Evaluation programs. Most of the departments get to do what they have to but no evaluation is done, so we cannot say if the program is progressing or nose diving.

10. The County Executive shall submit a comprehensive schedule of all the pending bills, per department at the closure of every financial year.

This will prevent the birth of more employees who increase over time, this year we have 30, next year 70 then 100. Example this financial year, I know pending bills will be there, so by the end of June 2018, the County executive should furnish the assembly with a list of all the pending bills. I tend to think we should specify when so that we do not have list that continue to give birth.

11. Procurement services shall be decentralized to all other departments to increase efficiency and effectiveness.

All departments should procure their own tools so that the back will always stop with them. How can one be an accounting officer yet you do not know what the department of Finance is buying for you. This is encouraging corruption, which we should stop.

12. The County Executive shall submit an action plan on the intended implementation of the recommendations of this report within sixty (60) days of adoption of this report.

Two months from today every department should give us an action plan. Having all these queries is not by accident, it is by design. Therefore, the executive will also have the query, management response, observation, recommendation, and action. This is what should be done by the executive so that at the end of the sixty days, we shall be able to see what they have done. If they want us to do a template, the assembly has competent staff who can show them

As I conclude, after scrutinizing the audit report for the year under review, that is FY 2014/2015, the Committee noted several issues that are important in terms of appropriation of funds and their utilization. In view of the low absorption rate of development funds (78%), the Committee was concerned that failure to spend in a financial year especially on development projects denied taxpayers access to facilities and provision of services they were entitled to, which also attributed to a decline in the County's economic development. It was also noted that during the year under review the County Government submitted inaccurate financial statements for audit. They had errors and reflected balances which did not reconcile with those shown in the supporting documentation. The preparation of inaccurate accounts was a clear indication of poor standards of accounting and failure of accounting systems.

Expenditure incurred under various items in the Accounts were not supported with the relevant documents and as a result, the propriety of such expenditure could not be ascertained. Accounting Officers who failed to avail the supporting documents for audit were in contravention of Section 21 of the Public Audit Act, 2015.

The Committee thereby noticed that some of the audit queries were as a result of negligence on the part of the Accounting Officers and was avoidable. Most of the audit queries would have been resolved if the Accounting Officers responded to the management letters adequately and provided the required supporting documentation.

Further, Section 31 (1) (a) of the Public Audit Act, 2015 requires that within three months after the County Assembly has debated and considered the final report of the Auditor General and made recommendations, a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit.

We believe that the County Executive shall act promptly to implement the recommendations of the auditor general and the Committee in resolving the audit queries raised.

Most of the accounting queries would have been solved by the Accounting officers if they had responded to the management letters adequately and provided the adequate documentation. We have references that are all written there with all the annexures that I read as I began. With those many remarks and without spicing up because the report is well elaborated and speaking for itself, I wish to call Honourable Loise to come and second the report of the Public Accounts Committee.

Speaker: Very well. County Member from Gathanji, Hon. Loise Kimondo.

Hon. Loise Kimondo: Thank you Mr Speaker. I would like to second this report and make a few remarks as the vice chair of this committee. First is to congratulate our able chair for taking us through this long and bulky report. I also congratulate the committee members for the job well done, the secretariat for their total commitment in assisting the committee members to bring this report to the house.

Secondly, having gone through the Auditor General's report, the committee was able to note many queries which are highlighted in this report. Our overall observation was that there were many questions to be answered by all concerned departments, and serious measures should be taken against them. It is a clear indication that there was total misuse of public resources. I would like to request this house to adopt this report. With those few remarks, I second. Thank you.

(Question proposed)

Speaker: Yes, member for Githioro, Hon. Simon Sambigi Mukuriah.

Hon. Sambigi Mukuriah: Thank you Mr Speaker. I rise to support this report, and would like to give credit our able chairman for the many hours he has spent standing. That is why we appeal for young men to be given these jobs. So congratulations to the chair, the vice chair and the committee in general for coming up with this report.

Without much ado, it's good to point out that the report is self-explanatory, and it is devoid of any ambiguity. So as members debate and go through the report, I would urge them to not only look at what's in the report, but also at what is happening today and advice on how to move our county forward.

If you notice Mr Speaker, the report shows a lot of big man's syndrome. It is evident in the way the business for the day was being done and I am sorry to report that as we see, I am afraid that the big man's syndrome is creeping back. We already know that there has been an attempt at centralizing the procurement process which is completely unprocedural.

The only reason why the executive would like to entrench such mischief is so as to perpetuate the culture of impunity, which we have been given the mandate by the public to fight in this Assembly.

You realize that from all the reports right from the Auditor General's to the other various reports that have been referred to, and the various examinations that have been carried out by this committee, the executive was not in a hurry to finish these queries. That's why you find that a whole lot of executive officers would come and fail to answer simple questions.

I would like to say that it is bad manners for the executive members to come with volumes of files in order to confuse the committee. Fortunately, the committee members did not touch a single file but went for what was essential to come up with this report. That mischief is only aimed at one thing, to confuse the committee. Moving forward, we have seen serious cases of misappropriations of government funds. When we talk of government funds, it does not hit our minds that it is *Wanjiku's* money. Actually, we should not refer to them as government funds anymore. We should refer to it as development money for our people because it is supposed to change their living standards.

When this money is being misappropriated, it is negating and defeating the very essence of devolution. That is why I will not bat an eye when wrong things are being done. With time, we might be the laughing stalk of Kenya because other counties are spending their funds prudently. Today if you look at the various projects through which money has been lost, it's going to give us a terrible image in the face of Kenyans. The Auditor General's report is a public document and that is why year in year out, we are not able to get more funds allocated to Nyandarua. It is said that it is only fools who do not learn from the mistakes of others. We have made many mistakes in the past and if we are not careful, we will not only be used by others to learn but we might also wobble in that quagmire of foolishness. So, we better learn from even our own mistakes.

Let us engage the executive in the highest level possible. Let us question each and everything they do. Maybe the intergovernmental committee would come in handy here so as to be engaging the executive long before the house has bolted. It seems like our work here is to chase after the thieves. We should stop them in their track. Prudent use of these resources must be observed, and we must take to the budgets that we pass in this Assembly. With those many remarks, because the report was well tabulated, I beg to support it. Thank you Mr Speaker.

Speaker: Very well. The member for Kaimbaga, Hon. Gabriel Gathure Wambui.

Hon. Gathure Wambui: Thank you Mr Speaker. I understand that today I am very smartly dressed because I am in a new suit. I was elected as the chairperson of the Special Fund Committee, and when you are a chairman, and you enjoy responsibility allowances, you can afford to dress as such.

I rise to support this motion and I agree that somebody somewhere working under the executive arm of governance is undermining the great work done by this Assembly in fulfilling its mandate to *Wanjiku*.

Looking at this well tabulated report by the Pic Pac committee, we luck accuracy of financial statements. You find that the county government statement on financial assets do not balance by sh. 1.4 billion. Noting that the audited balance by the Auditor General for the year ended June 2015, was sh.599 million, but what was brought forward was sh. 2 billion. That gives a balance of sh. 1.4 billion which is not a little amount. If somebody cannot explain why there is that anomaly, then what is that person doing in the office.

Another case is that we had inaccurate composition of employees. The statement on receipt and payment reflect an amount of sh. 1.4 billion under composition of employees for the period ended 30th June 2015. However, the figure defers with a combined IPPD payroll and manual payroll balance of sh. 1.3 billion, with an unexplained variance of sh. 82 million. In agree with Hon. Kieru Wambui that, if the IPPD payroll reflects sh. 1.3 billion, while the receipt and payment reflect sh. 1.4 billion, while can't the executive come up with a good tabulated document that shows how the amount of sh. 1.3 billion was used.

On use of goods and services, the recurrent expenditure that was given to the department was sh. 2.4 billion but on the financial statement, you only find sh. 800 million was used. This means we have an unexplained balance of sh. 1.7 billion. The management response was that, it was recorded as other expenditure. When you say this without supporting documents, what are telling us then?

The bursary fund allocation was sh. 67,000,500 but the fund allocated was sh. 68 million. We have an over expenditure of sh. 736,000. Where did that money come from? The executive should have explained that. The other part is the cash book update. The cashbooks of government offices should be updated daily Mr Speaker. When they are not updated, it shows that the accounting officers are failing us. Government financial regulation and the international public accounting standards require the accounting officers to update the cash flow daily.

You also find that there are officers holding more than one imprests. They are required to have only one but you find that in this department, there is an accountant and auditors of the county. What is their role? They are running government business like private business. It is only in a private business that you can carry out a transaction and by the end of the day decide not to update the cash book.

You also find that some financial statements are under casted and others over casted. This shows that a malpractice is being concealed somewhere. There are even some missing documents. When the PIC/PAC committee members requested for some supporting documents, they were told that they could not be found. Failure to produce such documents is punishable. I heard that the documents that the Auditor General used to make a conclusion were erroneously submitted. How can you say that the documents were erroneously submitted when the Auditor General said that there was no balance of the figures?

I want to also mention something about the Njabini- Kiarutara road. The work that was done by the contractor there was shoddy. The contractor could not do the work under the agreed terms. There was also no clear communication between Nyandarua and Murang'a County. Even the accounting officer of that department never reported the contractor to the Public Procurement Oversight Authority for punishment.

The executive also failed to account for funds from the Transition Authority. We understand that Kshs. 61,000,000 was offered for acquiring and renovation of the executive offices and kshs.21 million was used for renovation, Kshs.39 million was set aside for construction of the County Headquarters. The amount that was paid for certified work was Kshs.9 million. This means that Kshs.30 million cannot be accounted for. There is a name we normally give to those offices that were constructed. *Wanjiku* calls it 'Tahidi High' meaning the work that was done there was not the intended one.

We also find that the tender documents for procurement of a mortal grader are missing. This is to conceal a malpractice. I think the committee should have come up with a recommendation that some people here be prosecuted or call EACC to investigate those people. We understand that this is a new government but the bureaucracies did not change. They are still on the hook. I support this motion with reservations because I think that the PIC/PAC committee led by Hon. Kieru and Hon. Loise Kimondo could have done better because I can see some mistakes in this report. I would like Hon. Kieru to advise me further on page 6 on committee observations; that, the committee noted that the department attached supporting schedules for the FY 2015/2016, which were therefore not admissible. My problem is in part (b), that the recurrent budget for the period under review was Kshs.2, 473,172. I doubt whether the recurrent expenditure under the review period was sh. 2.4 million.

My other issue concerns bursaries on page 7. They have only said that the county bursary fund was Kshs. 67,000,500, then bursary fund of sh.736,000, and the total indicated is 68,236,600. This figure is confusing. It should read, the county bursary fund allocation was sh. 67 million. The word bursary here should be over expenditure but how can I know by just checking this statement. It should be, 'County Bursary Fund Budget,' Kshs67 million. Then, bursary fund allocated, sh. 68 million. There should be another column for bursary fund over expenditure.

Speaker: Member for Kaimbaga, I think the first part is the report from the executive and the committee has made itself very clear. They have to write the response the way it comes from the executive and then the committee comes to indicate its take on the issue. They cannot be told that the bursary was Kshs.67 million and then they add their own figures.

Hon. Gathure Wambui: I like the way you are defending these people but they cannot escape the hook. When you look at the lower part of the report on the committee observations, they are saying that the committee noted that the bursary fund was Kshs67 million yet there is a total amount for bursary of Kshs.68 million and a zero is added. This zero can change the amount to sh. 680 million.

A committee with a Member acting as the institutional memory, like Hon. Kieru, a queen's language guru like Hon. Sambigi, an ambitious member like Hon. Ngeche and highly rated auditors like Hon. Maitai came up with a good report though it lacks proper writing skills. They also did not proofread which is meant to eliminate such mistakes. I think they should borrow from the budget committee.

(Hon. Kamau Kariuki rises on a point of order)

Speaker: Yes, what is it member for Gathaara, Hon. Andrew Kamau?

Hon. Kamau Kariuki: Mr Speaker, this is our first report and as a committee, it's a lesson we are learning. Hon. Gathure from Kaimbaga is demeaning our committee. Thank you.

Speaker: So the issue is whether the member for Kaimbaga is in order to seem as if he wants to demean the committee? I think member for Kaimbaga you are able to fully comprehend and understand this report. You would also appreciate that this is one of the best reports I have seen both in the first and the second Assembly. I always say that we should not concentrate much on the 5% that is not right. We should see the 95% which is good. Human is to error and that is why we are not gods. We are men. So on average, this is an A report. Proceed member for Kaimbaga.

Hon. Gathure Wambui: Thank you Mr Speaker. From your great counsel, I withdraw my statement. I agree with you that human is to error. I therefore summarize my contributions by saying that it is true the committee did good work and the style in which they have arranged the report is great. You find that they have articulated their issues in the best way possible. They have started with the anomaly done by the executive, then…

ADJOURNMENT

Speaker: A bit of intervention member for Kaimbaga, I am supposed to interrupt the debate at exactly 12.30 p.m. It is 12.30 p.m. now. I was waiting to see whether you are concluding but because I can see you are yet to conclude, I will have to interrupt. However, you will be given the first priority when we resume in the afternoon. This is in strict compliance with Standing Order No. 33. It is now 12.30 p.m. and pursuant to standing order No. 31, I am not giving any discretion unless the house had moved a motion at least 30 minutes before the expiry of the time. Therefore, Hon. Members, we shall still give this motion priority during the afternoon session, but as of now, we interrupt the debate pursuant to standing order No. 33 as read together with Standing Order No. 31 and we resume today, Wednesday 21st day of February 2018.

We had agreed that there might be some issues that need to be addressed in a *Kamukunji*. We thought we would have been through by 10.00am. That is why we had not put any other business into consideration. This motion extended to today and disorganized our intended calendar. If you are comfortable, we can be back in 5 minutes time and address the issues within 30 minutes. We therefore adjourn to today, Wednesday, 21st February 2018 at 2.30pm.

(The house rose at 12.31p.m)