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16/6/16*

**REPUBLIC OF KENYA**



**THE NATIONAL ASSEMBLY**

**PARLIAMENT  
OF KENYA  
LIBRARY**

*Paper Laid by  
Hon (Eng) Nicholas  
Gumbo, MP on*

**11<sup>TH</sup> PARLIAMENT - FOURTH SESSION - 2016**

**PUBLIC ACCOUNTS COMMITTEE  
REPORT ON THE  
GOVERNMENT OF KENYA ACCOUNTS  
FOR THE  
YEAR 2013/2014**

*Afternoon of  
22nd June 2016  
together with Volume I*



**VOLUME II**

**MINUTES OF THE COMMITTEE PROCEEDINGS**

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**NAIROBI**

**JUNE, 2016**

**MINUTES OF THE TWO HUNDRED AND THIRTY EIGHTH (238<sup>TH</sup>) SITTING OF  
THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY, 5<sup>TH</sup> OCTOBER, 2015  
AT 2.00 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. Jackson K. Rop, MP - Vice Chairperson
2. Hon. Joseph Manje, MP
3. Hon. Joel Onyancha, MP
4. Hon. Kanini Kega, MP
5. Hon. Andrew Mwadime, MP
6. Hon. Abdikadir Aden, MP
7. Hon. John Mbadi, MP
8. Hon. Manson Nyamweya, MP
9. Hon. Timothy Bosire, MP
10. Hon. Alice Nyanchoka Chae, MP

**APOLOGIES**

1. Hon. Eng. Nicolas Gumbo, MP - Chairperson
2. Hon. Jude Njomo, MP
3. Hon. Kareke Mbiuki, MP
4. Hon. Gonzi Rai, MP
5. Hon. Julius Melly, MP
6. Hon. Kangogo Bowen, MP
7. Hon. Fathia Mahbub, MP
8. Hon. Mathias Robi, MP
9. Hon. Sakwa Bunyasi, MP
10. Hon. Arthur Odera, MP
11. Hon. David Eseli, MP
12. Hon. Junet Sheikh Nuh, MP
13. Hon. Kyengo Katatha Maweu, MP
14. Hon. Silvance Onyango Osele, MP
15. Hon. Charles M. Geni, MP

**IN-ATTENDANCE:**

**NATIONAL ASSEMBLY SECRETARIAT**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Mr. Philip Lekarkar - Clerk Assistant III
3. Ms. Winnie Kulei - Research Officer III



### **OFFICE OF AUDITOR GENERAL**

1. Mr. Sammy Kimunguyi
2. Mr. Raphael Ikame
3. Ms. Belinda Kiilu

### **THE NATIONAL TREASURY**

1. Ms. Jane Njogu
2. Mr. Geoffrey Mwitari
3. Ms. Emma Mburu

### **MIN. No.884/2015: PRELIMINARIES**

The Chair called the meeting to order at fifteen minutes past two O'clock. Prayer was said. Self-introduction of those present was done.

### **MIN.NO. 885/2015: CONFIRMATION OF MINUTES**

Confirmation of minutes of the previous sitting was deferred to the next meeting.

### **MIN No. 886/ 2015: EVIDENCE: NATIONAL TREASURY**

Dr. Kamau Thuge, EBS, Principal Secretary from The National Treasury accompanied by Messrs.:-

- (i) S.K. Kirogu
- (ii) Kennedy Khera
- (iii) Felister Kivisi

Appeared before the committee and gave evidence on:-

#### **Financial Statement for Vote 107**

##### **Paragraph 7.3, Unsupported Expenditure**

On the issues concerning this paragraph, the Auditor General informed the Committee that they received some procurement documents on the very day and needed time to go through them.

Paragraphs 8,9,10 were resolved

##### **Paragraph 11: Omitted Balances Carried Forward**

The Auditor General informed the Committee that the matters have not been resolved hence remains outstanding. There was an agreement between the Office of the Auditor General and the National Treasury to meet and resolve the outstanding issues.

**Paragraph 12: Arrears of Revenue**

The financial statements reflect arrears of revenue due and uncollected as at 30 June 2014 of Kshs.164,712,793,632.92 compared to Kshs.135,141,678,594.76 reported as at 30 June 2013. The amount of Kshs.164,712,793,632.92 is made up of arrears for PAYE and Other Income Tax of Kshs.115,595,709,259.00, arrears for VAT and Excise Taxes of Kshs.12,826,655,982.00, arrears for loan redemptions of Kshs.12,136,521,472.63 and arrears for loan interests of Kshs.24,153,906,919.29 respectively. Besides failure to collect the arrears, the balances have not been analyzed or supported with the relevant documents and as a result, their validity, completeness and accuracy could not be ascertained.

The Auditor General emphasized that their concern was the failure by the National Treasury to collect the arrears of revenue and delay in submission of documents.

**Response**

While responding, the Principal Secretary informed the Committee that it was true that the financial statements reflect arrears of revenue due and uncollected as at 30<sup>th</sup> June, 2014 of Kshs.164,712,693,632.92 compared to Kshs.135,141,678,594.76 reported as at 30<sup>th</sup> June, 2013. The amount of Kshs.164,712,793,632.92 is made up of arrears for PAYE and other Income Tax of Kshs.115,595,709,259.00 arrears for VAT and Excise Taxes of Kshs.12,826,655,982.00, arrears for loan redemptions of Kshs.12,136,521,472.63 and arrears for loan interests of Kshs.24,153,909,919.29 respectively.

At the time of audit, the balances of arrears had not been analyzed. The balances were later analyzed and submitted for audit review.

**Paragraph 13** was resolved and the Office of the Auditor General was satisfied with the explanations given by the National Treasury.

**Paragraph 14: Failure to redeem stocks**

The appendix indicated in the evidence by the National Treasury was missing from the evidence file. The National Treasury was asked to provide the missing documents.

**Paragraph 15: Winding up of the Fund**

On this paragraph, the Auditor General was concerned that the process has taken long even though the National Treasury provided interim report showing the process.

**Paragraph 16: Non-Submission of Financial Statements**

The Auditor General informed the Committee that the office has received the Financial Statement from the National Treasury and will carry out the audit on 2013/2014 and 2014/2015. Further, the Auditor General added that the following paragraphs were resolved:

- (i) Paragraph 17: Presentation and Disclosures

- (ii) Paragraph 19: Dividend Income not paid into the Fund Account
- (iii) Paragraph 25: Presentation and Disclosure
- (iv) Paragraph 27: Presentation of Financial Statements
- (v) Paragraph 32: Presentation and Disclosure
- (vi) Paragraph 34: Other Suspense
- (vii) Paragraph 35: Paymaster General Account
- (viii) Paragraph 36: Bank Reconciliation Statement
- (ix) Paragraph 37: Presentation and Disclosure of Financial Statements

Paragraphs 18,20,21,22,23,24,28,29,30,31,33,38,39,40 have not been resolved and the National Treasury was directed to meet with the Office of the Auditor General to resolve the outstanding issues.

**MIN No. 887/2015:- ADJOURNMENT**

There being no other business to transact, the sitting ended at twenty seven minutes past five in the afternoon.

SIGNED.....  
Chairperson

DATE.....

**MINUTES OF THE TWO HUNDRED AND THIRTY NINETH (239<sup>TH</sup>) SITTING OF  
THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 6<sup>TH</sup> OCTOBER, 2015  
AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
2. Hon. Joseph Manje, M.P.
3. Hon. David Eseli, M.P.
4. Hon. John Mbadi, M.P.
5. Hon. Timothy Bosire, M.P.
6. Hon. Andrew Mwadime, M.P.
7. Hon. Abdikadir Aden, M.P.
8. Hon. Sakwa Bunyasi, M.P.
9. Hon. Kyengo Katatha Maweu, M.P.
10. Hon. Alice Nyanchoka Chae, M.P.
11. Hon. Gonzi Rai, M.P.
12. Hon. Kanini Kega, M.P.
13. Hon. Kareke Mbiuki, M.P.
14. Hon. Kangogo Bowen, M.P.
15. Hon. Manson Nyamweya, M.P.

**APOLOGIES**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Joel Onyancha, M.P.
3. Hon. Jude Njomo, M.P.
4. Hon. Julius Melly, M.P.
5. Hon. Arthur Odera, M.P.
6. Hon. Silvance Onyango Osele, M.P.
7. Hon. Mathias Robi, M.P.
8. Hon. Fathia Mahbub, M.P.
9. Hon. Junet Sheikh Nuh, M.P.
10. Hon. Charles Mong'are Geni, M.P.
11. Hon. Stephen Manoti, M.P.
12. Hon. Jessica Mbalu, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Mr. Fredrick Otieno - Clerk Assistant III



**OFFICE OF THE AUDITOR GENERAL**

1. Mr. William O Agunda
2. Mr. Daniel Ndung'u
3. Mr. Raphael Ikame
4. Charles Kinuthia

**NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant

**MIN. No.888/2015: PRELIMINARIES**

The Chair called the meeting to order at twenty minutes past ten O'clock. Prayer was said and self-introduction of those present done.

**MIN.NO. 889/2015: CONFIRMATION OF MINUTES**

Confirmation of minutes of the previous sitting was deferred to the next meeting.

**MIN No. 890/2015: EVIDENCE: THE NATIONAL TREASURY**

Dr. Kamau Thugge, Principal Secretary National Treasury appeared before the committee accompanied by Messrs.:-

- (i) Mr. Benard Ndung'u
- (ii) Mr. James Aloyo
- (iii) Ms. Anne Mugo
- (iv) Ms. Beatrice Gathirwa
- (v) Mr. Tom Khakame
- (vi) Mr. Naboth Nyaberi
- (vii) Ms. Doris Ithima
- (viii) Mr. Arthur Nduati
- (ix) Mr. Simon Mwangi
- (x) Mr. Joseph Simba
- (xi) Mr. Livingston Bunbe
- (xii) Mr. G.K Gichuru

Appeared before the committee and gave evidence on:-

**Financial Statement for Vote 107**

- (i) Paragraph 42 on Non-Repayment of Loans
- (ii) Paragraph 43 on Outstanding Loan Balances
- (iii) Paragraph 44 on Presentation of Financial Statements
- (iv) Paragraph 45 on Long Outstanding Balances

- (v) Paragraph 46 on Presentation and Disclosure of Financial Statements
- (vi) Paragraph 47 on Statement of Subscriptions – Vote R.53
- (vii) Paragraph 48 on Bank Reconciliation
- (viii) Paragraph 49 on Understatement of Pension Payments
- (ix) Paragraph 50 on Investments
- (x) Paragraph 51 on Members Contribution
- (xi) Paragraph 52 on Capital Account
- (xii) Paragraph 53 on Presentation of the Financial Statement
- (xiii) Paragraph 54 on Comparative Balances
- (xiv) Paragraph 55 on Paymaster General Account
- (xv) Paragraph 56 on Long Outstanding Balances
- (xvi) Paragraph 57 on Presentation of the Financial Statement
- (xvii) Paragraph 58 on Payment under Loan Guarantee Act
- (xviii) Paragraph 59 on Unexplained Funding – Exchequer Issues
- (xix) Paragraph 60 on Investment held in Insolvent Cereals and Sugar Finance Corporation
- (xx) Paragraph 61 on Un-invested Proceeds from Redeemed Stocks
- (xxi) Paragraph 62 on Presentation of the Financial Statement
- (xxii) Paragraph 63 on External Debt Interest
- (xxiii) Paragraph 64 on Ken-Ren Chemical and Fertilizer Company – Loan Repayment
- (xxiv) Paragraph 65 on Unsustainable Growth in Public Debt
- (xxv) Paragraph 66 on Re-Credited Cheques
- (xxvi) Paragraph 67 on Stale Cheques
- (xxvii) Paragraph 68 on Excess Expenditure

**Pending Issues:**

**Paragraph 42: Non-Repayment of Loans**

According to the Auditor General, the loans have not been paid and no efforts have been made by the institutions to repay the loans.

Members were however concerned on how the government gave money to private institutions while some of these institutions were never active.

The Committee informed the Principal Secretary that it was important to summarize general reasons why the loans have not been repaid and report to the Committee on the way forward, either to write off the loans or to loan out the companies when the exchequer releases for the Committee to make a decision on the matter.

**Paragraph 43: Outstanding Loan Balances**

The Consolidated Statement of Outstanding Loans as at 30 June 2014 reflects total loans issued of Kshs.192,082,652,272.94, out of which an amount of Kshs.10,795,333,453.06 has been repaid, leaving a balance of Kshs.181,287,318,819.88 outstanding as at that date. The total outstanding loans balance of Kshs.181,287,318,819.88 as at 30 June 2014 represents an increase of Kshs.14,347,703,077.45 or approximately 8.6% of total outstanding balance of Kshs.166,939,615,742.43 reported as at 30 June 2013.

The Principal Secretary was asked to provide documents with detailed information on this matter

**Paragraph 50: Investments**

The statement of financial assets and liabilities as at 30 June 2014 reflects investments' balance of Kshs.32,256,737.00. This balance represents shares held in Kenya Power and Lighting Company Limited valued at Kshs.34,238,980.00 net of a provision of Kshs.1,982,243.00. However, the reason for the provision, or what it represents, has not been explained and therefore the fair value of the investments could not be established.

The Principal Secretary informed the Committee that they had shared the justifications on the provisions with the Office of the Auditor General.

The Committee was however concerned whether the fund was for pension during colonial period or not.

The National Treasury was directed to provide the schedule of the beneficiaries with their details and the how much money is paid to each beneficiary.

**Paragraph 54: Comparative Balances**

The National Treasury informed the Committee that they submitted the revised copy of the statement to the Office of the Auditor General.

The National Treasury and the Office of the Auditor General to sit and resolve the outstanding issues.

**Paragraph 55: Paymaster General**

The issue was still outstanding and the National Treasury informed the Committee that there is taskforce formed to work on the issue.

The National Treasury and the Office of the Auditor General were asked to sit and clear the unresolved issues.

**Paragraph 56: Long Outstanding Balances**

The Statement reflects Items Awaiting Clearance and Sinking Fund balances of Kshs.4,798,266,577.05 and Kshs.2,093,437.50, respectively which have been brought forward over the years. No satisfactory explanation has been provided for non-clearance of these long outstanding balances. In addition, the balances have not been supported with verifiable documents. The completeness and accuracy of these balances could not, therefore, be ascertained.

The taskforce will deal with the issue.

**Paragraph 60: Investment Held in Insolvent Cereals and Sugar Finance Corporation**

The statement of assets and liabilities reflects a receivables balance of Kshs.16,900,000.00 relating to a cash investment held in the Cereals and Sugar Finance Corporation. The Corporation is technically insolvent and according to available information the Government has approved its winding up, with a further requirement that the National Treasury takes over its assets and liabilities. The recoverability of the amount of Kshs.16,900,000.00 is therefore doubtful.

The National Treasury and the Office of the Auditor General were directed to meet and resolve the outstanding issues.

Further the National Treasury was directed to move with speed to ensure the winding up is completed.

**Paragraph 62: Un-invested Proceeds from Redeemed Stocks**

As highlighted in the report for 2012/2013 and as indicated in Note 8.5 to the financial statements, the Ministry holds in its Deposit Account No. 4-867-102-0021 cash proceeds from the redemption of 11% Kenya Stock 2000 totaling Kshs.9,000,000.00. The Stocks were redeemed in July 2001 and the proceeds were expected to be re-invested immediately but are still being held in the Deposit account to date. Failure to re-invest the funds for the last 13 years has denied the Fund income that would finance the payment of pensions due to its beneficiaries.

Members were concerned on whether this money is there and how much interest it generates.

The Principal Secretary assured Members that the money is there and they are acting on it so that it can be invested.

**Paragraph 64: Ken-Ren Chemical and Fertilizer Company- Loan Repayment**

On this issue, the Committee informed the Principal Secretary that it was important that the individuals concerned be brought to books and the money recovered.



**Paragraph 65:**

The Committee noted with concern that it was important to inform the public on the status of the economy just like the Auditor General did.

Paragraphs 66 on Re-Credited Cheques, 67 on Stale Cheques and 68 on Excess Expenditure, the National Treasury and the Office of the Auditor General were asked to meet and resolve the pending issues.

**MIN No. 891/2015:- ADJOURNMENT**

There being no other business to transact, the meeting ended at twenty five minutes past one in the afternoon.

SIGNED.....  
  
Chairperson

DATE.....  


**MINUTES OF THE TWO HUNDRED AND FOURTIETH (240<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 8<sup>TH</sup> OCTOBER, 2015 AT 11.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Joseph Manje, M.P.
4. Hon. David Eseli, M.P.
5. Hon. John Mbadi, M.P.
6. Hon. Timothy Bosire, M.P.
7. Hon. Andrew Mwadime, M.P.
8. Hon. Abdikadir Aden, M.P.
9. Hon. Kangogo Bowen, M.P.
10. Hon. Junet Sheikh Nuh, M.P.
11. Hon. Sakwa Bunyasi, M.P.
12. Hon. Stephen Manoti, M.P.
13. Hon. Kyengo Katatha Maweu, M.P.
14. Hon. Alice Nyanchoka Chae, M.P.
15. Hon. Gonzi Rai, M.P.
16. Hon. Kanini Kega, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Julius Melly, M.P.
2. Hon. Mathias Robi, M.P.
3. Hon. Fathia Mahbub, M.P.
4. Hon. Manson Nyamweya, M.P.
5. Hon. Jude Njomo, M.P.
6. Hon. Joel Onyancha, M.P.
7. Hon. Kareke Mbiuki, M.P.
8. Hon. Arthur Odera, M.P.
9. Hon. Silvanice Onyango Osele, M.P.
10. Hon. Charles Mong'are Geni, M.P.
11. Hon. Jessica Mbalu, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Mr. Fredrick Otieno - Clerk Assistant III

**OFFICE OF THE AUDITOR GENERAL**

1. Mr. William O Angundo
2. Mr. Daniel Ndung'u
3. Mr. Lamech Achika
4. Mr. Charles Kinuthia

**NATIONAL TREASURY**

Mr. Geoffrey Mwitari

- Chief Accountant

**MIN. No.892/2015: PRELIMINARIES**

The Chair called the meeting to order at fifteen minutes past eleven O'clock. Prayer was said and self-introduction of those present done.

**MIN.NO. 893/2015: CONFIRMATION OF MINUTES**

Confirmation of minutes of the previous sitting was deferred to the next meeting.

**MIN No. 894/2015: EVIDENCE: NATIONAL TREASURY**

Dr. Kamau Thugge, Principal Secretary National Treasury appeared before the committee accompanied by Messrs.:-

- (i) Mr. Luke Kirwa
- (ii) Mr. James Aloyo
- (iii) Ms. Beatrice Gathirwa
- (iv) Mr. Tom Khakame
- (v) Mr. Naboth Nyaberi
- (vi) Ms. Doris Ithima
- (vii) Mr. Arthur Nduati
- (viii) Mr. Simon Mwangi
- (ix) Mr. Livingston Bunke
- (x) Mr. G.K Gichuru

**Financial Statement for Vote 107**

He gave evidence on:-

- (i) Paragraph 69 on Service Gratuity Kshs.170,990,760.00
- (ii) Paragraph 70 on Bank Reconciliation Statement for the CFC Cashbook – Act. 01-0R-010R051
- (iii) Paragraph 71 on Receipts in Cashbook not in Bank Statement
- (iv) Paragraph 72 on Presentation and Disclosure of Financial Statements
- (v) Paragraph 73 on Comparative Balances for 2012/2013
- (vi) Paragraph 74 on Paymaster General (PMG) and Cashbook Balances
- (vii) Paragraph 75 on Prior Year Unresolved Audit Issues
- (viii) Paragraph 76 on Inadequate Disclosure

**Pending Issues:**

**Paragraph 70 (b): Payment in Bank Statement no in Cashbook**

The Committee directed the National Treasury to provide the Court ruling on the issue and were further concerned to know why the Attorney General did not appeal on the case. The committee was concerned by the trend on which the Government through the Attorney General lose cases hence the public funds being lost.

**Paragraph 74: Paymaster General (PMG) and Cashbook Balances**

The taskforce was directed to handle the matter and clear the books and the matter be resolved before the end of the current financial year.

**Paragraph 75 (iii)**

The statement of assets and liabilities for deposits 07 as at 30 June 2013 reflected a balance of Kshs.3,170,073,064.63 against the Fund compared to the paymaster general (PMG) balance of Kshs.2,695,783,471.40 shown in the Fund's balance sheet, again resulting in an unexplained or un-reconciled difference of Kshs.474,289,593.23.

The National Treasury and the Office of the Auditor General were directed to sit and resolve the outstanding issues on this paragraph.

**MIN No. 895/2015:- ADJOURNMENT**

There being no other business to transact, the meeting ended at twenty minutes past one in the afternoon.

SIGNED.......... DATE..........  
Chairperson



**MINUTES OF THE TWO HUNDRED AND FOURTY FIRST (241<sup>ST</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 15<sup>TH</sup> OCTOBER, 2015 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
3. Hon. Joel Onyancha, M.P.
4. Hon. Julius Melly, M.P.
5. Hon. Joseph Manje, M.P.
6. Hon. Andrew Mwadime, M.P.
7. Hon. Junet Sheikh Nuh, M.P.
8. Hon. Stephen Manoti, M.P.
9. Hon. Sakwa Bunyasi, M.P.
10. Hon. Arthur Odera, M.P.
11. Hon. David Eseli, M.P.
12. Hon. Abdikadir Aden, M.P.
13. Hon. Kyengo Katatha Maweu, M.P.
14. Hon. Kanini Kega, M.P.
15. Hon. Gonzi Rai, M.P.
16. Hon. Timothy Bosire, M.P.
17. Hon. Alice Nyanchoka Chae, M.P.
18. Hon. Manson Nyamweya, M.P.
19. Hon. Charles Geni Mong'are, M.P.
20. Hon. Kareke Mbiuki, M.P.
21. Hon. Jessica Mbalu, M.P.

**ABSENT**

1. Hon. Kangogo Bowen, M.P.
2. Hon. Jude Njomo, M.P.
3. Hon. John Mbadi, M.P.
4. Hon. Fathia Mahbub, M.P.
5. Hon. Mathias Robi, M.P.
6. Hon. Silvance Onyango Osele, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Victor Weke - Clerk Assistant II
2. Winnie Kulei - Research Officer

### **NATIONAL TREASURY**

1. Mr. Elijah Kabiru -Senior Assistant Accountant General
2. Mr. Geoffrey Mwitari -Chief Accountant

### **OFFICE OF THE AUDITOR GENERAL**

1. Mr. John M. Karingithi - Assistant Manager Audit
2. Mr. Raphael Ikame - Parliamentary Liaison Officer

### **MIN No. 896/2015: PRELIMINARIES**

The Chairperson called the meeting to order at ten minutes past ten in the morning and prayed. Introductions by all present followed.

### **MIN No. 897/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

### **MIN No. 898/2015: EVIDENCE: MINISTRY OF INDUSTRIALIZATION AND ENTERPRISE DEVELOPMENT**

#### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Dr. Wilfred Songa**, Principal Secretary of Ministry of Industrialization And Enterprise Development accompanied by Messrs.:-

- (i) Mr. Julius Mokogi - MD, Kenya Industrial Estates
- (ii) Mr. Philip Gichuki - Deputy Commissioner Cooperatives Development
- (iii) Mr. Samson Olala - Senior Chief Finance Officer
- (iv) Mr. Thomas Njogu- PA to the Permanent Secretary
- (v) Mr. Andrew Mbwi - Deputy Chief Accountant
- (vi) Mr. Julius Korir - Industrialization Secretary
- (vii) Mr. Geoffrey Chege- Senior Accountant

Appeared before the committee and gave evidence on:-

- (i) Paragraph 468 on Loan to Micro-finance institutions
- (ii) Paragraph 469 on Grants to collaborating Institutions
- (iii) Paragraph 470 on Loss of cash
- (iv) Paragraph 471 on Bank Reconciliation
- (v) Paragraph 472 on Late Submission of fund account

### **PENDING ISSUES**

- (i) Paragraph 468 on Loan to Micro-finance institutions

The Committee directed the Accounting Officer and Managing Director, Kenya Industrial Estates to avail its credit policy.

**MIN No. 899/2015:- ADJOURNMENT**

There being no other business to transact, the sitting ended at twenty minutes past eleven in the morning.

SIGNED.....



Chairperson

DATE.....



**MINUTES OF THE TWO HUNDRED AND FOURTY SECOND (242<sup>ND</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 15<sup>TH</sup> OCTOBER, 2015 AT 11.30 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

- |                                      |   |                       |
|--------------------------------------|---|-----------------------|
| 1. Hon. (Eng.) Nicolas Gumbo, M.P.   | - | <b>Chairman</b>       |
| 2. Hon. Jackson K. Rop, M.P.         | - | <b>Vice- Chairman</b> |
| 3. Hon. Joel Onyancha, M.P.          |   |                       |
| 4. Hon. Julius Melly, M.P.           |   |                       |
| 5. Hon. Joseph Manje, M.P.           |   |                       |
| 6. Hon. Andrew Mwadime, M.P.         |   |                       |
| 7. Hon. Junet Sheikh Nuh, M.P.       |   |                       |
| 8. Hon. Stephen Manoti, M.P.         |   |                       |
| 9. Hon. Sakwa Bunyasi, M.P.          |   |                       |
| 10. Hon. Arthur Odera, M.P.          |   |                       |
| 11. Hon. David Eseli, M.P.           |   |                       |
| 12. Hon. Abdikadir Aden, M.P.        |   |                       |
| 13. Hon. Kyengo Katatha Maweu, M.P.  |   |                       |
| 14. Hon. Kanini Kega, M.P.           |   |                       |
| 15. Hon. Gonzi Rai, M.P.             |   |                       |
| 16. Hon. Timothy Bosire, M.P.        |   |                       |
| 17. Hon. Alice Nyanchoka Chae, M.P.  |   |                       |
| 18. Hon. Manson Nyamweya, M.P.       |   |                       |
| 19. Hon. Charles Geni Mong'are, M.P. |   |                       |
| 20. Hon. Kareke Mbiuki, M.P.         |   |                       |
| 21. Hon. Jessica Mbalu, M.P.         |   |                       |

**ABSENT WITH APOLOGY**

1. Hon. Kangogo Bowen, M.P.
2. Hon. Jude Njomo, M.P.
3. Hon. John Mbadi, M.P.
4. Hon. Fathia Mahbub, M.P.
5. Hon. Mathias Robi, M.P.
6. Hon. Silvanice Onyango Osele, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

- |                     |   |                    |
|---------------------|---|--------------------|
| 1. Mr. Victor Weke  | - | Clerk Assistant II |
| 2. Ms. Winnie Kulei | - | Research Officer   |



## **NATIONAL TREASURY**

1. Mr. Elijah Kabiru - Senior Assistant Accountant General
2. Mr. Geoffrey Mwitari - Chief Accountant

## **OFFICE OF THE AUDITOR GENERAL**

1. Mr. Richard Nyagwachi- Senior Manager Audit
2. Mr. Rowland Kinyeki - Manager Audit
3. Mr. Stephen Taiku - Assistant Manager Audit
4. Mr. Raphael Ikame - Parliamentary Liaison Officer

## **MIN No. 900/2015: PRELIMINARIES**

The Chairperson called the meeting to order at forty minutes past eleven in the morning and prayed. Introductions by all present followed.

## **MIN No. 901/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

## **MIN No. 902/2015: EVIDENCE: MINISTRY OF LANDS**

### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

Mrs Mariamu El Mawy, Principal Secretary of Ministry of Lands and Housing and Urban Development accompanied by Messrs.:-

- (i) Patrick Bucha - SH
- (ii) Samson Ongalo - Head Accounting
- (iii) Ann B. Nyikuli - DA
- (iv) Esther N. Ogega - DLAS
- (v) Mabeya Mogaka - Ag. DA
- (vi) Juliana Mutua - Ag. Deputy Director
- (vii) Stephen Waruinge - CA SFT
- (viii) Eng. John Maina - SMD
- (ix) Charles Wafula Sikuku - Ag. Director
- (x) Joseph Zachary Abuta - Finance expert
- (xi) Arch. S.K. Muli - Ag. CA
- (xii) Eng. E.N. Waithaka - Ag. ELE

Appeared before the committee and gave evidence on:

- (i) Paragraph 305 on Unsupported receipts
- (ii) Paragraph 306 on Understatement of receipts

- (iii) Paragraph 307 on Other revenue
- (iv) Paragraph 308 on Use of deposit money to pay recurrent expenditure
- (v) Paragraph 309 on Misallocation of expenditure

**MIN No. 903/2015:- ADJOURNMENT**

There being no other business to transact, the sitting ended at twenty minutes past one in the afternoon.

SIGNED.......... DATE..........

**Chairperson**

**MINUTES OF THE TWO HUNDRED AND FOURTY THIRD (243<sup>RD</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 22<sup>ND</sup> OCTOBER, 2015 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

- |                                      |   |                       |
|--------------------------------------|---|-----------------------|
| 1. Hon. (Eng.) Nicolas Gumbo, M.P.   | - | <b>Chairman</b>       |
| 2. Hon. Jackson K. Rop, M.P.         | - | <b>Vice- Chairman</b> |
| 3. Hon. Jude Njomo, M.P.             |   |                       |
| 4. Hon. Joel Onyancha, M.P.          |   |                       |
| 5. Hon. Gonzi Rai, M.P.              |   |                       |
| 6. Hon. Kanini Kega, M.P.            |   |                       |
| 7. Hon. Fathia Mahbub, M.P.          |   |                       |
| 8. Hon. Sakwa Bunyasi, M.P.          |   |                       |
| 9. Hon. David Eseli, M.P.            |   |                       |
| 10. Hon. Abdikadir Aden, M.P.        |   |                       |
| 11. Hon. Junet Sheikh Nuh, M.P.      |   |                       |
| 12. Hon. Manson Nyamweya, M.P.       |   |                       |
| 13. Hon. Charles Geni Mong'are, M.P. |   |                       |
| 14. Hon. Timothy Bosire, M.P.        |   |                       |
| 15. Hon. Alice Nyanchoka Chae, M.P.  |   |                       |
| 16. Hon. Jessica Mbalu, M.P.         |   |                       |

**ABSENT WITH APOLOGY**

1. Hon. Julius Melly, M.P.
2. Hon. Joseph Manje, M.P.
3. Hon. Andrew Mwadime, M.P.
4. Hon. Stephen Manoti, M.P.
5. Hon. Arthur Odera, M.P.
6. Hon. Kyengo Katatha Maweu, M.P.
7. Hon. Kareke Mbiuki, M.P.
8. Hon. Kangogo Bowen, M.P.
9. Hon. John Mbadi, M.P.
10. Hon. Mathias Robi, M.P.
11. Hon. Silvanice Onyango Osele, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

- |                        |   |   |
|------------------------|---|---|
| 1. Mr. Victor Weke     | - | Clerk Assistant II                          |
| 2. Ms. Chelagat Tungo  | - | Clerk Assistant II                          |
| 3. Mr. Benjamin Ngimor | - | Fiscal Analyst, Parliamentary Budget Office |

4. Winnie Kulei - Research Officer

**NATIONAL TREASURY**

- Mr. Geoffrey Mwitari - Chief Accountant

**OFFICE OF THE AUDITOR GENERAL**

1. Mr. William Agunda - Manager Audit
2. Mr. Daniel Ndungu - Manager Audit
3. Mr. Charles Kinuthia - Manager Audit
4. Mr. Raphael Ikame - Parliamentary Liaison Officer

**MIN No. 904/2015: PRELIMINARIES**

The Chairperson called the meeting to order at thirty minutes past ten in the morning and prayed. Introductions by all present followed.

**MIN No. 905/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

**MIN No. 906/2015: PRESENTATION BY THE PARLIAMENTARY BUDGET OFFICE ON THE 2014 SOVEREIGN BOND**

Mr. Benjamin Ngimor of the Parliamentary Budget Office made an analytical presentation to the Committee on the Sovereign Bond issued by the Government of Kenya in 2014. The analysis is attached to these minutes.

**MIN No. 907/2015: EVIDENCE: CONTROLLER OF BUDGET ON THE 2014 SOVEREIGN BOND**

**Ms. Agnes Odhiambo**, Controller of Budget (COB) accompanied by Messrs.:-

- i. Mr. Patrick Kamore - CFA (NG)
- ii. Mr. Joseph Marigi - Manager
- iii. Mr. Waweru Tuti - Manager
- iv. Ms. Mary Owii - Manager
- v. Mr. Mark Kipkoech - Manager
- vi. Mr. Joseph Tulula - Manager

Appeared before the committee and gave evidence on the USD 2 Billion 2014 Sovereign Bond. She stated as follows;

1. That the COB approves all funds from the Consolidated fund as per from Article 206(4) of the Constitution. Her office is independent and derives its mandate from Articles 228 and 249 of the Constitution.

2. As is the practise, her approval is two-fold. There is the pre-approval phase where she scrutinizes relevant documentation regarding a particular expenditure and she approves based on the correctness of these documents. She then awaits availability of funds and approves release of funds towards expenditure.
3. On the first expenditure of the Sovereign Bond of Kes. 53.2 Billion that went towards retirement of the Syndicate loan, she examined all the documentation including payment documents, loan agreements, repayment period, interest rates etc. Treasury availed all these and she approved. Treasury however did not seek second approval of actual payment once funds were available since payment was done from a special offshore account that she was not a signatory of.
4. It is these special accounts that she has no control over and sought Parliament to legislate on how the office of the COB oversight them.
5. Treasury was fully aware of Article 206 as demonstrated in their internal memo dated 27<sup>th</sup> June, 2015. (She tabled the memo). They however went ahead to pay without her input, and only forwarded a journal voucher for entry in the COB's books, vide a letter dated 27<sup>th</sup> August, 2015. In her 1<sup>st</sup> quarter report of the financial year 2014/15, she highlighted the issue and asked for verification of amounts and asked for audit and reconciliations.
6. She approved the use of the balance of the Sovereign Bond funds that were transferred to the Consolidated fund. Funds were released for each ministry, department or government agency as their general votes and she could thus not identify specific projects solely funded by the Sovereign Bond finances.
7. Her office releases quarterly reports and submits 349 copies to Parliament for all Members.
8. The Controller of Budget and her Directors are the signatories authorizing withdrawal of funds from the Consolidated fund account held at CBK.

**MIN No. 908/2015:- ANY OTHER BUSINESS**

1. The Committee took exception with the Cabinet Secretary for Treasury's failure to attend the important meeting without prompt prior communication. The Committee decided to reschedule his appearance to Monday, 2<sup>nd</sup> November, 2015 at 2.30 pm.
2. The Committee resolved to sit on Monday afternoons and Friday mornings, on top of the usual sitting days so as to dispense with the massive workload before it.
3. On the upcoming trip to Khartoum on the 9<sup>th</sup> EAAPAC Conference, the Committee noted the inability of Hon. Gonzi Rai, Hon. Timothy Bosire and Hon. Kangogo Bowen to travel and accepted their withdrawal from the delegation. The Committee duly replaced them with Hon. Junet Mohamed, Hon. Abdikadir Aden and Hon. Charles Geni.



4. The Chairman informed Members that he would lead a delegation to Hon. John Mbadi's home in Pipeline Estate off Thika Road to condole with him. Members were encouraged to attend and send their contributions through the secretariat.

**MIN No. 909/2015:- ADJOURNMENT**

There being no other business, the sitting adjourned at twenty minutes past one in the afternoon. Date of next meeting was set as Tuesday 27<sup>th</sup> October, 2015 at 10.00 am.

SIGNED.......... DATE..........  
Chairperson

**MINUTES OF THE TWO HUNDRED AND FOURTY FOURTH (244<sup>TH</sup>) SITTING OF  
THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY, 26<sup>TH</sup> OCTOBER, 2015  
AT 2.30 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. Jackson K. Rop, MP – **Vice Chairperson**
2. Hon. Joseph Manje, MP
3. Hon. Joel Onyancha, M.G.H MP
4. Hon. Sakwa Bunyasi, MP
5. Hon. Arthur Odera, MP
6. Hon. David Eseli, MP
7. Hon. Manson Nyamweya, MP
8. Hon. Kareke Mbiuki, MP
9. Hon. Mwadime Andrew, MP

**APOLOGIES**

1. Hon. (Eng.) Nicolas Gumbo, MP – **Chairperson**
2. Hon. Kangogo Bowen, MP
3. Hon. Kanini Kega, MP
4. Hon. Stephen Manoti, MP
5. Hon. Mathias Robi, MP
6. Hon. Silvance Onyango Osele, MP
7. Hon. Alice Nyanchoka Chae, MP
8. Hon. Julius Melly, MP
9. Hon. Jessica Mbalu, MP
10. Hon. Abdikadir Omar Aden, MP
11. Hon. Charles Mong'are Geni, MP
12. Hon. Gonzi Rai, M.G.H., MP
13. Hon. John Mbadi, MP
14. Hon. Timothy Bosire, MP
15. Hon. Jude Njomo, MP
16. Hon. Fathia Mahbub, MP
17. Hon. Junet Sheikh Nuh, MP
18. Hon. Kyengo Katatha Maweu, MP

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

- |                       |   |                           |
|-----------------------|---|---------------------------|
| 1. Mr. Daniel Mutunga | - | Principal Clerk Assistant |
| 2. Mr. Douglas Katho  | - | Clerk Assistant III       |
| 3. Ms. Winnie Kulei   | - | Research Officer          |

4. Mr. Collins Mahamba - Audio Officer

#### **TREASURY**

- Geoffrey Mwitari - Parliamentary Liaison Officer

#### **OFFICE OF THE AUDITOR GENERAL**

1. Joseph M. Karanja - Manager, Audit
2. Raphael Ikame - Parliamentary Liaison Officer
3. Simon Chibole - Manager, Audit
4. Joseph K. Irungu - Manager, Audit
5. Bonface Ong'wen - Manager, Audit
6. Catherin M. Mburu - Manager, Audit
7. Japheth Mangoka - Manager, Audit

#### **MIN No. 910/2015: PRELIMINARIES**

The sitting's proceedings commenced with a word of prayer and thereafter introductions.

#### **MIN No. 911/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

#### **MIN No. 912/2015: EVIDENCE: MINISTRY OF INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT**

#### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Amb. Monica Juma**, Principal Secretary, State department of Interior and **Ms. Josepta Mukobe**, Principal Secretary, State Department of Coordination of National Government accompanied by Messrs.:-

- (i) Maj. Gen. Kihalangwa - Director, Immigration
- (ii) Mr. Kimeu Maingi - MOICNG
- (iii) Mr. John Munywoki - Interior
- (iv) Ms. Judy Mwihaki - Interior
- (v) Mr. Josphat K. Huka - Kenya Prisons Service
- (vi) Mr. JM Wambugu - National Police Service
- (vii) Ms. M. W. Muthoni - National Police Service
- (viii) Ms. Doris Kenyanya - MI&CNG
- (ix) Mr. William Mbaka - Coordination
- (x) Mr. Alexander Chege - Kenya Police Service
- (xi) Mr. Charles Liyayi - Coordination

- (xii) Mr. Phillip M. Gathuya - Interior
- (xiii) Mr. Phyllis A. Ouko - Interior
- (xiv) Mr. Waigi Kamau - Attorney General's Office

Appeared before the committee and gave evidence on:

- (i) Paragraph 77 on Purchase of Land and Houses for general Service Unit paid through legal dues, arbitration and compensation.
- (ii) Paragraph 78 on Examination of contractor Supply and delivery of Entry and Exit stamps.
- (iii) Paragraph 79 on Examination of Contract Number APHQS/32/20111/2012 for the procurement of additional Security Items
- (iv) Paragraph 80 on Procurement and loss of Certificates at the department of Immigration
- (v) Paragraph 81 on Mismanagement of cash bails at Kenya Police Service Stations in Nairobi.
- (vi) Paragraph 82 on Loss of Revenue for Alcoholic Drinks Control Fund at various districts.
- (vii) Paragraph 83 on Proposed Construction of a Warehouse at Administration Police Training College- Embakasi
- (viii) Paragraph 84 on Accuracy of the Financial Statements
- (ix) Paragraph 85 on Irregular Purchase of Residential Houses and Commercial Units
- (x) Paragraph 86 on Construction of Lokitaung-Kachoda-Kibish road at Turkana North District
- (xi) Paragraph 87 on Rehabilitation of Kishaunet Airstrip at West Pokot District
- (xii) Paragraph 88 on Stalled Project at Laisamis Police Station
- (xiii) Paragraph 89 on Construction of Administration Block at Sigomere Police Station, Siaya County
- (xiv) Paragraph 90 on Irregular Payments by County Police Commander, Marsabit
- (xv) Paragraph 91 on Over Expenditure on Travel and Accommodation by District Criminal Investigation Officer, (DCIO), Nyakach District
- (xvi) Paragraph 92 on Unaccounted Fuel
- (xvii) Paragraph 93 on Unexplained Obsolete Inventory at Government Press
- (xviii) Paragraph 94 on Irregular Purchases through Cash
- (xix) Paragraph 95 on Biogas Project at Kenya Prisons Service

**MIN. NO. 913/2015**

**ADJOURNMENT**

The Vice-Chairperson adjourned the meeting at half past five o' clock in the evening. The next meeting was scheduled to take place on 27<sup>th</sup> October, 2015 at 10am.

SIGNED.....

*Nicola Jenkins*

Chairperson

DATE.....

*8/12/2015*



**MINUTES OF THE TWO HUNDRED AND FOURTY FIFTH (245<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON WEDNESDAY, 28<sup>TH</sup> OCTOBER 2015 IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS AT 10:00 AM.**

**PRESENT**

1. Hon. Jackson K. Rop, MP - Vice Chairperson
2. Hon. Joseph Manje, MP
3. Hon. Joel Onyancha, MP
4. Hon. Kanini Kega, MP
5. Hon. Andrew Mwadime, MP
6. Hon. Abdikadir Aden, MP
7. Hon. John Mbadi, MP
8. Hon. Manson Nyamweya, MP
9. Hon. Timothy Bosire, MP
10. Hon. Alice Nyanchoka Chae, MP

**APOLOGIES**

1. Hon. Eng. Nicolas Gumbo, MP - Chairperson
2. Hon. Jude Njomo, MP
3. Hon. Kareke Mbiuki, MP
4. Hon. Gonzi Rai, MP
5. Hon. Julius Melly, MP
6. Hon. Kangogo Bowen, MP
7. Hon. Fathia Mahbub, MP
8. Hon. Mathias Robi, MP
9. Hon. Sakwa Bunyasi, MP
10. Hon. Arthur Odera, MP
11. Hon. David Eseli, MP
12. Hon. Junet Sheikh Nuh, MP
13. Hon. Kyengo Katatha Maweu, MP
14. Hon. Silvance Onyango Osele, MP
15. Hon. Charles M. Geni, MP
16. Hon. Jessica Mbalu, MP
17. Hon. Stephen Manoti, MP

**IN-ATTENDANCE:**

**NATIONAL ASSEMBLY SECRETARIAT**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Mr. Philip Lekarkar - Clerk Assistant III
3. Ms. Winnie Kulei - Research Officer III

## **OFFICE OF AUDITOR GENERAL**

1. Raphael Ikame
2. Simon Chibole
3. Joseph Irungu
4. Boniface Ongwen
5. Catherine Mburu

## **THE NATIONAL TREASURY**

1. Geoffrey Mwitari
2. Mr. Luke Kirwa
3. Mr. James Aloyo
4. Ms. Beatrice Gathirwa
5. Mr. Tom Khakame
6. Mr. Naboth Nyaberi
7. Ms. Doris Ithima
8. Mr. Arthur Nduati
9. Mr. Simon Mwangi
10. Mr. Livingston Bunke
11. Mr. G.K Gichuru

### **MIN.NO.914/2015: PRELIMINARIES**

The Chair called the meeting to order at five minutes past ten O'clock. Prayer was said by Hon. Eng. Nicolas Gumbo, MP. Self-introduction of those present was done.

### **MIN.NO.915/2015: CONFIRMATION OF MINUTES**

Confirmation of minutes of the previous sitting was deferred to the next meeting.

### **MIN. NO./916/2015:EVIDENCE BY THE CABINET SECRETARY AND THE PRINCIPAL SECRETARY OF THE NATIONAL TREASURY ON FINANCIAL STATEMENTS FOR THE NATIONAL TREASURY**

**The Cabinet Secretary, National Treasury Mr. Henry Rotich accompanied by the Principal Secretary; Dr. Kamau Thugge, appeared before the Committee to adduce evidence on the Report of the Auditor General on the Financial Statements of the National Treasury for the financial year 2013/2014.**

Mr. Rotich briefed the Committee on the budgetary performance for the financial year 2013/2014 and informed further the Committee that:-

1. That disbursing money to the various ministries, state entities, county governments, Parliament and the Judiciary had been a challenge in the first quarter of the current financial year. The delays are as a result of high foreign exchange rates, challenges the

government is facing in raising revenue locally and as well as because of late requisition of funds.

2. On the Auditor- General's report that a total Kshs. 66 billion had been unaccounted for by various state agencies; the CS informed the Committee that various government accounting officers had not provided supporting documents in time. The Treasury has since engaged them to provide the same and where money is found to have been lost, the accounting officers will be held accountable. Further the government is establishing and revamping internal audit units in all entities.
3. During the 2014/2015 financial year the Government raised USD 2 billion (Kshs 174 billion) from sovereign and Eurobond, money that was deposited into the Consolidated Fund at the Central Bank from offshore accounts. The proceeds from the bond was used to pay off a syndicate loan.
4. He acted within the law when he instructed the Central Bank of Kenya to pay 53.2 billion shillings to settle the syndicate loan proceeds from the Eurobond through an offshore account.

The Committee observed that government has dollar accounts at CBK and it is unclear why the Treasury chooses to deposit the money abroad.

#### **PARAGRAPH 1 FY 2013/2014 – UNDER-EXPENDITURE**

The Committee heard that the National Treasury Vote 107 summary statements of recurrent and development appropriation accounts reflects a total expenditure of Kshs. 31,983, 056,143 incurred during the year against the net estimated expenditure of Kshs. 37, 504,330,886 resulting in gross under expenditure of Kshs. 5,521, 274, 743. The reasons provided for the under-expenditure include delay in submission of expenditure returns by the project coordinators, lengthy procurement procedures, delay in recruitment of key staff, delay in delivery of goods by suppliers and lack of exchequer funding. The accuracy and completeness of the total expenditure and gross under-expenditure could not be ascertained due to apparent delay in receipt of expenditure returns from the field and capture of the expenditure in the books of accounts.

#### **Response**

The Principal Secretary informed the Committee that the reasons for the under-expenditure, as explained in the footnotes to the accounts include, delay by the development partners in approving project activities, releasing project funds and availing expenditure returns for capture in the accounts, delay in the project planning and procurement hence delays in the submission of demand notes for payment, delays in recruitment of key staff for some activities, late delivery/performance of goods and services merchants leading to submission of invoices towards the end of the financial year; and and lack of exchequer funding, among others.

In addressing these challenges the National Treasury is implementing the following interventions among others;

- (i) Established a Ministerial Budget Implementation Committee to ensure timely and proper utilization of budgeted funds.

- (ii) Ensuring project budget and expenditure data are captured I electronic Project Monitoring Information System (eProMIS) for efficient reporting and control.
- (iii) Operationalizing the newly developed External Policy Resources Policy document as well as operationalizing the Joint Aid Effectiveness Group (AEG) resolution to harmonise development partners' disbursement protocols with Government budgeting procedures so as to improve absorption of donor funding.
- (iv) Establishing multi-disciplinary Project Monitoring Unit comprising of technical project managers, accountants, economists, ICT and supply chain management officers for greater accountability and transparency in budget absorption, control, monitoring & evaluation and reporting of project expenditure;
- (v) Authority to Incur Expenditure (AIE) to field officers are given early enough to give enough time to enable them implement/programs projects, pay for the same and produce report in time.

#### **PARAGRAPH 2 FY 2013/2014 – OUTSTANDING IMPREST**

The Committee heard that the National Treasury vote- 107 statement of financial assets as at 30<sup>th</sup> June 2014 reflect an outstanding imprest balance of Kshs. 2,123,643.80 which ought to have been recovered or accounted for on or before 30<sup>th</sup> June, 2014. No reasons have, however been provided for failure to surrender or account for the imprests as of 30<sup>th</sup> June, 2014. Further the IFMIS report supporting the outstanding imprests balance was not provided for audit review. In the circumstances the accuracy and the completeness of the outstanding imprest balance of Kshs. 2,123,643.80 could not be confirmed.

#### **Response**

The outstanding and an accounted for imprests as at 30<sup>th</sup> June 2014 of Kshs. 2,123,643.80 represents imprests issued toward the end of the financial year and the activities being performed were spilling over to 2014/2015 financial year.

Of the total, Kshs. 458,23.80 have already been accounted for and the outstanding balance is being recovered from the defaulters salaries on monthly basis. For officers who have left the Ministry, letters have been written to their respective ministries to assist in recovery process. Treasury approval has been sought to write off imprests held by deceased officers where chances of recovery from their estates are remote.

As a way imprest management, the National Treasury is implementing the following strategies:

- (i) An imprest management system has been developed and installed, which is being integrated with IFMIS to harmonize imprest management and facilitate deduction of arrears;
- (ii) Operationalization of the PFM Act which allows charging of any imprest held beyond the stipulated time and implement the DPM circular that require officers going on transfer to be fully cleared by the imprest section before they proceed on transfer.
- (iii) Implementing a policy of effecting full recovery of imprest from the salaries of the defaulting officers and in addition barring defaulting officers from taking other imprests in future.



**MIN. NO. 917/2015: ADJOURNMENT**

There being no other business, the meeting was adjourned at 12:50 pm.

Signed.....

A handwritten signature in green ink, appearing to be "J. G. Gumb", written over a dotted line.

Chairman

Date.....

A handwritten date in green ink, "8/12/2015", written over a dotted line.



**MINUTES OF THE TWO HUNDRED AND FOURTY SIXTH (246<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD IN THE ROOM 9, MAIN PARLIAMENT BUILDINGS ON TUESDAY 27<sup>TH</sup> OCTOBER, 2015 AT 10.00AM**

**PRESENT**

1. Hon. Jackson K. Rop, MP – **Vice Chairperson**
2. Hon. Joseph Manje, MP
3. Hon. Joel Onyancha, M.G.H MP
4. Hon. Sakwa Bunyasi, MP
5. Hon. Arthur Odera, MP
6. Hon. Manson Nyamweya, MP
7. Hon. Mwadime Andrew, MP
8. Hon. Kyengo Katatha Maweu, MP
9. Hon. Timothy Bosire, MP
10. Hon. Alice Nyanchoka Chae, MP

**APOLOGIES**

1. Hon. (Eng.) Nicolas Gumbo, MP – **Chairperson**
2. Hon. David Eseli, MP
3. Hon. Kangogo Bowen, MP
4. Hon. Kanini Kega, MP
5. Hon. Stephen Manoti, MP
6. Hon. Mathias Robi, MP
7. Hon. Silvance Onyango Osele, MP
8. Hon. Kareke Mbiuki, MP
9. Hon. Julius Melly, MP
10. Hon. Jessica Mbalu, MP
11. Hon. Abdikadir Omar Aden, MP
12. Hon. Charles Mong'are Geni, MP
13. Hon. Gonzi Rai, M.G.H., MP
14. Hon. John Mbadi, MP
15. Hon. Jude Njomo, MP
16. Hon. Fathia Mahbub, MP
17. Hon. Junet Sheikh Nuh, MP

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Mr. Douglas Katho - Clerk Assistant III
3. Ms. Winnie Kulei - Research Officer

4. Mr. Collins Mahamba - Audio Officer

### **TREASURY**

Geoffrey Mwitari - Parliamentary Liaison Officer

### **OFFICE OF THE AUDITOR GENERAL**

1. Joseph M. Karanja - Manager, Audit
2. Raphael Ikame - Parliamentary Liaison Officer
3. Simon Chibole - Manager, Audit
4. Joseph K. Irungu - Manager, Audit
5. Bonface Ong'wen - Manager, Audit
6. Catherin M. Mburu - Manager, Audit
7. Japheth Mangoka - Manager, Audit

### **MIN No. 918/2015: PRELIMINARIES**

The sitting's proceedings commenced with a word of prayer and thereafter introductions.

### **MIN No. 919/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

### **MIN No. 920/2015: EVIDENCE: MINISTRY OF INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT**

#### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Amb. Monica Juma**, Principal Secretary, State department of Interior and **Ms. Josepta Mukobe**, Principal Secretary, State Department of Coordination of National Government accompanied by Messrs.:-

- (i) Maj. Gen. Kihalangwa - Director, Immigration
- (ii) Mr. Kimeu Maingi - Interior
- (iii) Mr. John Munywoki - Interior
- (iv) Ms. Judy Mwihaki - Interior
- (v) Mr. Josphat K. Huka - Kenya Prisons Service
- (vi) Mr. JM Wambugu - National Police Service
- (vii) Ms. M. W. Muthoni - National Police Service
- (viii) Ms. Doris Kenyanya - MI&CNG
- (ix) Mr. William Mbaka - Coordination
- (x) Mr. Alexander Chege - Kenya Police Service

- (xi) Mr. Charles Liyayi - Coordination
- (xii) Mr. Phillip M. Gathuya - Interior
- (xiii) Mr. Phyllis A. Ouko - Interior
- (xiv) Mr. Waigi Kamau - Attorney General's Office

Appeared before the committee and gave evidence on:

- (i) Paragraph 82 on Loss of Revenue for Alcoholic Drinks Control Fund at various Districts
- (ii) Paragraph 83 on Proposed Construction of a Warehouse at Administration Police training College – Embakasi (Tender No. NBI-DO1/04/2011-2012)
- (iii) Paragraph 84 on Accuracy of Financial Statements
- (iv) Paragraph 85 on Irregular Purchases of Residential Houses and Commercial Units
- (v) Paragraph 86 on Construction of Lokituang-Kachoda-Kibish Road at Turkana North.
- (vi) Paragraph 89 on Construction of Administration Block at Sigomere Police Station, Siaya County.
- (vii) Paragraph 90 on Irregular payments by County Police Commander, Marsabit.
- (viii) Paragraph 91 on Over Expenditure on Travel and Accommodation by District Criminal Investigation Officer (DCIO), Nyakach District
- (ix) Paragraph 92 on Unaccounted Fuel
- (x) Paragraph 93 on Unexplained Obsolete Inventory at Government Press
- (xi) Paragraph 94 on Irregular Purchases through cash
- (xii) Paragraph 95 on Biogas Project at Kenya Prisons Service

**MIN. NO.921/2015ADJOURNMENT**

The Vice-Chairperson adjourned the meeting at half past one o' clock in the afternoon. The next meeting was scheduled to take place on 29<sup>th</sup> October, 2015 at 10am.

SIGNED.....

**Chairperson**

DATE.....



**MINUTES OF THE TWO HUNDRED AND FOURTY SEVENTH (247<sup>TH</sup>) SITTING OF  
THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 29<sup>TH</sup> OCTOBER, 2015  
AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. Jackson K. Rop, MP – **Vice Chairperson**
2. Hon. Joseph Manje, MP
3. Hon. Joel Onyancha, M.G.H MP
4. Hon. Gonzi Rai, M.G.H., MP
5. Hon. Mwadime Andrew, MP
6. Hon. Sakwa Bunyasi, MP
7. Hon. David Eseli, MP
8. Hon. Kyengo Katatha Maweu, MP
9. Hon. Manson Nyamweya, MP
10. Hon. Timothy Bosire, MP
11. Hon. Alice Nyanchoka Chae, MP

**APOLOGIES**

1. Hon. (Eng.) Nicolas Gumbo, MP – **Chairperson**
2. Hon. Kangogo Bowen, MP
3. Hon. Kanini Kega, MP
4. Hon. Stephen Manoti, MP
5. Hon. Mathias Robi, MP
6. Hon. Silvance Onyango Osele, MP
7. Hon. Kareke Mbiuki, MP
8. Hon. Julius Melly, MP
9. Hon. Jessica Mbalu, MP
10. Hon. Abdikadir Omar Aden, MP
11. Hon. Charles Mong'are Geni, MP
12. Hon. John Mbadi, MP
13. Hon. Jude Njomo, MP
14. Hon. Fathia Mahbub, MP
15. Hon. Arthur Odera, MP
16. Hon. Junet Sheikh Nuh, MP

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Mr. Douglas Katho - Clerk Assistant III
3. Ms. Winnie Kulei - Research Officer



4. Mr. Collins Mahamba - Audio Officer

**OFFICE OF THE AUDITOR GENERAL**

1. Mr. Raphael Ikame - Parliamentary Liaison Officer  
2. Mr. Geoffrey Wandabwa - Manager, Audit  
3. Mr. Justin M. Rucha - Manager, Audit  
4. Mr. Richard Otworu - Manager, Audit  
5. Mr. Samuel Obonyo - Manager, Audit

**TREASURY**

1. Mr. Kabiru G.E. - The National Treasury  
2. Mr. Geoffrey Mwitari - The National Treasury

**MIN No. 921/2015: PRELIMINARIES**

The sitting's proceedings commenced with a word of prayer and thereafter introductions.

**MIN No. 922/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

**MIN No. 923/2015: EVIDENCE: MINISTRY OF LABOUR, SOCIAL SECURITY AND SERVICES**

**The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Mr. Ali Ismail**, Principal Secretary, Ministry of Labour, Social and Security Services (MOLSS) accompanied by Messrs.:-

- (i) Mr. Julius Mwangi - Senior Chief Finance Officer, MoLSS.  
(ii) Mr. George Njoroge - P.A to PS, MoLSS

Appeared before the committee and gave evidence on:

- (i) Paragraph 374 on Under-collection of revenue  
(ii) Paragraph 375 on Unsupported Grants Transfers for National Council for Children Services (NCCS).  
(iii) Paragraph 376 on In-accurate Opening Balances  
(iv) Paragraph 377 on Failure to comply with International Public Sector Accounting Standards (IPSAS) on preparation of Statement of Assets.

- (v) Paragraphs 378, 379, 380, 381, 382 on Incorrect Opening Balances, Omission of Advances in the Opening Balances, Fund Balance Brought Forward, Accounts Payables, Outstanding Imprests.
- (vi) Paragraph 383 – 395 on Donor Funded Projects.

**MIN No. 924/2015: EVIDENCE: MINISTRY OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE**

**The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Dr. Eng. Karanja Kibicho**, Principal Secretary, Ministry of Foreign Affairs and International Trade (MFA&IT ) accompanied by Messrs.:-

- |                            |   |        |
|----------------------------|---|--------|
| (i) Amb. D. Mutemin        | - | MFA&IT |
| (ii) Amb. E. Barine        | - | MFA&IT |
| (iii) Dr. Margaret Gachuru | - | MFA&IT |
| (iv) Alice W. Gichu        | - | MFA&IT |
| (v) Lucy Mugwe             | - | MFA&IT |
| (vi) Njambi Kinyua         | - | MFA&IT |
| (vii) Robinson Otundi      | - | MFA&IT |
| (viii) Anthony Marinde     | - | MFA&IT |
| (ix) Lawrence Waweru       | - | MFA&IT |
| (x) Edith Nkatha           | - | MFA&IT |

Appeared before the committee and gave evidence on:

- (i) Paragraph 153 on Unsupported Expenditure
- (ii) Paragraph 154 on Unauthorized expenditure Paragraph 376 on In-accurate Opening Balances
- (iii) Paragraph 155 on Property Plant and Equipment
- (iv) Paragraphs 156 on Irregular Procurement of Air Charter Transport Services
- (v) Paragraph 157 on Cash and Cash Equivalents
- (vi) Paragraph 158 on Amount withdrawn and not claimed.
- (vii) Paragraph 158 on Amount withdrawn and not claimed.

**MIN. NO. 925/2015: ADJOURNMENT**

The Vice-Chairperson adjourned the meeting at half past two o' clock in the afternoon. The next meeting was scheduled to take place on 2<sup>nd</sup> November, 2015 at 10am.

SIGNED..... DATE.....

Chairperson

A handwritten signature in green ink, appearing to be 'N. M. J. M. S.', written over the 'SIGNED.....' line. A long vertical line extends downwards from the signature.A handwritten date in green ink, '8/12/2015', written over the 'DATE.....' line.

**MINUTES OF THE TWO HUNDRED AND FOURTY EIGHTH (248<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY, 2<sup>ND</sup> NOVEMBER, 2015 AT 3.00 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Joseph Manje, M.P.
3. Hon. Jude Njomo, M.P.
4. Hon. Kareke Mbiuki, M.P.
5. Hon. Julius Melly, M.P.
6. Hon. Kanini Kega, M.P.
7. Hon. Kangogo Bowen, M.P.
8. Hon. David Eseli, M.P.
9. Hon. Abdikadir Aden, M.P.
10. Hon. Junet Sheikh Nuh, M.P.
11. Hon. Silvanice Onyango Osele, M.P.
12. Hon. Charles Geni Mong'are, M.P.
13. Hon. Jessica Mbalu, M.P.

**APOLOGIES**

1. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
2. Hon. Andrew Mwadime, M.P.
3. Hon. Stephen Manoti, M.P.
4. Hon. Sakwa Bunyasi, M.P.
5. Hon. Arthur Odera, M.P.
6. Hon. Kyengo Katatha Maweu, M.P.
7. Hon. Gonzi Rai, M.P.
8. Hon. Timothy Bosire, M.P.
9. Hon. Alice Nyanchoka Chae, M.P.
10. Hon. Manson Nyamweya, M.P.
11. Hon. Joel Onyancha, M.P.
12. Hon. John Mbadi, M.P.
13. Hon. Fathia Mahbub, M.P.
14. Hon. Mathias Robi, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Mr. Victor Weke - Clerk Assistant II
3. Mr. Collins Mahamba - Audio Recorder

### **NATIONAL TREASURY**

- |                         |   |   |
|-------------------------|---|---|
| 1. Mr. Henry Rotich     | - | Cabinet Secretary, Treasury                     |
| 2. Dr. Kamau Thugge     | - | Principal Secretary, Treasury                   |
| 3. Mr. Bernard Ndungu   | - | Accountant General                              |
| 4. Mr. Julius Kilinda   | - | Deputy Accountant General                       |
| 5. Mr. Geoffrey Malombe | - | Senior Assistant Accountant General             |
| 6. Mr. Geoffrey Mwitari | - | Chief Accountant/ Parliamentary Liaison Officer |

### **OFFICE OF THE CONTROLLER OF BUDGET**

- |                       |   |                             |
|-----------------------|---|-----------------------------|
| 1. Ms. Agnes Odhiambo | - | Controller of Budget        |
| 2. Mr. Stephen Masha  | - | Deputy Controller of Budget |
| 3. Mr. Patrick Kamore | - | CFA (NG)                    |
| 4. Mr. Joseph Marigi  | - | Manager                     |
| 5. Mr. Waweru Tuti    | - | Manager                     |

### **OFFICE OF THE AUDITOR GENERAL**

- |                           |   |                               |
|---------------------------|---|-------------------------------|
| 1. Mr. Alex Nthiga Rugera | - | Deputy Auditor General        |
| 2. Mr. D. M. Ndungu       | - | Manager, Audit                |
| 3. Mr. C. M. Kinuthua     | - | Manager, Audit                |
| 4. Mr. Raphael Ikame      | - | Parliamentary Liaison Officer |

### **MIN No. 926/2015: PRELIMINARIES**

The Chairman called the meeting to order at ten minutes past three o' clock in the afternoon. A prayer was said followed by introductions by all present.

### **MIN No. 927/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

### **MIN No. 928/2015: EVIDENCE ON THE USD. 2 BILLION 2014 SOVEREIGN BOND**

#### **Submission by the Controller of Budget**

Mrs Agnes Odhiambo, the Controller of Budget submitted as follows;

1. She appeared before the Committee on the 22<sup>nd</sup> October 2015 and has re-appeared to provide clarification on her evidence. She reiterated her submission and was not recanting any testimony, as had been reported in the media.
2. The Controller of Budget received a request from Treasury on the payment of the Syndicated loan of Kes. 53,201,344,900.00. She approved the request after perusal of loan documentation provided, awaiting availability of funds for final approval of



payment. When the funds were available, the payment was done from an off-shore account which she was not a signatory of. This approval of funds release was not sought from her since she only controls the Consolidated Fund.

3. After payment, Treasury submitted vouchers for her reconciliation and she did so only after the Office of the Auditor General gave an unqualified opinion.
4. The balance of the funds after the loan retirement and bank charges was transferred to the Consolidated Fund account to the tune of Kes. 196,916,669,316.00. She had been approving the release for use of these funds on a need basis, together with other funds from other sources. Total development exchequer issues to those ministries and departments that received part of the Sovereign Bond was Kes. 204,104,118,010.00 for the financial year 2014/15. She could however not separate Sovereign Bond funds from those from other sources since releases are done at vote level and not for specific programmes.

### **Submission by the Cabinet Secretary Treasury**

Mr. Henry Rotich, the Cabinet Secretary Treasury submitted as follows;

1. The country issued the Sovereign Bond in June, 2014 of USD 2 Billion, for purposes of general budget support including for funding infrastructure and for the repayment of the Syndicated Loan amounting to US\$ 600 million plus accrued interest of US\$ 4.6 million. The interest rates were 5.9% for 5 years for USD 500 Million, and 6.9% for 10 years for USD 1.5 Billion. Treasury subsequently returned to the international market and tapped an additional US\$ 750 million at 5.3%.
2. The total USD 2.750 Billion was utilized as broken down below;

<b>Particulars</b>	<b>USD</b>	<b>Translation Rate</b>	<b>Kshs</b>
Proceeds from Sovereign Bond	2,000,000,000.00	87.00	174,000,000,000.00
Less commissions deducted at source	*(947,127.03)	87.00	(82,400,051.61)
Add Exchange gain on translation			1,239,412,781.25
Less Bank charges and Interest			
<b>1.Account Settlement charges</b>	(156,394.64)	88.00	(13,762,728.32)
<b>2.Interest Receipts</b>	169,415.65	88.00	14,908,577.20



<b>3.Federal Interest Withheld</b>	(47,436.38)	88.00	(4,174,401.44)
Add Exchange gain on translation			1,158,833,323.80
<b>Net Sovereign Bond</b>			<b>176,312,817,500.88</b>
Proceeds from Tap Sale:Face/Par Value	750,000,000.00	90.51	67,882,500,000.00
Proceeds from Tap Sale: Premium	65,684,271.00	90.51	5,945,083,368.21
Less commissions deducted at source	(247,339.00)	90.51	(22,386,652.89)
<b>Net Tap sales</b>			<b>73,805,196,715.32</b>
<b>Net Bond Proceeds</b>			<b>250,118,014,216.20</b>
<b>Note: The value of Tap Sales was US \$ :750,000,000.00(This is what G.O.K will repay) but was sold at a premium to realize US \$:815,684,271.00</b>			
			<b>Kshs.(Bn)</b>
Total Proceeds Sovereign and Tap Sales: Net			250.12
Less Syndicated Loan			(53.20)
<b>Amount Disbursed to MDA's</b>			<b>196.92</b>

3. From the above, all proceeds from the Sovereign Bond were accounted for and this position was confirmed by the Auditor General in his report for 2013/14
4. Section 50(7) (d) of the Public Finance Management Act 2012 and Section 45(d) of the Central Bank of Kenya Act allows Treasury to settle all loan proceeds conditionalities at source and remit the net to the Consolidated fund.  
It is with this legal framework in mind that the National Treasury proceeded to pay an amount of Kshs.53.2 billion to settle the Syndicate Loan. One of the pre-negotiated expenses of raising the Sovereign Bond was for the settlement of the syndicated loan. This was specifically provided in the Sovereign Bond prospectus.
5. National Treasury instructed the Central Bank of Kenya (CBK) as the fiscal agent of the Government to pay an amount of US\$600 million for the syndicate loan plus accrued interest of US\$ 4.6 million.

6. This saved the Government Kshs.1.2 billion in terms of converting the US dollars to Kenya Shillings and then back to US dollars. The contract documents required that the Syndicated Loan be repaid within seven days of receipt of proceeds from the Sovereign Bond.
7. The Controller of Budget had approved the initial payment when it was uncertain that Kenya would be able to access the International market to float the Sovereign Bond. When it became clear that we would be able to access the international market, the earlier plan to pay the Syndicated Loan from government resources was abandoned in favour of using the Sovereign Bond Proceeds.
8. The National Treasury designated two signatories to the off-shore account with respect to the Sovereign Bond Account; Mr. Benard Ndungu and Mr. Julius Kilinda, the Accountant General and Deputy Accountant General respectively.
9. There was a marked impact on specific macro-economic indicators following issuance of the Sovereign Bond in 2014; domestic liquidity improved as Government reduced its demand for resources from the domestic debt market. Short term interest rates declined and remained within a stable range in the period June 2014 to May 2015. The 91-day Treasury bill rate that largely reflects the Government's borrowing declined from an average of 9.8 per cent in June 2014 to 8.3 per cent in June 2015. There was a significant increase in the foreign exchange reserves of the Central Bank of Kenya from US\$ 6,498 million (4.3 months of import cover) to US\$ 8,555 million (5.7 months of import cover) in June 2014.
10. The Kenya Shilling exchange rate depreciated less than many other currencies. In the period January 2014 to September 2015, by only 22.1 per cent compared with 36.9 per cent for Tanzania Shilling, 45.2 per cent for the Uganda Shilling, 29.8 per cent for the South African Rand and 85.1 for the Turkish Lira.
11. Inflation in the period June 2014 to date has remained low, stable and within target. Overall month on month inflation declined from 8.36 per cent in August 2014 to 5.5 per cent in January 2015. Without the Sovereign Bond, macro-indicators would have been much worse.
12. The necessity to open an off-shore or in-shore or special deposit bank accounts is dictated by the conditions precedent to access the funds based on specific credit agreements and these accounts are specific to that credit agreement and the development project being financed. In addition, it is also important to appreciate that all funds held in off-shore or in-shore or special deposit accounts are channelled through the National Exchequer Account, where authority to withdrawal funds is sought and provided for by the Controller of Budget before any funds are released to MDA's for the project implementation.
13. The Auditor General and independent donor auditors audit both the off-shore, in-shore and special bank accounts each year since they hold public resources.

14. The Government was represented in the Sovereign Bond transaction by Arnold & Porter, and Anjwarlla & Khana advocates.
15. The Government is not broke but they are simply matching revenue to expenditure.

**The Committee gave the Cabinet Secretary 3 days to submit all loan documentation.**

**MIN No. 929/2015:- ADJOURNMENT**

There being no other business, the sitting adjourned at thirty minutes past seven o'clock in the evening. Next sitting to be held on 3<sup>rd</sup> November, 2015 at 10.00 am

SIGNED.....  
Chairperson

DATE.....8/12/2015.....

**MINUTES OF THE TWO HUNDRED AND FOURTY NINETH (249<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 3<sup>RD</sup> NOVEMBER, 2015 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Joseph Manje, M.P.
3. Hon. Jude Njomo, M.P.
4. Hon. Gonzi Rai, M.P.
5. Hon. Julius Melly, M.P.
6. Hon. Kanini Kega, M.P.
7. Hon. Kangogo Bowen, M.P.
8. Hon. Mathias Robi, M.P.
9. Hon. David Eseli, M.P.
10. Hon. Abdikadir Aden, M.P.
11. Hon. Kyengo Katatha Maweu, M.P.
12. Hon. Silvance Onyango Osele, M.P.
13. Hon. Charles Geni Mong'are, M.P.
14. Hon. Jessica Mbalu, M.P.
15. Hon. Stephen Manoti, M.P.

**APOLOGIES**

1. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
2. Hon. Joel Onyancha, M.P.
3. Hon. Andrew Mwadime, M.P.
4. Hon. Junet Sheikh Nuh, M.P.
5. Hon. Sakwa Bunyasi, M.P.
6. Hon. Arthur Odera, M.P.
7. Hon. Timothy Bosire, M.P.
8. Hon. Alice Nyanchoka Chae, M.P.
9. Hon. Manson Nyamweya, M.P.
10. Hon. Kareke Mbiuki, M.P.
11. Hon. John Mbadi, M.P.
12. Hon. Fathia Mahbub, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Mr. Victor Weke - Clerk Assistant II
3. Mr. Winnie Kulei - Research Officer



4. Mr. Collins Mahamba - Audio recording Officer

**NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant/ Parliamentary Liaison Officer

**OFFICE OF THE AUDITOR GENERAL**

1. Ms. Jane Kariuki - Manager Audit
2. Mr. Peter Ndungu - Senior Supervisor, Audit
3. Mr. Evans Ondari - Assistant Manager Audit
4. Mr. Raphael Ikame - Parliamentary Liaison Officer

**MIN No. 930/2015: PRELIMINARIES**

The Chairperson called the meeting to order at twenty minutes past ten in the morning and read the prayer. Introductions by all present followed.

**MIN No. 931/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

**MIN No. 932/2015: EVIDENCE: MINISTRY OF DEVOLUTION AND PLANNING**

**The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Eng. Peter Ongaga Mangiti**, Principal Secretary, State Department of Planning, Ministry of Devolution and Planning accompanied by Messrs.:-

- (i) Mr. Nelson Githinji - Director General, NYS
- (ii) Ms. Clare Liwali - Deputy Director General, NYS
- (iii) Mr. Sammy Mbugua - Principal Accounts Controller
- (iv) Mr. Peter Mwita - Deputy Chief Finance Officer
- (v) Mr. Julius Korir - Industrialization Secretary
- (vi) Mr. Geoffrey Chege - Senior Accountant
- (vii) Mr. Patrick Njagi - S/NCCC, Planning
- (viii) Mr. Kobia Wakamau - S/ ASALs
- (ix) Mr. Salim Ali Molla - SEC/SP
- (x) Mr. Peter Mokubo - Principal Accounts Controller
- (xi) Mr. Charles Mwirigi - Ag. CEO, Women's Enterprise Fund
- (xii) Mr. Paul Wangai - Dep. Manager Finance & A/C, Women's Enterprise Fund
- (xiii) Mr. James Sagwe - CSCMO

- (xiv) Mr. Alfred Diru - PA to PS, Planning  
(xv) Ms. Clare Nyabere - Ag. Credit Manager, Women's Enterprise Fund  
(xvi) Mr. David Kiboi - C.E

Appeared before the committee and gave evidence on:

- (i) Paragraph 123 on Prior Year Matters
- (ii) Paragraph 124 on Lack of a Trial Balance
- (iii) Paragraph 125 on Unsupported Comparative Figures for 2012/2013
- (iv) Paragraph 126 on Unexplained Variances
- (v) Paragraph 127 on Variances between Actual and Budget figures
- (vi) Paragraph 128 on Unsupported Assets

**PENDING ISSUES**

- (i) **Paragraphs 124 on Lack of a Trial Balance and 125 on Unsupported Comparative Figures for 2012/2013**

The matter remained outstanding as the auditors confirmed the issue ran across government. The Committee asked Treasury to resolve the IFMIS shortcoming that limited Accounting Officers ability to have proper books of accounts.

- (ii) **Paragraph 127 on Variances between Actual and Budget figures**

The matter remained unresolved until Treasury transfers the budget of these expenditures to the rightful ministries

- (iii) **Paragraph 128 on Unsupported Assets**

The matter remained unresolved as the Committee took issue with the availed asset register containing non-asset items. The register also had items quoted at seemingly exorbitant quotations purchased by the Ministry.

**MIN No. 933/2015:- ADJOURNMENT**

The meeting adjourned at 12.00 pm until 3.00 pm in the afternoon to allow the Accounting Officer time to provide a proper asset register, even as the Committee examined the one before them. The Accounting Officer was also instructed to return accompanied by the Principal Secretary, State Department of Devolution.

SIGNED..........DATE..........  
Chairperson



**MINUTES OF THE TWO HUNDRED AND FIFTIETH (250<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 3<sup>RD</sup> NOVEMBER, 2015 AT 3.00 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Jude Njomo, M.P.
3. Hon. Gonzi Rai, M.P.
4. Hon. Julius Melly, M.P.
5. Hon. Kanini Kega, M.P.
6. Hon. Kangogo Bowen, M.P.
7. Hon. Mathias Robi, M.P.
8. Hon. David Eseli, M.P.
9. Hon. Abdikadir Aden, M.P.
10. Hon. Kyengo Katatha Maweu, M.P.
11. Hon. Silvance Onyango Osele, M.P.
12. Hon. Charles Geni Mong'are, M.P.
13. Hon. Jessica Mbalu, M.P.
14. Hon. Stephen Manoti, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
2. Hon. Joel Onyancha, M.P.
3. Hon. Joseph Manje, M.P.
4. Hon. Andrew Mwadime, M.P.
5. Hon. Junet Sheikh Nuh, M.P.
6. Hon. Sakwa Bunyasi, M.P.
7. Hon. Arthur Odera, M.P.
8. Hon. Timothy Bosire, M.P.
9. Hon. Alice Nyanchoka Chae, M.P.
10. Hon. Manson Nyamweya, M.P.
11. Hon. Kareke Mbiuki, M.P.
12. Hon. John Mbadi, M.P.
13. Hon. Fathia Mahbub, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Mr. Victor Weke - Clerk Assistant II
3. Mr. Winnie Kulei - Research Officer

4. Mr. Collins Mahamba - Audio recording Officer

**NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant/ Parliamentary Liaison Officer

**OFFICE OF THE AUDITOR GENERAL**

1. Ms. Jane Kariuki - Manager Audit
2. Mr. Peter Ndungu - Senior Supervisor, Audit
3. Mr. Evans Ondari - Assistant Manager Audit
4. Mr. Raphael Ikame - Parliamentary Liaison Officer

**MIN No. 934/2015: PRELIMINARIES**

The Chairperson called the meeting to order at five minutes past three in the afternoon.

**MIN No. 935/2015: CONTINUATION OF EVIDENCE: MINISTRY OF DEVOLUTION AND PLANNING**

**The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Eng. Peter Ongaga Mangiti**, Principal Secretary, State Department of Planning, Ministry of Devolution and Planning accompanied by Messrs.:-

- (i) Mr. Nelson Githinji - Director General, NYS
- (ii) Ms. Clare Liwali - Deputy Director General, NYS
- (iii) Mr. Sammy Mbugua - Principal Accounts Controller
- (iv) Mr. Peter Mwita - Deputy Chief Finance Officer
- (xvii) Mr. Julius Korir - Industrialization Secretary
- (xviii) Mr. Geoffrey Chege - Senior Accountant
- (xix) Mr. Patrick Njagi - S/NCCC, Planning
- (xx) Mr. Kobia Wakamau - S/ ASALs
- (xxi) Mr. Salim Ali Molla - SEC/SP
- (xxii) Mr. Peter Mokubo - Principal Accounts Controller
- (xxiii) Mr. Charles Mwirigi - Ag. CEO, Women's Enterprise Fund
- (xxiv) Mr. Paul Wangai - Dep. Manager Finance & A/C, Women's Enterprise Fund
- (xxv) Mr. James Sagwe - CSCMO
- (xxvi) Mr. Alfred Diru - PA to PS, Planning
- (xxvii) Ms. Clare Nyabere - Ag. Credit Manager, Women's Enterprise Fund
- (xxviii) Mr. David Kiboi - C.E

Appeared before the committee and gave evidence on:

- (i) Paragraph 128 on Unsupported Assets

**PENDING ISSUES**

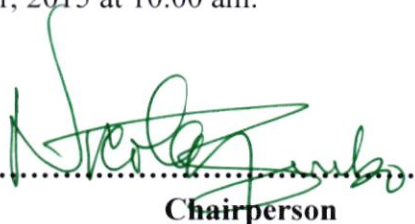
- (i) **Paragraph 128 on Unsupported Assets**

The matter remained unresolved as the Committee did not accept the content and fidelity of the figures quoted in the provided asset register. The Committee directed the Accounting Officer to re-appear on Wednesday 4<sup>th</sup> November, 2015 at 2.30 pm accompanied by the Principal Secretary, State Department of Planning. The Cabinet Secretary would also be required to respond to matters directly touching on her office.

**MIN No. 936/2015:- ADJOURNMENT**

The meeting adjourned at thirty minutes past six in the evening. Date of next sitting was set as 4<sup>th</sup> November, 2015 at 10.00 am.

SIGNED.....



**Chairperson**

DATE.....



**MINUTES OF THE TWO HUNDRED AND FIFTY FIRST (251<sup>ST</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON WEDNESDAY, 4<sup>TH</sup> NOVEMBER, 2015 AT 11.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Joseph Manje, M.P.
3. Hon. Jude Njomo, M.P.
4. Hon. Kanini Kega, M.P.
5. Hon. Gonzi Rai, M.P.
6. Hon. Kangogo Bowen, M.P.
7. Hon. David Eseli, M.P.
8. Hon. Julius Melly, M.P.
9. Hon. Junet Sheikh Nuh, M.P.
10. Hon. Abdikadir Aden, M.P.
11. Hon. Stephen Manoti, M.P.
12. Hon. Kyengo Katatha Maweu, M.P.
13. Hon. Charles Geni Mong'are, M.P.

**APOLOGIES**

1. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
2. Hon. Kareke Mbiuki, M.P.
3. Hon. Mathias Robi, M.P.
4. Hon. Joel Onyancha, M.P.
5. Hon. Andrew Mwadime, M.P.
6. Hon. Sakwa Bunyasi, M.P.
7. Hon. Arthur Odera, M.P.
8. Hon. Timothy Bosire, M.P.
9. Hon. Alice Nyanchoka Chae, M.P.
10. Hon. Manson Nyamweya, M.P.
11. Hon. Jessica Mbalu, M.P.
12. Hon. John Mbadi, M.P.
13. Hon. Fathia Mahbub, M.P.
14. Hon. Silvanice Onyango Osele, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Mr. Victor Weke - Clerk Assistant II
3. Winnie Kulei - Research Officer

## **NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant

## **OFFICE OF THE AUDITOR GENERAL**

1. Mr. Lamech Achika - Director of Audit
2. Mr. Joseph M. Karanja - Senior Supervisor of Audit
3. Mr. Simon Chibole - Manager Audit
4. Mr. Raphael Ikame - Parliamentary Liaison Officer

## **MIN No. 934/2015: PRELIMINARIES**

The session Chairperson called the meeting to order at fifteen minutes past eleven in the morning. A prayer was said followed by introductions by all present.

## **MIN No. 935/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

## **MIN No. 936/2015: EVIDENCE BY THE CABINET SECRETARY, MINISTRY OF INTERIOR ON PROCUREMENT OF ARMS, OVERHAUL OF POLICE CHOPPERS AND SMART NUMBER PLATES.**

**Mr. Joseph Nkaisery**, Cabinet Secretary Ministry of Interior accompanied by Messrs.:-

- i. Amb. (Dr.) Monica Juma - Principal Secretary, Interior
- ii. Ms. Josepta Mukobe - Principal Secretary, Co-ordination of Nat. Govt.
- iii. Mr. Saitoti Maika - Senior Advisor to CS
- iv. Mr. Josphat Ituka - Ag. Commissioner General Prisons
- v. Mr. John Munywoki - Senior Chief Finance Officer
- vi. Ms. Caroline Wachira - SAD/SCM, Interior
- vii. Mr. Paul Muthangya - AS, Interior
- viii. Ms. Edith Fortunate - Advisor to PS Interior
- ix. Ms. Judy Mwihaki - Legal Officer, Interior

Appeared before the committee and submitted as follows;

### **Overhaul of Helicopters**

1. That on the matter of overhaul of the Mi17 Helicopters, the tender was cancelled on 22<sup>nd</sup> April, 2015 in daily newspapers pursuant to Public Procurement and Disposals Act 2005



- Section 36 (1,2,3 &5). This was necessitated by change in Government policy to online tendering/ e-procurement, as well as the delay of the supplementary budget.
2. The ministry then used direct procurement due to the urgency that followed. The country was attacked by terrorists on 2<sup>nd</sup> April, 2015 in Garissa, as well as police operations in Kapedo, Nadome and Mandera, driving the need for urgent police mobility and improved capacity. This was in line with the general modernization programme of the security apparatus which included vehicles, housing, equipment and the helicopters.
  3. The Cabinet Secretary wrote to the embassies of United States of America, China and Russia and copied Kenyan embassies in those countries, seeking information on manufacturers of the Mi17 helicopters. There were no known local agents, and this necessitated the direct contact with the embassies.
  4. After quotations were received, the ministry settled on Russia, the manufacturers of the Mi17 helicopters. The company had supplied the same machines to Mozambique, DRC, and Tanzania regionally. The Cabinet Secretary spoke to the company's president who told him they only dealt in brand new manufacture, but gave him 3 names of licensed companies in Belarus, Czech and Ukraine who did overhaul.
  5. Lom praha of Czech was contracted, and they obtained a certificate from the manufacturers in Russia. Their engineers came to Kenya and did the dismantling of two choppers here (**The CS endeavoured to produce the report**). After delivery of the two, the other one will go for the overhaul, ensuring overlap and availability of at least one chopper at any given time. Overhaul of the two helicopters is in progress and are due for delivery in early January, 2016. Air wing engineers in Kenya are capable of assessing and certifying soundness of the exercise, and will go on site for pre-shipment inspection and flight test.
  6. The overhaul (P4) involves the engine, avionics and the frame, to almost new. This costs Kes. 1.3 Billion for the three choppers with a 5 year life guarantee. There was minimal payment during the last financial year due to cash flow problems at Treasury (**The PS promised to provide the exact figure paid so far, as well as the company's guarantee and overhaul certificate**). A new Mi17 troop carrier helicopter costs USD. 21 Million.

### **Procurement of Firearms**

7. On the allegation of procurement of 2<sup>nd</sup> hand arms, the Cabinet Secretary said that the ministry does not deal in 2<sup>nd</sup> hand arms and the allegation is thus false. There are no 'friendly' firms at the ministry and the CS dismantled cartels shuttling between Harambee House and Harambee House Annex when he took office, including one persistent one who he finally warned against lobbying at the ministry.
8. The tender was awarded to a reputable and production of firearms is ongoing. A team is being prepared to travel for pre-shipment inspection and two Members of the Committee can accompany them.



## **Procurement of Number Plates**

9. The process of procurement of smart number plates was conceived in 2007 through a cabinet memo through the Vice-President and Minister for Home Affairs and the Ministry of Transport. The former was to procure smart number plates while the latter was mandated to produce smart driving licenses. The Ministry of Home Affairs wrote to PPOA seeking to directly procure the number plates and this was declined. Kenya prisons could not raise the Kes. 150 million required for this venture and the programme paused.
10. In 2013, the State Department of Coordination revived the project starting with a study tour in September 2014 to a company in South Africa called Uniplate. This company was the only known manufacturer of smart number plate blanks in Africa. The ministry learnt about this company through the internet and they initiated contact. They were invited by the company and they went at the Ministry's cost. The trip was a fact finding mission and the delegation comprised Mr. Josphat Ituka, a Mr. Langat and a Mr. Aluda. They produced a report whose main discovery was that the equipment sought cost Kes. 15 million and not as earlier thought as expensive.
11. With this information gathered and specifications, the ministry advertised an international tender no. KPS/T/8/2013-2014 for supply, delivery, installation, commissioning and training for 2 number plate embossing machines, radius cutting machine and a roller machine. 8 firms participated and Tropical technologies won the tender at a cost of Kes. 15,295,500.
12. Tropical technologies supplied, installed and tested the machines but failed to train and commission. This was because they wanted to directly procure equipment at a cost of Kes. 760 million. This was declined leading to stalling of the contract in September, 2014.
13. The ministry engaged the company and they signed an addendum to the contract with effect from 29<sup>th</sup> June 2015 to 29<sup>th</sup> September 2015 for training and commissioning aspects.
14. The activity is yet to be completed and the ministry has not paid the contractor any monies.

### **MIN No. 937/2015:- ADJOURNMENT**

There being no other business, the sitting adjourned at twenty minutes past two in the afternoon.

SIGNED.....

  
Chairperson

DATE.....



**MINUTES OF THE TWO HUNDRED AND FIFTY SECOND (252<sup>ND</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON WEDNESDAY, 4<sup>TH</sup> NOVEMBER, 2015 AT 3.00 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Joseph Manje, M.P.
3. Hon. Jude Njomo, M.P.
4. Hon. Kareke Mbiuki, M.P.
5. Hon. Kanini Kega, M.P.
6. Hon. Gonzi Rai, M.P.
7. Hon. Kangogo Bowen, M.P.
8. Hon. Mathias Robi, M.P.
9. Hon. David Eseli, M.P.
10. Hon. Julius Melly, M.P.
11. Hon. Junet Sheikh Nuh, M.P.
12. Hon. Abdikadir Aden, M.P.
13. Hon. Kyengo Katatha Maweu, M.P.
14. Hon. Charles Geni Mong'are, M.P.

**APOLOGIES**

1. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
2. Hon. Joel Onyancha, M.P.
3. Hon. Andrew Mwadime, M.P.
4. Hon. Stephen Manoti, M.P.
5. Hon. Sakwa Bunyasi, M.P.
6. Hon. Arthur Odera, M.P.
7. Hon. Timothy Bosire, M.P.
8. Hon. Alice Nyanchoka Chae, M.P.
9. Hon. Manson Nyamweya, M.P.
10. Hon. Jessica Mbalu, M.P.
11. Hon. John Mbadi, M.P.
12. Hon. Fathia Mahbub, M.P.
13. Hon. Silvanice Onyango Osele, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Mr. Victor Weke - Clerk Assistant II
3. Ms. Winnie Kulei - Research Officer

4. Mr. Collins Mahamba - Audio Recorder

**NATIONAL TREASURY**

- Mr. Geoffrey Mwitari - Chief Accountant

**OFFICE OF THE AUDITOR GENERAL**

1. Ms. Jane Kariuki - Manager Audit
2. Mr. Peter Ndungu - Senior Supervisor, Audit
3. Mr. Evans Ondari - Assistant Manager Audit
4. Mr. Raphael Ikame - Parliamentary Liaison Officer

**MIN No. 938/2015: PRELIMINARIES**

The session Chairperson called the meeting to order at three o' clock in the afternoon. A prayer was said followed by introductions by all present.

The Committee clarified that it had not officially invited the Cabinet Secretary as the Standing Orders required invites in writing with a 7- day notice. The Cabinet Secretary was at liberty to take the 7 days, but elected to respond to specific matters carried by the media attributed to her person.

**MIN No. 939/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

**MIN No. 940/2015: EVIDENCE BY THE CABINET SECRETARY, MINISTRY OF DEVOLUTION AND PLANNING**

**Ms. Anne Waiguru**, Cabinet Secretary Ministry of Devolution and Planning accompanied by Messrs.:-

- (i) Eng. Peter Mangiti - Principal Secretary, Planning
- (ii) Ms. Mwanamaka Mabruki - Principal Secretary, Devolution
- (iii) Mr. Nelson Githinji - Director General, NYS
- (iv) Ms. Clare Liwali - Deputy Director General, NYS
- (v) Mr. Sammy Mbugua - Principal Accounts Controller
- (vi) Mr. Peter Mwita - Deputy Chief Finance Officer
- (vii) Mr. Julius Korir - Industrialization Secretary
- (viii) Mr. Geoffrey Chege - Senior Accountant
- (ix) Mr. Patrick Njagi - S/NCCC, Planning
- (x) Mr. Kobia Wakamau - S/ ASALs
- (xi) Mr. Salim Ali Molla - SEC/SP

(xii) Mr. Peter Mokubo	-	Principal Accounts Controller
(xiii) Mr. Charles Mwirigi	-	Ag. CEO, Women's Enterprise Fund
(xiv) Mr. Paul Wangai	-	Dep. Manager Finance & A/C, Women's Enterprise Fund
(xv) Mr. James Sagwe	-	CSCMO
(xvi) Mr. Alfred Diru	-	PA to PS, Planning
(xvii) Ms. Clare Nyabere	-	Ag. Credit Manager, Women's Enterprise Fund
(xviii) Mr. David Kiboi	-	C.E

Appeared before the committee and submitted as follows;

1. The Cabinet Secretary is not the Accounting Officer of the Ministry. She could thus not respond to specific audit queries. Her role in the ministry included policy formulation, direction and coordination. The Principal Secretaries were responsible for administration. This was in line with Article 226 (2) of the Constitution and Section 68 (1&2) of the Public Finance Management Act 2012.
2. On matters accounting, the Principal Secretary directly reports to the Cabinet Secretary Treasury, and as such she had not even seen the ministry's response to the Committee. Information she had gathered from the Principal Secretaries however was that the response to the Committee was inaccurate.
3. She is not involved in procurement and financial matters and cannot tell the prices of goods and services procured by the ministry. When such matters came to her attention she called for investigation with the relevant agencies as was the case with the NYS. This enthusiasm may have been their undoing as failure to report may have saved the ministry the scandals currently unearthed.
4. Her role in the Huduma Centres was largely policy, including the number of centres and services to be provided therein. She is the face of the projects as she pushes the government agenda. The details of procurement within these centres are administrative and handled by the accounting officer.
5. Mr Dennis Mutuku, the Head of Secretariat Huduma Kenya said that the initial standard designs of the centres were done by UNES as a blueprint. These were then replicated according to space limitations. Department of public works supervised the first 4 constructions, with UNES supervising the next 10. The next round of 20 centres were being implemented by the National Construction Authority, who confirmed that there was a provision in their Act that allowed this.
6. Eng. Peter Mangiti requested two weeks for the ministry to be allowed to produce an accurate response.

**MIN No. 941/2015:- ADJOURNMENT**

There being no other business, the sitting adjourned at twenty minutes past five in the afternoon.

SIGNED.....



**Chairperson**

DATE.....





**MINUTES OF THE TWO HUNDRED AND FIFTY THIRD (253<sup>RD</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY, 9<sup>TH</sup> NOVEMBER, 2015 AT 2.00 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Joseph Manje, M.P.
3. Hon. Joel Onyancha, M.P.
4. Hon. Kanini Kega, M.P.
5. Hon. Mathias Robi, M.P.
6. Hon. David Eseli, M.P.
7. Hon. Manson Nyamweya, M.P.
8. Hon. Charles Geni Mong'are, M.P.
9. Hon. Abdikadir Aden, M.P.
10. Hon. Kyengo Katatha Maweu, M.P.
11. Hon. Timothy Bosire, M.P.
12. Hon. Junet Sheikh Nuh, M.P.
13. Hon. Stephen Manoti, M.P.

**APOLOGIES**

1. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
2. Hon. Julius Melly, M.P.
3. Hon. Sakwa Bunyasi, M.P.
4. Hon. Gonzi Rai, M.P.
5. Hon. Alice Nyanhoka Chae, M.P.
6. Hon. Kareke Mbiuki, M.P.
7. Hon. Jessica Mbalu, M.P.
8. Hon. Arthur Odera, M.P.
9. Hon. Andrew Mwadime, M.P.
10. Hon. Kangogo Bowen, M.P.
11. Hon. Jude Njomo, M.P.
12. Hon. John Mbadi, M.P.
13. Hon. Fathia Mahbub, M.P.
14. Hon. Silvanice Onyango Osele, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Mr. Victor Weke - Clerk Assistant II



**MIN No. 942/2015: PRELIMINARIES**

The Chairperson called the meeting to order at thirty minutes past two o' clock in the afternoon. A prayer was said followed by introductions by all present.

The Chairman informed the meeting that the Principal Secretary Ministry of Environment and Natural Resources had at the last minute sought a reschedule of his meeting with the Committee on the 2013/14 Auditor General's report due to unavoidable circumstances. The Committee resolved to accept his request and rescheduled his appearance to a later date to be communicated.

**MIN No. 943/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

**MIN No. 944/2015: ANY OTHER BUSINESS**

**1. REPORT ON THE JUDICIARY AND JSC**

The Chairman informed the Committee that he had received a letter from the Chief Justice addressed to the Speaker and copied to the Committee, among other recipients. He read out the letter whose import was to point out certain 'incorrect' conclusions in the report.

The Chairman further informed the Committee that the report would most likely be slotted in the week order paper and there was the need for the Committee to come up with a common position in light of the letter from the Chief Justice.

The Committee resolved to stand by its findings and recommendations since they were guided by facts presented at the time of drafting the report. Moreover, the Committee noted that the Chief Justice was formally invited to appear before the Committee but sought to informally consult the Speaker of the National Assembly, culminating in his failure to appear. The Committee could thus not be liable for his failure to honour its invitation.

The Committee concluded that facts adduced after tabling would only be considered as amendments to the report during debate in the floor of the House, or through the courts. Towards this end, the secretariat was tasked to establish whether the Judiciary had been tabling its report to the House as is required.

**2. COMPLAINTS BY THE CABINET SECRETARY JOSEPH NKAISSERY ON LEAKED PROCEEDINGS**

The Committee noted the Cabinet Secretary for Interior and Coordination of National Government's address to the media complaining of leaked proceedings held in camera. The meeting also noted that the CS had written to the Speaker on the same.

The Committee resolved that it was not responsible for this leakage since the subject letter was partly read in public by the session Chairman before the CS requested for camera proceedings. Furthermore, the Committee did not see any confidential matters being disclosed even during the camera proceedings.

The Committee resolved that as much as it would protect confidential security information brought before it, this should not be a pretext for cover up of malfeasance.

**MIN No. 945/2015:- ADJOURNMENT**

There being no other business, the sitting adjourned at fifty minutes past four in the afternoon. Next sitting to be held on 10<sup>th</sup> November, 2015 at 10.00 am

SIGNED.....  
Chairperson

DATE.....

**MINUTES OF THE TWO HUNDRED AND FIFTY FOURTH (254<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 10<sup>TH</sup> NOVEMBER, 2015 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
3. Hon. Joseph Manje, M.P.
4. Hon. Joel Onyancha, M.P.
5. Hon. Gonzi Rai, M.P.
6. Hon. Kanini Kega, M.P.
7. Hon. Mathias Robi, M.P.
8. Hon. Andrew Mwadime, M.P.
9. Hon. Sakwa Bunyasi, M.P.
10. Hon. David Eseli, M.P.
11. Hon. Abdikadir Aden, M.P.
12. Hon. Junet Sheikh Nuh, M.P.
13. Hon. John Mbadi, M.P.
14. Hon. Silvanice Onyango Osele, M.P.
15. Hon. Stephen Manoti, M.P.
16. Hon. Timothy Bosire, M.P.
17. Hon. Alice Nyanchoka Chae, M.P.
18. Hon. Manson Nyamweya, M.P.
19. Hon. Charles Geni Mong'are, M.P.

**APOLOGIES**

1. Hon. Kareke Mbiuki, M.P.
2. Hon. Kyengo Katatha Maweu, M.P.
3. Hon. Jessica Mbalu, M.P.
4. Hon. Julius Melly, M.P.
5. Hon. Arthur Odera, M.P.
6. Hon. Kangogo Bowen, M.P.
7. Hon. Jude Njomo, M.P.
8. Hon. Fathia Mahbub, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Mr. Victor Weke - Clerk Assistant II
3. Ms. Chelagat Tungo - Clerk Assistant II

- |                        |   |                  |
|------------------------|---|------------------|
| 4. Mr. Chelanga Maiyo  | - | Research Officer |
| 5. Mr. Rogers Kilungya | - | Audio Recorder   |

**NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant/ Parliamentary Liaison Officer

**OFFICE OF THE AUDITOR GENERAL**

- |                       |   |                               |
|-----------------------|---|-------------------------------|
| 1. Mr. Boniface Mulli | - | Ag. Director, Audit           |
| 2. Mr. J.M. Njuru     | - | Audit Manager                 |
| 3. Mr. Raphael Ikame  | - | Parliamentary Liaison Officer |

**MIN No. 946/2015: PRELIMINARIES**

The Vice- Chairman called the meeting to order at fifteen minutes past ten o' clock in the morning. A prayer was said followed by introductions by all present.

**MIN No. 947/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

**MIN No. 948/2015: EVIDENCE: MINISTRY OF TRANSPORT AND INFRASTRUCTURE**

***The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year***

**Eng. John Mosenik**, Principal Secretary of Ministry of Transport and Infrastructure accompanied by Messrs.:-

- |                              |   |                                 |
|------------------------------|---|---------------------------------|
| (i) Mr. Philip Wachira       | - | Senior Deputy Finance Officer   |
| (ii) Ms. Leah Kimemia        | - | Principal Accountant            |
| (iii) Mr. Benard A. Masiga   | - | Senior Chief Finance Officer    |
| (iv) Mr. G. A Kamasara       | - | Senior Chief Finance Officer    |
| (v) Mr. John Owana           | - | Senior Finance Officer          |
| (vi) Mr. Kennedy Osoro       | - | Finance Officer                 |
| (vii) Mr. J.M. Kiraita       | - | Deputy Accountant               |
| (viii) Mr. J.K. Mwangi       | - | Principal Accountant            |
| (ix) Mr. Moses Maina         | - | D.S.                            |
| (x) Eng. C. N. Makau         | - | Manager, KENHA                  |
| (xi) Eng. David A. Muchilwa- | - | Ag. General Manager, KENHA      |
| Mr. James Bowen              | - | General Manager, Finance, KENHA |
| (xii) Mr. Chanje Kera        | - | Finance Manager, KENHA          |
| (xiii) Mr. Dan Manyasi       | - | Ag. Finance Manager, KERRA      |

Appeared before the committee and gave evidence on:-

- (ii) Paragraph 232 on Accuracy of Financial Statements
- (iii) Paragraph 233 on Unsupported Receipts and Payments

**PENDING ISSUES**

- (i) Paragraphs 232 and 233 on Accuracy of Financial Statements, and Unsupported Receipts and Payments respectively

The Committee noted with concern that the responses given by the Accounting Officer were not satisfactory, and did not respond to issues raised.

The Committee resolved to give the Accounting Officer one (1) week to prepare a satisfactory response to all the audit queries.

**MIN No. 949/2015:- ADJOURNMENT**

There being no other business, the sitting adjourned at ten minutes to one o'clock in the afternoon. Next sitting to be held on 12<sup>th</sup> November, 2015 at 10.00 am

SIGNED.....  
Chairperson

DATE..... 8/12/2015



**MINUTES OF THE TWO HUNDRED AND FIFTY FIFTH (255<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (PAC) HELD ON MONDAY, 16<sup>TH</sup> NOVEMBER, 2015 IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING, AT 3.00 P.M.**

**PRESENT**

1. Hon. Jackson K. Rop, M.P. - Vice- Chairman
2. Hon. Joseph Manje, M.P.
3. Hon. Jude Njomo, M.P.
4. Hon. Fathia Mahbub, M.P.
5. Hon. Timothy Bosire, M.P.
6. Hon. Junet Sheikh Nuh, M.P.
7. Hon. John Mbadi, M.P.
8. Hon. Manson Nyamweya, M.P.
9. Hon. Stephen Manoti, M.P.
10. Hon. Alice Nyanchoka Chae, M.P.

**APOLOGIES**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Kareke Mbiuki, M.P.
3. Hon. Kyengo Katatha Maweu, M.P.
4. Hon. Jessica Mbalu, M.P.
5. Hon. Andrew Mwadime, M.P.
6. Hon. Silvanice Onyango Osele, M.P.
7. Hon. Julius Melly, M.P.
8. Hon. Sakwa Bunyasi, M.P.
9. Hon. David Eseli, M.P.
10. Hon. Abdikadir Aden, M.P.
11. Hon. Charles Geni Mong'are, M.P.
12. Hon. Arthur Odera, M.P.
13. Hon. Kangogo Bowen, M.P.
14. Hon. Joel Onyanacha, M.P.
15. Hon. Gonzi Rai, M.P.
16. Hon. Kanini Kega, M.P.
17. Hon. Mathias Robi, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Mr. Victor Weke - Clerk Assistant II
3. Ms. Chelagat Tungo - Clerk Assistant II
4. Mr. Colins Mahamba - Audio Recorder

### **NATIONAL TREASURY**

- |                         |   |   |
|-------------------------|---|---|
| 1. Mr. Geoffrey Mwitari | - | Chief Accountant/ Parliamentary Liaison Officer |
| 2. Ms. Jane Njogu       | - | Senior Accountant                               |

### **OFFICE OF THE AUDITOR GENERAL**

- |                         |   |                               |
|-------------------------|---|-------------------------------|
| 1. Mr. Benard Maina     | - | Auditor                       |
| 2. Ms. Katherine Kaburu | - | Auditor                       |
| 3. Mr. Raphael Ikame    | - | Parliamentary Liaison Officer |
| 4. Mr. Nuh Abass        | - | Auditor                       |

### **MIN No. 950/2015: PRELIMINARIES**

The Vice- Chairman called the meeting to order at three o' clock in the afternoon. A prayer was said followed by introductions by all present.

### **MIN No. 951/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

### **MIN No. 953/2015: EVIDENCE: MINISTRY OF DEFENCE**

#### ***The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year***

**Mr. Kiritu M. Wamai, EBS**, Ag Principal Secretary of Ministry of Defence accompanied by Messrs.:-

- (i) Lt. Gen. Kasaon
- (ii) E.N. Murimi
- (iii) C.K Muhia
- (iv) Brg. R.G Kabage
- (v) Brg. C.R. Imanene
- (vi) Col. J.A. Ouda
- (vii) G.F. Sakwa

Appeared before the committee and gave evidence on:-

- i. Paragraph 144 on Mismanagement of Imprest at the Ministry of Defence
- ii. Paragraph 145 on Unaccounted for Expenditure Relating to International Studies
- iii. Paragraph 145 a) on Unsupported Payment Imprest
- iv. Paragraph 145 b) on Direct Expenditure
- v. Paragraph 145 c) on Overpayment of Allowances
- vi. Paragraph 145 d) on Irregularities in Procurement of Library Books for Kenya Navy Training School
- vii. Paragraph 146 a) on Proposed Completion of Married Officers Quarters Mqs at 9KR Eldoret; Award of Contract and Contract Period
- viii. Paragraph 146 b) on Payments

- ix. Paragraph 146 c) on Audit Inspection
- x. Paragraph 146 c) (i) on Open Storm Water drain
- xi. Paragraph 146 c) (ii) on Internal Plumbing Works and internal drainage
- xii. Paragraph 146 c) (iii) on Quality of paint
- xiii. Paragraph 146 c) (iv) on Roofing and rain water disposal
- xiv. Paragraph 147 a) on Proposed Mechanical Piping and Associated Civil Work for Strategic Fuel Tanks; Background
- xv. Paragraph 147 b) on Award of contract
- xvi. Paragraph 147 c) on Scope of Works
- xvii. Paragraph 147 d) on Audit inspection
- xviii. Paragraph 148 a) on Audit of Financial Statements; Inappropriate Presentation and Disclosure of the Statement of Receipt and Payments
- xix. Paragraph 148 b) On Inaccuracy of statement of Assets
- xx. Paragraph 148 c) on Inaccuracy of Account Balance
- xxi. Paragraph 148 d) on Other Receipts from UN and Deposits
- xxii. Paragraph 148 e) on Understatement of Revenue
- xxiii. Paragraph 148 f) on Unsupported Clearances

**PENDING ISSUES**

(ii) **Paragraphs 145 c) on Overpayment of Allowances:**

The Auditor informed the Committee that they had a problem with the systems put in place at the Ministry regarding issuing of imprest to one person in a team when travelling instead of issuing to each individual to cater for themselves.

The Accounting Officer was requested to prepare tabulation and allocate figures against expenditure indicating amounts paid to each individual officer.

(iii) **Paragraph 146 a, b and c on all issues queried**

The Committee noted with concern that the responses given by the Accounting Officer were not satisfactory, and did not respond to issues raised.

The Committee resolved to make a site visit of the premises in order to ascertain the conditions and state of the structures before making a determination.

**MIN No. 954/2015:- ADJOURNMENT**

There being no other business, the sitting adjourned at twenty minutes past six o'clock in the evening. Next sitting to be held on 17<sup>th</sup> November, 2015 at 10.00 am

SIGNED.....

Chairperson

DATE.....



**MINUTES OF THE TWO HUNDRED AND FIFTY SIXTH (256<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 19<sup>TH</sup> NOVEMBER, 2015 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Joseph Manje, M.P.
3. Hon. Julius Melly, M.P.
4. Hon. Kanini Kega, M.P.
5. Hon. Fathia Mahbub, M.P.
6. Hon. Andrew Mwadime, M.P.
7. Hon. Sakwa Bunyasi, M.P.
8. Hon. Arthur Odera, M.P.
9. Hon. David Eseli, M.P.
10. Hon. Manson Nyamweya, M.P.
11. Hon. Abdikadir Aden, M.P.
12. Hon. Junet Sheikh Nuh, M.P.
13. Hon. John Mbadi, M.P.
14. Hon. Kyengo Katatha Maweu, M.P.
15. Hon. Timothy Bosire, M.P.
16. Hon. Jessica Mbalu, M.P.
17. Hon. Stephen Manoti, M.P.
18. Hon. Alice Nyanchoka Chae, M.P.

**APOLOGIES**

1. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
2. Hon. Charles Geni Mong'are, M.P.
3. Hon. Jude Njomo, M.P.
4. Hon. Kareke Mbiuki, M.P.
5. Hon. Silvance Onyango Osele, M.P.
6. Hon. Kangogo Bowen, M.P.
7. Hon. Gonzi Rai, M.P.
8. Hon. Joel Onyancha, M.P.
9. Hon. Mathias Robi, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Mr. Victor Weke - Clerk Assistant II



4. Mr. Rogers Kilungya - Audio Recorder

**NATIONAL TREASURY**

- Mr. Geoffrey Mwitari - Chief Accountant/ Parliamentary Liaison Officer

**OFFICE OF THE AUDITOR GENERAL**

1. Mr. Bernard Maina - Manager Audit, NIS
2. Mr. Elkana Otieno Obudho - Manager Audit, NIS
3. Mr. Isaac Ngayai - Manager Audit, Commission for Implementation of Constitution
4. Mr. George Otieno Nashon - Manager Audit, Ministry of Sports
5. Mr. Kennedy Ochieng Riba - Manager Audit, Ministry of Sports
6. Mr. Raphael Ikame - Parliamentary Liaison Officer

**MIN No. 955/2015: PRELIMINARIES**

The Chairman called the meeting to order at ten minutes past ten o' clock in the morning. A prayer was said followed by introductions by all present.

**MIN No. 956/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

**MIN No. 957/2015: EVIDENCE: NATIONAL INTELLIGENCE SERVICE**

**The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Maj. Gen. (Rtd) Philip Kameru**, Director General, National Intelligence Service accompanied by Messrs.:-

- (i) Ms. Agnes Shikuku - Director, Administration
- (ii) Mr. Nyamasyo Ndola - Head of Finance
- (iii) Mr. Bernard Lutomia - Finance Officer

Appeared before the committee and gave evidence on:

- (i) Paragraph 519 on Outstanding Imprest
- (ii) Paragraph 520 on Advance to Ministry of Foreign Affairs

**MIN No. 958/2015: EVIDENCE: COMMISSION FOR THE IMPLEMENTATION OF THE CONSTITUTION**

**The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Mr. Joseph Nyonje Kosure**, Chief Executive Officer, Commission for the Implementation of the Constitution accompanied by Messrs.:-

- |                             |   |                               |
|-----------------------------|---|-------------------------------|
| (i) Mr. Fredrick Oromo      | - | Head of Procurement           |
| (ii) Mr. James Oundo        | - | Finance Officer               |
| (iii) Ms. Christine Ojode   | - | Accountant                    |
| (iv) Ms. Margaret Akutekha  | - | Head, Internal Audit          |
| (v) Ms. Rose Mghoi Macharia | - | Director, Management Services |

Appeared before the committee and gave evidence on:

- (i) Paragraph 522 on Outstanding Imprests and Advances
- (ii) Paragraph 523 on Advance to Fraudulent Procurement of Goods and Services
- (iii) Paragraph 524 on Other Matter

**MIN No. 959/2015: EVIDENCE: MINISTRY OF SPORTS, CULTURE AND THE ARTS**

**The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Amb. Richard Ekai**, Principal Secretary, Ministry Of Sports, Culture and the Arts accompanied by Messrs.:-

- |                           |   |                        |
|---------------------------|---|------------------------|
| (i) Mr. J.F.O. Longole    | - | Chief Finance Officer  |
| (ii) Mr. Gordon Oluoch    | - | Commissioner of Sports |
| (iii) Mr. W.O. Omwange    | - | Principal Accountant   |
| (iv) Mr. P.J. Mugine      | - | Accountant             |
| (vi) Mr. Kimathi Nkabu    | - | Finance Officer        |
| (vii) Ms. Margaret Ngangu | - | Cost Accountant        |

Appeared before the committee and gave evidence on:

- (i) Paragraph 371 on Pending Bills
- (ii) Paragraph 372 on Prior Year Adjustments
- (iii) Paragraph 373 on Un-cleared Prior Year Balances

**MIN No. 960/2015:- ADJOURNMENT**

There being no other business, the sitting adjourned at half past five o'clock in the evening. Next sitting to be held on 23<sup>rd</sup> November, 2015 at 2.30 pm

SIGNED.......... DATE..........  
Chairperson

**MINUTES OF THE TWO HUNDRED AND FIFTY SEVENTH (257<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 24<sup>TH</sup> NOVEMBER, 2015 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
3. Hon. Julius Melly, M.P.
4. Hon. Joseph Manje, M.P.
5. Hon. Andrew Mwadime, M.P.
6. Hon. Junet Sheikh Nuh, M.P.
7. Hon. Arthur Odera, M.P.
8. Hon. David Eseli, M.P.
9. Hon. Abdikadir Aden, M.P.
10. Hon. Kyengo Katatha Maweu, M.P.
11. Hon. Kanini Kega, M.P.
12. Hon. Gonzi Rai, M.P.
13. Hon. Timothy Bosire, M.P.
14. Hon. Kareke Mbiuki, M.P.
15. Hon. Jude Njomo, M.P.
16. Hon. John Mbadi, M.P.

**APOLOGIES**

1. Hon. Kangogo Bowen, M.P.
2. Hon. Fathia Mahbub, M.P.
3. Hon. Mathias Robi, M.P.
4. Hon. Silvanice Onyango Osele, M.P.
5. Hon. Jessica Mbalu, M.P.
6. Hon. Alice Nyanchoka Chae, M.P.
7. Hon. Manson Nyamweya, M.P.
8. Hon. Charles Geni Mong'are, M.P.
9. Hon. Stephen Manoti, M.P.
10. Hon. Sakwa Bunyasi, M.P.
11. Hon. Joel Onyancha, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Tungo Aaron - Clerk Assistant II
3. Mr. Rodgers Kilunda - Research Officer

**NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant

**OFFICE OF THE AUDITOR GENERAL**

1. Mr. Isaac Ngayai - Manager Audit
2. Mr. Raphael Ikame - Parliamentary Liaison Officer

**MIN No. 961/2015: PRELIMINARIES**

The Chairperson called the meeting to order at thirty minutes past ten in the morning and a prayer was said. Introductions by all present followed.

**MIN No. 962/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

**MIN No. 963/2015: EVIDENCE: REGISTRAR OF POLITICAL PARTIES**

**The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Mrs. Lucy Ndungu**, Registrar of Political Parties accompanied by Messrs.:-

- (i) Joel N. Onchwati - Principal Finance Officers
- (ii) John Macharia - Chief Accountant

Appeared before the committee and gave evidence on:

- (iii) Paragraph 525 on Unqualified Opinion; Other Matters
- (iv) Paragraph 526 on Emphasis of Matter

The Auditor informed the committee that all matters had been resolved.

**MIN No. 964/2015:- ADJOURNMENT**

There being no other business to transact, the sitting ended at twenty minutes past eleven o'clock in the morning.

SIGNED..... DATE.....  
Chairperson



**MINUTES OF THE TWO HUNDRED AND FIFTY EIGHTH (258<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 24<sup>TH</sup> NOVEMBER, 2015 AT 10.45 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

- |                                     |   |                       |
|-------------------------------------|---|-----------------------|
| 1. Hon. (Eng.) Nicolas Gumbo, M.P.  | - | <b>Chairman</b>       |
| 2. Hon. Jackson K. Rop, M.P.        | - | <b>Vice- Chairman</b> |
| 3. Hon. Julius Melly, M.P.          |   |                       |
| 4. Hon. Joseph Manje, M.P.          |   |                       |
| 5. Hon. Andrew Mwadime, M.P.        |   |                       |
| 6. Hon. Junet Sheikh Nuh, M.P.      |   |                       |
| 7. Hon. Arthur Odera, M.P.          |   |                       |
| 8. Hon. David Eseli, M.P.           |   |                       |
| 9. Hon. Abdikadir Aden, M.P.        |   |                       |
| 10. Hon. Kyengo Katatha Maweu, M.P. |   |                       |
| 11. Hon. Kanini Kega, M.P.          |   |                       |
| 12. Hon. Gonzi Rai, M.P.            |   |                       |
| 13. Hon. Timothy Bosire, M.P.       |   |                       |
| 14. Hon. Kareke Mbiuki, M.P.        |   |                       |
| 15. Hon. Jude Njomo, M.P.           |   |                       |
| 16. Hon. John Mbadi, M.P.           |   |                       |

**APOLOGIES**

1. Hon. Kangogo Bowen, M.P.
2. Hon. Fathia Mahbub, M.P.
3. Hon. Mathias Robi, M.P.
4. Hon. Silvanice Onyango Osele, M.P.
5. Hon. Jessica Mbalu, M.P.
6. Hon. Alice Nyanhoka Chae, M.P.
7. Hon. Manson Nyamweya, M.P.
8. Hon. Charles Geni Mong'are, M.P.
9. Hon. Stephen Manoti, M.P.
10. Hon. Sakwa Bunyasi, M.P.
11. Hon. Joel Onyancha, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

- |                        |   |                              |
|------------------------|---|------------------------------|
| 1. Mr. Daniel Mutunga  | - | Principal Clerk Assistant II |
| 2. Ms. Tungo Aaron     | - | Clerk Assistant II           |
| 3. Mr. Rodgers Kilunda | - | Research Officer             |

**NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant

**OFFICE OF THE AUDITOR GENERAL**

1. Mr. Isaac Ngayai - Manager Audit
2. Mr. Raphael Ikame - Parliamentary Liaison Officer

**MIN No. 965/2015: PRELIMINARIES**

The Chairperson called the meeting to order at eleven o'clock in the morning and a prayer was said. Introductions by all present followed.

**MIN No. 966/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

**MIN No. 967/2015: EVIDENCE: WITNESS PROTECTION AGENCY**

**The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Mrs. Alice Ondieki**, CEO/ Director Witness Protection Agency accompanied by Messrs.:-

- i. Mr. John Mwangi - Finance Manager
- ii. Mr. K. A. Tanui - Deputy Director
- iii. Ms. Julie Wahonya - Senior Legal Officer
- iv. Mr. John Nyanzwi - chief Legal Officer
- v. Mr. Peter Mwangi - Deputy Director

Appeared before the committee and gave evidence on:

- (i) Paragraph 527 on Witness Expenses
- (ii) Paragraph 528 on other Matter

The Auditor informed the committee that all matters had been resolved.

**MIN No. 968/2015:- ADJOURNMENT**

There being no other business to transact, the sitting ended at half past eleven in the morning.

SIGNED.....  
Chairperson

DATE..... 8/12/2015.....

**MINUTES OF THE TWO HUNDRED AND FIFTY NINETH (259<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 24<sup>TH</sup> NOVEMBER, 2015 AT 12.00 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
3. Hon. Julius Melly, M.P.
4. Hon. Joseph Manje, M.P.
5. Hon. Andrew Mwadime, M.P.
6. Hon. Junet Sheikh Nuh, M.P.
7. Hon. Arthur Odera, M.P.
8. Hon. David Eseli, M.P.
9. Hon. Abdikadir Aden, M.P.
10. Hon. Kyengo Katatha Maweu, M.P.
11. Hon. Kanini Kega, M.P.
12. Hon. Gonzi Rai, M.P.
13. Hon. Timothy Bosire, M.P.
14. Hon. Kareke Mbiuki, M.P.
15. Hon. Jude Njomo, M.P.
16. Hon. John Mbadi, M.P.

**APOLOGIES**

1. Hon. Kangogo Bowen, M.P.
2. Hon. Fathia Mahbub, M.P.
3. Hon. Mathias Robi, M.P.
4. Hon. Silvanice Onyango Osele, M.P.
5. Hon. Jessica Mbalu, M.P.
6. Hon. Alice Nyanhoka Chae, M.P.
7. Hon. Manson Nyamweya, M.P.
8. Hon. Charles Geni Mong'are, M.P.
9. Hon. Stephen Manoti, M.P.
10. Hon. Sakwa Bunyasi, M.P.
11. Hon. Joel Onyancha, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Tungo Aaron - Clerk Assistant II
3. Mr. Rodgers Kilunda - Research Officer

## **NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant

## **OFFICE OF THE AUDITOR GENERAL**

1. Mr. Isaac Ngayai - Manager Audit
2. Mr. Raphael Ikame - Parliamentary Liaison Officer

## **MIN No. 969/2015: PRELIMINARIES**

The Chairperson called the meeting to order at ten minutes past noon and a prayer was said. Introductions by all present followed.

## **MIN No. 970/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

## **MIN No. 971/2015: EVIDENCE: KENYA NATIONAL COMMISSION ON HUMAN RIGHTS**

### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

Mrs. Patricia Nyaundi, CEO Kenya National Commission of Human Right accompanied by:-

- i. Ms. Doris Mundia - Finance Manager

Appeared before the committee and gave evidence on:

- (i) Paragraph 529 on Over Expenditure
- (ii) Paragraph 530 on Long Outstanding Bank reconciliation Items
- (iii) Paragraph 531 on Long Outstanding Imprest and Advance

## **PENDING ISSUES**

- (ii) **Paragraph 529 on Over Expenditure**

The Committee directed the Accounting Officer and Managing Director, Kenya Industrial Estates to avail its credit policy.

The Commission overspend by 8,852,760.70 without seeking Authority from Treasury to reallocate the funds from different budgeted items. The Accounting Officer admitted that she had failed to adhere to the requirement but have now complied by writing to treasury who has since granted the permission to reallocate funds.

The Committee recommended that the issue be resolved and cleared with the auditor since it has been overtaken by time

**ii. Paragraph 531 on Long Outstanding Imprest and Advance**

Balances are reducing in regards to the former commissioner. As for the former Officer, the balance has not been reducing but has since been sued by the Commission. Couldn't sue him since it might be costly to proceed with the charges visa vis the amount being refunded. The Commission has since written to the CRB and will also write to EACC. Also wrote to Treasury to write off the debt but was declined.

**MIN No. 972/2015:- ADJOURNMENT**

There being no other business to transact, the sitting ended at ten minutes to one o'clock in the afternoon.

SIGNED.......... DATE..........

**Chairperson**





**MINUTES OF THE TWO HUNDRED AND SIXTY FIRST (261<sup>ST</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY, 30<sup>TH</sup> NOVEMBER, 2015 AT 2.30 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
3. Hon. Abdikadir Aden, M.P.
4. Hon. Kanini Kega, M.P.
5. Hon. Fathia Mahbub, M.P.
6. Hon. Sakwa Bunyasi, M.P.
7. Hon. Manson Nyamweya, M.P.
8. Hon. Jessica Mbalu, M.P.
9. Hon. Joseph Manje, M.P.
10. Hon. Junet Sheikh Nuh, M.P.

**APOLOGIES**

1. Hon. Kangogo Bowen, M.P.
2. Hon. Mathias Robi, M.P.
3. Hon. Silvanice Onyango Osele, M.P.
4. Hon. Alice Nyanchoka Chae, M.P.
5. Hon. Charles Geni Mong'are, M.P.
6. Hon. Stephen Manoti, M.P.
7. Hon. Joel Onyancha, M.P.
8. Hon. Gonzi Rai, M.P.
9. Hon. Timothy Bosire, M.P.
10. Hon. Kareke Mbiuki, M.P.
11. Hon. Jude Njomo, M.P.
11. Hon. John Mbadi, M.P.
12. Hon. Kyengo Katatha Maweu, M.P.
13. Hon. Julius Melly, M.P.
14. Hon. Andrew Mwadime, M.P.
15. Hon. Arthur Odera, M.P.
16. Hon. David Eseli, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Tungo Aaron - Clerk Assistant II
3. Mr. Collins Mahamba - Research Officer

## **NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant

## **OFFICE OF THE AUDITOR GENERAL**

1. Mr. Leonard Cheruon - Assistant Manager Audit
2. Mr. Jackson Musheba - Manager Audit

## **MIN No. 977/2015: PRELIMINARIES**

The Chairperson called the meeting to order at quarter to three in the afternoon and a prayer was said. Introductions by all present followed.

## **MIN No. 978/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

## **MIN No. 979/2015: EVIDENCE: MINISTRY EAST AFRICAN AFFAIRS, COMMERCE AND TOURISM**

### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

Dr. Ibrahim Mohamed, PS Ministry of East African Affairs, Commerce and Tourism accompanied by Messrs:-

- i. Mrs. Joyce Mutugi - Senior Assistant Accountant General
- ii. Mr. Stephen Kirui - Director KIBT
- iii. Mr. Ambrose Ogango - Deputy Chief Finance Officer
- iv. Mr. Jared Nyaundi - chief Legal Officer

Appeared before the committee and gave evidence on:

- (i) Paragraph 473 on Unconfirmed Opening Balances
- (ii) Paragraph 474 on Unsupported other Expenses
- (iii) Paragraph 475 on Undisclosed, bad and Doubtful Debts
- (iv) Paragraph 476 on Governance of Joint Loans Board
- (v) Paragraph 477 on Weak Internal Controls in Kisumu Region

## **PENDING ISSUES**

- (i) Paragraph 473 on Unconfirmed Opening Balances  
The Committee requested the Accounting Officer to provide a breakdown on all payments made and that the Auditor should verify and report back to Committee.
- (ii) Paragraph 474 on Unsupported other Expenses

The Accounting Officer informed the Committee that the Ministry had formed a task force to develop a new framework to handle the administration issues at the County. The position so far indicates that the money was transferred though no response has been received.

Account Officer to provide evidence indicating that authority is sought. Need to send a team to the counties to verify and submit a report on disbursement of Funds.

(iii) Paragraph 475 on Undisclosed, bad and Doubtful Debts

The Accounting Officer informed the Committee that they had a Joints Board in place tasked to make the recoveries on loans and defaults. The committee requested the accounting Officer to provide a breakdown of the recoveries indicating the amounts recovered so far and what is pending. The Committee recommended that the Auditor General in consultation with Treasury together with Ministry take up the matter and give the committee a conclusive response.

(iv) Paragraph 476 on Governance of Joint Loans Board

Called upon to confirm to the auditors whether the Board's officers are in office and provide their mandates.

(v) Paragraph 477 on Weak Internal Controls in Kisumu Region

Need to provide proper documentation to show that the money is well spent and accounted for. All the funds collected must not be spent but banked and accounted for appropriately.

**MIN No. 980/2015:- ADJOURNMENT**

There being no other business to transact, the sitting ended at ten minutes to four o'clock in the afternoon.

SIGNED.....

  
Chairperson

DATE.....



**MINUTES OF THE TWO HUNDRED AND SIXTY SECOND (262<sup>ND</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY, 30<sup>TH</sup> NOVEMBER, 2015 AT 4.00 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
3. Hon. Abdikadir Aden, M.P.
4. Hon. Kanini Kega, M.P.
5. Hon. Fathia Mahbub, M.P.
6. Hon. Sakwa Bunyasi, M.P.
7. Hon. Manson Nyamweya, M.P.
8. Hon. Jessica Mbalu, M.P.
9. Hon. Joseph Manje, M.P.
10. Hon. Junet Sheikh Nuh, M.P.

**APOLOGIES**

1. Hon. Kangogo Bowen, M.P.
2. Hon. Mathias Robi, M.P.
3. Hon. Silvance Onyango Osele, M.P.
4. Hon. Alice Nyanchoka Chae, M.P.
5. Hon. Charles Geni Mong'are, M.P.
6. Hon. Stephen Manoti, M.P.
7. Hon. Joel Onyancha, M.P.
8. Hon. Gonzi Rai, M.P.
9. Hon. Timothy Bosire, M.P.
10. Hon. Kareke Mbiuki, M.P.
11. Hon. Jude Njomo, M.P.
11. Hon. John Mbadi, M.P.
12. Hon. Kyengo Katatha Maweu, M.P.
13. Hon. Julius Melly, M.P.
14. Hon. Andrew Mwadime, M.P.
15. Hon. Arthur Odera, M.P.
16. Hon. David Eseli, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Tungo Aaron - Clerk Assistant II
3. Mr. Collins Mahamba - Research Officer

## **NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant

## **OFFICE OF THE AUDITOR GENERAL**

1. Mr. Romanus Ochieng - Senior Manager Audit
2. Mr. Boniface Ojiambo Ngira - Assistant Manager

## **MIN No. 981/2015: PRELIMINARIES**

The Chairperson called the meeting to order at ten past four o'clock in the afternoon and a prayer was said. Introductions by all present followed.

## **MIN No. 982/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

## **MIN No. 983/2015: EVIDENCE: MINISTRY OF ENERGY AND PETROLEUM**

### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

Eng. Joseph Njoroge Kibere, PS Ministry of Energy and Petroleum accompanied by Messrs:-

- i. Mrs Phoeb Ndonge - Principal Secretary Petroleum
- ii. Mr. Patrick Paul Meyo - Deputy Director Supply Chain Management
- iii. Mr. James Ngarai - Chief Accountant
- iv. Eng. Isaac Kiva - Director of Renewable Energy
- v. Mr. Martin M. Heya - Commissioner Petroleum
- vi. Mr. Michael W. Mwangi - Director Of Administration

Appeared before the committee and gave evidence on:

- (i) Paragraph 396 on Supply, Installation, Testing and Commissioning of 5 No. 100M Wind masts and Data loggers
- (ii) Paragraph 402 on Advances
- (iii) Paragraph 403 on Suspense Account
- (iv) Paragraph 404 on Unsupported Balances
- (v) Paragraph 405 on Summary of Statement of Provisioning
- (vi) Paragraph 406 on Non- Financial Assets
- (vii) Paragraph 407 on Construction of Resource Centre at Mitunguu in South Imenti District
- (viii) Paragraph 408 on Unsupported Expenditure
- (ix) Paragraph 409 on Cash and Cash Equivalent
- (x) Paragraph 410 on Receipts



- (xi) Paragraph 411 on Contribution Receipts
- (xii) Paragraph 412 on Disparity with Special Account
- (xiii) Paragraph 413 on (i) Cash and Cash Equivalent and (ii) Loan from External Development Partners

**PENDING ISSUES**

- (i) Paragraph 406 on Non- Financial Assets  
The Asset register be signed before submission to the committee as appendix  
The Accounting Officer stated that with the advice of National treasure, they need to revalue the vehicles since it had a negative value.  
The Committee directed the Accounting Officer to move with speed in order to ensure that the Lands have title deeds.
- (ii) Paragraph 407 on Construction of Resource Centre at Mitunguu in South Mmenti District  
The Auditor was tasked to keep in view the project and ensure that it was completed and be in operation. The Committee requested the Auditor in charge to ensure that they make a visit to ascertain progress and development
- (iii) Paragraph 408 on Unsupported Expenditure  
The Committee tasked the Auditor to go through the documents and confirm, indicate activities being paid for and submit a report of the same to the Committee.
- (iv) Paragraph 411 on Contribution Receipts  
The Auditor informed the Committee that he was not satisfied with response given to no. (ii) of the audit query since it was still in process and thus requests the Committee to determine a recommendation.  
The Committee recommended that the funds allocation be separated. The Accounting Officer should seek permission from National Treasury to open another bank account so that they don't have to mix all funds in the Training Levy Fund Account which they operate.

**MIN No. 984/2015:- ADJOURNMENT**

There being no other business to transact, the sitting ended at twenty minutes past six in the evening.

SIGNED.....

  
Chairperson

DATE.....



**MINUTES OF THE TWO HUNDRED AND SIXTY THIRD (263<sup>RD</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 24<sup>TH</sup> NOVEMBER, 2015 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
3. Hon. Joseph Manje, M.P.
4. Hon. Arthur Odera, M.P.
5. Hon. David Eseli, M.P.
6. Hon. Kyengo Katatha Maweu, M.P.
7. Hon. Gonzi Rai, M.P.
8. Hon. Kareke Mbiuki, M.P.
9. Hon. Fathia Mahbub, M.P.
10. Hon. Manson Nyamweya, M.P.
11. Hon. John Mbadi, M.P.
12. Hon. Stephen Manoti, M.P.

**APOLOGIES**

1. Hon. Kangogo Bowen, M.P.
2. Hon. Mathias Robi, M.P.
3. Hon. Julius Melly, M.P.
4. Hon. Andrew Mwadime, M.P.
5. Hon. Timothy Bosire, M.P.
6. Hon. Junet Sheikh Nuh, M.P.
7. Hon. Silvance Onyango Osele, M.P.
8. Hon. Jessica Mbalu, M.P.
9. Hon. Alice Nyanchoka Chae, M.P.
10. Hon. Kanini Kega, M.P.
11. Hon. Charles Geni Mong'are, M.P.
12. Hon. Sakwa Bunyasi, M.P.
13. Hon. Joel Onyancha, M.P.
14. Hon. Jude Njomo, M.P.
15. Hon. Abdikadir Aden, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Tungo Aaron - Clerk Assistant II
3. Mr. Rodgers Kilungya - Hansard Recorder Officer

**NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant

**OFFICE OF THE AUDITOR GENERAL**

1. Mr. B. Maina
2. Mr. K. Kaburu

**MIN No. 985/2015: PRELIMINARIES**

The Chairperson called the meeting to order at eleven o'clock in the morning and a prayer was said. Introductions by all present followed.

**MIN No. 986/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were no matters arising.

**MIN No. 987/2015: EVIDENCE; MINISTRY OF DEFENCE**

**The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

Mr. Kiritu M. Wamai, EBS, Ag Principal Secretary of Ministry of Defence accompanied by Messrs.:-

- (i) Lt. Gen. Kasaon
- (ii) E.N. Murimi
- (iii) C.K Muhia
- (iv) Brg. R.G Kabage
- (v) Daniel Kihara
- (vi) Col. J.A. Ouda
- (xiv) Gregory Okal

Appeared before the committee and gave evidence on:-

- (i) Paragraph 149 on Prior Year Matters
- (ii) Paragraph 150 on Purchase of Seventy Five (75) APCs
- (iii) Paragraph 151 on Purchase of Seventy Six (76) APCs
- (iv) Paragraph 152 on Statement of Assets and Liabilities for Recurrent

**MIN No. 988/2015:- ADJOURNMENT**

There being no other business to transact, the sitting ended at half past eleven o'clock in the morning.

SIGNED.....

DATE.....

**CHAIRPERSON**

**MINUTES OF THE TWO HUNDRED AND SIXTY FOURTH (264<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 1<sup>ST</sup> DECEMBER, 2015 AT 11.30 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
3. Hon. Joseph Manje, M.P.
4. Hon. Arthur Odera, M.P.
5. Hon. David Eseli, M.P.
6. Hon. Kyengo Katatha Maweu, M.P.
7. Hon. Gonzi Rai, M.P.
8. Hon. Kareke Mbiuki, M.P.
9. Hon. Fathia Mahbub, M.P.
10. Hon. Manson Nyamweya, M.P.
11. Hon. John Mbadi, M.P.
12. Hon. Stephen Manoti, M.P.

**APOLOGIES**

1. Hon. Kangogo Bowen, M.P.
2. Hon. Mathias Robi, M.P.
3. Hon. Julius Melly, M.P.
4. Hon. Andrew Mwadime, M.P.
5. Hon. Timothy Bosire, M.P.
6. Hon. Junet Sheikh Nuh, M.P.
7. Hon. Silvanice Onyango Osele, M.P.
8. Hon. Jessica Mbalu, M.P.
9. Hon. Alice Nyanchoka Chae, M.P.
10. Hon. Kanini Kega, M.P.
11. Hon. Charles Geni Mong'are, M.P.
12. Hon. Sakwa Bunyasi, M.P.
13. Hon. Joel Onyancha, M.P.
14. Hon. Jude Njomo, M.P.
15. Hon. Abdikadir Aden, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Tungo Aaron - Clerk Assistant II
3. Mr. Rodgers Kilunda - Research Officer

## **NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant

## **OFFICE OF THE AUDITOR GENERAL**

1. Rowland Wanyama
2. Steven Ikeleng
3. Isaac Ngayai
4. Isaac Koech
5. Mr. Raphael Ikame - Parliamentary Liaison Officer

## **MIN No. 989/2015: PRELIMINARIES**

The Chairperson called the meeting to order at twenty minutes twelve in the morning and a prayer was said. Introductions by all present followed.

## **MIN No. 990/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

## **MIN No. 991/2015: EVIDENCE: JUDICIARY AND JUDICIAL SERVICE COMMISSION (JSC)**

### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

Ms. Ann Amadi, Chief Registrar Judiciary accompanied by:-

- i. Ronald Wanyama
- ii. Steven Ikileng
- iii. Joseph Were
- iv. Kennedy Ikoki
- v. David Rapando
- vi. Nancy Kanyago
- vii. J.F. Okello

Appeared before the committee and gave evidence on:

### **Judiciary**

- (i) Paragraph 506 on Contract for Leasing of Office Equipment
- (ii) Paragraph 507 on Measures taken to address Delayed Delivery of Justice
- (iii) Paragraph 508 on Unsupported Payments
- (iv) Paragraph 509 on Unsupported Domestic Travel and Subsistence Expenditure
- (v) Paragraph 510 on Cash and Cash Equivalents
- (vi) Paragraph 511 on Pending Bills



- (vii) Paragraph 512 on Outstanding Imprests and Advances
- (viii) Paragraph 513 on Deposits
- (ix) Paragraph 514 on Unaccounted for Fees From Auctioneers Licensing Board
- (x) Paragraph 515 on Donor Funded Projects; Reconcilled Difference
- (xi) Paragraph 516 on Overstatement of Non- financial Assets

#### **Judicial Service Commission**

- (i) Paragraph 537 on Irregular Payment of Allowances
- (ii) Paragraph 538 on Unaccounted for Imprest

#### **PENDING ISSUES**

- (i) Paragraph 507 on Measures taken to address Delayed Delivery of Justice
  - a) Bomet; Matter is still pending. Issues have not been resolved.
  - b) Wanguru and Othaya Law Courts: Construction still on-going and incomplete

The Committee requested the accounting officer to provide a comprehensive report on the law courts.

The works are not yet completed. It's recommended that either the contractor refunds all payments made to them or delivers the items as per the contract with immediate effect.

The Accounting Officer was requested to provide documentary evidence indicating that the case has been referred to other entities like EACC for further follow up as per her submissions and to provide bank guarantees as well. Issue remains pending.

Auditors informed the Committee that they had done inspection and could confirm that there's a lot of civil work going on and improvement could be observed in construction works unlike in the previous years.

- (ii) Paragraph 513 on Deposits

The Accounting officer informed the Committee that the matter was a fraud case and that it was still pending in Milimani Courts. The Charge sheet was provided in the submission Annexes. Waiting for courts determination in order to make a recommendation
- (iii) Paragraph 514 on Unaccounted for Fees From Auctioneers Licensing Board

The Accounting Officer informed the Committee that the amount in question, Kshs. 965,752 had since been reconciled and that reconciliation was now being done on a monthly basis. The Officer who misappropriated the money was charged and the case was with Kisii Law Court, criminal case no 346/2006

**MIN No. 992/2015:- ADJOURNMENT**

There being no other business to transact, the sitting ended at ten minutes past two in the afternoon.

SIGNED.....

  
Chairperson

DATE.....



**MINUTES OF THE TWO HUNDRED AND SIXTY SIXTH (266<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 1<sup>ST</sup> DECEMBER, 2015 AT 11.30 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
3. Hon. Andrew Mwadime, M.P.
4. Hon. Sakwa Bunyasi, M.P.
5. Hon. David Eseli, M.P.
6. Hon. Kyengo Katatha Maweu, M.P.
7. Hon. Gonzi Rai, M.P.
8. Hon. Timothy Bosire, M.P.
9. Hon. Kareke Mbiuki, M.P.
10. Hon. Fathia Mahbub, M.P.
11. Hon. Jessica Mbalu, M.P.
12. Hon. Kangogo Bowen, M.P.
13. Hon. Joseph Manje, M.P.

**APOLOGIES**

1. Hon. Jude Njomo, M.P.
2. Hon. Abdikadir Aden, M.P.
3. Hon. Alice Nyanchoka Chae, M.P.
4. Hon. Arthur Odera, M.P.
5. Hon. Junet Sheikh Nuh, M.P.
6. Hon. Stephen Manoti, M.P.
7. Hon. Joel Onyancha, M.P.
8. Hon. Julius Melly, M.P.
9. Hon. Manson Nyamweya, M.P.
10. Hon. Charles Geni Mong'are, M.P.
11. Hon. Kanini Kega, M.P.
12. Hon. John Mbadi, M.P.
13. Hon. Mathias Robi, M.P.
14. Hon. Silvanice Onyango Osele, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Ms. Winnie Kulei - Research Officer

## **NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant

## **OFFICE OF THE AUDITOR GENERAL**

1. Mr. Samuel Chege
2. Mr. Leonard Opar
3. Mr. Sammy Githinji
4. Mr. Raphael Ikame - Parliamentary Liaison Officer

## **MIN No. 996/2015: PRELIMINARIES**

The Chairperson called the meeting to order at thirty minutes past ten in the morning and prayed. Introductions by all present followed.

## **MIN No. 997/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

## **MIN No. 998/2015: EVIDENCE: MINISTRY OF EDUCATION**

### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Dr. Belio Kipsang**, Principal Secretary Basic Education and Prof. Colleta Suda Principal Secretary Higher Education accompanied by Messrs.:-

- (i) Dr. Dinah Mwinzi
- (ii) Mr. Ezra Magati
- (iii) Mr. Abdi Aden
- (iv) Mr. John Tuwei
- (v) Ms. Margaret Munye
- (vi) Elymaryta Khaoya
- (vii) Zachary Ooko
- (viii) Caliph Ombati
- (ix) Orwa Ondego
- (x) Robert Masese
- (xi) H.S. Abdi
- (xii) C.W. Kariuki
- (xiii) Grace Muriuki

Appeared before the committee and gave evidence on:

- (iii) Paragraph 159 on Inaccurate Financial Statements
- (iv) Paragraph 160 on Cash and Cash Equivalents balance



- (v) Paragraph 161 on Under-Collection of Appropriations in Aid
- (vi) Paragraph 162 on Unsupported Prior year adjustments.
- (vii) Paragraph 163 on Unsupported Accounts Receivable and Payments
- (viii) Paragraph 164 on Irregular Purchase of Airtime
- (ix) Paragraph 165 on Nugatory Expenditure Bondo Technical Training Institute
- (x) Paragraph 166 on Construction Work at Masai Technical Training Institute
- (xi) Paragraph 167 on Unsupported Expenditure - Scholarships

### **PENDING ISSUES**

- (iii) Paragraph 161 on Under-Collection of Appropriations in Aid  
The Accounting Officer indicated that the expenditures were incurred by the Ministry of Devolution and therefore, the Ministry will do the reconciliations of the same. Issue remain pending.
- (iv) Paragraph 162 on Unsupported Prior year adjustments.  
The Accounting Officers was tasked to come with a breakdown.  
The Committee informed the Accounting Officer that it was wrong to spend money from a vote on items that had not been budgeted for without Treasury's approval.
- (v) Paragraph 163 on Unsupported Accounts Receivable and Payments  
The balance has been reduced the balance from 309, 086,605 to around 85 million  
Had issued to the district an amount of 3 billion and they get returns from Districts through treasury. By the time the financial year was closing, the previous payment had not been accounted for and thus still remains pending.  
The Committee directed the Accounting Officer to take charge, and take necessary actions to ensure that the Officers who have not accounted for to do so within 14 days. Need to report back to the Committee with the correct status.
- (vi) Paragraph 165 on Nugatory Expenditure Bondo Technical Training Institute  
Penalties came about due to late payments hence attracting as per the Contract.  
Documents to be provided to Auditors for verification and updated Status report submitted to Committee  
The Committee requested the Accounting Officer to provide contract agreements between Contractor and Ministry for review by Committee.
- (vii) Paragraph 166 on Construction Work at Masai Technical Training Institute  
Delay in completion of the works was occasioned by low budgetary provisions and delayed exchequer releases for the year under review. The Ministry agreed



to make arrangements to ensure that the Project is completed before a new one is started. The Contractor is on the grounds

The Accounting Officer to provide Certificate from the Ministry of public works to ascertain whether the payments were made with or without Certificate.

The Committee requested the Accounting Officer to provide status report of the project so as to confirm to what level the Projects have reached.

**MIN No. 999/2015:- ADJOURNMENT**

There being no other business to transact, the sitting ended at twenty minutes past one in the afternoon.

SIGNED.....



**Chairperson**

DATE.....



**MINUTES OF THE TWO HUNDRED AND SIXTY SEVENTH (267<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON FRIDAY, 4<sup>TH</sup> DECEMBER, 2015 AT 10.30 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, MP – **Chairperson**
2. Hon. Jackson K. Rop, MP – **Vice Chairperson**
3. Hon. Joseph Manje, MP
4. Hon. Joel Onyancha, M.G.H MP
5. Hon. Sakwa Bunyasi, MP
6. Hon. Arthur Odera, MP
7. Hon. David Eseli, MP
8. Hon. Manson Nyamweya, MP
9. Hon. Kareke Mbiuki, MP
10. Hon. Mwadime Andrew, MP

**APOLOGIES**

1. Hon. Kangogo Bowen, MP
2. Hon. Kanini Kega, MP
3. Hon. Stephen Manoti, MP
4. Hon. Mathias Robi, MP
5. Hon. Silvanice Onyango Osele, MP
6. Hon. Alice Nyanchoka Chae, MP
7. Hon. Julius Melly, MP
8. Hon. Jessica Mbalu, MP
9. Hon. Abdikadir Omar Aden, MP
10. Hon. Charles Mong'are Geni, MP
11. Hon. Gonzi Rai, M.G.H., MP
12. Hon. John Mbadi, MP
13. Hon. Timothy Bosire, MP
14. Hon. Jude Njomo, MP
15. Hon. Fathia Mahbub, MP
16. Hon. Junet Sheikh Nuh, MP
17. Hon. Kyengo Katatha Maweu, MP

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Ms. Tungo Aaron - Clerk Assistant II
3. Ms. Winnie Kulei - Research Officer

4. Mr. Collins Mahamba - Audio Officer

### **TREASURY**

- Geoffrey Mwitari - Parliamentary Liaison Officer

### **OFFICE OF THE AUDITOR GENERAL**

1. Raphael Ikame - Parliamentary Liaison Officer
2. Simon Chibole - Manager, Audit
3. Joseph K. Irungu - Manager, Audit
4. Bonface Ong'wen - Manager, Audit
5. Catherin M. Mburu - Manager, Audit
6. Japheth Mangoka - Manager, Audit

### **MIN No. 1000/2015: PRELIMINARIES**

The sitting's proceedings commenced with a word of prayer and thereafter introductions.

The Chairman informed the Committee that the meeting was a continuation from a meeting that was held on 26th October, 2015. That the Committee had progressed in their deliberation up to Paragraph 95 though there were some outstanding issues on Paragraph 77, 78, 81 and 82 which had to be reviewed first before proceeding to the next paragraphs.

### **MIN No. 1001/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

### **MIN No. 1002/2015: EVIDENCE: MINISTRY OF INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT**

#### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Amb. Monica Juma**, Principal Secretary, State department of Interior and **Ms. Josepta Mukobe**, Principal Secretary, State Department of Coordination of National Government accompanied by Messrs.:-

- (i) Mr. Hassan Mohammed - Chief Executive Officer (NCIC)
- (ii) Mr. Paul Mutacha - Assistant Secretary
- (iii) Mr. John Munywoki - Senior Chief finance Officer
- (iv) Ms. Judy Mwihaki - Legal Officer
- (v) Mr. Josphat Ituka - Assistant Commissioner General (KPS)
- (vi) Mr. JM Wambugu - Finance Officer, NPS
- (vii) Ms. Phylis Ouko - Senior Deputy Secretary

(viii) Ms. Mercy Mwangi	-	Chief Accountant
(xv) Ms. Doris Kenyanya	-	Senior Assistant Internal Auditor
(ix) Mr. Paul Muthanya	-	Assistant Secretary
(x) Mr. Philip Gachuya	-	Senior Assistant Accountant General
(xi) Mr. Charles Liyayi	-	Principal Accountant

Appeared before the committee and gave evidence on:

- (i) Paragraph 77 on Purchase of Land and Houses for general Service Unit paid through legal dues, arbitration and compensation.
- (ii) Paragraph 78 on Examination of contractor Supply and delivery of Entry and Exit stamps.
- (iii) Paragraph 81 on Mismanagement of cash bails at Kenya Police Service Stations in Nairobi.
- (iv) Paragraph 82 on Loss of Revenue for Alcoholic Drinks Control Fund at various districts.
- (v) Paragraph 96 on Overpricing of Stores Resulting in Loss of Kshs. 62,512, 859.00
- (vi) Paragraph 97 on Pending Bills at Government Prisons
- (vii) Paragraph 98 on Unaccounted Expenditure at Moyale Main Prison
- (viii) Paragraph 99 on Co
- (ix) Paragraph 100 on Irregular Procurement of Goods and Services at Various Prisons
- (x) Paragraph 101 on Uncollected Revenue of Kshs. 2,701,440.00
- (xi) Paragraph 102 on Difference between the Ministry's Revenue Receipt Ledger and Revenue Statement
- (xii) Paragraph 103 on Excess Surrender of Revenue
- (xiii) Paragraph 104 on Inaccuracy of the Ledger
- (xiv) Paragraph 105 on Un- surrendered Revenue
- (xv) Paragraph 106 on Loss of Revenue by Kenya Police County Commander, Nairobi
- (xvi) Paragraph 107 on Outstanding Imprests
- (xvii) Paragraph 108 on Suspense Account
- (xviii) Paragraph 109 on Paymaster General Account
- (xix) Paragraph 110 on Debtors
- (xx) Paragraph 111 on Fixed Assets Register
- (xxi) Paragraph 112 on Illegal Encroachment
- (xxii) Paragraph 113 on Unaccounted for Revenue
- (xxiii) Paragraph 114 on Sustainability of the Fund
- (xxiv) Paragraph 115 on Un-analysed Suspense Account
- (xxv) Paragraph 116 on Non- Recovery of Debts
- (xxvi) Paragraph 117 on Non- Maintenance of Fixed Asset Register
- (xxvii) Paragraph 118 on Cash Management of Prisons Industries Revolving
- (xxviii) Paragraph 119 on Non- disclosure of Receipts and Payment

- (xxix) Paragraph 120 on Unsupported Expenditure on Printing and Other Materials
- (xxx) Paragraph 121 on Unsupported Payments
- (xxxi) Paragraph 122 on Acquisition of Non- financial Assets

## **PENDING ISSUES**

- (i) Paragraph 77 on, Paragraph 77 on Purchase of Land and Houses for general Service Unit paid through legal dues, arbitration and compensation.

From the previous meeting, the Committee had requested the Accounting Officer to present to the Committee a Parliamentary report that deliberated the matter, showing the corresponded between Ministry of Interior and Ministry of Lands. The Accounting Officer submitted the documentations as requested together with the opinion sought by the Ministry from the Attorney General in view of the court ruling, on whether it was prudent for the Ministry in proceeding with further payments on the matter.

The Accounting Officer provided information on the process that led to the figure of Kshs. 2.4 billion. She reiterated that the advice of the Attorney-General concluded that the court judgment be enforced immediately failure of which the Government will face an exposure of paying Kshs. 2.4 billion and interest of 14 per cent. In addition, the Committee was informed that the payment begun in the 2013/2014 financial year and a total of Kshs. 1.2 billion had so far been paid. The Ministry had written to the National Treasury requesting for allocation of funds and this was provided for in the 2014/15 financial year. She also confirmed to the Committee that the parcel of land was approximately 96 acres (38.85 hectares)

The Auditor informed the Committee that the concern raised by the Auditor General was why the Ministry did not submit the Government Evaluation report as part of the evidence before the Courts. It was noted that the Ministry had earlier submitted from Reports from Private Valuers and had to therefore request Ministry of Lands to undertake a valuation for the satisfaction of the Auditor General.

With the advisory from the Attorney General, the Committee resolved to have the Accounting officer finalize on the payments and bring the matter to closure with immediate effect.

- (ii) Paragraph 78 on Examination of contractor Supply and delivery of Entry and Exit stamps

The Auditors confirmed to the Committee that the matter had been resolved.



(iii) Paragraph 81 on Mismanagement of cash bails at Kenya Police Service Stations in Nairobi

The Accounting Officer presented to the Committee a Gazette Notice which established a Task Force on management of cash bail, a policy document elaborating the matter and terms of reference drawn internally by the Ministry for the comprehensive audit.

The Meeting was informed that the Ministry had gone ahead to sample 50% of Police installations focusing on three regions, 12 counties and 48 divisions in order to get clear picture of the magnitude of the problem and know what to require within the Police Servicing.

The Committee requested the Accounting Officer to provide names and details of Officers who were found in possession of counterfeit cash bail books, as queried in Paragraph 205 in order to enable the Committee make a determination.

(iv) Paragraph 82 on Loss of Revenue for Alcoholic Drinks Control Fund at various districts.

The Committee was informed that the Ministry had requested for a Comprehensive forensic audit to find out where the money in the account comes from since the Ministry does not receive money for NACADA licenses. It was observed that money was deposited into the account by anyone who needed a license and a slip forwarded to the Ministry

(v) Paragraph 97 on Pending Bills at Government Prisons

The accounting officer informed the committee that the pending bills were far much more than the 64 million that was being quoted. She affirmed to the committee that the ministry had taken initiative to write to all stations to forward all pending bills which were coming to around 1.5B. An amount of 1.19B was verified by the auditors and the rest was rejected.

The Accounting Officer wrote to the National Treasury requesting for funds to enable them clear the pending bills and they were given and the funds helped clear part of the bills.

The Committee recommended that the accounting Officer liaise with the auditors and provide a written report on the status of the pending bills.

(vi) Paragraph 101 on Uncollected Revenue of Kshs. 2,701,440.00

The Committee was informed that the Ministry was pursuing the Officer in question so as to recover the balance of 917,940 from him. Money had been collected by the officer but had not been banked. She further informed the Committee that some debts went back to the year 2007 but are finding means of resolving the problems.

The Committee requested the Accounting Officer to ensure that the issue is resolved as soon as possible and a status report be provided to the auditors for verification.

(vii) Paragraph 106 on Loss of Revenue by Kenya Police County Commander, Nairobi

The Accounting Officer informed the Committee that the money was banked and that they will provide the relevant statements for verification by auditors. However, it was not clear whether Cashbooks were being maintained by Kenya Police County Commanders. The Auditors were tasked to verify and report its findings to the Committee.

(viii) Paragraph 107 on Outstanding Imprests

The Committee was informed that the issue was still pending but recoveries were ongoing. The outstanding balance was currently at 5,399,457 shillings.

It was noted that the imprest in question was grants given by UNDP to be issued to Cohesion Monitors official on the ground who respond to emergency cases on the ground also known as Emergency response fund. Some of the funds had not been properly accounted for.

In the cases where holders of imprest had passed on, the Accounting officer pledged to write to treasury requesting for write offs of the debts. It was confirmed that an equivalent of 3 million ought to be written off whereas 2.3m to be recovered from various officers.

The Auditors were tasked to follow up on the recoveries status and give a substantive report to the Committee.

(ix) Paragraph 108 on Outstanding Imprests

The Auditors informed the Committee that the query remains pending while awaiting completion of analysis of Cashbooks in the Ministry. After the analysis, a report will be submitted to the Committee.

(x) Paragraph 109 on Paymaster General Account

The query remains pending. The Accounting Officer to ensure that delivery of documents and report for verification by auditors will be done with immediate effect.

The Account does not have signatories from Treasury.

It was agreed that National Treasury writes to Central bank and assign signatories to the accounts in order to enable transactions take place.

The Liaison Officer from National Treasury pledged to facilitate and report back to the Committee.

(xi) Paragraph 110 on Debtors

The Committee was informed that out of 53million in question, a recovery of 22 million shillings had been made and that the process of recovery was still ongoing. Thus the query still remains pending as recoveries continue.

(xii) Paragraph 111 on Fixed Assets Register

Paragraph remained pending because it was noted that the Ministry did not have a fixed asset register. The Accounting Officer informed the Committee that it was very important to have departments that handle finances to have registers put in place

The Committee observed that there was laxity in maintaining asset register by most ministries in violation of PFM Act 2012 and regulations 2015.

The Committee recommended that the Ministry carry out asset tagging, verification and management of asset register with immediate effect.

(xiii) Paragraph 112 on Illegal Encroachment

The Accounting Officer indicated that it was members of staff who were tilling the Prisons land and has since written to them to stop the encroachment. She issued a circular and standing order. Now land being cultivated by prison and not prison departments.

The Committee tasked the Accounting Officer to ensure that proper report on status of the land be provided for verification.

The Auditors informed the Committee that there was an ongoing audit process to ascertain the position and verify whether the land is being encroached.

On another note, the Accounting Officer informed the Committee that part of prisons lands around the country had been grabbed. There's a report to that effect and she will make arrangements to take members through it when called upon to do so.

(xiv) Paragraph 113 on Unaccounted for Revenue

Not been resolved



The Accounting Officer informed the committee that the money was revolved in the fund to sustain it. The Accountant was tasked to reconcile with staff at the Prison's Headquarters. The Auditors audited financial statements. The Money in question was the surplus realized from sales in prison thus deposited in the deposits accounts.

The Committee tasked the Auditor to follow up and submit a report on the status.

(xv) Paragraph 115 on Un-analyzed Suspense Account.

The Committee was informed that the issue will remain pending waiting reconciliation by auditors.

(xvi) Paragraph 116 on Non-Recovery of Debts

Retained until recoveries is complete. The Accounting Officer pledged to follow up on recoveries and to have it cleared by end of the month. She will provide a status report on the same. The query remains pending till a report is provided and verified by the Auditors.

(xvii) Paragraph 117 on Non Maintenance of Fixed Asset Register

Same as paragraph 111, on Asset register. The query remains pending till proper asset register is put in place.

(xviii) Paragraph 118 on Cash Management of Prisons Industries Revolving Funds

The Accounting Officer informed the Committee that the Revolving fund Account in question had been closed by treasury because there was no signatory to that Account from the National Treasury. Four billion shillings had been swept from the account and taken to Central bank after the closure of the account.

She has requested for a bank statement from treasury which will be provided to Auditors for Verification.

(xix) Paragraph 119 on Cash Management of Prisons Industries Revolving Fund

The amount was not disclosed as required by IPSAS (23) in the footnotes for the Government Press fund Account but will be disclosed in future.

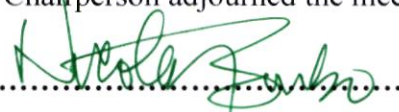
Query will be retained and verified in the next accounts if it will have been disclosed in the footnotes.

**MIN. NO. 1003/2015**

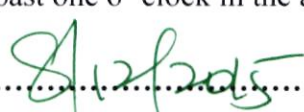
**ADJOURNMENT**

The Vice-Chairperson adjourned the meeting at half past one o' clock in the afternoon.

SIGNED.....



DATE.....



**MINUTES OF THE TWO HUNDRED AND NINETY SECOND (292<sup>ND</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 31<sup>ST</sup> MARCH, 2016 AT 10.30 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING**

**PRESENT**

1. Hon. Jackson K. Rop, M.P. - Vice- Chairman
2. Hon. Joseph Manje, M.P.
3. Hon. Jude Njomo, M.P.
4. Hon. Gonzi Rai, M.P.
5. Hon. Andrew Mwadime, M.P.
6. Hon. Sakwa Bunyasi, M.P.
7. Hon. Kanini Kega, M.P.
8. Hon. John Mbadi, M.P.
9. Hon. Arthur Odera, M.P.
10. Hon. Kyengo Katatha Maweu, M.P.
11. Hon. Timothy Bosire, M.P.
12. Hon. Jessica Mbalu, M.P.
13. Hon. Charles Geni Mong'are, M.P.
14. Hon. Julius Melly, M.P.
15. Hon. Kareke Mbiuki, M.P.

**ABSENT WITH APOLOGY**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Abdikadir Aden, M.P.
3. Hon. Manson Nyamweya, M.P.
4. Hon. David Eseli, M.P.
5. Hon. Junet Sheikh Nuh, M.P.
6. Hon. Alice Nyanchoka Chae, M.P.
7. Hon. Silvance Onyango Osele, M.P.
8. Hon. Fathia Mahbub, M.P.
9. Hon. Mathias Robi, M.P.
10. Hon. Stephen Manoti, M.P.
11. Hon. Kangogo Bowen, M.P.
12. Hon. Joel Onyancha, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Mr. Victor Weke - Clerk Assistant II
4. Mr. Chelanga Maiyo - Researcher
5. Mr. Collins Mahamba - Audio Recorder

**MIN No. 1109/2016: PRELIMINARIES**



The Chairman called the meeting to order at twenty minutes to eleven O'clock in the morning. A prayer was said.

### **MIN No. 1110/2016: CONFIRMATION OF MINUTES**

Minutes of the **268<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that day, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. Sakwa Bunyasi, MP.

Minutes of the **269<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Sakwa Bunyasi, MP and seconded by Hon. Andrew Mwadime, MP.

Minutes of the **270<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Timothy Bosire, MP and seconded by Andrew Mwadime, MP.

Minutes of the **271<sup>st</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Timothy Bosire, MP and seconded by Hon. Sakwa Bunyasi, MP.

Minutes of the **272<sup>nd</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Sakwa Bunyasi, MP and seconded by Hon. Timothy Bosire, MP.

Minutes of the **273<sup>rd</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Jude Njomo, MP and seconded by Hon. Kareke Mbiuki, MP.

Minutes of the **274<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Julius Melly, MP and seconded by Hon. Jude Njomo, MP.

Minutes of the **275<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Jude Njomo, MP and seconded by Hon. Kareke Mbiuki, MP.

Minutes of the **276<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. Kanini Kega, MP.

Minutes of the **277<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Timothy Bosire, MP and seconded by Hon. Kanini Kega, MP.

Minutes of the **278<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Sakwa Bunyasi, MP and seconded by Hon. Julius Melly, MP.

Minutes of the **279<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. Kareke Mbiuki, MP.

Minutes of the **280<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Jessica Mbalu, MP and seconded by Hon. Julius Melly, MP.

Minutes of the **281<sup>st</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Jude Njomo, MP and seconded by Hon. Sakwa Bunyasi, MP.

Minutes of the **282<sup>nd</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Charles Geni, MP and seconded by Hon. John Mbadi, MP.

Minutes of the **283<sup>rd</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Kanini Kega, MP and seconded by Hon. Katatha Maweu, MP.

Minutes of the 284<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Timothy Bosire, MP and seconded by Hon. Kanini Kega, MP.

Minutes of the 285<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Charles Geni, MP and seconded by Hon. Kyengo Maweu, MP.

Minutes of the 286<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Charles Geni, MP and seconded by Hon. Andrew Mwadime, MP

Minutes of the 287<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Kyengo Maweu, MP and seconded by Hon. Timothy Bosire, MP.

Minutes of the 288<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Kanini Kega, MP and seconded by Hon. Sakwa Bunyasi, MP.

Minutes of the 289<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Kyengo Maweu, MP and seconded by Hon. Julius Melly, MP.

Minutes of the 290<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Arthur Odera, MP and seconded by Hon. John Mbadi, MP.

Minutes of the 291<sup>st</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Jessica Mbalu, MP and seconded by Hon. Arthur Odera, MP.

**MIN No. 1111/2016: MATTERS ARISING**

There were no matters arising.

**MIN No. 1112/2016: ANY OTHER BUSINESS**

The Committee was informed that the next report writing retreat for Auditor General's report on books of accounts will be held between Monday 4<sup>th</sup> and Friday 8<sup>th</sup> April, 2016 in Mombasa. Members are expected to travel on Sunday 3<sup>rd</sup> and return on Saturday 9<sup>th</sup> April, 2016. Further logistical arrangements would be communicated by the secretariat.

The trip to China by some Members of the Committee was due to take place on 18<sup>th</sup> to 23<sup>rd</sup> of April, 2016.

**MIN No. 1113/2016: ADJOURNMENT**

There being no other business, the meeting was adjourned at thirty minutes past eleven O'clock in the morning. Notices for the next Sitting would be circulated to Members.

Signed.....  
(Chairperson)



Date.....



**MINUTES OF THE TWO HUNDRED AND NINETY SIXTH (296<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 3<sup>RD</sup> MAY, 2016 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - **Chairman**
2. Hon. Jackson K. Rop, M.P. - **Vice- Chairman**
3. Hon. Andrew Mwadime, M.P.
4. Hon. SakwaBunyasi, M.P.
5. Hon. Joseph Manje, M.P.
6. Hon. Kyengo KatathaMaweu, M.P.
7. Hon. KaniniKega, M.P.
8. Hon. Abdikadir Aden, M.P.
9. Hon. (Capt.) Clement Wambugu, M.P.
10. Hon. David Eseli, M.P.
11. Hon. Julius Melly, M.P.
12. Hon. Alice NyanchokaChae, M.P.
13. Hon. Arthur Odera, M.P.
14. Hon. Timothy Bosire, M.P.

**APOLOGIES**

1. Hon. KarekeMbiuki, M.P.
2. Hon. John Mbadi, M.P.
3. Hon. Gonzi Rai, M.P.
4. Hon. Mathias Robi, M.P.
5. Hon. Manson Nyamweya, M.P.
6. Hon. Jessica Mbalu, M.P.
7. Hon. Junet Sheikh Nuh, M.P.
8. Hon. Silvance Onyango Osele, M.P.
9. Hon. FathiaMahbub, M.P.
10. Hon. Stephen Manoti, M.P.
11. Hon. Charles GeniMong'are, M.P.
12. Hon. Kangogo Bowen, M.P.
13. Hon. Joel Onyancha, M.P.

**IN ATTENDANCE:**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Ms. ChelagatTungo - Clerk Assistant II
3. Mr. Victor Weke - Clerk Assistant II

4. Mr. Peter Mwaura - Legal Counsel
5. Ms. Catherine Burure - Fiscal Analyst
6. Mr. Collins Mahamba - Audio Recorder

#### **MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT**

1. Ms. Mariamu El Maawy - Principal Secretary
2. Mr. Victor Ogutu - Ag. Director, Urban Development
3. Mr. Paul Mwangi - Deputy Director, Lands
4. Mr. Gideon Achwoga - Senior Accountant
5. Mr. Joseph Muthusi - Accountant
6. Mr. Stephen Waruinge - Accountant
7. Ms. Veronica Makau - Accountant
8. Mr. Jonathan Chivatsi - Personal Assistant to PS

#### **MIN No. 1130/2016: PRELIMINARIES**

The Chairman called the meeting to order at thirty minutes past ten O'clock in the morning and said a prayer.

The Chairman passed the Committee's condolences to the Principal Secretary Ministry of Lands, Ms. Mariamu El Maawy on her bereavement.

#### **MIN No. 1131/2016: CONFIRMATION OF MINUTES**

Confirmation of minutes of the previous sitting was deferred to the next sitting. There were thus no matters arising.

#### **MIN No. 1132/2016: EVIDENCE: MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT**

#### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Ms. Mariamu El Maawy**, the Accounting Officer gave evidence on:

- (i) Paragraph 340 on Equity
- (ii) Paragraph 348 on Unconfirmed Balances
- (iii) Paragraph 349 on Unsupported Balance
- (iv) Paragraph 358 on Bank Balances
- (v) Paragraph 359 on Termination of the Project Agreement
- (vi) Paragraph 361 on Outstanding Imprests



## **Pending Issues**

**(i) Paragraph 340 on Equity**

The Committee tasked the Accounting Officer to produce a list of beneficiaries and land details to the auditors for verification before 6<sup>th</sup> May, 2016.

**(ii) Paragraph 348 on Unconfirmed Balances and Paragraph 349 on Unsupported Balance**

The Committee treated the matters as unresolved and gave the Accounting Officer up to end of financial year to resolve balances. These would be confirmed by auditors in the next financial year report.

**(iii) Paragraph 358 on Bank Balances and Paragraph 359 on Termination of the Project Agreement**

The Committee tasked the auditors to examine the annexures now provided by the Accounting Officer and report back by 6<sup>th</sup> May, 2016.

**(iv) Paragraph 361 on Outstanding Imprests**

The Committee instructed the Accounting Officer to intensify recoveries that were now outstanding at Kshs. 841,185.00 attributable to six individuals by end of financial year.

## **MIN No. 1133/2016: ANY OTHER BUSINESS**

1. The Chairman tabled two letters addressed to the Committee; on procurement of medical equipment for counties by the Ministry of Health and the other on the procurement of the land currently occupied by the GSU in Ruaraka by the Ministry of Interior and Coordination of National Government.  
The Committee resolved that the former will be conclusively handled when the matter appears in the 2014/15 Auditor General's report, while the latter had already been dispensed with in the previous sitting.
2. Hon. Arthur Odera, MP requested for a report on all outstanding special audits. The Chairman informed the meeting that the Auditor General would appear before the Committee on 5<sup>th</sup> May, 2016 to present a status report on IFMIS, NYS and the Sovereign Bond.
3. The Committee was reminded of the report writing retreat due in Kisumu from 8<sup>th</sup> -14<sup>th</sup> May, 2016.



4. The Chairman informed the meeting that there would be an AFROPAC Executive Committee meeting in Khartoum, Sudan on 23<sup>rd</sup> and 24<sup>th</sup> May, 2016. Members of the delegation would be decided upon.
  
5. The Chairman reminded Members of the evening's dinner at his residence and welcomed all to attend.

**MIN No. 1134/2016: ADJOURNMENT**

There being no other business, the meeting was adjourned at forty five minutes past twelve O'clock in the afternoon. Next meeting would be held on Thursday 5<sup>th</sup> May 2016 at 10.00 am.

Signed.......... Date..........

**Chairperson**

**MINUTES OF THE TWO HUNDRED AND NINETY SEVENTH (297<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 5<sup>TH</sup> MAY, 2016 AT 11.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Andrew Mwadime, M.P.
4. Hon. Sakwa Bunyasi, M.P.
5. Hon. Kyengo Katatha Maweu, M.P.
6. Hon. John Mbadi, M.P.
7. Hon. Gonzi Rai, M.P.
8. Hon. Abdikadir Aden, M.P.
9. Hon. Silvance Onyango Osele, M.P.
10. Hon. Fathia Mahbub, M.P.
11. Hon. Stephen Manoti, M.P.
12. Hon. Charles Geni Mong'are, M.P.
13. Hon. Kangogo Bowen, M.P.
14. Hon. Manson Nyamweya, M.P.
15. Hon. Alice Nyanchoka Chae, M.P.
16. Hon. Timothy Bosire, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Kareke Mbiuki, M.P.
2. Hon. (Capt.) Clement Wambugu, M.P.
3. Hon. Arthur Odera, M.P.
4. Hon. David Eseli, M.P.
5. Hon. Julius Melly, M.P.
6. Hon. Kanini Kega, M.P.
7. Hon. Joseph Manje, M.P.
8. Hon. Mathias Robi, M.P.
9. Hon. Jessica Mbalu, M.P.
10. Hon. Junet Sheikh Nuh, M.P.
11. Hon. Joel Onyancha, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Victor Weke - Clerk Assistant II
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Mr. Peter Mwaura - Legal Counsel
4. Mr. Chelanga Maiyo - Researcher
5. Mr. Collins Mahamba - Audio Recorder

### **MIN No. 1135/2016: PRELIMINARIES**

The Chairman called the meeting to order at eleven O'clock in the morning and said a prayer.

He informed the Committee that the Auditor General was not able to appear before it as earlier scheduled as he was outside the country. The meeting adopted the updated agenda as proposed by Hon. Charles Geni, MP and seconded by Hon. Kyengo Maweu, MP.

### **MIN No. 1136/2016: CONFIRMATION OF MINUTES**

Minutes of the 295<sup>th</sup> sitting were confirmed as a true record of the proceedings of that day, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. Andrew Mwadime, MP.

Minutes of the 296<sup>th</sup> sitting were confirmed as a true record of the proceedings of that day, after being proposed by Hon. Alice Chae, MP and seconded by Hon. Kyengo Maweu, MP.

### **MIN No. 1137/2016: MATTERS ARISING**

#### **MIN No. 1128/2016**

Members emphasized concern over the delay of submission of the Special Audit reports to Parliament for their examination. The meeting resolved to write to the Auditor General to commit himself in writing as to when he would complete all the reports as well as the 2014/15 FY report.

#### **MIN No. 1133/2016**

The Chairman thanked all members and staff who managed to attend the dinner he hosted at his house.

### **MIN No. 1138/2016: CONSIDERATION OF THE REPORT OF THE DELEGATION TO CHINA'S NATIONAL PEOPLE'S CONGRESS**

The Chairman commended the team that travelled to China for prompt preparation of their report. Members resolved to read the report and debate it for adoption during the Kisumu report writing retreat. The report by the delegation to United States' Congress would also be examined during the same retreat.

### **MIN No. 1139/2016: CONSIDERATION OF THE HON. SPEAKER'S COMMUNICATION ON THE EXAMINATION OF ACCOUNTS OF POLITICAL PARTIES**

The Committee noted the Hon. Speaker's communication to the House made on Wednesday 4<sup>th</sup> May, 2016. The Chairman took the meeting through the communication. It was then resolved that the Committee would report to the House after recess that it was able and ready to examine these accounts, and would in fact do so by end of June, 2016.

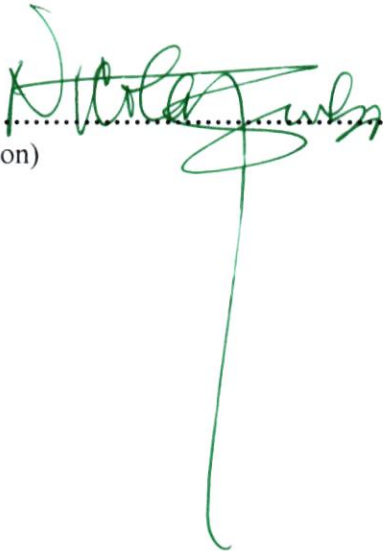

Towards this end, the Secretariat was tasked to establish the number of all such reports before Parliament.

### **MIN No. 1140/2016: ANY OTHER BUSINESS**

Hon. Jackson Rop, MP informed the meeting that he would lead a delegation of the Committee to Rwanda for an EAAPAC Executive Committee meeting and would therefore join the rest of the Committee in Kisumu on Wednesday 11<sup>th</sup> May, 2016.

**MIN No. 1141/2016: ADJOURNMENT**

There being no other business, the meeting was adjourned at forty five minutes past eleven O'clock in the morning. Next meeting would be on 9<sup>th</sup> May, 2016 at 10.00 am in Kisumu.

Signed.......... Date..........  
(Chairperson)

MINUTES OF THE TWO HUNDREDTH AND SIXTY EIGHTH (268<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY, 7<sup>TH</sup> DECEMBER, 2015 AT 2.30 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.

PRESENT

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Joseph Manje, M.P.
3. Hon. Joel Onyancha, M.P.
4. Hon. David Eseli, M.P.
5. Hon. Manson Nyamweya, M.P.
6. Hon. Alice Nyanchoka Chae, M.P.
7. Hon. Andrew Mwadime, M.P. ✓
8. Hon. Kangogo Bowen, M.P.
9. Hon. FathiaMahbub, M.P.

ABSENT WITH APOLOGY

1. Hon. Jackson K. Rop, M.P. - Vice- Chairman
2. Hon. Julius Melly, M.P.
3. Hon. Sakwa Bunyasi, M.P.
4. Hon. Kanini Kega, M.P.
5. Hon. Mathias Robi, M.P.
6. Hon. Charles Geni Mong'are, M.P.
7. Hon. Abdikadir Aden, M.P.
8. Hon. Kyengo Katatha Maweu, M.P.
9. Hon. Timothy Bosire, M.P.
10. Hon. Junet Sheikh Nuh, M.P.
11. Hon. Stephen Manoti, M.P.
12. Hon. GonziRai, M.P.
13. Hon. Kareke Mbiuki, M.P.
14. Hon. Jessica Mbalu, M.P.
15. Hon. Arthur Odera, M.P.
16. Hon. Jude Njomo, M.P.
17. Hon. John Mbadi, M.P.
18. Hon. Silvance Onyango Osele, M.P.

IN ATTENDANCE

NATIONAL ASSEMBLY

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Ms. Tungo Aaron - Clerk Assistant II
3. Mr. Chelanga Maiyo - Research Officer
4. Mr. Rodgers Kilunda - Hansard Recorder
5. Mrs. Zainab Wario - Sergeant at Arms



## **TREASURY**

Geoffrey Mwitari - Parliamentary Liaison Officer

## **OFFICE OF THE AUDITOR GENERAL**

1. Francis Gichure - Manager, Audit
2. Catherine Mwasho - Manager, Audit

### **MIN No. 1004/2015: PRELIMINARIES**

The Chairperson called the meeting to order at three o' clock in the afternoon. A prayer was said followed by introductions by all present.

### **MIN No. 1005/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

### **MIN No. 1006/2015: SUBMISSION BY MR. CAROLI OMONDI ON IEBC'S SPECIAL AUDIT REPORT BY THE AUDITOR GENERAL**

The Chairman informed the meeting that Mr. Caroli Omondi who was scheduled to appear before the Committee had at the last minute sought a reschedule of his meeting with the Committee on the IEBC Auditor General's special Audit report due to unavoidable circumstances. The Committee resolved to accept his request and rescheduled his appearance to a later date to be communicated.

### **MIN No. 1007/2015: ANY OTHER BUSINESS**

#### **1. SITE VISIT**

The Chairman informed the Committee that there was need to prepare a draft program indicating areas to be visited by PAC Members to ascertain status of various projects as outlined in the Auditor General's 2013/2014 report. A researcher attached to the committee was tasked to identify the areas to be visited and come up with clear terms of reference which will guide Members during the site visits.

#### **2. ACCOUNTING OFFICERS APPEARANCE SHCHEDULE AND REPORT WRITING**

The Committee directed the clerks to finalise on accounting officer's appearance schedule for January 2016 and prepare letters of invite to be issued to all accounting officers who've not cleared their submissions on the Auditor General's 2013/2014 report before the Committee.

It was agreed that preparations towards report writing retreat be made early. A date for the report writing was scheduled for the first week of February 2016 after receipt of all pending submissions from Accounting Officers.

It was also agreed that a letter be issued to the Cabinet Secretary, National Treasury requesting him to re appear before the Committee so as to answer further questions and clarify on matters pertaining the euro bond.

The Committee directed that the Auditor General provide a written submission on issues referred to his office by the committee during inquiries of the 2013/2014 report books of accounts. The submission to be done before the committee embarks on report writing.

**MIN No. 1008/2015:- ADJOURNMENT**

There being no other business, the sitting adjourned at ten minutes to five in the afternoon. Next sitting to be held on 8<sup>th</sup> December, 2015 at 10.00 am

SIGNED.....

DATE.....31.3.2016

(Chairperson)

**MINUTES OF THE TWO HUNDREDTH AND SIXTY NINETH (269TH) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (PAC) HELD ON TUESDAY 8<sup>TH</sup> DECEMBER, 2015 IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING, AT 10.30 A.M.**

**MEMBERS PRESENT**

1. Hon. Eng. Nicolas Gumbo, M.P. - Chairman
2. Hon. Joseph Manje, M.P.
3. Hon. Manson Nyamweya, M.P.
4. Hon. Gonzi Rai, M.P.
5. Hon. Alice Nyanchoka Chae, M.P.
6. Hon. Junet Sheikh Nuh, M.P.
7. Hon. Andrew Mwadime, M.P.
8. Hon. Sakwa Bunyasi, M.P.
9. Hon. Stephen Manoti, M.P.
10. Hon. David Eseli, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Jackson K. Rop, M.P. - Vice- Chairman
2. Hon. Joel Onyancha, M.P.
3. Hon. Mathias Robi, M.P.
4. Hon. John Mbadi, M.P.
5. Hon. Kyengo Katatha Maweu, M.P.
6. Hon. Kanini Kega, M.P.
7. Hon. Fathia Mahbub, M.P.
8. Hon. Julius Melly, M.P.
9. Hon. Kangogo Bowen, M.P.
10. Hon. Arthur Odera, M.P.
11. Hon. Abdikadir Aden, M.P.
12. Hon. Silvance Onyango Osele, M.P.
13. Hon. Charles Geni Mong'are, M.P.
14. Hon. Jessica Mbalu, M.P.
15. Hon. Jude Njomo, M.P.
16. Hon. Timothy Bosire, M.P.
17. Hon. Kareke Mbiuki, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Mr. Chelanga Maiyo - Research Assistant
4. Mr. Rodgers Kilunda - Hansard Recorder

**MIN. No. 1008/2015: PRELIMINARIES**

The Chairperson called the meeting to order at 10.45 a.m. and a word of prayer was said.

## MIN. No. 1009/2015: CONFIRMATION OF MINUTES

Minutes of the 229<sup>th</sup> sitting were confirmed as the true record of the proceedings of that day, after being proposed by Hon. Alice Chae, MP and seconded by Hon. Joseph Manje, MP.

Minutes of the 230<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Nicolas Gumbo, MP and seconded by Hon. Stephen Manoti, MP.

Minutes of the 231<sup>st</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Stephen Manoti, MP and seconded by Hon. Andrew Mwadime, MP.

Minutes of the 232<sup>nd</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. David Eseli, MP.

Minutes of the 233<sup>rd</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Stephen Manoti, MP and seconded by Hon. Andrew Mwadime, MP.

Minutes of the 234<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. Stephen Manoti, MP.

Minutes of the 235<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. David Eseli, MP.

Minutes of the 236<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. David Eseli, MP and seconded by Hon. Nicolas Gumbo, MP.

Minutes of the 237<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Joseph Manje, MP and seconded by Hon. Junet Mohamed, MP.

Minutes of the 238<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the 239<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. David Eseli, MP.

Minutes of the 240<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Stephen Manoti, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the 241<sup>st</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. David Eseli, MP.

Minutes of the 242<sup>nd</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. Stephen Manoti, MP.

Minutes of the 243<sup>rd</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. David Eseli, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the 244<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the 245<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Alice Chae, MP and seconded by Hon. Joseph Manje, MP.

Minutes of the 246<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Sakwa Bunyasi, MP and seconded by Hon. Andrew Mwadime, MP

Minutes of the 247<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the 248<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Nicolas Gumbo, MP and seconded by Hon. David Eseli, MP.

Minutes of the 249<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. Stephen Manoti, MP.

Minutes of the 250<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. Stephen Manoti, MP.

Minutes of the 251<sup>st</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Stephen Manoti, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the 252<sup>nd</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. David Eseli, MP.

Minutes of the 253<sup>rd</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Stephen Manoti, MP and seconded by Hon. David Eseli, MP.

Minutes of the 254<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Sakwa Bunyasi, MP and seconded by Hon. Gonzi Rai, MP.



Minutes of the **255<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Junet Mohamed, MP and seconded by Hon. David Eseli, MP.

Minutes of the **256<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Sakwa Bunyasi, MP and seconded by Hon. Junet Mohamed, MP.

Minutes of the **257<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. David Eseli, MP.

Minutes of the **258<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. David Eseli, MP.

Minutes of the **259<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the **260<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. Andrew Mwadime, MP.

Minutes of the **261<sup>st</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Sakwa Bunyasi, MP and seconded by Hon. Nicolas Gumbo, MP.

Minutes of the **262<sup>nd</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Nicolas Gumbo, MP and seconded by Hon. Manson Nyamweya, MP.

Minutes of the **263<sup>rd</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Stephen Manoti, MP and seconded by Hon. David Eseli, MP.

Minutes of the **264<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Joseph Manje, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the **265<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. David Eseli, MP.

Minutes of the **266<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Sakwa Bunyasi, MP and seconded by Hon. Andrew Mwadime, MP.

Minutes of the 267<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Manson Nyamweya, MP and seconded by Hon. David Eseli, MP.

**MIN. No. 1010/2015: MATTERS ARISING**

**Minutes of the 231<sup>st</sup> and 232<sup>nd</sup> sittings**

**Under Min. No. 853/2015 and Min. No. 859/2015:**

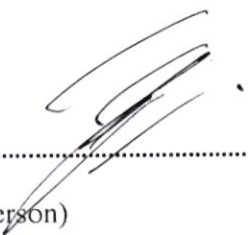
The Chairman requested the secretariat to include statements of daily office routine for all witnesses as presented during the enquiries.

**MIN. No. 1011/2015: ANY OTHER BUSINESS**

A draft program indicating areas to be visited by PAC Members to ascertain status of various projects as outlined in the Auditor General's Report was presented to the Members by Mr. Chelanga Maiyo, Research Officer. The Committee agreed to approve the site visit program in the next In-House meeting.

**MIN. No. 1012/2015: ADJOURNMENT**

There being no other business, the meeting adjourned at half past noon.

Signed.....

Date 17/12/2015.

(Chairperson)

**MINUTES OF THE TWO HUNDRED AND SEVENTIETH (270<sup>TH</sup>) SITTING OF  
THE PUBLIC ACCOUNTS COMMITTEE HELD ON WEDNESDAY,  
9<sup>TH</sup> DECEMBER, 2015 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN  
PARLIAMENT BUILDINGS.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, MP – Chairperson
2. Hon. Jackson K. Rop, MP – Vice Chairperson
3. Hon. Joseph Manje, MP
4. Hon. Gonzi Rai, MP
5. Hon. Kangogo Bowen, MP
6. Hon. Andrew Mwadime, MP
7. Hon. Sakwa Bunyasi, MP
8. Hon. David Eseli, MP
9. Hon. John Mbadi, MP
10. Hon. Timothy Bosire, MP
11. Hon. Kyengo Katatha Maweu, MP
12. Hon. Alice Nyanchoka Chae, MP
13. Hon. Manson Nyamweya, MP

**ABSENT WITH APOLOGY**

1. Hon. Kanini Kega, MP
2. Hon. Joel Onyancha, MP
3. Hon. Arthur Odera, MP
4. Hon. Kareke Mbiuki, MP
5. Hon. Stephen Manoti, MP
6. Hon. Mathias Robi, MP
7. Hon. Silvanice Onyango Osele, MP
8. Hon. Julius Melly, MP
9. Hon. Jessica Mbalu, MP
10. Hon. Abdikadir Omar Aden, MP
11. Hon. Charles Mong'are Geni, MP
12. Hon. Jude Njomo, MP
13. Hon. Fathia Mahbub, MP
14. Hon. Junet Sheikh Nuh, MP

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga- Principal Clerk Assistant
2. Mr. Victor Weke - Clerk Assistant II

- |                        |   |                  |
|------------------------|---|------------------|
| 3. Ms. Winnie Kulei    | - | Research Officer |
| 4. Mr. Chelang'a Maiyo | - | Research Officer |
| 5. Mr. Rogers Kilungya | - | Audio Officer    |

**TREASURY**

- |                  |   |                               |
|------------------|---|-------------------------------|
| Geoffrey Mwitari | - | Parliamentary Liaison Officer |
|------------------|---|-------------------------------|

**OFFICE OF THE AUDITOR GENERAL**

- |                          |   |                          |
|--------------------------|---|--------------------------|
| 1. Mr. Richard Nyagwachi | - | Senior Manager, Audit    |
| 2. Mr. John Wagura       | - | Supervisor, Audit        |
| 3. Mr. Anthony Muriuki   | - | Manager, Audit           |
| 4. Mr. Lawrence Oigara   | - | Assistant Manager, Audit |

**MIN No. 1013/2015: PRELIMINARIES**

The Chairman called the meeting to order at twenty minutes past ten o' clock in the morning. A prayer was said followed by introductions by all present.

**MIN No. 1014/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next sitting. There were thus no matters arising.

**MIN No. 1015/2015: EVIDENCE: MINISTRY OF HEALTH**

**The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Mrs Khadija Kassachoon**, Principal Secretary, Ministry of Health accompanied by Messrs.:-

- |                           |   |                                   |
|---------------------------|---|-----------------------------------|
| (i) Mr. Mark Rafimbi      | - | HRMA                              |
| (ii) Mr. David Njorge     | - | DHRM & D                          |
| (iii) Mr. Mutua Kilu      | - | DCHAO                             |
| (iv) Mr. David Waititu    | - | Project Manager RHP III           |
| (v) Mr. Churchil Kuria    | - | Senior Accountant                 |
| (vi) Ms. Anne Gathoni     | - | Senior Accountant                 |
| (vii) Ms. Charity Muriuki | - | Chief Accountant                  |
| (viii) Mr. B. Khadiagala  | - | Senior Chief Finance Officer      |
| (ix) Dr. Peter Kimuu      | - | Deputy Director, Medical Services |
| (x) Dr. Nduku Kilonzo     | - | Director, NACC                    |
| (xi) CPA Ken Nyamolo      | - | Head Finance, NACC                |

Appeared before the committee and gave evidence on:

- (i) Paragraph 195 on Exchequer Releases

- (ii) Paragraph 196 on Proceeds from Domestic And Foreign Grants
- (iii) Paragraph 197 on Transfer from Other Government Entities
- (iv) Paragraph 198 on Unsupported Receipts
- (v) Paragraph 199 on Expenditure Without Parliamentary Approval

Further, the Auditors confirmed that the following paragraphs had been resolved;

- (i) Paragraph 200(ii & iii) on Outstanding Imprest and Bank Reconciliation respectively
- (ii) Paragraph 203 on Authority to Incur Expenditure
- (iii) Paragraph 212 (ii) on Stalled Project: Proposed upgrading of facilities at Othaya level IV Hospital phase 2
- (iv) Paragraph 213 on Construction of proposed central radioactive waste processing facility at Ololua, Ngong
- (v) Paragraph 218 on Trade and other receivables
- (vi) Paragraph 219 on Trade and other receivables
- (vii) Paragraph 222 on Statement of receipts and payments
- (viii) Paragraph 225 on Global Fund Malaria Round 4
- (ix) Paragraph 228 on Cash and Cash equivalent

#### **PENDING ISSUES**

- (i) Paragraph 196 on Proceeds from Domestic And Foreign Grants  
The Committee noted that the query touching on Moi Teaching and Referral Hospital and Nutrition Department had been resolved. The Accounting Officer was granted two days to resolve accounting issues on the GAVI HSM project.
- (ii) Paragraph 197 on Transfer from Other Government Entities  
The Committee gave the accounting officer one week to adjust accounting entries accordingly. Further, the ministry would provide a status update of funds outstanding from counties and treasury.
- (iii) Paragraph 198 on Unsupported Receipts  
The Accounting Officer was given one week to provide supporting documents. The auditors would further review the adjustments in the subsequent financial year accounts.
- (iv) Paragraph 199 on Expenditure Without Parliamentary Approval  
The Accounting Officers' response was unsatisfactory. The Committee gave her two weeks to make amends.

*The committee gave the Accounting Officer two weeks to provide to the Auditor General satisfactory responses to all outstanding queries and pending issues.*



MIN. NO.1016/2015

ADJOURNMENT

There being no other business, the meeting adjourned at half past one o' clock in the afternoon. Date of next sitting was set as 10<sup>th</sup> December, 2015 at 10.00 am.

SIGNED..... DATE.....  
(Chairperson)

**MINUTES OF THE TWO HUNDREDTH AND SEVENTY FIRST (271<sup>ST</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY 15<sup>TH</sup> DECEMBER, 2015 AT 10.30 A.M. AND 2.30 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Timothy Bosire, M.P.
4. Hon. Abdikadir Aden, M.P.
5. Hon. Manson Nyamweya, M.P.
6. Hon. John Mbadi, M.P.
7. Hon. Andrew Mwadime, M.P.
8. Hon. Sakwa Bunyasi, M.P.
9. Hon. David Eseli, M.P.
10. Hon. Julius Melly, M.P.
11. Hon. Jude Njomo, M.P.
12. Hon. Arthur Odera, M.P.
13. Hon. Joel Onyancha, M.P.
14. Hon. Kanini Kega, M.P.
15. Hon. Kyengo Katatha Maweu, M.P.
16. Hon. Gonzi Rai, M.P.
17. Hon. Kareke Mbiuki, M.P.
18. Hon. Fathia Mahbub, M.P.
19. Hon. Kangogo Bowen, M.P.
20. Hon. Joseph Manje, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Alice Nyanchoka Chae, M.P.
2. Hon. Junet Sheikh Nuh, M.P.
3. Hon. Stephen Manoti, M.P.
4. Hon. Charles Geni Mong'are, M.P.
5. Hon. Mathias Robi, M.P.
6. Hon. Silvance Onyango Osele, M.P.
7. Hon. Jessica Mbalu, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Chelagat Tungo Aaron - Clerk Assistant II
3. Mr. Chelanga Maiyo - Research Officer
4. Mr. Rodgers Kilunja - Hansard Recorder

**NATIONAL TREASURY**

1. Mr. Geoffrey Mwitari - Chief Accountant

## **OFFICE OF THE AUDITOR GENERAL**

1. Mr. Richard Nyagwachi - Senior Manager Audit
2. Mr. Rowland Kinyeki - Manager Audit
3. Mr. Stephen Taiku - Assistant Manager Audit
4. Mr. Raphael Ikame - Parliamentary Liaison Officer

### **MIN No. 1017/2015: PRELIMINARIES**

The Chairperson called the meeting to order at ten minutes to eleven in the morning and prayed. Introductions by all present followed.

### **MIN No. 1018/2015: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were no matters arising.

### **MIN No. 1019/2015: EVIDENCE: MINISTRY OF LANDS**

#### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Mrs Mariamu El Maawy**, Principal Secretary of Ministry of Lands and Housing and Urban Development accompanied by Messrs.:-

- (i) Patrick Bucha - SH
- (ii) Samson Ongalo - Head Accounting
- (iii) Ann B. Nyikuli - DA
- (iv) Esther N. Ogega - DLAS
- (v) Mabeya Mogaka - Ag. DA
- (vi) Juliana Mutua - Ag. Deputy Director
- (vii) Stephen Waruinge - CA SFT
- (viii) Eng. John Maina - SMD
- (ix) Charles Wafula Sikuku - Ag. Director
- (x) Joseph Zachary Abuta - Finance expert
- (xi) Arch. S.K. Muli - Ag. CA
- (xii) Eng. E.N. Waithaka - Ag. ELE

Appeared before the committee and gave evidence on:

- (i) Paragraph 317 on Government Housing Projects at West Park
- (ii) Paragraph 318 on Kibish Police Station and GSU Base Camp Project
- (iii) Paragraph 319 on Kenya National Spatial Data Infrastructure Complex
- (iv) Paragraph 320 on Construction of Voi Pool Housing
- (v) Paragraph 321 on Construction of Voi Teachers Training College
- (vi) Paragraph 322 on Rehabilitation Works on S elected roads in Gikomba
- (vii) Paragraph 323 on Supply, Installation, Testing and Commissioning of an Intergrated Urban Surveillance System for Nairobi Metropolitan Areas (CBD)
- (viii) Paragraph 324 on Consultancy Services for Aerial Survey and Mapping of Nairobi Metropolitan Region
- (ix) Paragraph 325 on Consultancy Service for Preparation of Spatial Planning Concept for Nairobi Metropolitan Region
- (x) Paragraph 326 on Economic Stimulus Projects (ESP)

- (xi) Paragraph 327 on Non- Compliance with Procurement Procedures
- (xii) Paragraph 328 on Construction and maintenance work at Robert Ouko Estate
- (xiii) Paragraph 329 on Revenue Paid to Exchequer
- (xiv) Paragraph 330 on Revenue Collected by Kenya Revenue Authority
- (xv) Paragraph 331 on Appointment of receiver of Revenue
- (xvi) Paragraph 332 on Understatement of Revenue
- (xvii) Paragraph 333 on Arrears of revenue
- (xviii) Paragraph 334 on Revenue Collection
- (xix) Paragraph 335 on Agricultural Settlement Fund Trustees; Financial Position
- (xx) Paragraph 336 on Presentation of the Financial a Statements
- (xxi) Paragraph 337 on Fixed Assets
- (xxii) Paragraph 338 on Loans
- (xxiii) Paragraph 339 on Unanalyzed Balances
- (xxiv) Paragraph 340 on Equity
- (xxv) Paragraph 341 on Cash and Bank Balance
- (xxvi) Paragraph 342 on Investment Property
- (xxvii) Paragraph 343 on Kenya Slum Upgrading, Low Cost Housing and Infrastructure Trust Fund (KENSUF): Opening Balances
- (xxviii) Paragraph 344 on Unsupported Balances
- (xxix) Paragraph 345 on Loss on Disposal of Obsolete items
- (xxx) Paragraph 346 on Presentation of Financial Statements
- (xxxi) Paragraph 347 on Unrecovered Debts
- (xxxii) Paragraph 348 on Unconfirmed Balances
- (xxxiii) Paragraph 349 on Unsupported Balance
- (xxxiv) Paragraph 350 on Unreconciled Cash and Bank Balance
- (xxxv) Paragraph 351 on Un reconciled Stores Deficiency Balance

## **PENDING ISSUES**

- i. Paragraph 317 on Government Housing Projects at West Park  
 The Accounting Officer informed the Committee that the huge variation was as a result of quantities of work. The project had stalled for many years.  
 The Principal allocation of the project should have taken into consideration from inception to completion. The Committee requested the Accounting Officer to provide a detail breakdown of Kshs. 212,859, 659.78. The Accounting Officer should also explain the discrepancies and the 12% variation on the contract sum which was in violation of laws. Provide quantified breakdown of the variations.  
 Documents have been provided for verification by Auditors. The only pending issue is on interest payments that have been incurred.
- ii. Paragraph 318 on Kibish Police Station and GSU Base Camp Project  
 The Accounting Officer informed the Committee that the main reason for the extension of the contract period was delay in certified payments to the contractor  
 The Committee requested the Accounting Officer to provide details of the contractors that were engaged to carry out the work and give a detailed breakdown of amounts payable to them.  
 Need to indicate when the contract should have ended.
- iii. Paragraph 321 on Construction of Voi Teachers Training College

The Accounting Officer informed the Committee that the Ministry is still expecting completion of delayed work which had been paid for payments. The Contractor has since resumed normal construction progress after settlement of pending payment.

Auditor was concerned with the abandonment of the project and it was not clear to them who was to take liability.

The Project was 90% complete as at July 2014 and now 95%. And that the Ministry has sufficient funds allocated towards completion of the project.

iv. Paragraph 329 on Revenue Paid to Exchequer

The Accounting Officer informed the meeting that they were still liaising with KRA on collection of land rates since the figures are not tallying.

Need to confirm how much was collected by the ministry and how much was put into the exchequer and show roof of the 896,473,470 collected by the Ministry and trail of remittance to KRA. No Clear agreement with KRA on collection

v. Paragraph 333 on Arrears of revenue

The Committee recommends that the Ministry work with the National Treasury to ensure the issues are resolved. Need to provide statements of rent arrears.

Land rate areas as at 30<sup>th</sup> June 2014 5,096,755,710.43 as at 30<sup>th</sup> June 2015 7,114,399,142.50

Recommended to work with the credit reference bureau so as to ensure those who are in arrears become an implication on one's credit worthiness.

vi. Paragraph 335 on Agricultural Settlement Fund Trustees: Financial Position

The Auditor General highlighted that there was a big loss which threatens existence of the funds. Response given is satisfactory.

vii. Paragraph 336 on Presentation of the Financial Statements

The Auditor informed the Committee that financial Statement did not include the reporting framework used to prepare the financial statements, the accounting policies and principles applied, a statement of cash flow, a statement of changes in net assets and non- current assets movement schedule which is contrary to the requirements of International Public Sector Accounting Standards.

Issue remains pending.

viii. Paragraph 337 on Fixed Assets

The Accounting Officer was requested to come up with a policy proposing to hire consultants who will prepare the asset register

ix. Paragraph 347 on Unrecovered Debt

The Accounting Officer provided a detailed list of the debtors for verification by the auditors.

**MIN No. 1020/2015:- ADJOURNMENT**

There being no other business to transact, the sitting ended at twenty minutes past one in the afternoon.

SIGNED.....

(Chairperson)

DATE..... 31. 3. 2015 .....



**MINUTES OF THE TWO HUNDREDTH AND SEVENTY SECOND (272<sup>ND</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY 18<sup>TH</sup> JANUARY, 2016 AT 2.30 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**MEMBERS PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Andrew Mwadime, M.P.
4. Hon. Sakwa Bunyasi, M.P.
5. Hon. David Eseli, M.P.
6. Hon. Kyengo Katatha Maweu, M.P.
7. Hon. Timothy Bosire, M.P.
8. Hon. Fathia Mahbub, M.P.
9. Hon. Joseph Manje, M.P.
10. Hon. Jude Njomo, M.P.
11. Hon. Abdikadir Aden, M.P.
12. Hon. Alice Nyanchoka Chae, M.P.
13. Hon. Arthur Odera, M.P.
14. Hon. Junet Sheikh Nuh, M.P.
15. Hon. Kanini Kega, M.P.
16. Hon. Manson Nyamweya, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Stephen Manoti, M.P.
2. Hon. Joel Onyancha, M.P.
3. Hon. Julius Melly, M.P.
4. Hon. Kareke Mbiuki, M.P.
5. Hon. Gonzi Rai, M.P.
6. Hon. Jessica Mbalu, M.P.
7. Hon. Kangogo Bowen, M.P.
8. Hon. Charles Geni Mong'are, M.P.
9. Hon. John Mbadi, M.P.
10. Hon. Mathias Robi, M.P.
11. Hon. Silvanice Onyango Osele, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Mr. Chelang'a Maiyo - Research Officer
4. Mr. Eugene Luteshi - Audio Recorder
5. Ms. Zainab Wario - Serjeant at Arms

**NATIONAL TREASURY**

1. Mr. Geoffrey Mwitari - Chief Accountant

#### **OFFICE OF THE AUDITOR GENERAL**

1. Mr. Samuel Chege
2. Mr. Leonard Opar
3. Mr. Sammy Githinji
4. Ms. Evelyne Kauna
5. Mr. Raphael Ikame - Parliamentary Liaison Officer

#### **MIN No. 1021/2016: PRELIMINARIES**

The Chairperson called the meeting to order at forty five minutes past two o'clock in the afternoon and prayed. Introductions by all present followed.

#### **MIN No. 1022/2016: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

#### **MIN No. 1023/2016: EVIDENCE: DR. BELIO KIPSANG, PS MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY**

#### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

**Dr. Belio Kipsang**, Principal Secretary Basic Education and Prof. Colleta Suda Principal Secretary Higher Education accompanied by Messrs.:-

- (i) Mr. Ezra Magati
- (ii) Mr. Abdi Aden
- (iii) Mr. John Tuwei
- (iv) Ms. Judith Nyakawa
- (v) Elymaryta Khaoya
- (vi) Zachary Ooko
- (vii) Caliph Ombati
- (viii) James Kiburi
- (ix) H.S. Abdi
- (x) C.W. Kariuki
- (xi) Grace Muriuki
- (xii) Kilonzo Musiu
- (xiii) Enoch Onditi

Appeared before the committee and gave evidence on:

- (i) Paragraph 168 on Current Grants and Transfers to Government Agencies and other levels of Government
- (ii) Paragraph 169 on Outstanding Imprest
- (iii) Paragraph 170 on Unrecovered Salary Advance
- (iv) Paragraph 171 on Pending Bills
- (v) Paragraph 172 on Audit of Secondary school
- (vi) Paragraph 173 on Donor Funded Projects
- (vii) Paragraph 174 on Prior Year Unresolved Matters

- (viii) Paragraph 175 on District Expenditure
- (ix) Paragraph 176 on Presentation of Financial Statements
- (x) Paragraph 177 on Bank Balances
- (xi) Paragraph 178 on Presentation of the Financial Statements
- (xii) Paragraph 179 on Cumulative to-date Surplus
- (xiii) Paragraph 180 on Cash and Cash Equivalents
- (xiv) Paragraph 181 on Delay in Project Completion
- (xv) Paragraph 182 on Non- Accounted for Assets
- (xvi) Paragraph 183 on Non- Submission of the Special Account Statement
- (xvii) Paragraph 184 on Prior Year's Unresolved Issues
- (xviii) Paragraph 185 on Cash at Bank
- (xix) Paragraph 186 on Non- Financial Assets
- (xx) Paragraph 187 on Unaccounted for Assets- Photocopy Machines
- (xxi) Paragraph 188 on Furniture, Books, Computers and other Equipment
- (xxii) Paragraph 189 on Inaccuracy in Financial statements
- (xxiii) Paragraph 190 on Prior Year Unresolved Matters
- (xxiv) Paragraph 191 on Unaccounted for District and Headquarters Expenditure's
- (xxv) Paragraph 192 on Un- reconciled Food Records
- (xxvi) Paragraph 193 on Inaccuracy of the Financial Statements
- (xxvii) Paragraph 194 on Government Counterpart Funding Budget

#### **PENDING ISSUES**

- (i) Paragraph 168 on Current Grants and Transfers to Government Agencies and other levels of Government  
The Committee directed the Auditor to look at the documentation and respond within one week.
- (ii) Paragraph 169 on Outstanding Imprest  
The Accounting Officers informed the Committee that recoveries were on going and communication to the concerned had been done.  
The Committee requested the Accounting Officer to submit a signed status recovery report within one week.
- (iii) Paragraph 171 on Pending Bills  
The Auditor general had requested for a list of expenditure of 30B due to a supplier in respect of Provision of Microsoft Software Licenses and upgrades for the Ministry and various schools.  
The Accounting officer informed the Committee that the Ministry did not pay an excess of 138,000 shillings and will provide documentations on the same to the Auditors for verification
- (iv) Paragraph 172 on Audit of Secondary school  
Some of the unresolved matters include issues on Rent Income Arrears, Institutional Creditors, Misallocation Charged Expenditure, and overpayment of Construction Work at Kamukunji Secondary.  
The Accounting officer informed the committee that on various structural weaknesses identified in the audit report, the Board of Management had adopted the

Engineer's recommendations for the improvement of the structural design as supported by the Board Minute 2/5/2015 attached in the annexes of their responses.

The Accounting Officer was instructed to provide documents to the Auditors for verification and to provide a list of sign offs indicating the schools which received Computers

The Committee also directed the Accounting Officer to resolve the matters with the Auditor General within 7 days. Audit query remains pending.

(v) Paragraph 173 on Donor Funded Project

The Committee directed the Auditor to look at the documentation and respond within one week.

(vi) Paragraph 174 on Prior Year Unresolved Matters

The Accounting officer informed the meeting that on Unsupported Expenditure on Sanitary Towels, the Ministry entered into contract with three firms for the supply of the sanitary towels to schools in seven provinces. It was however noted that documentations including returns from the different DEOs and recipient schools confirming receipt of the sanitary towels were not produced for Audit review and therefore propriety of the expenditure could not be ascertained.

The Committee requested the Accounting Officer to provide the documentary evidence for verification by the Auditors.

(vii) Paragraph 175 on District Expenditure

On repair of Motor Vehicles, the Accounting officer informed the Committee that there was an anomaly with the way officers handled the repair of a vehicle and payment.

The Auditor undertook to verify the matter and report to the committee.

(viii) Paragraph 177 on Bank Balances

The Accounting Officer informed the Committee that the issue had since been rectified in revised financial statements for the year 2014/2015. The Committee directed the Accounting Officer to review the matters with the Auditor.

(ix) Paragraph 188 on Furniture, Books, Computers and other Equipment

The Accounting Officer informed the meeting that the information was available and would be availed to the Auditor for verification

The Accounting Officer undertook to provide necessary documentation which would be verified by the Auditor.

(x) Paragraph 190 on prior Year Unresolved matters

The Accounting Officer pointed out that the difference of Kshs. 135,135,740 is accumulative balances of prior years' which will be adjusted in the financial year ending 30<sup>th</sup> June, 2015

The Committee directed the Auditor to look at the documentation and respond within 7 days.

(xi) Paragraph 192 on Un reconciled food records

It was noted that distribution times for the food in the Ministry is different from the time of receipt of the same batch of food thus making it difficult to tally and account for appropriately.

The Committee recommended that the Accounting Officer put some levels of scrutiny on the issue of food distribution so as to ensure that it was well distributed.



The Committee directed the Auditors to reconcile with an eye on checking the forensic component

(xii) Paragraph 193 on Inaccuracy of the Financial Statements

The Committee directed the Auditor to look at the documentation and respond within one week.

**MIN. No. 1024/2016: ANY OTHER BUSINESS**

The Chairman informed the meeting that the Former Prime Minister, Hon. Raila Odinga, had requested to be granted an opportunity to appear before the Committee in order to shed some light on the Eurobond Saga. The Committee resolved to accept his request and scheduled his appearance to Monday, 25<sup>th</sup> at 10.00 am. The Secretariat was tasked to write an invitation letter and identify a suitable venue for the Meeting.

**MIN No. 1025/2016:- ADJOURNMENT**

There being no other business to transact, the sitting ended at ten minutes past six in the evening.

SIGNED.....

DATE..... 31.3.2016

(Chairperson)



**MINUTES OF THE TWO HUNDREDTH AND SEVENTY THIRD (273<sup>RD</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 19<sup>TH</sup> JANUARY, 2016 AT 3.00 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Julius Melly, M.P.
4. Hon. Joseph Manje, M.P.
5. Hon. Andrew Mwadime, M.P.
6. Hon. Abdikadir Aden, M.P.
7. Hon. Kyengo Katatha Maweu, M.P.
8. Hon. Timothy Bosire, M.P.
9. Hon. Kareke Mbiuki, M.P.
10. Hon. Jude Njomo, M.P.
11. Hon. Fathia Mahbub, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Kangogo Bowen, M.P.
2. Hon. Mathias Robi, M.P.
3. Hon. Silvanice Onyango Osele, M.P.
4. Hon. Jessica Mbalu, M.P.
5. Hon. Alice Nyanchoka Chae, M.P.
6. Hon. Manson Nyamweya, M.P.
7. Hon. Charles Geni Mong'are, M.P.
8. Hon. Stephen Manoti, M.P.
9. Hon. Sakwa Bunyasi, M.P.
10. Hon. Kanini Kega, M.P.
11. Hon. Joel Onyancha, M.P.
12. Hon. Junet Sheikh Nuh, M.P.
13. Hon. Arthur Odera, M.P.
14. Hon. David Eseli, M.P.
15. Hon. John Mbadi, M.P.
16. Hon. Gonzi Rai, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Tungo Aaron - Clerk Assistant II
3. Mr. Eugene Luteshi - Audio Recording Officer
4. Mr. Chelanga Maiyo - Research Officer
5. Ms. Winnie Kulei - Research Officer

6. Ms.ZainabWario - Serjeant at Arms

### NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Chief Accountant

### OFFICE OF THE AUDITOR GENERAL

1. Ms. Jane Chege - Manager Audit
2. Mr. Joseph Mwangi - Auditor
3. Mr. Raphael Ikame - Parliamentary Liaison Officer

### MIN No. 1026/2016: PRELIMINARIES

The Chairperson called the meeting to order at twenty minutes past three and a prayer was said. Introductions by all present followed.

### MIN No.1027/2016: CONFIRMATION OF MINUTES

The agenda item was deferred to the next meeting. There were thus no matters arising.

### MIN No. 1028/2016: EVIDENCE: PARLIAMENTARY SERVICE COMMISSION

#### The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year

Mr. Jeremiah Nyegenye, Clerk Senate/ SecretaryParliamentary Service Commission accompanied by:-

- i. Mr. Clement Nyandiere
- ii. Mr. Anthony Njoroge
- iii. Mr. Joshua Mose
- iv. Mr. P.A. Meikoki
- v. Mr. Paschal Munuve
- vi. Mr.IrunguKigunju

Appeared before the committee and gave evidence on:

- (i) Paragraph 535on Retention Money not Refunded
- (ii) Paragraph 536on Delay in Project Implementation and Cost Variance

### PENDING ISSUES

- (i) Paragraph 535 on Retention Money not Refunded

The Accounting Officer informed the Committee that the final certificate of project completion of the project had not been received from the contractor hence warranting release of the 5% retained funds. The outstanding balance and retention money relate to the contract for refurbishment of the National Assembly chamber which was entered in order to provide for an expanded National Assembly as established under the new constitution. It was also noted that there were outstanding balances due to the contractors that could not be paid until the project Manager verified claims in respect of equipment supplied as well as claims for

fluctuations based on alleged price fluctuation of imported equipment arising from exchange rate changes

The Committee directed the Accounting Officer to follow up on the issuance of the Compliance Certificates by the project Manager to the Contractor and also provide a

The Committee recommended that the issue be resolved and cleared with the auditor since it has been overtaken by time

(ii) Paragraph 536 on Delay in Project Implementation and Cost Variance

The delays were occasioned by an assumption displaced by 9 months, dissolving of Parliament; tight timelines provided for by the Constitution and the Chamber was in use beyond September 2012 when the contract work was supposed to be on-going.

The Accounting Officer informed the Committee that the contract time had been extended and that the Cost variation was provided for in the contract. The Contractors were not to blame for the delays, but the PSC because of the wrong projections.


**MIN No. 1029/2016:- ADJOURNMENT**

There being no other business to transact, the sitting ended at fifteenminutes pastfour o'clock in the afternoon.

SIGNED.....

DATE.....

(Chairperson)



31.3.2016

**MINUTES OF THE TWO HUNDREDTH AND SEVENTY FOURTH (274<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 19<sup>TH</sup> JANUARY, 2016 AT 4.30 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Julius Melly, M.P.
4. Hon. Joseph Manje, M.P.
5. Hon. Andrew Mwadime, M.P.
6. Hon. Abdikadir Aden, M.P.
7. Hon. Kyengo Katatha Maweu, M.P.
8. Hon. Timothy Bosire, M.P.
9. Hon. Kareke Mbiuki, M.P.
10. Hon. Jude Njomo, M.P.
11. Hon. Fathia Mahbub, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Kangogo Bowen, M.P.
2. Hon. Mathias Robi, M.P.
3. Hon. Silvance Onyango Osele, M.P.
4. Hon. Jessica Mbalu, M.P.
5. Hon. Alice Nyanchoka Chae, M.P.
6. Hon. Manson Nyamweya, M.P.
7. Hon. Charles Geni Mong'are, M.P.
8. Hon. Stephen Manoti, M.P.
9. Hon. Sakwa Bunyasi, M.P.
10. Hon. Kanini Kega, M.P.
11. Hon. Joel Onyancha, M.P.
12. Hon. Junet Sheikh Nuh, M.P.
13. Hon. Arthur Odera, M.P.
14. Hon. David Eseli, M.P.
15. Hon. John Mbadi, M.P.
16. Hon. Gonzi Rai, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Tungo Aaron - Clerk Assistant II
3. Mr. Eugene Luteshi - Audio Recording Officer
4. Mr. Chelanga Maiyo - Research Officer
5. Ms. Winnie Kulei - Research Officer
6. Ms. Zainab Wario - Serjeant at Arms

## NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Chief Accountant

## OFFICE OF THE AUDITOR GENERAL

1. Ms. Jane Chege - Manager Audit
2. Mr. Joseph Mwangi - Auditor
3. Mr. Raphael Ikame - Parliamentary Liaison Officer

## MIN No. 1030/2016: PRELIMINARIES

The Chairperson called the meeting to order at twenty minutes to five o'clock and a prayer was said. Introductions by all present followed.

## MIN No.1031/2016: CONFIRMATION OF MINUTES

The agenda item was deferred to the next meeting. There were thus no matters arising.

## MIN No. 1032/2016: EVIDENCE: NATIONAL POLICE SERVICE COMMISSION

### The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year

Mr. Ojango Omumu, CEO National Police Service Commission accompanied by:-

- i. Mr. P.M Wamoto
- ii. Mr. F.J. Mugambi
- iii. Ms Esther Kitonyi
- iv. Ms. Rachael Mbidyo
- v. Ms. Pauline Ngari
- vi. Mr.Irungu Kigunju

Appeared before the committee and gave evidence on:

- (i) Paragraph 541 on Missing Motor Vehicle Logbooks
- (ii) Paragraph 542 on Payment of Office Accommodation
- (iii) Paragraph 543 on Incomplete Partitioning and refurbishment of Office

## PENDING ISSUES

- (i) Paragraph 541 on Missing Motor Vehicle Logbooks  
The Committee recommended that Mr. Achoch, former Officer from the National Police Service Commission be summoned to appear before the Committee to give an explanation on the whereabouts of the log books and explain why he never handed over to the succeeding CEO. A date was to be given and summon letter issued by end of the week.
- (ii) Paragraph 542 on Payment of Office Accommodation  
The Committee noted with concern that the Commission had acquired a lot of space which was not necessary and at the same time, very expensive to maintain in terms of rent being paid for unoccupied offices.



It was recommended that the Commission do away with some of the unnecessary space so as to avoid wastage on taxpayers' money.

(iii) Paragraph 543 on Incomplete Partitioning and refurbishment of Office

The Accounting Officer informed the Committee that the incomplete partitioning and refurbishment of offices was occasioned by inadequate provision of funds leading to delays in payments of certificates which caused delays in completion of works during the anticipated period

It was noted that the refurbishment works are nearing completion. The Committee recommended the Accounting Officer to ensure the work is completed within the shortest time possible and auditors to verify.

**MIN. No. 1033/2016: ANY OTHER BUSINESS**

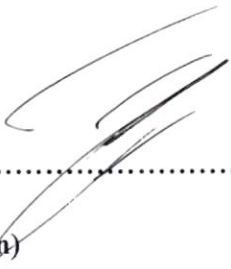
The Chairman informed the Committee that a site visit was to be conducted so as to ascertain completion of partitioning and refurbishment of the National Police Service Commission Offices.

The Secretariat were tasked to make arrangements for the site visit.

**MIN No. 1034/2016:- ADJOURNMENT**

There being no other business to transact, the sitting ended at halfpast five o'clock in the afternoon.

SIGNED.....



DATE..... 31.3.2016

(Chairperson)

**MINUTES OF THE TWO HUNDREDTH AND SEVENTY FIFTH (275<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON WEDNESDAY, 20<sup>TH</sup> JANUARY, 2016 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Joseph Manje, M.P.
4. Hon. Joel Onyancha, M.P.
5. Hon. Andrew Mwadime, M.P.
6. Hon. Sakwa Bunyasi, M.P.
7. Hon. David Eseli, M.P.
8. Hon. Abdikadir Aden, M.P.
9. Hon. John Mbadi, M.P.
10. Hon. Timothy Bosire, M.P.
11. Hon. Alice Nyanchoka Chae, M.P.
12. Hon. Fathia Mahbub, M.P.
13. Hon. Arthur Odera, M.P.
14. Hon. Jude Njomo, M.P.
15. Hon. Kareke Mbiuki, M.P.
16. Hon. Kyengo Katatha Maweu, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Jessica Mbalu, M.P.
2. Hon. Julius Melly, M.P.
3. Hon. Kangogo Bowen, M.P.
4. Hon. Gonzi Rai, M.P.
5. Hon. Kanini Kega, M.P.
6. Hon. Mathias Robi, M.P.
7. Hon. Charles Geni Mong'are, M.P.
8. Hon. Manson Nyamweya, M.P.
9. Hon. Silvance Onyango Osele, M.P.
10. Hon. Stephen Manoti, M.P.
11. Hon. Junet Sheikh Nuh, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Mr. Victor Weke - Clerk Assistant II
3. Ms. Chelagat Tungo - Clerk Assistant II
4. Mr. Chelanga Maiyo - Research Officer
5. Mr. Collins Mahamba - Audio Recorder
6. Ms. Zainab Wario - Serjeant at Arms

## NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Chief Accountant/ Parliamentary Liaison Officer

## OFFICE OF THE AUDITOR GENERAL

1. Mr. Boniface Mulli - Ag. Director, Audit
2. Mr. J.M. Njuru - Audit Manager
3. Mr. Raphael Ikame - Parliamentary Liaison Officer

## MIN No. 1035/2016: PRELIMINARIES

The Vice- Chairman called the meeting to order at fifteen minutes past ten o' clock in the morning. A prayer was said followed by introductions by all present.

## MIN No. 1036/2016: CONFIRMATION OF MINUTES

The agenda item was deferred to the next meeting. There were thus no matters arising.

## MIN No. 1037/2016: EVIDENCE: MINISTRY OF TRANSPORT AND INFRASTRUCTURE

### *The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year*

**Eng. John Mosonik**, Principal Secretary of Ministry of Transport and Infrastructure accompanied by Messrs.:-

- (i) Mr. Peter M. Kusimba - Director Administration
- (ii) Eng. Jacob Z. Ruwa - Executive Director, KRB
- (iii) Mr. Philip Wachira - Senior Deputy Finance Officer
- (iv) Ms. Leah Kimemia - Principal Accountant
- (v) Mr. Benard A. Masiga - Senior Chief Finance Officer
- (vi) Mr. G. A Kamasara - Senior Chief Finance Officer
- (vii) Eng. Denis Odek - x General Manager, KENHA
- (viii) Mr. J. K. Tarus - Accountant
- (ix) Mr. Patrick Chowde - Ag. General Manager Finance
- (x) Mr. J.K. Mwangi - Principal Accountant
- (xi) Eng. B. B. Beja - CE (M)
- (xii) Eng. Peter M. Mundimia - DG, KENHA
- (xiii) Eng. Amos O. Ombou - Ag. General Manager, KURA
- (xiv) Eng. John Ogango - Director General, KERRA
- (xv) Mr. Wilson Chirchir - GM Finance, KURA
- (xvi) Mr. F.O. Oyugi - HIA&RM, KPA

Appeared before the committee and gave evidence on:-

- (i) Paragraph 232 on Accuracy of Financial Statements
- (ii) Paragraph 233 on Unsupported Receipts and Payments

- (iii) Paragraph 234 on Other Receipts
- (iv) Paragraph 235 on Proceeds from Domestic and Foreign Grants
- (v) Paragraph 236 on Grants to Semi- Autonomous Government Agencies
- (vi) Paragraph 237 on Budget Realization
- (vii) Paragraph 238 on Erroneous 2012/13 Comparative Balances
- (viii) Paragraph 239 on Bank Reconciliation Statements
- (ix) Paragraph 240 on Undisclosed Deposits Bank Balance
- (x) Paragraph 241 on Travel and Subsistence Allowances
- (xi) Paragraph 242 on Supply of Computers and Related Equipment
- (xii) Paragraph 243 on Failure of the National Treasury to Submit Railway Levy Fund Account

## PENDING ISSUES

(i) Paragraphs 240 on Undisclosed Deposit Bank Accounts

It was observed that the Amount in Account Number 1000182188 held at Central Bank of Kshs. 557,852,929.25 was not disclosed as cash in hand in the financial statements. The Auditor informed the Committee that the new template did not have a provision for deposit balances. However, consultation with the National Treasury was on-going and a report would be submitted to the Committee.

The Accounting Officer informed the Committee that money received from World Bank for capacity building is under development budget and hence put in the development as exchequer. When expensing its moved to the deposit account so as to enable spending. Thus the statement of assets and liabilities for deposits for the year ended 30/06/2014 was prepared and separately submitted together with the other Statement for both recurrent and development for auditors verification.

The Committee noted with concern that the accounts holding the retention money due to contractors was over drawn. Thus Recommended that a special audit be carried out in all Ministries to ascertain the status of retention account and report back to the Committee within two weeks

The Committee instructed the Accounting Officer to put systems in place.

(ii) Paragraphs 241 on Travel and Subsistence Allowance

The Accounting Officer informed the meeting that the Budget for the two Ministries had been prepared separately prior to the merger. None of the two State Departments had enough provision to finance the team building thus a decision was made to utilize a portion of the Mechanical fund without approval from National Treasury.

The queries remain pending.

(The Committee to make a decision on whether to invoke article 226 (5) of the Constitution)

(iii) Paragraphs 242 on Supply of Computers and Related Equipment

The Accounting officer informed the committee that the items were procured and supplied to the Ministry. The items were stored in a warehouse awaiting inspection but before it was inspected, the warehouse was broken into and some goods stolen. The Ministry had to pay the supplier full amount for the supply since the goods had been received. The matter was reported to the Industrial area Police station, C.I.D and has also written to the Solicitor



General requesting his office to institute legal proceedings against Secure Homes Ltd security firm to recover the value of the equipment stolen since their guards were clearly part of the theft.

The Committee requested the accounting officer to prove whether the Ministry had a signed contract with the security firm.

- (iv) Paragraphs 243 on Failure of the National Treasury to Submit Railway Levy Fund Account  
The Accounting Officer informed the Committee that during the year under review, the Ministry received Kshs. 6,627,645,067.00 from the National Treasury and the same was released to the payees accordingly

The Auditor informed the meeting that it would be prudent for the Ministry to operate the bank account as opposed to it being operated by the National Treasury.

The Committee recommended that the Accounting Officer follow up with National Treasury and ensure that the account is operated by the Ministry.

**MIN. No. 1038/2016: ANY OTHER BUSINESS**

1. The Committee was informed that queries on Paragraphs 244 to 267 were being addressed by PIC since they fall under the various Parastatals in the Ministry. The queries were erroneously included in the books of account
2. The Chairman informed the meeting that a letter had been sent to the Former Prime Minister giving him a chance to appear before the Committee as per his kind request. It was also noted that the Committee room 9 had limited space to hold a number of Members and other people who might be interested in attending the meeting and therefore the Chairman opted to have a meeting with the Speaker and the Clerk, National Assembly so as to request for a bigger venue for the meeting.

**MIN No. 1039/2016:- ADJOURNMENT**

There being no other business, the sitting adjourned at twentyminutes pasttwo o'clock in the afternoon. Next sitting to be held on Thursday 21<sup>st</sup> January, 2016 at 10.00 am

SIGNED.....

DATE.....

(Chairperson)

31.3.2016



**MINUTES OF THE TWO HUNDREDTH AND SEVENTY SIXTH (276<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 24<sup>TH</sup> NOVEMBER, 2015 AT 10.45 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Julius Melly, M.P.
4. Hon. Joseph Manje, M.P.
5. Hon. Andrew Mwadime, M.P.
6. Hon. Junet Sheikh Nuh, M.P.
7. Hon. Arthur Odera, M.P.
8. Hon. David Eseli, M.P.
9. Hon. Abdikadir Aden, M.P.
10. Hon. Kyengo Katatha Maweu, M.P.
11. Hon. Kanini Kega, M.P.
12. Hon. Gonzi Rai, M.P.
13. Hon. Timothy Bosire, M.P.
14. Hon. Kareke Mbiuki, M.P.
15. Hon. Jude Njomo, M.P.
16. Hon. John Mbadi, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Kangogo Bowen, M.P.
2. Hon. Fathia Mahbub, M.P.
3. Hon. Mathias Robi, M.P.
4. Hon. Silvance Onyango Osele, M.P.
5. Hon. Jessica Mbalu, M.P.
6. Hon. Alice Nyanchok aChae, M.P.
7. Hon. Manson Nyamweya, M.P.
8. Hon. Charles Geni Mong'are, M.P.
9. Hon. Stephen Manoti, M.P.
10. Hon. Sakwa Bunyasi, M.P.
11. Hon. Joel Onyancha, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Tungo Aaron - Clerk Assistant II
3. Mr. Rodgers Kilunja - Research Officer

**NATIONAL TREASURY**

1. Mr. Geoffrey Mwitari - Chief Accountant

### **OFFICE OF THE AUDITOR GENERAL**

1. Mr. Isaac Ngayai - Manager Audit
2. Mr. Raphael Ikame - Parliamentary Liaison Officer

### **MIN No. 1040/2016: PRELIMINARIES**

The Chairperson called the meeting to order at eleven o'clock in the morning and a prayer was said. Introductions by all present followed.

### **MIN No. 1041/2016: EVIDENCE: MINISTRY OF INFORMATION COMMUNICATION AND TECHNOLOGY**

#### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

Mrs. Alice Ondieki, PSMinistry of Information Communication and Technology accompanied by Messrs.:-

- i. Mr. John Mwangi - Finance Manager
- ii. Mr. K. A. Tanui - Deputy Director
- iii. Ms. Julie Wahonya - Senior Legal Officer
- iv. Mr. John Nyanzwi - chief Legal Officer
- v. Mr. Peter Mwangi - Deputy Director

Appeared before the committee and gave evidence on:

- (i) Paragraph 365 on Double Payment for Goods and Services
- (ii) Paragraph 366 on Referred to Drawer Cheques
- (iii) Paragraph 367 on Salary Advance
- (iv) Paragraph 368 on Imprests
- (v) Paragraph 369 on General Account of Vote – Long Outstanding Balance
- (vi) Paragraph 370 on Exchequer Account

### **PENDING ISSUES**

- (i) Paragraphs 368 on Imprest

The Accounting Officer informed the Committee that the outstanding amount of Kshs. 208,250.00 was an imprest issued to one of the Members of Parliament who had accompanied the Ministerial delegation to attend an International Telecommunication Union (ITU) Conference in Bangkok, Thailand from 19<sup>th</sup> – 23<sup>rd</sup> November, 2013. The imprest had however not been surrendered to date. The Committee was informed that the Ministry had written to the Clerk of the National Assembly to help recover the amount to enable the Ministry reconcile its books.

The Auditor informed the committee that all matters had been resolved.

### **MIN. No. 1042 /2016: ANY OTHER BUSINESS**

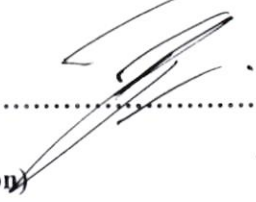
The Chairman informed the meeting that the Former Prime Minister, Hon. Raila Odinga had written a letter to the committee informing Members that he was not going to be available for the meeting scheduled for Monday, 25<sup>th</sup> January, 2016

In his Letter, he indicated that he was not aware that the Committee had requested for a special audit on the Eurobond saga and therefore would like to re-appear during the investigations of the special audit report once tabled.

The Committee accepted his request and scheduled to invite the former Prime Minister to appear before the Committee and give his submission once the audit report is tabled in Parliament.

**MIN No. 1043/2016:- ADJOURNMENT**

There being no other business to transact, the sitting ended at half past eleven in the morning.

SIGNED.......... DATE.....31.3.2016.....  
(Chairperson)

**MINUTES OF THE TWO HUNDREDTH AND SEVENTY SEVENTH (277<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY, 25<sup>TH</sup> JANUARY, 2016 AT 2.30 P.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Joseph Manje, M.P.
4. Hon. Fathia Mahbub, M.P.
5. Hon. Andrew Mwadime, M.P.
6. Hon. Sakwa Bunyasi, M.P.
7. Hon. Silvance Onyango Osele, M.P.
8. Hon. Julius Melly, M.P.
9. Hon. Kanini Kega, M.P.
10. Hon. Kangogo Bowen, M.P.
11. Hon. Junet Sheikh Nuh, M.P.
12. Hon. Timothy Bosire, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Jude Njomo, M.P.
2. Hon. Stephen Manoti, M.P.
3. Hon. Alice Nyanchoka Chae, M.P.
4. Hon. Kyengo Katatha Maweu, M.P.
5. Hon. Charles Geni Mong'are, M.P.
6. Hon. Arthur Odera, M.P.
7. Hon. David Eseli, M.P.
8. Hon. Abdikadir Aden, M.P.
9. Hon. Kareke Mbiuki, M.P.
10. Hon. Jessica Mbalu, M.P.
11. Hon. Gonzi Rai, M.P.
12. Hon. Manson Nyamweya, M.P.
13. Hon. Joel Onyanicha, M.P.
14. Hon. John Mbadi, M.P.
15. Hon. Mathias Robi, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Mr. Victor Weke - Clerk Assistant II
3. Ms. Winnie Kulei - Researcher
4. Mr. Chelanga Maiyo - Researcher
5. Mr. Rogers Kilunja - Audio Recorder

**NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant/ Parliamentary Liaison Officer

### OFFICE OF THE AUDITOR GENERAL

- |                       |   |                               |
|-----------------------|---|-------------------------------|
| 1. Mr. R. N. Bichanga | - | Senior Manager, Audit         |
| 2. Mr. J. K. Nkubitu  | - | Manager, Audit                |
| 3. Mr. Isaac Ngayai   | - | Senior Manager, Audit         |
| 4. Mr. Raphael Ikame  | - | Parliamentary Liaison Officer |

### TEACHERS SERVICE COMMISSION

- |                       |   |                           |
|-----------------------|---|---------------------------|
| 1. Ms. Nancy Macharia | - | CEO/ Commission Secretary |
| 2. Mr. C. Ayabei      | - | Director, Finance         |
| 3. Ms. Grace Ngure    | - | Director, Accounting      |
| 4. Mr. Joseph Mwangi  | - | ADD                       |
| 5. Mr. George Odawo   | - | ADD                       |
| 6. Mr. Allan Sitima   | - | SDD, Legal                |

### DIRECTORATE OF PUBLIC PROSECUTIONS

- |                       |   |   |
|-----------------------|---|---|
| 1. Mr. Keriako Tobiko | - | Director, Public Prosecutions             |
| 2. Mr. Paul Ndemo     | - | Senior Assistant DPP                      |
| 3. Mr. Walter Oselu   | - | Chief Finance Officer                     |
| 4. Mr. Jacob Narengo  | - | Senior Assistant Director, Administration |
| 5. Ms. Monica Mburugu | - | Assistant Director, HRM                   |
| 6. Ms. Rose Baraza    | - | Principal Accountant                      |

### MIN No. 1044/2016: PRELIMINARIES

The Chairman called the meeting to order at twenty minutes past two o' clock in the afternoon. A prayer was said followed by introductions by all present.

### MIN No. 1045/2016: CONFIRMATION OF MINUTES

The agenda item was deferred to the next meeting. There were thus no matters arising.

### MIN No. 1046/2016: EVIDENCE: MS NANCY MACHARIA, CEO TEACHERS SERVICE COMMISSION

#### The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year

Ms. Nancy Macharia, the Accounting Officer gave evidence on:

- (i) Paragraph 539 on Property, Plant and Equipment.
- (ii) Paragraph 540 on Stores and Cash Losses.

#### PENDING ISSUES

- (i) Paragraph 540 on Stores and Cash Losses.  
The Committee instructed the Accounting Officer to pursue the cases to completion. She was further urged to seek audience with the Commissioner General KRA and resolve the issue of PAYE refunds.



MIN No. 1047/2016:- EVIDENCE: MR. KERIAKO TOBIKO DIRECTORATE OF PUBLIC PROSECUTIONS

The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year

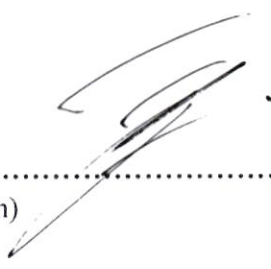
Mr. KeriakoTobiko, the Accounting Officer gave evidence on:

- (i) Paragraph 521 on Accident to vehicle GK A 426N.

MIN No. 1048/2016:- ADJOURNMENT

There being no other business, the sitting adjourned at six o'clock in the evening. Next sitting to be held on 26<sup>th</sup> January, 2016 at 10.00 am.

Signed.....  
(Chairperson)



Date.....

31.3.2016

**MINUTES OF THE TWO HUNDREDTH AND SEVENTY EIGHTH (278<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 26<sup>TH</sup> JANUARY, 2016 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Joseph Manje, M.P.
4. Hon. Fathia Mahbub, M.P.
5. Hon. Andrew Mwadime, M.P.
6. Hon. Sakwa Bunyasi, M.P.
7. Hon. Silvanice Onyango Osele, M.P.
8. Hon. Julius Melly, M.P.
9. Hon. Kangogo Bowen, M.P.
10. Hon. Abdikadir Aden, M.P.
11. Hon. John Mbadi, M.P.
12. Hon. Kyengo Katatha Maweu, M.P.
13. Hon. Timothy Bosire, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Jude Njomo, M.P.
2. Hon. Kanini Kega, M.P.
3. Hon. Junet Sheikh Nuh, M.P.
4. Hon. Stephen Manoti, M.P.
5. Hon. Alice Nyanchoka Chae, M.P.
6. Hon. Charles Geni Mong'are, M.P.
7. Hon. Arthur Odera, M.P.
8. Hon. David Eseli, M.P.
9. Hon. Kareke Mbiuki, M.P.
10. Hon. Jessica Mbalu, M.P.
11. Hon. Gonzi Rai, M.P.
12. Hon. Manson Nyamweya, M.P.
13. Hon. Joel Onyanchara, M.P.
14. Hon. Mathias Robi, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Mr. Victor Weke - Clerk Assistant II
4. Ms. Winnie Kulei - Researcher
5. Mr. Rogers Kilungya - Audio Recorder

**NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant/ Parliamentary Liaison Officer

## OFFICE OF THE AUDITOR GENERAL

- |                      |   |                               |
|----------------------|---|-------------------------------|
| 1. Mr. Fred Abugah   | - | Manager, Audit                |
| 2. Mr. Moffat Gori   | - | Assistant Manager, Audit      |
| 3. Mr. Isaac Ngayai  | - | Senior Manager, Audit         |
| 4. Mr. Raphael Ikame | - | Parliamentary Liaison Officer |

## MINISTRY OF AGRICULTURE, LIVESTOCK & FISHERIES

- |                            |   |   |
|----------------------------|---|---|
| 1. Dr. Richard Lesiyampe   | - | PS, Agriculture                                       |
| 2. Dr. Andrew Tuimur       | - | PS, Livestock   |
| 3. Prof. Michen iNtiba     | - | PS, Fisheries   |
| 4. Dr. Kisa J. Ngeiywa     | - | Director, Veterinary Services                         |
| 5. Mr. Julius Kiptarus     | - | Director, Livestock Production                        |
| 6. Mr. Peter Odundo        | - | Chief Finance Officer                                 |
| 7. Mr. Samuel Kung'u       | - | Chief Accountant                                      |
| 8. Ms. Florence Keitany    | - | Senior Accountant                                     |
| 9. Mr. Benson Mwangi       | - | Principal Accountant                                  |
| 10. Ms. Evelyn Ong'ondi    | - | Senior Finance Officer                                |
| 11. Mr. Joshua Musau       | - | Assistant Director, Supplies                          |
| 12. Dr. Harrison C. Karisa | - | Ag. Director, Fisheries Resources Devt. & Marketing   |
| 13. Mr. Newton Terer       | - | MD, NCPB  |
| 14. Mr. Cornel Ngelechey   | - | Ag. GM Finance, NCPB                                  |
| 15. Mr. Ernest Ogwora      | - | Manager Services Marketing, NCPB                      |
| 16. Dr. Renison Ruwa       | - | Director, Kenya Marine & Fisheries Research Institute |
| 17. Mr. Abraham Kagwima    | - | Deputy Director, Finance                              |

## MIN No. 1049/2016: PRELIMINARIES

The Chairman called the meeting to order at ten minutes past ten o'clock in the morning. A prayer was said followed by introductions by all present.

## MIN No. 1050/2016: CONFIRMATION OF MINUTES

The agenda item was deferred to the next meeting. There were thus no matters arising.

## MIN No. 1051/2016: EVIDENCE: MINISTRY OF AGRICULTURE, LIVESTOCK & FISHERIES

### The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year

Dr. Richard Lesiyampe, the Accounting Officer gave evidence on:

- (i) Paragraph 414 on Construction of Biosafety Laboratory at Kabete, Nairobi
- (ii) Paragraph 415 on Unreconciled Strategic stocks and commodities balances
- (iii) Paragraph 416 on Undelivered goods
- (iv) Paragraph 417 on Non-submission of financial statements and failure to account for funds by Agriculture Sector Coordination Unit (ASCU)
- (v) Paragraph 418 on Deposits
- (vi) Paragraph 419 on Irregular Allocation of land
- (vii) Paragraph 420 on Payables (Pending Bills)

- (viii) Paragraph 421 on Outstanding Imprest
- (ix) Paragraph 422 on Accuracy of the Financial Statements
- (x) Paragraph 423 on Unsupported Balances
- (xi) Paragraph 424 on Cash and cash equivalents
- (xii) Paragraph 425 on Unvouched expenditure
- (xiii) Paragraph 426 on Unsupported transfers to other government entities and other grants and payments
- (xiv) Paragraph 427 on Unsupported foreign travel and subsistence and other transportation costs
- (xv) Paragraph 428 on Property, plant and equipment
- (xvi) Paragraph 429 on Receivables
- (xvii) Paragraph 430 on Unsatisfactory financial performance
- (xviii) Paragraph 431 on Inaccuracy and wrong presentation of financial statements
- (xix) Paragraph 432 on Unsupported expenditure on acquisition of assets
- (xx) Paragraph 433 on Un-reconciled cash and cash equivalents balance
- (xxi) Paragraph 434 on Unsupported balance
- (xxii) Paragraph 435 on Statement of revenue- Fishing rights
- (xxiii) Paragraph 436 on Unsatisfactory financial performance
- (xxiv) Paragraph 437 on Unreconciled sales revenue
- (xxv) Paragraph 438 on Expenditure
- (xxvi) Paragraph 439 on Unsupported transport cost
- (xxvii) Paragraph 440 on Unanalysed expenditure- storage and fumigation
- (xxviii) Paragraph 441 on Cash and cash equivalents
- (xxix) Paragraph 442 on Unreconciled inventories
- (xxx) Paragraph 443 on Unsupported receivables
- (xxxi) Paragraph 444 on Trade and other payables
- (xxxii) Paragraph 445 on Government grants and reserves
- (xxxiii) Paragraph 446 on Accuracy of financial statements
- (xxxiv) Paragraph 447 on Agency agreements
- (xxxv) Paragraph 448 on Special Accounts Balances
- (xxxvi) Paragraph 449 on Accuracy of the financial statements- Credit No. Q8400
- (xxxvii) Paragraph 450 on Accuracy of the financial statements- Loan No. 2100150028345
- (xxxviii) Paragraph 451 on Accuracy of the financial statements- Loan No. 210015001493
- (xxxix) Paragraph 452 on Failure to disclose pending bills
- (xl) Paragraph 453 on Signing of loan agreement
- (xli) Paragraph 454 on Receipts
- (xlii) Paragraph 455 on Payments
- (xliii) Paragraph 456 on Purchase of goods and services
- (xliv) Paragraph 457 on Irregular/ ineligible expenditure
- (xlv) Paragraph 458 on Irregular re-allocation
- (xlvi) Paragraph 459 on Cash purchases
- (xlvii) Paragraph 460 on Accuracy of financial statements
- (xlviii) Paragraph 461 on Unsupported expenditure
- (xlix) Paragraph 462 on Implementation of civil work
- (l) Paragraph 463 on Cash and cash equivalent balances
- (li) Paragraph 464 on Acquisition of non-financial assets
- (lii) Paragraph 465 on Purchase of goods and services
- (liii) Paragraph 466 on Cash and cash equivalents
- (liv) Paragraph 467 on Accuracy and completeness of financial statements

#### PENDING ISSUES

- (i) Paragraphs 417 and 463 on accounts of Agriculture Sector Coordination Unit (ASCU).

The Committee resolved to summon the Director, ASCU to an inter-party meeting with the PS Agriculture and PS Industrialization to resolve the issue of audit of the unit's books.

**MIN No. 1052/2016:- ADJOURNMENT**

There being no other business, the sitting adjourned at twenty minutes past two o'clock in the afternoon. Next sitting to be held on 27<sup>th</sup> January, 2016 at 10.00 am.

Signed



Date

31.3.2016



**MINUTES OF THE TWO HUNDREDTH AND SEVENTY NINTH (279<sup>TH</sup>) SITTING OF THE  
PUBLIC ACCOUNTS COMMITTEE HELD ON WEDNESDAY, 27<sup>TH</sup> JANUARY, 2016 AT 10.00  
A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Joseph Manje, M.P.
4. Hon. Kareke Mbiuki, M.P.
5. Hon. Abdikadir Aden, M.P.
6. Hon. Kangogo Bowen, M.P.
7. Hon. Fathia Mahbub, M.P.
8. Hon. Andrew Mwadime, M.P.
9. Hon. Sakwa Bunyasi, M.P.
10. Hon. Arthur Odera, M.P.
11. Hon. David Eseli, M.P.
12. Hon. Junet Sheikh Nuh, M.P.
13. Hon. Kyengo Katatha Maweu, M.P.
14. Hon. Timothy Bosire, M.P.
15. Hon. Alice Nyanchoka Chae, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Jude Njomo, M.P.
2. Hon. Silvance Onyango Osele, M.P.
3. Hon. Julius Melly, M.P.
4. Hon. John Mbadi, M.P.
5. Hon. Kanini Kega, M.P.
6. Hon. Stephen Manoti, M.P.
7. Hon. Charles Geni Mong'are, M.P.
8. Hon. Jessica Mbalu, M.P.
9. Hon. Gonzi Rai, M.P.
10. Hon. Manson Nyamweya, M.P.
11. Hon. Joel Onyancha, M.P.
12. Hon. Mathias Robi, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Mr. Victor Weke - Clerk Assistant II
4. Ms. Winnie Kulei - Researcher
5. Mr. Rogers Kilungya - Audio Recorder

**NATIONAL TREASURY**

- Ms. Jane Njogu - Senior Assistant Accountant General

## OFFICE OF THE AUDITOR GENERAL

- |                        |   |                               |
|------------------------|---|-------------------------------|
| 1. Mr. Meshac kOnyango | - | Director, Audit               |
| 2. Mr. John Wagura     | - | Senior Manager, Audit         |
| 3. Mr. Anthony Muriuki | - | Manager, Audit                |
| 4. Mr. Lawrence Oigara | - | Assistant Manager, Audit      |
| 5. Mr. Raphael Ikame   | - | Parliamentary Liaison Officer |

## MINISTRY OF HEALTH

- |                           |   |                                     |
|---------------------------|---|-------------------------------------|
| 1. Dr. Nicholas Muraguri  | - | Principal Secretary                 |
| 2. Mr. B. Khadiagala      | - | Senior Chief Finance Officer        |
| 3. Mr. F.K. Musyimi       | - | Senior Accountant                   |
| 4. Dr. Nduku Kilonzo      | - | Director, NACC                      |
| 5. Mr. E.A. Thigah        | - | ADSCMS                              |
| 6. Mr. David Waititu      | - | Project Manager RHP III             |
| 7. Ms. Anne Gathoni       | - | Senior Accountant                   |
| 8. CPA Ken Nyamolo        | - | Head Finance, NACC                  |
| 9. Mr. Christopher Malala | - | Senior Accountant                   |
| 10. Dr. P. Onyancha       | - | Head, Standards and Quality         |
| 11. Ms. Joyce Mutugi      | - | Senior Assistant Accountant General |
| 12. Mr. Mutua Kilu        | - | DCHAO                               |
| 13. Mr. David Njoroge     | - | DHRM & D                            |
| 14. Mr. Peter Messah      | - | Finance Officer                     |
| 15. Ms. Charity Muriuki   | - | Chief Accountant                    |

## MIN No. 1053/2016: PRELIMINARIES

The Chairman called the meeting to order at twenty minutes past ten o'clock in the morning. A prayer was said followed by introductions by all present.

## MIN No. 1054/2016: CONFIRMATION OF MINUTES

The agenda item was deferred to the next meeting. There were thus no matters arising.

## MIN No. 1055/2016: EVIDENCE: MINISTRY OF HEALTH

### The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year

Dr. Nicholas Muraguri, the Accounting Officer gave evidence on:

- (i) Paragraph 195 on Exchequer releases
- (ii) Paragraph 196 on Proceeds from domestic and foreign grants
- (iii) Paragraph 197 on Transfer from other government entities
- (iv) Paragraph 198 on Unsupported receipts
- (v) Paragraph 199 on Expenditure without parliamentary approval
- (vi) Paragraph 200 on Cash and cash equivalent
- (vii) Paragraph 201 on Compensation of employees

- (viii) Paragraph 202 on Irregular transfer of funds
- (ix) Paragraph 203 on Authority to incur expenditure
- (x) Paragraph 204 on Unsupported expenditure
- (xi) Paragraph 205 on Misallocation of expenditure
- (xii) Paragraph 206 on Failure to provide footnotes for material variances
- (xiii) Paragraph 207 on Pending bills
- (xiv) Paragraph 208 on Expenditure on non-existent consultancy services- Reinforcement of 15 health facilities in Northern Kenya- Grant ORIO 10/KE/01
- (xv) Paragraph 209 on Supply and fitting of ward partitioning curtains at Othaya district hospital
- (xvi) Paragraph 210 on Rehabilitation works at Ahero sub-district hospital- Nyanza province
- (xvii) Paragraph 211 on Grants to Kenyatta National Hospital, Kenya Medical Supplies Authority and Kenya Medical Training College
- (xviii) Paragraph 212 on Stalled projects
- (xix) Paragraph 213 on Construction of proposed central radioactive waste processing facility at Ololua, Ngong
- (xx) Paragraph 214 on Inter-vote transfers
- (xxi) Paragraph 215 on Failure to submit fund accounts
- (xxii) Paragraph 216 on Gavi health systems strengthening project- Deficit brought forward
- (xxiii) Paragraph 217 on Gavi health systems strengthening project- Bank balances
- (xxiv) Paragraph 218 on IRAPP- Trade and other receivables
- (xxv) Paragraph 219 on UNDP Project No. KEN/99/001/A/01/99 NACC- Trade and other receivables
- (xxvi) Paragraph 220 on Global fund project KEN-708-G09-H NACC- Trade and other receivables
- (xxvii) Paragraph 221 on Global fund project KEN-708-G09-H NACC- Trade and other payables
- (xxviii) Paragraph 222 on Global fund- KEN-H-MOF – Statement of receipts and payments
- (xxix) Paragraph 223 on Health sector support project IDA Credit No. 4771-KE – Unsupported cash balances
- (xxx) Paragraph 224 on Health sector support project IDA Credit No. 4771-KE – Statements on receipts and payments
- (xxxi) Paragraph 225 on Global fund malaria- KEN-405-G06-M- Basis of unqualified opinion
- (xxxii) Paragraph 226 on Rural health project III- Undelivered project goods
- (xxxiii) Paragraph 227 on Rural health project III- Abandoned civil works
- (xxxiv) Paragraph 228 on Rural health project III- Cash and cash equivalent
- (xxxv) Paragraph 229 on TOWA Project- Results of the audit of the financial statements
- (xxxvi) Paragraph 230 on Results of the audit of funds distributed to SPIs by appointed auditors
- (xxxvii) Paragraph 231 on Ineligible expenditure

#### PENDING ISSUES

- (i) **Paragraph 199 on Expenditure without parliamentary approval & Paragraph 201 on Compensation of employees.**  
The Committee directed the accounting officer to provide a summary of supporting documents from Treasury, the breakdown of votes cut to meet the expenditure and a list of counties with outstanding refunds.
- (ii) **Paragraph 205 on Misallocation of expenditure.**  
The Committee directed the accounting officer to provide a breakdown of expenditure of the Kes. 512,336,201.00.
- (iii) **Paragraph 212 on Stalled projects**  
The Committee directed the accounting officer to provide documents showing the current status of Othaya hospital.
- (iv) **Paragraph 221 on Global fund project KEN-708-G09-H NACC- Trade and other payables**  
The Committee directed the accounting officer to provide evidence of refund of Kes. 7,243,353 to NACC

MIN No. 1056/2016:- ADJOURNMENT

There being no other business, the sitting adjourned at five o'clock in the afternoon. Next sitting to be held on 28<sup>th</sup> January, 2016 at 10.00 am.

Signed.......... Date 31.3.2016  
(Chairperson)



**MINUTES OF THE TWO HUNDREDTH AND EIGHTIETH (280<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 28<sup>TH</sup> JANUARY, 2016 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Joseph Manje, M.P.
4. Hon. Joel Onyancha, M.P.
5. Hon. Kareke Mbiuki, M.P.
6. Hon. Julius Melly, M.P.
7. Hon. Abdikadir Aden, M.P.
8. Hon. Kangogo Bowen, M.P.
9. Hon. Fathia Mahbub, M.P.
10. Hon. Andrew Mwadime, M.P.
11. Hon. Sakwa Bunyasi, M.P.
12. Hon. Arthur Odera, M.P.
13. Hon. David Eseli, M.P.
14. Hon. Kyengo Katatha Maweu, M.P.
15. Hon. Timothy Bosire, M.P.
16. Hon. Jessica Mbalu, M.P.
17. Hon. Alice Nyanchoka Chae, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Jude Njomo, M.P.
2. Hon. Junet Sheikh Nuh, M.P.
3. Hon. Silvanice Onyango Osele, M.P.
4. Hon. John Mbadi, M.P.
5. Hon. Kanini Kega, M.P.
6. Hon. Stephen Manoti, M.P.
7. Hon. Charles Geni Mong'are, M.P.
8. Hon. Gonzi Rai, M.P.
9. Hon. Manson Nyamweya, M.P.
10. Hon. Mathias Robi, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Mr. Victor Weke - Clerk Assistant II
4. Ms. WinnieKulei - Researcher
5. Mr. Rogers Kilungya - Audio Recorder

**NATIONAL TREASURY**

- Mr. Luke Vincent Kirwa - Senior Assistant Accountant General



## OFFICE OF THE AUDITOR GENERAL

- |                        |   |                               |
|------------------------|---|-------------------------------|
| 1. Mr. Henry Nyandwaki | - | Manager, Audit                |
| 2. Ms. Anne Mwaura     | - | Manager, Audit                |
| 3. Mr. Raphael Ikame   | - | Parliamentary Liaison Officer |

## ENVIRONMENT, WATER AND NATURAL RESOURCES

- |                            |   |   |
|----------------------------|---|---|
| 1. Mr. Charles Sunkuli     | - | Principal Secretary, Environment          |
| 2. Prof. Fred Segor        | - | Principal Secretary, Water                |
| 3. Mr. David M. Jakaiti    | - | SDA                                       |
| 4. Mr. Calvin Shavanga     | - | Chief Finance Officer                     |
| 5. Mr. Patrick Kinya       | - | Chief Finance Officer                     |
| 6. Mr. Peter Kabebe        | - | Principal Accountant                      |
| 7. Mr. Johnson Njuguna     | - | Principal Accountant                      |
| 8. Mr. Isaac Kangila       | - | Finance Officer                           |
| 9. Mr. M.S Gitari          | - | Director, HRM&D                           |
| 10. Mr. Daniel Mwangi      | - | Chief Accountant                          |
| 11. Mr. Lawrence Simitu    | - | DWS                                       |
| 12. Mr. Elias Murigi       | - | DHRM & D                                  |
| 13. Mr. Peter Messah       | - | Senior Accountant                         |
| 14. Mr. Wambaya Kituyi     | - | CSCMO                                     |
| 15. Mr. Isaac Mutungi      | - | PSCMO                                     |
| 16. Mr. James Kongoti      | - | Director, Kenya Meteorological Department |
| 17. Mr. Emilio Mugo        | - | Director, Kenya Forest Service            |
| 18. Ms. Zipporah Toroitich | - | Project Manager, KFS                      |
| 19. Mr. Jacob Munene       | - | Programme Accountant, KFS                 |

## MIN No. 1057/2016: PRELIMINARIES

The Chairman called the meeting to order at ten minutes past ten o'clock in the morning. A prayer was said followed by introductions by all present.

## MIN No. 1058/2016: CONFIRMATION OF MINUTES

The agenda item was deferred to the next meeting. There were thus no matters arising.

## MIN No. 1059/2016: EVIDENCE: MINISTRY OF ENVIRONMENT, WATER AND NATURAL RESOURCES

### The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year

Mr. Charles Sunkuli, the Accounting Officer gave evidence on:

- (i) Paragraph 268 on Pending Bills
- (ii) Paragraph 269 on Cash and cash equivalents
- (iii) Paragraph 270 on Approved supplementary estimates

- (iv) Paragraph 271 on Grants to government agencies
- (v) Paragraph 272 on Outstanding imprests
- (vi) Paragraph 273 on Unaccounted for AIEs
- (vii) Paragraph 274 on District suspense
- (viii) Paragraph 275 on Compensation of employees
- (ix) Paragraph 282 on GOK counter funding- KNIP project Grant No. TF011534
- (x) Paragraph 297 on Motor-cycles without ownership documents
- (xi) Paragraph 298 on Cash and cash equivalents
- (xii) Paragraph 299 on Undisclosed payments
- (xiii) Paragraph 300 on Unsupported expenditure

The Auditor General informed the Committee that Paragraphs 276 to 281, 283, 290 to 296 and 301 to 304 were queries relating to State Corporations and were inadvertently included in his report. The matters would be handled by the Public Investments Committee.

The Auditor General informed the Committee that Paragraphs 284 to 289 were queries relating to devolved functions and were inadvertently included in his report. The matters would be handled by the respective county assemblies and the Senate

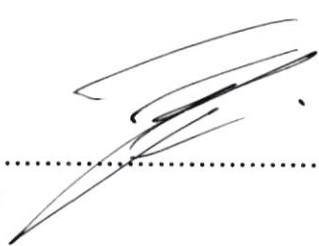
PENDING ISSUES

- (i) **Paragraph 269 on Cash and cash equivalents.**  
The Committee directed the accounting officer to liaise with the auditors and reconcile the figures within one week.
- (ii) **Paragraph 297 on Motor-cycles without ownership documents.**  
The Committee directed the accounting officer to provide procurement documents and logbooks to the auditors within one week.

MIN No. 1060/2016:- ADJOURNMENT

There being no other business, the sitting adjourned at thirty minutes past one o'clock in the afternoon. Next sitting to be held on 29<sup>th</sup> January, 2016 at 10.00 am.

Signed.....  
(Chairperson)



Date.....

31.3.2016

**MINUTES OF THE TWO HUNDREDTH AND EIGHTY FIRST (281<sup>ST</sup>) SITTING OF THE  
PUBLIC ACCOUNTS COMMITTEE HELD ON FRIDAY, 29<sup>TH</sup> JANUARY, 2016 AT 10.00 A.M. IN  
COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. Jackson K. Rop, M.P. - Vice- Chairman
2. Hon. Joseph Manje, M.P.
3. Hon. Jude Njomo, M.P.
4. Hon. Abdikadir Aden, M.P.
5. Hon. FathiaMahbub, M.P.
6. Hon. SakwaBunyasi, M.P.
7. Hon. KyengoKatathaMaweu, M.P.
8. Hon. Alice NyanchokaChae, M.P.
9. Hon. Andrew Mwadime, M.P.

**ABSENT WITH APOLOGY**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Joel Onyancha, M.P.
3. Hon. KarekeMbiuki, M.P.
4. Hon. Julius Melly, M.P.
5. Hon. Kangogo Bowen, M.P.
6. Hon. Arthur Odera, M.P.
7. Hon. David Eseli, M.P.
8. Hon. Timothy Bosire, M.P.
9. Hon. Jessica Mbalu, M.P.
10. Hon. Junet Sheikh Nuh, M.P.
11. Hon. SilvanceOnyangoOsele, M.P.
12. Hon. John Mbadi, M.P.
13. Hon. KaniniKega, M.P.
14. Hon. Stephen Manoti, M.P.
15. Hon. Charles GeniMong'are, M.P.
16. Hon. GonziRai, M.P.
17. Hon. Manson Nyamweya, M.P.
18. Hon. Mathias Robi, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Ms. ChelagatTungo - Clerk Assistant II
3. Mr. Victor Weke - Clerk Assistant II
4. Ms. WinnieKulei - Researcher
5. Mr. Rogers Kilungya - Audio Recorder

**NATIONAL TREASURY**

- Mr. Geoffrey Mwitari - Parliamentary Liaison Officer

#### OFFICE OF THE AUDITOR GENERAL

- |                      |   |                               |
|----------------------|---|-------------------------------|
| 1. Mr. Isaac Ngayai  | - | Manager, Audit                |
| 2. Mr. Raphael Ikame | - | Parliamentary Liaison Officer |

#### OFFICE OF THE ATTORNEY GENERAL AND THE DEPARTMENT OF JUSTICE

- |                           |   |                               |
|---------------------------|---|-------------------------------|
| 1. Mr. NjeeMuturi         | - | Solicitor General             |
| 2. Ms. Eunice Sawe        | - | Public Trustee                |
| 3. Ms. Bernice Gachegu    | - | Registrar General             |
| 4. Ms. Mildred Akoth      | - | Chief Accountant              |
| 5. Ms. Margaret Kariuki   | - | SAAG                          |
| 6. Mr. P. ThoikhiKanyiwa  | - | DCSC                          |
| 7. Mr. J.M. Nyamweya      | - | Senior Accountant             |
| 8. Mr. Francis Maina      | - | Director, GLIOS               |
| 9. Mr. Christopher Kabali | - | Senior Accountant             |
| 10. Mr. Fred Kang'ila     | - | Accountant, Official Receiver |

#### MIN No. 1061/2016: PRELIMINARIES

The Vice- Chairman called the meeting to order at fifteen minutes past ten o'clock in the morning. A prayer was said followed by introductions by all present.

#### MIN No. 1062/2016: CONFIRMATION OF MINUTES

The agenda item was deferred to the next meeting. There were thus no matters arising.

#### MIN No. 1063/2016: EVIDENCE: OFFICE OF THE ATTORNEY GENERAL AND THE DEPARTMENT OF JUSTICE

##### The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year

Mr. NjeeMuturi, the Accounting Officer gave evidence on:

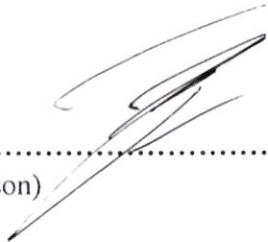
- (i) Paragraph 478 on Accuracy and completeness of the financial statements
- (ii) Paragraph 479 on Cash and cash equivalents
- (iii) Paragraph 480 on Bank reconciliation statements
- (iv) Paragraph 481 on Unvouched and unsupported expenditure
- (v) Paragraph 482 on Unsupported expenditure- proceeds from domestic and foreign grants
- (vi) Paragraph 483 on Unaccounted for transfers to other government units
- (vii) Paragraph 484 on Pending accounts payable
- (viii) Paragraph 485 on Domestic currency and domestic deposits- deposits held in trust
- (ix) Paragraph 486 on Other matter
- (x) Paragraph 487 on Unremitted revenue
- (xi) Paragraph 488 on Unexplained over and under collection of revenue
- (xii) Paragraph 489 on Presentation of financial statements
- (xiii) Paragraph 490 on Failure to keep proper books and records
- (xiv) Paragraph 491 on Continental Credit Finance Limited
- (xv) Paragraph 492 on Unsupported balances on insolvent financial institutions
- (xvi) Paragraph 493 on Unsupported fixed deposit and bank balances from out-stations

- (xvii) Paragraph 494 on Variations in balances between the financial statements and supporting schedules/ records
- (xviii) Paragraph 495 on Unsupported Trial balance differences
- (xix) Paragraph 496 on Un-explained change in fund balances
- (xx) Paragraph 497 on Bankruptcy investment income account
- (xxi) Paragraph 498 on Payments not supported by ETR invoices
- (xxii) Paragraph 499 on Irregular sale of properties under receivership
- (xxiii) Paragraph 500 on Emphasis on matter
- (xxiv) Paragraph 501 on Unaccounted for property and other assets held in trust
- (xxv) Paragraph 502 on Provision for interest due to beneficiaries
- (xxvi) Paragraph 503 on Other matters
- (xxvii) Paragraph 504 on Presentation of the financial statements- TJRC
- (xxviii) Paragraph 505 on Unsupported financial statements- TJRC

**MIN No. 1064/2016:- ADJOURNMENT**

There being no other business, the sitting adjourned at fifteen minutes past twelve o'clock in the afternoon. Next sitting to be held on 1<sup>st</sup> February, 2016 at 2.30 pm.

Signed.....  
(Chairperson)



Date.....

31.3.2016



**MINUTES OF THE TWO HUNDREDTH AND EIGHTY SECOND (282<sup>ND</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 11<sup>TH</sup> FEBRUARY, 2016 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Joseph Manje, M.P.
4. Hon. Abdikadir Aden, M.P.
5. Hon. Fathia Mahbub, M.P.
6. Hon. Andrew Mwadime, M.P.
7. Hon. Sakwa Bunyasi, M.P.
8. Hon. Arthur Odera, M.P.
9. Hon. David Eseli, M.P.
10. Hon. John Mbadi, M.P.
11. Hon. Kyengo Katatha Maweu, M.P.
12. Hon. Alice Nyanchoka Chae, M.P.
13. Hon. Charles Geni Mong'are, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Jude Njomo, M.P.
2. Hon. Joel Onyancha, M.P.
3. Hon. Kareke Mbiuki, M.P.
4. Hon. Julius Melly, M.P.
5. Hon. Kangogo Bowen, M.P.
6. Hon. Timothy Bosire, M.P.
7. Hon. Jessica Mbalu, M.P.
8. Hon. Junet Sheikh Nuh, M.P.
9. Hon. Silvanice Onyango Osele, M.P.
10. Hon. Kanini Kega, M.P.
11. Hon. Stephen Manoti, M.P.
12. Hon. Gonzi Rai, M.P.
13. Hon. Manson Nyamweya, M.P.
14. Hon. Mathias Robi, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Ms. Chelagat Tungo - Clerk Assistant II
2. Mr. Victor Weke - Clerk Assistant II
3. Mr. Chelanga Maiyo - Researcher
4. Ms. Winnie Kulei - Researcher
5. Mr. Collins Mahamba - Audio Recorder

**MIN No. 1065/2016: PRELIMINARIES**

The Chairman called the meeting to order at twenty minutes past ten o' clock in the morning and said a prayer.

**MIN No. 1066/2016: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

**MIN No. 1067/2016: REVIEW OF SITE VISIT REPORTS**

The Committee resolved that the respective leaders of delegation first review the report before consideration by the Committee.

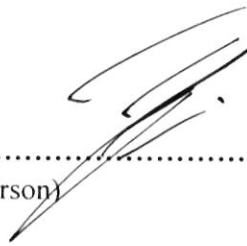
**MIN No. 1068/2016:- ANY OTHER BUSINESS**

1. The Committee noted that the Ministry of Devolution was yet to submit its responses to the Auditor General after the lapse of the two weeks they were given. The Committee resolved to carry the audit queries as they are.
2. The Committee resolved to meet the former national coordinator of the Agricultural Sector Coordination Unit (ASCU), Dr. Mussolini Kithome on 18<sup>th</sup> February, 2016 to respond to audit query no. 417.
3. The Committee also resolved to reschedule the meeting with the 'Big 9' to 4<sup>th</sup> March, 2016 at County Hall Mini-chamber.
4. The Chairman reminded members that the debate on the committee's report on the JSC was slotted for debate that afternoon. Members would thus attend House debate and support.
5. The Committee resolved to retreat on 25<sup>th</sup> – 29<sup>th</sup> February, 2016 to finalize its report on the IEBC procurement of electronic devices for the 2013 General Election. The venue would be communicated.

**MIN No. 1069/2016:- ADJOURNMENT**

There being no other business, the sitting adjourned at fifteen minutes past twelve o'clock in the afternoon. Next sitting to be held on 15<sup>th</sup> February, 2016 at 2.30 pm.

Signed..... Date.....  
(Chairperson)



31.3.2016

**MINUTES OF THE TWO HUNDREDTH AND EIGHTY THIRD (283<sup>RD</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 15<sup>TH</sup> FEBRUARY, 2016 AT 10.30 AM. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Joseph Manje, M.P.
3. Hon. Joel Onyancha, M.P.
4. Hon. Kanini Kega, M.P.
5. Hon. Mathias Robi, M.P.
6. Hon. David Eseli, M.P.
7. Hon. Manson Nyamweya, M.P.
8. Hon. Charles Geni Mong'are, M.P.
9. Hon. Abdikadir Aden, M.P.
10. Hon. Kyengo Katatha Maweu, M.P.
11. Hon. Timothy Bosire, M.P.
12. Hon. Junet Sheikh Nuh, M.P.
13. Hon. Stephen Manoti, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Jackson K. Rop, M.P. - Vice- Chairman
2. Hon. Julius Melly, M.P.
3. Hon. Sakwa Bunyasi, M.P.
4. Hon. Gonzi Rai, M.P.
5. Hon. Alice Nyanchok aChae, M.P.
6. Hon. Kareke Mbiuki, M.P.
7. Hon. Jessica Mbalu, M.P.
8. Hon. Arthur Odera, M.P.
9. Hon. Andrew Mwadime, M.P.
10. Hon. Kangogo Bowen, M.P.
11. Hon. Jude Njomo, M.P.
12. Hon. John Mbadi, M.P.
13. Hon. Fathia Mahbub, M.P.
14. Hon. Silvance Onyango Osele, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Ms. Tungo Aaron - Clerk Assistant II
3. Ms. Winni eKulei - Research Assistant
4. Mr. Eugene Luteshi - Audio Recorder

### **MIN No. 1070/2016: PRELIMINARIES**

The Chairperson called the meeting to order at thirty five minutes past ten o' clock in the morning. A prayer was said followed by introductions by all present.

The Chairman informed the meeting that the former Prime Minister, Hon. Raila Amolo Odinga had presented a written submission detailing the Eurobond saga for Members to go through. The Committee resolved to consider the report once the special audit report is presented by the Auditor General and tabled on the floor of the House.

### **MIN No. 1071/2016: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

### **MIN No. 1072/2016: REVIEW OF TEAM 1 AND TEAM 3 FIELD VISIT REPORTS**

The Chairman took the Committee through team 1 field visit reports. It was observed that the site visits went as planned and all areas identified were visited. A number of issues were pointed out and the team's secretariat was asked to make the necessary correction and changes to be reviewed in the next meeting.

Team 3's report was presented to the Committee by Hon. Abdikadir Aden, MP. The Committee was informed that the team managed to visit the sites given apart from the Military Barracks in Eldoret. The Principal Secretary, Ministry of Defence had written to the Clerk, National Assembly informing him that they were not able to host the team in the barracks. That was because the soldiers involved in the recent attacks were from 9KR Eldoret and that they were currently involved in a delicate process of counseling as well as conducting DNA identification procedure with the affected family.

Other than a few errors noted which needed correction and amendments, the Committee observed that most information had been captured in the report.

### **MIN No. 1073/2016: 2016 AFROPAC CONFERENCE AND ANNUAL GENERAL MEETING**

The meeting was informed that:-

- (i) The National Assembly of Kenya was the host of the AFROPAC secretariat which was currently being serviced by the Assembly staff. The Organization however had future plans of recruiting its own salaried staff and paying rent for its offices;
- (ii) The Executive Committee of AFROPAC at its sitting of 28<sup>th</sup> April, 2014 in Khartoum, Sudan mandated the Public Accounts Committee of the National Assembly of Kenya to host the Organization's first Annual Conference and General Meeting in September, 2014 which never materialized due to unavoidable circumstances.
- (iii) Further to that, the AFROPAC Executive Committee in its sittings in Seychelles at the sidelines of the SADCOPAC meeting on 9<sup>th</sup> September, 2015 and sidelines of the EAAPAC AGM and Conference in Khartoum, Sudan on 27<sup>th</sup> October, 2015 requested PAC, National Assembly Kenya to prepare and host the Organization's Annual Conference and AGM in April 2016.
- (iv) The Chairman informed the Committee that he was going to hold consultative meetings with the Hon. Speaker and Clerk of the National Assembly and advise the Committee accordingly on way forward during the next Committee meetings. Meanwhile, the Secretariat was tasked to proceed with making necessary arrangements to facilitate the hosting of AFROPAC Conference.

MIN No. 1074/2016:- ADJOURNMENT

There being no other business, the sitting adjourned at half past noon. Next sitting to be held on Tuesday 23<sup>rd</sup> February, 2016 at 10.00 am

SIGNED.....

DATE..... 31.3.2016

(Chairperson)



**MINUTES OF THE TWO HUNDREDTH AND EIGHTY FOURTH (284<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY 23<sup>RD</sup> FEBRUARY, 2016 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Joseph Manje, M.P.
3. Hon. Jude Njomo, M.P.
4. Hon. Kanini Kega, M.P.
5. Hon. Kangogo Bowen, M.P.
6. Hon. Fathia Mahbub, M.P.
7. Hon. Mathias Robi, M.P.
8. Hon. Andrew Mwadime, M.P.
9. Hon. Timothy Bosire, M.P.
10. Hon. Manson Nyamweya, M.P.
11. Hon. Stephen Manoti, M.P.
12. Hon. Sakwa Bunyasi, M.P.
13. Hon. Alice Nyanchoka Chae, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Jackson K. Rop, M.P. - Vice- Chairman
2. Hon. Kyengo Katatha Maweu, M.P.
3. Hon. Abdikadir Aden, M.P.
4. Hon. Joel Onyanicha, M.P.
5. Hon. Kareke Mbiuki, M.P.
6. Hon. Julius Melly, M.P.
7. Hon. Arthur Odera, M.P.
8. Hon. David Eseli, M.P.
9. Hon. Jessica Mbalu, M.P.
10. Hon. Junet Sheikh Nuh, M.P.
11. Hon. Silvanice Onyango Osele, M.P.
12. Hon. John Mbadi, M.P.
13. Hon. Charles Geni Mong'are, M.P.
14. Hon. Gonzi Rai, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Ms. Chelagat Tungo - Clerk Assistant II
2. Mr. Victor Weke - Clerk Assistant II
3. Ms. Winnie Kulei - Researcher
4. Mr. Chelanga Maiyo - Researcher
5. Mr. Collins Mahamba - Audio Recorder

**NATIONAL TREASURY**

1. Mr. Geoffrey Mwitari - Parliamentary Liaison Officer
2. Ms. Jane Njogu - Senior Assistant Accountant General

### OFFICE OF THE AUDITOR GENERAL

- |                      |   |                               |
|----------------------|---|-------------------------------|
| 1. MrFred M. Abugah  | - | Manager, Audit                |
| 2. Mr. Raphael Ikame | - | Parliamentary Liaison Officer |

### MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES

- |                         |   |                                |
|-------------------------|---|--------------------------------|
| 1. Prof.Micheni Ntiba   | - | Permanent Secretary, Fisheries |
| 2. Ms. Florence Keitany | - | SAAG                           |
| 3. Mr. Peter Odundo     | - | Chief Finance Officer          |
| 4. Mr. Francis Njau     | - | Head, Internal Audit           |

### FORMER AGRICULTURAL SECTOR COORDINATION UNIT (ASCU)

- |                          |   |                      |
|--------------------------|---|----------------------|
| 1. Dr. Mussolini Kithome | - | National Coordinator |
| 2. Mr. Gilbert Odanga    | - | Accountant           |
| 3. Mr. Murkor A. Soet    | - | Financial Accountant |

### MIN No. 1075/2016: PRELIMINARIES

The Chairman called the meeting to order at twenty five minutes past ten o' clock in the morning. A prayer was said followed by introductions by all present.

### MIN No. 1076/2016: CONFIRMATION OF MINUTES

The agenda item was deferred to the next meeting. There were thus no matters arising.

### MIN No. 1077/2016: EVIDENCE: ASCU - AUDIT QUERY NO. 417

### The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year

Prof. Micheni Ntiba, representing the Accounting Officer stated the following;

1. Agricultural Sector Coordination Unit (ASCU) had not submitted Financial Statements to the Auditor-General for audit since inception in 2005 as required by Section 7 of the Public Audit Act, 2003 despite the fact that the Unit receives funding from Government and other Development Partners.
2. In an effort to address the above issues, the Ministry requested the Internal Audit Department of the National Treasury to carry out a Systems Audit. The Management of ASCU were reluctant and opposed the Ministry's directive since they felt that the Unit was an Inter-Ministerial Unit composed of various Stakeholders and other Ministries. They also insisted that they were audited privately but did not produce approval of the Auditor-General to source for private auditors.
3. Following the refusal by ASCU Management to allow a systems audit to be undertaken, the Ministry referred the matter to the National Treasury through for advice. The National Treasury, through the Internal Auditor-General, authorized the audit to commence.
4. On or around 27<sup>th</sup> March, 2014 security officers attached to Kilimo House alerted the Ministry's administration that ASCU was relocating important accountable documents and computers from Kilimo House offices to NSSF Building whose purpose appeared to defeat the audit exercise which

- was going on. This matter was reported to Capitol Hill Police Station and the Unit Coordinator was advised to step aside for lack of cooperation with the auditors.
5. The audit exercise was finally concluded on 23<sup>rd</sup> April, 2014 and the Audit Report issued which revealed several irregularities on the utilization of funds.
  6. Since the National Coordinator of the Unit was not satisfied with the action taken for him to step aside, he filed a case against the Ministry at the High Court Vide High Court of Kenya Misc. Judicial Review Application No. 144 of 2014.
  7. Thereafter, the Coordinator and his staff vacated the Kilimo House Offices without clearance from the Ministry to NSSF Building.
  8. The Principal Secretary, State Department of Agriculture wrote to the Auditor General vide letter Ref No MOALF/CS/ADM/60(47) dated 23<sup>rd</sup> June 2014 requesting for a forensic audit of ASCU. The Auditor General wrote to the Project Coordinator ASCU vide letter Ref No C.868K (11) dated 11<sup>th</sup> September 2014 to avail the relevant documents for audit.
  9. The Principal Secretary, Ministry of Industrialization and Enterprises Development, in letter Ref No MCDM/2/64 Vol 1 dated 2<sup>nd</sup> December 2014, informed the Auditor General that as the matter was in court they could not proceed with the audit.
  10. The judgment in the JR Misc Application was delivered on 26<sup>th</sup> March, 2015 and gave orders to bar the Cabinet Secretary from unilaterally interfering with the work and operations of the ASCU or taking any disciplinary actions against Dr. Mussolini Kithome, the National Project Coordinator or any officers of the Unit.
  11. Since the Ministry was not satisfied with the decision made by the court, they instructed the Attorney General on 6<sup>th</sup> May, 2015 to appeal against the judgment, and are awaiting further communication from the Attorney General's office.
  12. Further, records available also reflect that ASCU has failed to account for the funds disbursed to them including Donor Funds which our development partners are seeking for their accountability.
  13. ASCU had failed to account for over Kes. 100 million from donors. Examples are Kes. 6.7 million of the Small Holder Horticultural Programme (SHOMAP) and Kes. 54 million Kenya Agricultural Productivity & Agri-business project. This meant the expenditures were ineligible, forcing the government to refund the money to donors. Kes. 74 million from SIDA was still outstanding and would most probably be rendered ineligible when the expiry of the Agricultural Sector Development Support Programme comes.

**Dr. Mussolini Kithome**, the then National Coordinator stated as follows;

1. He sought to clarify that he was not the current coordinator as had been implied, and had in fact left all records in the offices when they were 'bundled out' after instructions by the then Permanent Secretary Nancy Kamau vide a letter dated 27<sup>th</sup> March 2016. He joined ASCU as the 5<sup>th</sup> coordinator on 1<sup>st</sup> August 2008.
2. The unit was not under a specific ministry but reported to the chairperson of the inter-ministerial coordinating committee. This committee comprised 10 ministries and the chair was rotational every two years.
3. ASCU did not receive funding from ministries, but the various ministries chipped in on certain activities. He said that the Kes. 516 million received by the unit was an aggregate of funds from various sources for 2 financial years.
4. ASCU was created as the driver of the Economic Recovery Strategy of the NARC administration. The secretariat managed to harmonize about 100 laws into 3 instruments; the Kenya Agriculture and Livestock Research Organization, the Crop Regulations and the Agriculture, Fisheries and Food Authority Act. The ASCU secretariat was to run the latter of the three but the then Cabinet Secretary, Mr. Felix Koskei refused.
5. The ASCU was established with specific Terms of Reference and programme regulations. These included donor requirements that audit was to be done by the 'big 4' i.e. PwC, Deloitte & Touché, Ernst & Young and KPMG.



6. The secretariat received direction from the inter-ministerial coordinating committee.
7. ASCU at no time refused audit and the matter should be addressed in the police report. The private auditors audited the books of account as per the TOR. The auditor general audited funds specifically from ministries.
8. He went to court after the police investigations because he felt his rights were infringed upon. He insisted the offices were still at Kilimo House by the time he was 'bundled out'.

The Committee noted that Dr. Kithome denied going to court to block audit despite a letter by his lawyers indicating the same.

He was instructed to re-appear before the committee on Tuesday 1<sup>st</sup> March, 2016 with any documents he may have. The Committee also resolved to invite the Principal Secretaries Agriculture and Industrialization to the meeting, to provide all records of ASCU.

**MIN No. 1078/2016:- ADJOURNMENT**

There being no other business, the sitting adjourned at fifteen minutes past two o'clock in the afternoon. Next sitting to be held on 25<sup>th</sup> February, 2016 at 10.00 am.

Signed.....  
(Chairperson)



Date.....

31.3.2016

**MINUTES OF THE TWO HUNDREDTH AND EIGHTY FIFTH (285<sup>TH</sup>) SITTING OF THE  
PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY 25<sup>TH</sup> FEBRUARY, 2016 AT 10.00  
A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Joseph Manje, M.P.
3. Hon. FathiaMahbub, M.P.
4. Hon. Andrew Mwadime, M.P.
5. Hon. Timothy Bosire, M.P.
6. Hon. Manson Nyamweya, M.P.
7. Hon. SakwaBunyasi, M.P.
8. Hon. Joel Onyancha, M.P.
9. Hon. Abdikadir Aden, M.P.
10. Hon. KyengoKatathaMaweu, M.P.
11. Hon. Charles GeniMong'are, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Jackson K. Rop, M.P. - Vice- Chairman
2. Hon. KarekeMbiuki, M.P.
3. Hon. Stephen Manoti, M.P.
4. Hon. Alice NyanchokaChae, M.P.
5. Hon. Mathias Robi, M.P.
6. Hon. Jude Njomo, M.P.
7. Hon. KaniniKega, M.P.
8. Hon. Kangogo Bowen, M.P.
9. Hon. Julius Melly, M.P.
10. Hon. Arthur Odera, M.P.
11. Hon. David Eseli, M.P.
12. Hon. Jessica Mbalu, M.P.
13. Hon. Junet Sheikh Nuh, M.P.
14. Hon. SilvanaceOnyangoOsele, M.P.
15. Hon. John Mbadi, M.P.
16. Hon. GonziRai, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Mr. Victor Weke - Clerk Assistant II
4. Ms. Winnie Kulei - Researcher
5. Mr. Chelanga Maiyo - Researcher
6. Mr. Collins Mahamba - Audio Recorder

**NATIONAL TREASURY**

1. Mr. Geoffrey Mwitari - Parliamentary Liaison Officer
2. Ms. Jane Njogu - Senior Assistant Accountant General



### **OFFICE OF THE AUDITOR GENERAL**

1. Mr. Raphael Ikame - Parliamentary Liaison Officer

### **NATIONAL POLICE SERVICE COMMISSION**

1. Mr. Ojango Omumu - Chief Executive Officer

### **MIN No. 1079/2016: PRELIMINARIES**

The Chairman called the meeting to order at twenty half past ten o'clock in the morning. A prayer was said followed by introductions by all present.

### **MIN No. 1080/2016: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

### **MIN No. 1081/2016: EVIDENCE: AUDIT QUERY NO. 541 ON UNACCOUNTED MOTOR VEHICLE LOG BOOKS**

#### **The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year**

The Chairman informed the meeting that Dr. Elijah Achoch, former CEO National Police Service Commission who was set to appear before the Committee couldn't make it to attend the meeting. He had written a letter to the Clerk National Assembly, giving explanations as to why he was not able to appear before the committee. He however requested for a reschedule of the meeting to another date and the Committee accepted to set date for his submission.

Mr. Ojango Omumu, the current National Police Service Commission was in the meeting and was requested to give his submissions.

He informed the Committee that following the meeting that was held on 19<sup>th</sup> January, 2016 he had brought additional documentations to support his submissions. The documents were tabled before the Committee. The CEO was instructed to re-appear before the Committee together with Mr. Elijah Achoch on Tuesday 1<sup>st</sup> March, 2016 at 10.00am so as to give information on Paragraph 541 on Missing Motor Vehicle Logbooks

### **MIN No. 1082/2016: REVIEW OF TEAM 2 FIELD VISIT REPORTS**

The Chairman took the Committee through team 2 field visit report. It was observed that the site visits went as planned and all areas identified were visited by the team Members. A number of issues were pointed out and the team's secretariat was asked to make the necessary correction and changes.

In its recommendation, the Committee requested the secretariat to schedule a meeting for the PS Ministry of Transport and Infrastructure to appear before PAC together with the CEO KeNHA and Consulting Engineers who were in charge of engineering works in Busia, Isebania, Malaba and Taveta/ LungaLunga.

The CEO Kenya should explain why there was a big problem with roads especially Kakamega- Webuye Road, Kisumu-Kakamega road, Kitale-Webuye road and Marsabit-Turbi road. The works done were reported to be substandard and the costs incurred on the projects were too high.

It was also observed that one stop border post was constructed on Kenyan side boarder whereas there was no post and road on the Ugandan side. This was an indication of lack of user coordination.

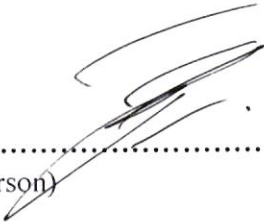
Other than a few errors noted which needed correction and amendments, the Committee observed that most information had been captured in the report.

**MIN No. 1068/2016:- ANY OTHER BUSINESS**

The Committee had earlier resolved to retreat on 25<sup>th</sup> – 29<sup>th</sup> February, 2016 to finalize its report on the IEBC procurement of electronic devices for the 2013 General Election but due to lack of sufficient funds, the retreat was pushed forth to the 1<sup>st</sup> week of March. The dates were set for Thursday 3<sup>rd</sup> to Tuesday 8<sup>th</sup> March, 2016. It was resolved that Members travel on Sunday 6<sup>th</sup> March so that they don't lose out on their mileage and return on Tuesday 8<sup>th</sup>, March, 2016.

**MIN No. 1083/2016:- ADJOURNMENT**

There being no other business, the sitting adjourned at fifteen minutes past one o'clock in the afternoon. Next sitting to be held on 1<sup>st</sup> March, 2016 at 10.00 am.

Signed.......... Date..... 31.3.2016  
(Chairperson)

**MINUTES OF THE TWO HUNDREDTH AND EIGHTY SIXTH (286<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY 1<sup>ST</sup> MARCH, 2016 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Joseph Manje, M.P.
3. Hon. Jude Njomo, M.P.
4. Hon. KaniniKega, M.P.
5. Hon. Kangogo Bowen, M.P.
6. Hon. FathiaMahbub, M.P.
7. Hon. Andrew Mwadime, M.P.
8. Hon. Timothy Bosire, M.P.
9. Hon. Stephen Manoti, M.P.
10. Hon. SakwaBunyasi, M.P.
11. Hon. Alice NyanchokaChae, M.P.
12. Hon. Abdikadir Aden, M.P.
13. Hon. KyengoKatathaMaweu, M.P.
14. Hon. Charles GeniMong'are, M.P.
15. Hon. Arthur Odera, M.P.
16. Hon. David Eseli, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Jackson K. Rop, M.P. - Vice- Chairman
2. Hon. Mathias Robi, M.P.
3. Hon. Joel Onyancha, M.P.
4. Hon. KarekeMbiuki, M.P.
5. Hon. Julius Melly, M.P.
6. Hon. Manson Nyamweya, M.P.
7. Hon. Jessica Mbalu, M.P.
8. Hon. Junet Sheikh Nuh, M.P.
9. Hon. SilvanceOnyangoOsele, M.P.
10. Hon. John Mbadi, M.P.
11. Hon. GonziRai, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms.ChelagatTungo - Clerk Assistant II
3. Ms.WinnieKulei - Researcher
4. Mr. ChelangaMaiyo - Researcher
5. Mr. Collins Mahamba - Audio Recorder
6. Ms.ZainabWario - Serjent at Arm

**NATIONAL TREASURY**

1. Mr. Geoffrey Mwitari - Parliamentary Liaison Officer

## OFFICE OF THE AUDITOR GENERAL

1. Mr. Raphael Ikame - Parliamentary Liaison Officer

## NATIONAL POLICE SERVICE COMMISSION

1. Mr. Ojango Omumu - Chief Executive Officer
2. Dr. Elijah Achoch - Former Secretary/ CEO National Police Service Commission.

## MIN No. 1084/2016: PRELIMINARIES

The Chairman called the meeting to order at twenty minutes past ten o'clock in the morning. A prayer was said followed by introductions by all present.

## MIN No. 1085/2016: CONFIRMATION OF MINUTES

The agenda item was deferred to the next meeting. There were thus no matters arising.

## MIN No. 1086/2016: EVIDENCE: AUDIT QUERY NO. 541 ON UNACCOUNTED MOTOR VEHICLE LOG BOOKS

### The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year

Dr. Elijah Achoch informed the Committee that;

- i. The logbooks were in safe custody under lock and key in the safe located in the CEO's office.
- ii. When he was appointed as the CEO, the then Secretary to the outgoing CEO, Ms. Joyce Wambogo had the custody of the logbooks. He appointed an officer in charge of transport, Ms. Stella Oimbo and the logbooks were handed over to her by Ms. Wambogo since it was her duty to take care of all documents relating to transport.
- iii. The original copies of the logbooks were then kept in the safe located in the CEO's office and memos dated 23<sup>rd</sup> June, 2013 Ref. NPSC/1/3/17/ Vol(169) and 24<sup>th</sup> June, 2013 Ref. NPSC/3/17/Vol1/175 were in place confirming the handing over process.
- iv. He was dismissed from his post as the National Police Service Commission CEO unceremoniously and was denied access to his office. He was then moved to an office located at Bruce House in town as the CID carried out investigations.
- v. His documents and personal belongings were sent to his house where he received and verified all items in the presence of Ms. Stella Oimbo, officer from the Commission and confirmed that no logbooks were among the documents he had received.
- vi. He strongly believed that the NPSC had institutions and trained officers who could investigate the missing logbooks easily and come up with conclusive results within the shortest time possible.
- vii. Everything regarding his handing over was well documented and the report submitted to the Committee by the current CEO in office.


The Committee instructed the current CEO to bring the matter to the attention of KRA officials in charge and seek direction on way forward from the National Treasury. They will then receive authority to cancel the old logbooks and apply for new ones since the vehicles were in safe custody of the Commission.

The query however remained pending.

MIN No. 1087/2016:- ADJOURNMENT

There being no other business, the sitting adjourned atten minutes totwelve o'clock. Next sitting to be held on 3<sup>rd</sup> March, 2016 at 10.00 am

Signed.....  
(Chairperson)



Date.....

31.3.2016



**MINUTES OF THE TWO HUNDRED AND EIGHTY SEVENTH (287<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY 3<sup>RD</sup> MARCH, 2016 AT 10.00 A.M. IN THE MINI-CHAMBER, COUNTY HALL.**

**PRESENT**

**NATIONAL ASSEMBLY**

1. Hon. Justin B.N. Muturi, EGH, - Speaker, National Assembly
2. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman, PAC
3. Hon. Joseph Manje, M.P.
4. Hon. Abdikadir Aden, M.P.
5. Hon. FathiaMahbub, M.P.
6. Hon. Andrew Mwadime, M.P.
7. Hon. David Eseli, M.P.
8. Hon. Junet Sheikh Nuh, M.P.
9. Hon. KyengoKatathaMaweu, M.P.
10. Hon. Manson Nyamweya, M.P.
11. Hon. Timothy Bosire, M.P.
12. Hon. Alice NyanchokaChae, M.P.
13. Hon. AdanKeynanWehliye, MP - Chairman, PIC
14. Hon. Kimanilchung'wa - Vice- Chairman, PIC
15. Hon. ChrisanthusWamalwa, MP
16. Hon. Paul Otuoma, MP
17. Hon. John OlagoAluoch, MP
18. Hon. KoreiLemein, MP
19. Hon. Bernard Kitungi, MP
20. Hon. Sammy Mwaita, MP
21. Hon. (Eng.) John Kiragu, MP
22. Hon. Johnson Sakaja, MP

**ABSENT WITH APOLOGY**

1. Hon. Jackson K. Rop, M.P. - Vice- Chairman, PAC
2. Hon. Jude Njomo, M.P.
3. Hon. KaniniKega, M.P.
4. Hon. Kangogo Bowen, M.P.
5. Hon. Stephen Manoti, M.P.
6. Hon. SakwaBunyasi, M.P.
7. Hon. Charles GeniMong'are, M.P.
8. Hon. Arthur Odera, M.P.
9. Hon. Mathias Robi, M.P.
10. Hon. Joel Onyanchara, M.P.
11. Hon. KarekeMbiuki, M.P.
12. Hon. Julius Melly, M.P.
13. Hon. Jessica Mbalu, M.P.
14. Hon. SilvanaceOnyangoroOsele, M.P.
15. Hon. John Mbadi, M.P.
16. Hon. GonziRai, M.P.

## IN ATTENDANCE

### NATIONAL ASSEMBLY

1. Mr. Justin N. Bundi - Clerk, National Assembly
2. Mr. Jeremiah Nyegenye - Clerk, Senate/ Secretary, Parliamentary Service Commission
3. Mr. Daniel Mutunga - Principal Clerk Assistant
4. Ms. Susan Maritim - Clerk Assistant I
5. Mr. Victor Weke - Clerk Assistant II
6. Ms. ChelagatTungo - Clerk Assistant II
7. Mr. Philip Lekarkar - Clerk Assistant III
8. Mr. EllyAtamba - Researcher
9. Mr. ChelangaMaiyo - Researcher
10. Ms. Catherine GatiBurure - Fiscal Analyst
11. Mr. Collins Mahamba - Audio Recorder

### NATIONAL TREASURY

1. Dr.KamauThugge - Principal Secretary, Treasury
2. Mr. Bernard Ndungu - Director General, Accounting Services
3. Mr. Tom Khakame - Director Accounting
4. Mr. Francis Anyona - Director
5. Mr. Geoffrey Mwitari - Parliamentary Liaison Officer

### THE PRESIDENCY

1. Hon. Abdikadir Mohamed - Senior Advisor
2. Mr. Anthony Gatumbu - Advisor, Fiscal Devolution
3. Mr. Jasper Mbiuki - Secretary, Legal and Compliance

### OFFICE OF THE AUDITOR GENERAL

1. FCPA Edward Ouko - Auditor General
2. Mr. ObedChweya - Senior Manager
3. Mr. Leonard Milgo - Manager
4. Mr. Raphael Ikame - Parliamentary Liaison Officer

### JUDICIARY

1. Ms. Anne Amadi - Chief Registrar
2. Ms. Judy Omenge - Registrar, High Court
3. Ms. Beatrice Kamau - Deputy Director
4. Ms. Esther Nyaiyaki - Registrar
5. Ms. M.K.K Serem - Registrar

### OFFICE OF CONTROLLER OF BUDGET

1. Mrs. Agnes Odhiambo - Controller of Budget
2. Mr. Stephen Masha - Deputy Controller of Budget
3. Mr. Patrick Kamore - Chief Fiscal Analyst- National Government

### OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS

1. Mr. KeriakoTobiko - Director of Public Prosecutions
2. Mr. Paul Ndemo - Senior Assistant Director of Public Prosecutions
3. Mr. Elijah Nduati - Senior Public Prosecutor
4. Mr. Walter Oselu - Chief Finance Officer

### OFFICE OF THE ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE

1. Mr. NjeeMuturi - Solicitor General

**MIN No. 1088/2016: PRELIMINARIES**

The Hon. Speaker called the meeting to order at thirty minutes past ten o'clock in the morning. A prayer was said by Hon. Chrisanthus Wamalwa, MP followed by introductions by all present.

**MIN No. 1089/2016: 'BIG 9' ROUND TABLE ON MATTERS OF PUBLIC POLICY AND THE AUDIT CYCLE**

The Hon. Speaker gave a background to the importance of convening the meeting, the 1<sup>st</sup> of its kind in the 11<sup>th</sup> Parliament. He noted the importance of all government agencies working in synchrony towards public accountability, as demanded by the various laws including the Constitution, the Standing Orders of Parliament and the various financial laws and regulations. He then called upon the chairpersons of the oversight committees to make their presentation;

**Hon. (Eng.) Nicolas Gumbo, MP- Chairman, Public Accounts Committee**

He stated that the primary mandate of PAC as derived from Standing Order 205 (2) is to oversee the expenditure of public funds by Ministries/Departments, to ensure value for money and adherence to government financial regulations and procedures. The Committee executes its mandate on the basis of annual and special audit reports prepared by the Office of the Auditor General.

He added that PAC is guided by core constitutional and statutory principles on public finance management, as well as established customs, traditions, practices and usages, including but not limited to;

- Constitutional Principles on Public Finance- Article 201 of the Constitution
- Direct Personal Liability as per Article 226(5) of the Constitution
- Obligations of Accounting Officers as in Section 68 (1) and section 74 (2) of the Public Finance Management Act, 2012

He added that the Committee faced the following emerging issues in the course of its work;

1. Poor performance by some Accounting Officers
2. Unwarranted attack on the Office of the Auditor General
3. Mounting Pending Bills always attributable to late exchequer releases by Treasury. This ended up with hefty interest charges on delayed payments
4. Under-Collection of Appropriations-In-Aid
5. Poor accounting standards across ministries, with some admitting a lack of capacity
6. Challenges with the Integrated Financial Management Information System (IFMIS)
7. Poor implementation of Government projects
8. Internal audits function of ministries and agencies that are not playing their role. This contravenes Section 73 of the PFM Act.
9. Lack of implementation by implementing Agencies like the DPP. He also added that cases represented by officers of the DPP are often lost.
10. A lack of a proper framework governing agencies that cross-cut across various ministries

He concluded that strict compliance with Article 229 of the Constitution will lead to a synergy between Parliament, Office of the Auditor General and Accounting Officers. The audit process should not be considered adversarial, except by those who participate in pilferage.

**Hon. Adan Keynan Wehliye, MP- Chairman, Public Investments Committee**

The Public Investment Committee (PIC) is established by the House pursuant to standing order No. 206 and is mandated to, amongst others;

- Examine the reports and accounts of the public investments;



- Examine the reports, if any, of the Auditor General on the public investments;
- Examine, in the context of the autonomy and efficiency of the public investments, whether the affairs of the public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices.

The committee is seized of its role and has performed consistently to deliver on their mandate, in performing its role of examining public investments; the committee faced numerous challenges that can be reduced if not eliminated by this round table team.

Lack adequate documentation from the accounting officers to support budgetary commitments coupled with other challenges including:-

1. Poor performance of accounting officers- their unpreparedness when called upon to appear before the committee, failure to submit copies of responses to the office of the Auditor General in advance to facilitate prior scrutiny and concurrence
2. Inconsistency in reporting of unresolved issues year- in. this matter puts the integrity of the Auditor General in disrepute; example is the NSSF issues of the prior years including court cases.
3. Poor responses to audit queries by some accounting officers- lack of elaborate responses compromise the determination of by the committee relating to the audit query
4. Prolonged court cases involving former accounting officers and other employees on issues related to corruption. In the event of such situations the committee is bared from dealing and dispensing the matter due to the sub prejudice law.
5. Poor implementation of budgetary allocations and in some cases complete disregard to the project documents and objectives
6. Insufficient support and partnerships with the office of the inspector general of state corporations, auditor general and national treasury when dealing with matters of corruption and misuse of public resources
7. Inadequate capacity of public officers dealing with public finances as provided for in the PFM Act, 2012. These officers should be capacity build on specific areas and functionalities of the IFMIS and also the IPSAS standards improve financial reporting

Noting that the parastatal reforms initiated by the president through a task force are complete and due for implementation in concurrence with the 'Mwongozo' policy document, the government should mainstream the recommendations and facilitate the merger of some state corporations to enhance efficiency and reduce duplication.

#### **The Auditor General, Controller of Budget and Accounting Officers**

- a) **The Auditor General** said that the law should be amended to give him more time to complete audits due to the expanded mandate of his office covering counties, MDAs and the Courts. The six month period provided for in the Constitution under Article 229, is short hence shortcomings in the reporting framework.

The Auditor General further informed the Committee that there was need to make the Accounting officers own the audit process and their participation is paramount to eliminating inconsistencies in documentation and reporting by the PFM officers.

He reiterated that the audit reports prepared by his office are public documents and pursuant to the provisions of the Constitution he is obliged to publish and publicized such reports for the public consumption and other stakeholders.

- b) **The Controller of Budget** is of the view that the COB (Amendment) Bill, 2015 before Parliament be fast tracked accordingly to safeguard the independence of the office.

She proposed regular meetings with the Budget & Appropriations Committee, Finance Committee and the Departmental committees to deliberate on budget issues affecting budget implementation and fast tracking recommendations of the COB and various Committees.

- c) **The Principal Secretary, National Treasury** said that the strict timelines in the budget cycle is important in the realization of optimal service delivery. The PFM Act, 2012 sets the procedure for the submission of the Budget Policy Statement, Division of Revenue Bill and the debt management Strategy to Parliament. In this regard therefore, there is need to facilitate the process seamlessly to guard against service disruption due to non-adherence of the timelines. The approval process of the budget should be transparent and the Houses of Parliament to pronounce themselves in the BPS.

He added that Section 30, of the Public Audit Act, 2015 provides for the process of implementing committee recommendations and the timelines to report back on the status of implementation by the MDAs. The law provides for three months (3) for the institutions concerned to dispense on the recommendations and report back appropriately to Parliament, Auditor General, and the National Treasury for subsequent year planning.

He noted that the Accounting officers should not commit government to signing contractual agreements without attendant resources to finance projects, as this will shield Government from litigations arising from breach of contracts entered without ring fenced resources to honor payment of works delivered.

He further stated that there is a task force under the national Treasury whose mandate is to review and report on the previous and current government accumulated pending bills. This will provide the mechanism to logically clearance earmark resources for their clearance in the subsequent financial year.

- d) **The Director of Public Prosecutions** and the **Registrar of the Judiciary** reiterated the coordination amongst the key stakeholders in prosecuting corruption cases should be emphasized and adequate funding be directed to the fight against corruption.

In ensuring that the recommendations of the oversight committees of National Assembly (PAC& PIC) the Director of Public Prosecution stated that he forwards the necessary documentation for the relevant criminal investigative agencies to investigate and revert back the findings for review and action by the DPP.

- e) **The Solicitor General** stated that as regards to procurement and tender/contract management the office of the Attorney General should be involved in the signing of specific contracts that may subject the country to contingent liabilities arising from cancelation and/ or revision of contract documents.

#### WAY FORWARD

The meeting resolved the following;

1. All agencies implementing resolutions of Parliament including the Director of Public Prosecutions, EACC and the Attorney General's office will report to Parliament every six months on status of implementation.
2. There will be regular meetings between the Controller of Budget and departmental committees of the National Assembly on the Controller of Budget reports.
3. Treasury will give annual memoranda on implementation of recommendations of PAC and PIC.

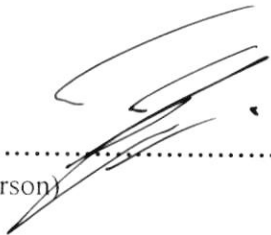


4. Accounting Officers to strictly adhere to audit timelines as per the Constitution. This will be done by among others timely and full response to management letters of the Auditor General.
5. Treasury to enforce the External Resources Policy to curb under-collection of Appropriations in Aid.
6. Engagements between all agencies and Parliament will be cordial and mutually respectful. All the agencies will in turn work in synergy and appreciate each other's work.
7. The 'Big 9' round table meeting to be held annually.
8. The Presidency and Treasury to enforce the parastatal reform policy- Mwongozo; by immediately hastening the Bill that seeks to harmonize all relevant laws.

**MIN No. 1090/2016:ADJOURNMENT**

There being no other business, the meeting adjourned at ten minutes to two o'clock in the afternoon.

Signed.....  
(Chairperson)



Date..... 31.3.2016

MINUTES OF THE TWO HUNDRED AND EIGHTY EIGHTH (288<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY 10<sup>TH</sup> MARCH, 2016 AT 10.30 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.

PRESENT

1. Hon. Jackson K. Rop, M.P. - Vice- Chairman
2. Hon. Joseph Manje, M.P.
3. Hon. Joel Onyanicha, M.P.
4. Hon. Sakwa Bunyasi, M.P.
5. Hon. Kanini Kega, M.P.
6. Hon. Abdikadir Aden, M.P.
7. Hon. Andrew Mwadime, M.P.
8. Hon. Kyengo Katatha Maweu, M.P.
9. Hon. Timothy Bosire, M.P.
10. Hon. Fathia Mahbub, M.P.
11. Hon. Stephen Manoti, M.P.

ABSENT WITH APOLOGY

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Julius Melly, M.P.
3. Hon. Mathias Robi, M.P.
4. Hon. David Eseli, M.P.
5. Hon. Manson Nyamweya, M.P.
6. Hon. Charles Geni Mong'are, M.P.
7. Hon. Gonzi Rai, M.P.
8. Hon. Alice Nyanchoka Chae, M.P.
9. Hon. Kareke Mbiuki, M.P.
10. Hon. Jessica Mbalu, M.P.
11. Hon. Arthur Odera, M.P.
12. Hon. Junet Sheikh Nuh, M.P.
13. Hon. Kangogo Bowen, M.P.
14. Hon. Jude Njomo, M.P.
15. Hon. John Mbadi, M.P.
16. Hon. Silvanice Onyango Osele, M.P.

IN ATTENDANCE

NATIONAL ASSEMBLY

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Ms. Winnie Kulei - Researcher
4. Ms. Catherine Gati Burure - Fiscal Analyst
5. Mr. Collins Mahamba - Audio Recorder

NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Parliamentary Liaison Officer

OFFICE OF THE AUDITOR GENERAL

1. Mr. Raphael Ikame - Parliamentary Liaison Officer

MIN No. 1091/2016: PRELIMINARIES

The Vice Chairperson called the meeting to order at ten minutes to eleven o'clock in the morning. A prayer was said followed by introductions by all present.

MIN No. 1092/2016: PRESENTATION BY THE PS PLANNING; MR. SAITOTI TOROME

The Chairperson informed the Committee that the CDF report had not been included in the Main Auditor General's report of the financial year 2013/2014 since each of the 290 constituencies was audited independently and reports tabled in Parliament separately. It was also noted that each fund manager had been audited independently as an accounting officer for their respective constituencies.

**The Principal Secretary informed the Committee that;**

- a. The Public Finance Management (PFM) Act required accounting officers to prepare and submit financial statements of the entity to the Auditor General within 90 days from the end of each financial year. Further, the National Government Constituencies Development Fund (NG-CDF) Act, 2015 required the CDF Board to submit separate statements for the secretariat and constituencies to the Auditor General. Consequently, each of the 290 constituencies prepared their own financial statements for financial year (FY) 2013/2014 and submitted by the Board to the Auditor General as required.
- b. Further, the Public Sector Accounting Standards Board (PSASB) specified the accounting framework to be used by various public sector entities in preparation of financial statements. The CDF Board secretariat was required to use International Public Sector Accounting Standards (IPSAS) accrual whereas the constituencies used IPSAS cash accounting framework.
- c. The officers responsible for preparation of financial statements in the constituencies therefore had a daunting task of not only preparing financial statements for the first time but also first time adoption of the IPSAS cash accounting framework and within very short timelines.
- d. The CDF Board together with the PSASB therefore undertook a crash program in July & August 2014 to train all District Accountants, Fund Account Managers and Chairpersons of Constituencies Development Fund Committees (CDFC) on preparation of financial statements using the IPSAS cash accounting framework. Albeit the challenges in training this composite group of officers within the limited time, they were nonetheless able to prepare and submit the financial statement for each of the 290 constituencies within the short period remaining to the dead line of 30<sup>th</sup> September 2014.

**The Ag. CDF Board CEO gave a summary of audit opinion as follows;**

- a. That the CDF Board had so far received Auditor General Annual Reports for FY 2013/2014 for 247 Constituencies whose opinions are as summarized in the table below:

	REGION	NO. OF CONSTITUENCIES	REPORTS RECEIVED	CLEAN	QUALIFIED	ADVERSE	DISCLAIMER	NOT RECEIVED
1	EASTERN	44	39	2	30	6	1	5
2	NYANZA	42	31	4	22	5		11
3	NAIROBI	17	16	1	15			1
4	COAST	26	19		11	4	4	7
5	SOUTHRIFT	41	32	4	15	2	11	9
6	NORTHRIFT	35	33		10	4	19	2
7	NORTHEASTERN	18	14		2		12	4
8	WESTERN	33	30	3	8	12	7	3
9	CENTRAL	34	33	1	15	2	15	1
	<b>TOTAL</b>	<b>290</b>	<b>247</b>	<b>15</b>	<b>128</b>	<b>35</b>	<b>69</b>	<b>43</b>

- b. That as evidenced in the table, majority of the constituencies had qualified (128 constituencies), adverse (35 constituencies) or disclaimer of (69 constituencies) opinions with a few (15 Constituencies) getting unqualified (clean) opinion. The state of affairs could be attributed to a number of factors, among them:
- i. First time preparation of financial statements (IPSAS cash framework)
  - ii. Poor record keeping and maintenance of books of accounts
  - iii. Weaknesses in internal controls and compliance of various laws and regulations
  - iv. Capacity challenges in preparation of financial statements
  - v. Challenges in project implementation
  - vi. The board has no direct reporting responsibility on the officers in the district treasury who have the requisite accounting training required in preparation of financial statements
  - vii. Lack of proper appreciation by auditors of CDF operations

The factors listed above were derived from the analysis of the various issues raised by the Auditor General as the basis of the opinions

#### WAY FORWARD

The meeting resolved the following;

1. That the Auditor General carry out a review of responses provided by Constituencies with either adverse or disclaimer of opinion and give a report to PAC within one week on the adequacy of the responses.
2. The Committee to summon the accounting officers who will be accompanied by fund managers from the listed constituencies whose issues will still be outstanding after the review in (1) above.
3. The Auditor General to provide a comprehensive list of the 69 Constituencies listed as disclaimer and the 35 Constituencies listed as adverse opinions to the Committee. This will enable the secretariat schedule for meetings by giving priority to the above constituencies.

It was unanimously agreed that all accounts of every constituency be looked at as per the General Auditors report and that none be isolated.

#### MIN No. 1093/2016:ADJOURNMENT

There being no other business, the meeting adjourned at twenty minutes to noon. The next meeting will be held on Tuesday, 15<sup>th</sup> March, 2016 at 10.00 a.m.

Signed.....  
(Chairperson)

Date.....

31.3.2016



**MINUTES OF THE TWO HUNDRED AND EIGHTY NINTH (289<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 15<sup>TH</sup> MARCH, 2016 AT 10.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING.**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Joseph Manje, M.P.
4. Hon. Jude Njomo, M.P.
5. Hon. Joel Onyancha, M.P.
6. Hon. Kareke Mbiuki, M.P.
7. Hon. Gonzi Rai, M.P.
8. Hon. Julius Melly, M.P.
9. Hon. Kangogo Bowen, M.P.
10. Hon. Abdikadir Aden, M.P.
11. Hon. Andrew Mwadime, M.P.
12. Hon. Sakwa Bunyasi, M.P.
13. Hon. Manson Nyamweya, M.P.
14. Hon. Alice Nyanchoka Chae, M.P.
15. Hon. Kyengo Katatha Maweu, M.P.
16. Hon. Timothy Bosire, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Kanini Kega, M.P.
2. Hon. Silvanice Onyango Osele, M.P.
3. Hon. John Mbadi, M.P.
4. Hon. Fathia Mahbub, M.P.
5. Hon. Junet Sheikh Nuh, M.P.
6. Hon. Stephen Manoti, M.P.
7. Hon. Charles Geni Mong'are, M.P.
8. Hon. Arthur Odera, M.P.
9. Hon. David Eseli, M.P.
10. Hon. Jessica Mbalu, M.P.
11. Hon. Mathias Robi, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Mr. Victor Weke - Clerk Assistant II
4. Ms. Winnie Kulei - Researcher
5. Mr. Chelanga Maiyo - Researcher
6. Mr. Collins Mahamba - Audio Recorder

**NATIONAL TREASURY**

Mr. Geoffrey Mwitari - Chief Accountant/ Parliamentary Liaison Officer



#### OFFICE OF THE AUDITOR GENERAL

1. Mr. Fred Abugah - Manager, Audit
2. Mr. Raphael Ikame - Parliamentary Liaison Officer

#### MINISTRY OF AGRICULTURE, LIVESTOCK & FISHERIES

1. Dr. Richard Lesiyampe - PS, Agriculture
2. Ms. Florence Keitany - Senior Accountant
3. Mr. Peter Odundo - Chief Finance Officer
4. Mr. Charles Mwaura - Accountant
5. Mr. Joseph Kirubi - Accountant

#### FORMER AGRICULTURAL SECTOR COORDINATION UNIT (ASCU)

1. Dr. Mussolini Kithome - National Coordinator
2. Mr. Gilbert Odanga - Accountant
3. Mr. Murkor A. Soet - Financial Accountant

#### MIN No. 1094/2016: PRELIMINARIES

The Chairman called the meeting to order at thirty minutes past ten o'clock in the morning. A prayer was said followed by introductions by all present.

#### MIN No. 1095/2016: CONFIRMATION OF MINUTES

The agenda item was deferred to the next meeting. There were thus no matters arising.

#### MIN No. 1096/2016: ASCU - AUDIT QUERY NO. 417

#### The Appropriation Accounts, Other Public Accounts and the Accounts of the Funds for the 2013/2014 Financial Year

Dr. Richard Lesiyampe, the Accounting Officer reiterated the ministry's response as given before the Committee on two occasions before as below:

1. Agricultural Sector Coordination Unit (ASCU) was an inter-ministerial agency comprising 10 ministries: Agriculture, Livestock Development, Cooperative Development, Fisheries, Water, Lands and Settlement, Regional Development, Environment, Forestry & Wildlife and the Ministry of State for Development of Northern Kenya. The development partners included FAO, USAID, GIZ, World Bank, African Development Bank, Danida, IFAD, SIDA, EU, JICA and DFID.
2. ASCU had not submitted Financial Statements to the Auditor-General for audit since inception in 2005 as required by Section 7 of the Public Audit Act, 2003 despite the fact that the Unit receives funding from Government and other Development Partners.
3. In an effort to address the above issues, the Ministry requested the Internal Audit Department of the National Treasury to carry out a Systems Audit. The Management of ASCU were reluctant and opposed the Ministry's directive since they felt that the Unit was an Inter-Ministerial Unit composed of various Stakeholders and other Ministries. They also insisted that they were audited privately but did not produce approval of the Auditor-General to source for private auditors.

4. Following the refusal by ASCU Management to allow a systems audit to be undertaken, the Ministry referred the matter to the National Treasury through for advice. The National Treasury, through the Internal Auditor-General, authorized the audit to commence.
5. On or around 27<sup>th</sup> March, 2014 security officers attached to Kilimo House alerted the Ministry's administration that ASCU was relocating important accountable documents and computers from Kilimo House offices to NSSF Building whose purpose appeared to defeat the audit exercise which was going on. This matter was reported to Capitol Hill Police Station and the Unit Coordinator was advised to step aside for lack of cooperation with the auditors.
6. The audit exercise was finally concluded on 23<sup>rd</sup> April, 2014 and the audit report issued which revealed several irregularities on the utilization of funds, including outstanding imprests of Kshs. 16M and several cases of direct procurement of private hotels.
7. The Principal Secretary, State Department of Agriculture wrote to the Auditor General vide letter Ref No MOALF/CS/ADM/60(47) dated 23<sup>rd</sup> June 2014 requesting for a forensic audit of ASCU. The Auditor General wrote to the Project Coordinator ASCU vide letter Ref No C.868K (11) dated 11<sup>th</sup> September 2014 to avail the relevant documents for audit.
8. Since the National Coordinator of the Unit was not satisfied with the action taken for him to step aside, he filed a case against the Ministry at the High Court Vide High Court of Kenya Misc. Judicial Review Application No. 144 of 2014.
9. The Principal Secretary, Ministry of Industrialization and Enterprises Development, in letter Ref No MCDM/2/64 Vol 1 dated 2<sup>nd</sup> December 2014, informed the Auditor General that as the matter was in court they could not proceed with the audit.
10. Thereafter, the Coordinator and his staff vacated the Kilimo House Offices without clearance from the Ministry to NSSF Building.
11. The judgment in the JR Misc Application was delivered on 26<sup>th</sup> March, 2015 and gave orders to bar the Cabinet Secretary from unilaterally interfering with the work and operations of the ASCU or taking any disciplinary actions against Dr. Mussolini Kithome, the National Project Coordinator or any officers of the Unit.
12. Since the Ministry was not satisfied with the decision made by the court, they instructed the Attorney General on 6<sup>th</sup> May, 2015 to appeal against the judgment, and are awaiting further communication from the Attorney General's office.
13. Since the former staff were dismissed, audit has not been possible since auditable documents were password protected. The offices were still locked, with assets that were left by the former staff still intact.
14. In a meeting of the inter-ministerial coordinating committee, it was resolved that ASCU be renamed to a non-biased name. This led to it being named Green Growth Initiative. To further its neutrality, it was recommended that it be moved from Kilimo House to neutral place.

**Dr. Mussolini Kithome**, the then National Coordinator stated as follows;

1. The report as presented by the Principal Secretary contained several factual inaccuracies.
2. In 2005, the Government of Kenya and Development partners came together to work as a team in a strategy to revitalize agriculture. This joint effort needed a secretariat to run day to day operational activities, and ASCU was formed. A memorandum of understanding on its operations was signed between the government and the development partners.
3. ASCU worked under an inter-ministerial coordination committee of 10 ministries who elected a rotational chair on a two year term. This chairperson was the direct supervisor of the secretariat.
4. ASCU ensured operational procedures were in place for the implementers to then incur expenditure on projects. The funds did not come to ASCU as a whole but were disbursed to these implementers.
5. Each program opened a separate fund account as per donor conditionalities, and these were closed at the end of the programs. The accounts had names of ASCU and the specific programs; for example, a GIZ funded program would be named 'ASCU- GIZ'.

6. These bank accounts were opened under the auspices of the Ministry of Agriculture since ASCU was not a legal entity by itself. The signatories to the bank accounts included the ASCU National Coordinator and the ministry's principal accountants. All debits to the accounts were signed off by both.
7. That the motor vehicles used by the unit were donor acquired but were registered under the government, rather than wait for projects to end before handing them over to government.
8. They did not run away from Kilimo house as alleged, and the police report would vindicate them if produced.
9. The secretariat never resisted audit and he suspects the letters tabled before the committee are backdated to give this impression.
10. The Green Growth Initiative that succeeded ASCU is a noble venture that he believes in and he is a member in his individual capacity, and consults when his services are sought.

**The Committee resolved the following;**

1. That in its report on the FY 2013/14 books, the matter of obstructing audit be referred to the Director of Public Prosecution for investigation.
2. That the former staff of ASCU be compelled to assist auditors access files for audit, as per Article 125 of the Constitution.
3. That a forensic audit be recommended on the books of the unit since inception, in the Committee's report on the FY 2013/14 books.
4. That Attorney General to explain why he had taken more than one year to appeal the judgement of the court.
5. The Treasury liaison officer to check if Treasury allowed the opening of the several bank accounts operated by ASCU.

**MIN No. 1097/2016:ANY OTHER BUSINESS**

1. The Chairman informed the meeting that he would attend the Executive Committee meeting of AFROPAC on 17<sup>th</sup> March 2016, and as such will miss the next Committee sitting on the same day which will be hosting the Principal Secretary Infrastructure and Kenha.
2. The Committee resolved to meet on Tuesday 22<sup>nd</sup> March 2016 to adopt the report on IEBC for subsequent tabling same day.
3. The Committee noted that its receipt of evidence from Accounting Officers on the 2013/14 Auditor General's report was complete and would thus retreat to write its report in Malindi, from the 29<sup>th</sup> March– 3<sup>rd</sup> April, 2016

**MIN No. 1098/2016:ADJOURNMENT**

There being no other business, the sitting adjourned at twenty minutes past one o'clock in the afternoon. Next sitting to be held on 17<sup>th</sup> March, 2016 at 10.00 am.

Signed.....  
(Chairperson)



Date. 21.3.2016



MINUTES OF THE TWO HUNDRED AND NINETIETH (290<sup>TH</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 22<sup>ND</sup> MARCH, 2016 AT 11.00 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING

PRESENT

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Joseph Manje, M.P.
4. Hon. Jude Njomo, M.P.
5. Hon. Joel Onyancha, M.P.
6. Hon. Kareke Mbiuki, M.P.
7. Hon. Gonzi Rai, M.P.
8. Hon. Julius Melly, M.P.
9. Hon. Kangogo Bowen, M.P.
10. Hon. Andrew Mwadime, M.P.
11. Hon. Sakwa Bunyasi, M.P.
12. Hon. Kanini Kega, M.P.
13. Hon. Silvance Onyango Osele, M.P.
14. Hon. John Mbadi, M.P.
15. Hon. Fathia Mahbub, M.P.
16. Hon. Stephen Manoti, M.P.
17. Hon. Charles Geni Mong'are, M.P.
18. Hon. Arthur Odera, M.P.
19. Hon. David Eseli, M.P.
20. Hon. Kyengo Katatha Maweu, M.P.
21. Hon. Timothy Bosire, M.P.

ABSENT WITH APOLOGY

1. Hon. Abdikadir Aden, M.P.
2. Hon. Mathias Robi, M.P.
3. Hon. Junet Sheikh Nuh, M.P.
4. Hon. Jessica Mbalu, M.P.
5. Hon. Alice Nyanchoka Chae, M.P.
6. Hon. Manson Nyamweya, M.P.

IN ATTENDANCE

NATIONAL ASSEMBLY

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Mr. Victor Weke - Clerk Assistant II
4. Ms. Winnie Kulei - Researcher
5. Mr. Chelanga Maiyo - Researcher
6. Mr. Collins Mahamba - Audio Recorder

**MIN No. 1099/2016: PRELIMINARIES**

The Chairman called the meeting to order at ten minutes past eleven O'clock in the morning. A prayer was said.

**MIN No. 1100/2016: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

**MIN No. 1101/2016: ADOPTION OF THE REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE SPECIAL AUDIT REPORT OF JUNE 2014; OVER THE PROCUREMENT OF ELECTRONIC VOTING DEVICES FOR THE 2013 GENERAL ELECTION BY THE INDEPENDENT ELECTORAL AND BOUNDARIES COMMISSION (IEBC)**

The Committee read through the observations, culpability and recommendations chapters of the report and made minor amendments.

Thereafter the report was unanimously adopted by all Members present.


**MIN No. 1102/2016: ANY OTHER BUSINESS**

1. Hon. Sakwa Bunyasi, MP, urged that the Committee henceforth expedite all inquiries before it, preferably within sixty days.
2. The Chairman noted that the financial crunch facing Parliament greatly hampered its core mandate of oversight. He cited the newly introduced financial regulations requiring that a request for funds for Committee operations be done in 21 days was not only curtailing the work of the Committee but also crippling the constitutional timelines within which the Committee should complete its work. The Members resolved that the matter be raised with the Speaker of the National Assembly, and the same sentiments be raised on the floor of the House.

**MIN No. 1103/2016: ADJOURNMENT**

There being no other business, the meeting was adjourned at thirty minutes past twelve O'clock in the afternoon. Notices for the next Sitting would be circulated to Members.

Signed..... Date.....  
(Chairperson)

 31.3.2016



**MINUTES OF THE TWO HUNDRED AND NINETY FIRST (291<sup>ST</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 24<sup>TH</sup> MARCH, 2016 AT 10.30 A.M. IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING**

**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Joseph Manje, M.P.
4. Hon. Jude Njomo, M.P.
5. Hon. Gonzi Rai, M.P.
6. Hon. Andrew Mwadime, M.P.
7. Hon. Sakwa Bunyasi, M.P.
8. Hon. Kanini Kega, M.P.
9. Hon. John Mbadi, M.P.
10. Hon. Arthur Odera, M.P.
11. Hon. David Eseli, M.P.
12. Hon. Kyengo Katatha Maweu, M.P.
13. Hon. Timothy Bosire, M.P.
14. Hon. Mathias Robi, M.P.
15. Hon. Manson Nyamweya, M.P.
16. Hon. Jessica Mbalu, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Abdikadir Aden, M.P.
2. Hon. Junet Sheikh Nuh, M.P.
3. Hon. Alice Nyanchoka Chae, M.P.
4. Hon. Silvanice Onyango Osele, M.P.
5. Hon. Fathia Mahbub, M.P.
6. Hon. Stephen Manoti, M.P.
7. Hon. Charles Geni Mong'are, M.P.
8. Hon. Julius Melly, M.P.
9. Hon. Kangogo Bowen, M.P.
10. Hon. Joel Onyancha, M.P.
11. Hon. Kareke Mbiuki, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Mr. Victor Weke - Clerk Assistant II
4. Mr. Chelanga Maiyo - Researcher
5. Mr. Collins Mahamba - Audio Recorder

**MIN No. 1104/2016: PRELIMINARIES**

The Chairman called the meeting to order at twenty minutes to eleven O'clock in the morning. A prayer was said.

**MIN No. 1105/2016: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

**MIN No. 1106/2016: LEAKAGE OF THE REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE SPECIAL AUDIT OF THE PROCUREMENT OF ELECTRONIC VOTING DEVICES FOR THE 2013 GENERAL ELECTION BY THE INDEPENDENT ELECTORAL AND BOUNDARIES COMMISSION (IEBC) TO THE MEDIA**

The Committee noted with concern that its report had leaked out to the media a day before tabling in the house. The report was adopted by Members on Tuesday the 24<sup>th</sup> of March and published in the standard newspaper on Wednesday 25<sup>th</sup> March just before its tabling.

Members requested the Chairman to discuss with the Hon. Speaker of the National Assembly on way forward regarding summoning the Officers from the Standard group who published the article in the Newspaper, before the Committee to explain themselves and name whoever issued them with the report for publishing.

The Committee further indicated that it will put a request through to the Hon. Speaker to bar the Standard Group Media from Parliament for one month for breaching the Standing Orders. This was because they went ahead to damage the reputation of the Committee yet they were fully aware of the rules of engagement.

Members thought it necessary to have the report debated in the house soonest possible. The Chairman was requested to fast track the process.

**MIN No. 1107/2016: ANY OTHER BUSINESS**

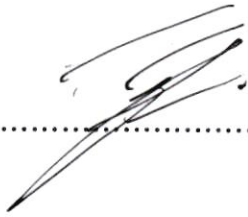
The Committee was informed that the next report writing retreat for Auditor General's report on books of accounts will be held between Monday 4<sup>th</sup> and Friday 8<sup>th</sup> April, 2016 in Mombasa. Members are expected to travel on Sunday 3<sup>rd</sup> and return on Saturday 9<sup>th</sup> April, 2016. Further logistical arrangements would be communicated by the secretariat.

The trip to China by some Members of the Committee was due to take place on 18<sup>th</sup> to 23<sup>rd</sup> of April, 2016.

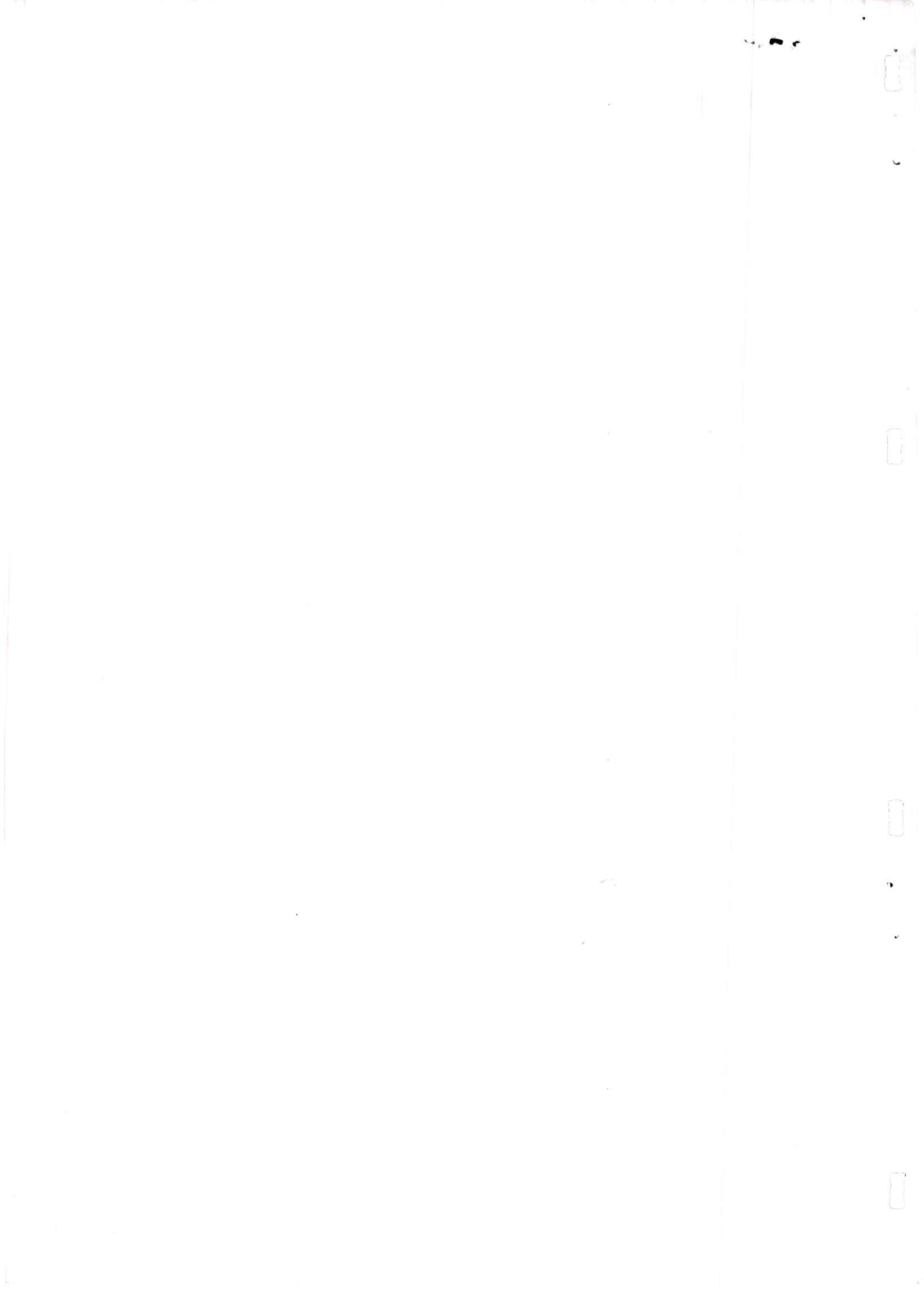
**MIN No. 1108/2016: ADJOURNMENT**

There being no other business, the meeting was adjourned at thirty minutes past eleven O'clock in the morning. Notices for the next Sitting would be circulated to Members.

Signed.....  
(Chairperson)

A handwritten signature in black ink, consisting of several overlapping, fluid strokes that form a stylized, somewhat abstract shape.

Date..... 31.3.2016



**MINUTES OF THE TWO HUNDREDTH AND SIXTY NINETH (269TH) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (PAC) HELD ON TUESDAY 8<sup>TH</sup> DECEMBER, 2015 IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING, AT 10.30 A.M.**

**MEMBERS PRESENT**

1. Hon. Eng. Nicolas Gumbo, M.P. - Chairman
2. Hon. Joseph Manje, M.P.
3. Hon. Manson Nyamweya, M.P.
4. Hon. Gonzi Rai, M.P.
5. Hon. Alice Nyanchoka Chae, M.P.
6. Hon. Junet Sheikh Nuh, M.P.
7. Hon. Andrew Mwadime, M.P.
8. Hon. Sakwa Bunyasi, M.P.
9. Hon. Stephen Manoti, M.P.
10. Hon. David Eseli, M.P.

**ABSENT WITH APOLOGY**

1. Hon. Jackson K. Rop, M.P. - Vice- Chairman
2. Hon. Joel Onyancha, M.P.
3. Hon. Mathias Robi, M.P.
4. Hon. John Mbadi, M.P.
5. Hon. Kyengo Katatha Maweu, M.P.
6. Hon. Kanini Kega, M.P.
7. Hon. Fathia Mahbub, M.P.
8. Hon. Julius Melly, M.P.
9. Hon. Kangogo Bowen, M.P.
10. Hon. Arthur Odera, M.P.
11. Hon. Abdikadir Aden, M.P.
12. Hon. Silvanice Onyango Osele, M.P.
13. Hon. Charles Geni Mong'are, M.P.
14. Hon. Jessica Mbalu, M.P.
15. Hon. Jude Njomo, M.P.
16. Hon. Timothy Bosire, M.P.
17. Hon. Kareke Mbiuki, M.P.

**IN ATTENDANCE**

**NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Principal Clerk Assistant II
2. Ms. Chelagat Tungo - Clerk Assistant II
3. Mr. Chelanga Maiyo - Research Assistant
4. Mr. Rodgers Kilunda - Hansard Recorder

**MIN. No. 1008/2015: PRELIMINARIES**

The Chairperson called the meeting to order at 10.45 a.m. and a word of prayer was said.



**MIN. No. 1009/2015: CONFIRMATION OF MINUTES**

Minutes of the **229<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that day, after being proposed by Hon. Alice Chae, MP and seconded by Hon. Joseph Manje, MP.

Minutes of the **230<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Nicolas Gumbo, MP and seconded by Hon. Stephen Manoti, MP.

Minutes of the **231<sup>st</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Stephen Manoti, MP and seconded by Hon. Andrew Mwadime, MP.

Minutes of the **232<sup>nd</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. David Eseli, MP.

Minutes of the **233<sup>rd</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Stephen Manoti, MP and seconded by Hon. Andrew Mwadime, MP.

Minutes of the **234<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. Stephen Manoti, MP.

Minutes of the **235<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. David Eseli, MP.

Minutes of the **236<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. David Eseli, MP and seconded by Hon. Nicolas Gumbo, MP.

Minutes of the **237<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Joseph Manje, MP and seconded by Hon. Junet Mohamed, MP.

Minutes of the **238<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the **239<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. David Eseli, MP.

Minutes of the **240<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Stephen Manoti, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the **241<sup>st</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. David Eseli, MP.

Minutes of the **242<sup>nd</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. Stephen Manoti, MP.

Minutes of the **243<sup>rd</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. David Eseli, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the **244<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the **245<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Alice Chae, MP and seconded by Hon. Joseph Manje, MP.

Minutes of the **246<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Sakwa Bunyasi, MP and seconded by Hon. Andrew Mwadime, MP

Minutes of the **247<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the **248<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Nicolas Gumbo, MP and seconded by Hon. David Eseli, MP.

Minutes of the **249<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. Stephen Manoti, MP.

Minutes of the **250<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. Stephen Manoti, MP.

Minutes of the **251<sup>st</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Stephen Manoti, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the **252<sup>nd</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. David Eseli, MP.

Minutes of the **253<sup>rd</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Stephen Manoti, MP and seconded by Hon. David Eseli, MP.

Minutes of the **254<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Sakwa Bunyasi, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the **255<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Junet Mohamed, MP and seconded by Hon. David Eseli, MP.

Minutes of the **256<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Sakwa Bunyasi, MP and seconded by Hon. Junet Mohamed, MP.

Minutes of the **257<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. David Eseli, MP.

Minutes of the **258<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. David Eseli, MP.

Minutes of the **259<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the **260<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Gonzi Rai, MP and seconded by Hon. Andrew Mwadime, MP.

Minutes of the **261<sup>st</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Sakwa Bunyasi, MP and seconded by Hon. Nicolas Gumbo, MP.

Minutes of the **262<sup>nd</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Nicolas Gumbo, MP and seconded by Hon. Manson Nyamweya, MP.

Minutes of the **263<sup>rd</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Stephen Manoti, MP and seconded by Hon. David Eseli, MP.

Minutes of the **264<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Joseph Manje, MP and seconded by Hon. Gonzi Rai, MP.

Minutes of the **265<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Andrew Mwadime, MP and seconded by Hon. David Eseli, MP.

Minutes of the **266<sup>th</sup>** sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Sakwa Bunyasi, MP and seconded by Hon. Andrew Mwadime, MP.

Minutes of the 267<sup>th</sup> sitting were confirmed as the true record of the proceedings of that meeting, after being proposed by Hon. Manson Nyamweya, MP and seconded by Hon. David Eseli, MP.

**MIN. No. 1010/2015: MATTERS ARISING**

**Minutes of the 231<sup>st</sup> and 232<sup>nd</sup> sittings**

**Under Min. No. 853/2015 and Min. No. 859/2015:**

The Chairman requested the secretariat to include statements of daily office routine for all witnesses as presented during the enquiries.

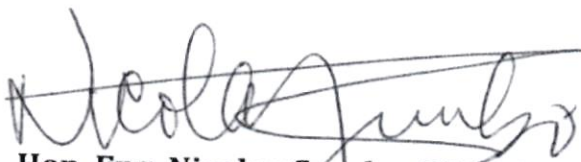
**MIN. No. 1011/2015: ANY OTHER BUSINESS**

A draft program indicating areas to be visited by PAC Members to ascertain status of various projects as outlined in the Auditor General's Report was presented to the Members by Mr. Chelanga Maiyo, Research Officer. The Committee agreed to approve the site visit program in the next In-House meeting.

**MIN. No. 1012/2015: ADJOURNMENT**

There being no other business, the meeting adjourned at half past noon.

**SIGNED**



**Hon. Eng. Nicolas Gumbo, REng, RConsEng, FIEK, MAAK(A), MP  
CHAIR, PUBLIC ACCOUNTS COMMITTEE**

**DATE      17/12/2015**



**MINUTES OF THE THREE HUNDRED AND FIRST (301<sup>ST</sup>) SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 2<sup>ND</sup> JUNE, 2016, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS AT 10.00 A.M.**

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**PRESENT**

1. Hon. (Eng.) Nicolas Gumbo, M.P. - Chairman
2. Hon. Jackson K. Rop, M.P. - Vice- Chairman
3. Hon. Gonzi Rai, M.P.
4. Hon. John Mbadi, M.P.
5. Hon. David Eseli Simiyu, M.P.
6. Hon. (Capt.) Clement Wambugu, M.P.
7. Hon. Sakwa Bunyasi, M.P.
8. Hon. Jessica Mbalu, M.P.
9. Hon. Kanini Kega, M.P.
10. Hon. Kareke Mbiuki, M.P.
11. Hon. Stephen Manoti, M.P.
12. Hon. Joseph Manje, M.P.
13. Hon. Alice Nyanchoka Chae, M.P.
14. Hon. Andrew Mwadime, M.P.
15. Hon. Abdikadir Aden, M.P.
16. Hon. Kyengo Katatha Maweu, M.P.
17. Hon. Timothy Bosire, M.P.
18. Hon. Silvanice Onyango Osele, M.P.
19. Hon. Julius Melly, M.P.
20. Hon. Fathia Mahbub, M.P.
21. Hon. Kangogo Bowen, M.P.
22. Hon. Mathias Robi, M.P.

**ABSENT**

1. Hon. Arthur Odera, M.P.
2. Hon. Manson Nyamweya, M.P.
3. Hon. Junet Sheikh Nuh, M.P.
4. Hon. Joel Onyancha, M.P.
5. Hon. Charles Geni Mong'are, M.P.

**IN ATTENDANCE: NATIONAL ASSEMBLY**

1. Mr. Daniel Mutunga - Clerk Assistant II
2. Mr. Peter Mwaura - Legal Counsel
3. Ms. Catherine Burure - Fiscal Analyst
4. Mr. John Mungai - Audio Recorder



**MIN No. 1147/2016: PRELIMINARIES**

The Chairman called the meeting to order at twenty minutes after ten O'clock in the morning. A prayer was said.

The Chairman thanked the Members for finding time to attend the meeting. He pointed out that the sole purpose for the Sitting was to adopt the Committee Report on the Auditor General's 2013-2014 Government of Kenya Audited Accounts.

**MIN No. 1148/2016: CONFIRMATION OF MINUTES**

The agenda item was deferred to the next meeting. There were thus no matters arising.

**MIN No. 1149/2016: ADOPTION OF THE PAC'S REPORT FOR FINANCIAL YEAR 2013/2014**

The Committee Report on the Auditor General's 2013-2014 Government of Kenya Audited Accounts was unanimously adopted. Adoption of the Report was proposed by the Hon. Stephen Manoti, MP, and seconded by the Hon. Abdikadir Aden, MP. It was resolved that the Committee Secretariat embark on improving the quality of the Report, both in format and grammar, before tabling. The Committee resolved to have the Report tabled on Tuesday, 14<sup>th</sup> June, 2016.

**MIN No. 1150/2016: ANY OTHER BUSINESS**

There was no business under this agenda item.

**MIN No. 1151/2016: ADJOURNMENT/DATE OF THE NEXT SITTING**

There being no other business, the meeting was adjourned at fifty minutes after eleven O'clock in the morning. The date for the next meeting would be circulated to Members of the Committee through notice.

Signed.....  
(Chairperson)



Date.....

13/6/2016