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REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT – SECOND SESSION

THE NATIONAL ASSEMBLY

THE REPORT OF THE DECENTRALIZED FUNDS ACCOUNTS COMMITTEE ON ITS  
CONSIDERATION OF THE REPORTS OF THE AUDITOR GENERAL ON THE  
FINANCIAL STATEMENTS FOR THE NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND FOR TWENTY-SIX (26)  
CONSTITUENCIES IN THE COUNTIES OF MOMBASA, KILIFI, KWALE, TAITA  
TAVETA, LAMU, AND TANA RIVER FOR FINANCIAL YEARS 2013/2014, 2014/2015  
AND 2015/2016

*(The report was tabled in the House in the 12<sup>th</sup> Parliament by the Special Funds Accounts  
Committee)*

 THE NATIONAL ASSEMBLY PARLIAMENT BUILDINGS NAIROBI	
DATE:	25 APR 2023
	TUESDAY
TABLED BY:	Chairperson, Select Committee on Decentralized funds Accounts Committee
CLERK-AT-THE-TABLE:	Wazeyu Mwakite

Directorate of Audit, Appropriations & Other Select Committees  
National Assembly  
Parliament Buildings  
NAIROBI

April 2023

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## ABBREVIATIONS AND ACRONYMS

AIA	Appropriations-in-Aid
AIE	Authority to Incur Expenditure
BQ	Bill of Quantities
CDF	Constituencies Development Fund
CDFC	Constituency Development Funds Committee
CoK	Constitution of Kenya, 2010
FAM	Fund Account Manager
FY	Financial Year
GDP	Gross Domestic Product
GOK	Government of Kenya
IPSAS	International Public Sector Accounting Standards
KENAO	Kenya National Audit Office
KeRRA	Kenya Rural Roads Authority
LSO	Local Service Orders
MDAs	Ministries, Departments and Agencies
MP	Member of Parliament
NGCDF	National Government Constituencies Development Fund
NHIF	National Hospital Insurance Fund
NSSF	National Social Security Fund
PAYE	Pay As You Earn
PMC	Project Management Committee

## ANNEXURES

- Annexure I - Committee Minutes
- Annexure II - 11<sup>th</sup> Report of the Special Funds Accounts Committee of the 12<sup>th</sup> Parliament tabled in the House on 2<sup>nd</sup> December, 2021

## CHAIRPERSON'S FOREWORD

Oversight over national revenue and expenditure is amongst the roles of the National Assembly as stipulated under Article 95 (4) (c) of the Constitution of Kenya, 2010. Further, Article 226(2) of the Constitution provides that an Act of Parliament shall provide for the designation of an Accounting Officer in every public entity at the national level who is accountable to the National Assembly for its financial management. In addition, Article 229(8) mandates this House to debate and take appropriate action on audit reports from the Auditor-General.

In fulfillment of these constitutional provisions, the National Assembly's Standing Order Number 205B established the Decentralized Funds Accounts Committee, whose mandate is to examine reports of the Auditor-General for the National Government Constituencies Development Fund, among other funds. The Committee, which was established in the Thirteenth (13<sup>th</sup>) Parliament, received a backlog of audited reports dating back from the financial year 2013/14 from the two hundred and ninety (290) constituencies.

The predecessor Committee, Special Funds Account Committee, in the 12<sup>th</sup> Parliament prepared the 11<sup>th</sup> report on the Audited Financial Statements for the National Government Constituencies Development Fund (NG-CDF) for Twenty-Six (26) Constituencies in the Counties of Mombasa, Kilifi, Kwale, Taita Taveta, Lamu and Tana River for the Financial Years 2013/2014, 2014/2015 and 2015/2016 after receiving evidence from the Chief Executive Officer of the National Government Constituencies Development Fund and the Fund Account Managers. The Special Funds Accounts Committee tabled its report on 2<sup>nd</sup> December 2021. However, it was not debated by the 12<sup>th</sup> Parliament.

For this reason, the Decentralized Funds Accounts Committee (DFAC), which is the successor of the SFAC in its 7<sup>th</sup> sitting held on 28<sup>th</sup> February 2023, resolved to revive the matter by considering the report with a view to present it to the 13<sup>th</sup> Parliament for consideration and adoption.

The Committee considered the report in three (3) sittings that were held on 28<sup>th</sup> February 2023, 16<sup>th</sup> March 2023, and 11<sup>th</sup> April 2023. The report highlights what was previously examined and tabled before the House by the Special Funds Accounts Committee in the 12<sup>th</sup> Parliament. The Committee reviewed the queries, observations, and recommendations from each constituency.

In its sitting held on Tuesday, 11<sup>th</sup> April 2023 the Decentralized Funds Committee unanimously adopted the report without amendments.

The Committee appreciates the Offices of the Speaker and the Clerk of the National Assembly for the support accorded to it to enable it to operationalise its mandate. The Committee further extends its appreciation to the Office of the Auditor- General for the services they offered to it.

I also extend my appreciation to my fellow Members of the Committee whose immense contributions and dedication to duty has enabled the Committee to examine the audit queries and produce this report.

On behalf of the Decentralized Funds Accounts Committee, and pursuant to National Assembly Standing Order 199(6), it is my pleasant duty and honour to present to this House the Report of the Decentralized Funds Accounts Committee (DFAC) on its consideration of the Reports of the Auditor General on the Financial Statements for the National Government Constituencies Development Fund For Twenty-Six (26) Constituencies in the Counties Of Mombasa, Kilifi, Kwale, Taita Taveta, Lamu, And Tana River For Financial Years 2013/2014, 2014/2015 AND 2015/2016

*(The report was tabled in the House in the 12<sup>th</sup> Parliament by the Special Funds Accounts Committee)*

HON. GIDEON MULYUNGI, M.P.

CHAIRPERSON, DECENTRALIZED FUNDS ACCOUNTS COMMITTEE

## 1.0 ESTABLISHMENT OF THE DECENTRALIZED FUNDS ACCOUNTS COMMITTEE

1. The Decentralized Funds Accounts Committee is a Select Committee established pursuant to Standing Order 205B of the National Assembly as a split Committee from the extensive mandate of the Special Funds Accounts Committee in the Thirteenth (13<sup>th</sup>) Parliament.
2. The Decentralized Funds Accounts Committee is established in furtherance of the provisions of Article 124 of the Constitution as it undertakes its role of oversight in accordance to Article 95 (4) (c) of the Constitution.

## 1.2 FUNCTIONS OF THE DECENTRALIZED FUNDS ACCOUNTS COMMITTEE

3. In accordance with Standing Order 205B, the mandate of the Committee is to examine the reports of the Auditor General on the accounts of :
  - a) The National Government Constituencies Development Fund;
  - b) The National Government Constituencies Development Fund Board;
  - c) The National Government Affirmative Action Fund; and
  - d) The National Government Affirmative Action Fund Board
4. The Committee is further guided by various legal provisions as contained in various Acts of Parliament which include:
  - a) The Constitution of Kenya, 2010;
  - b) The Standing Orders;
  - c) Public Audit Act, 2015;
  - d) Public Finance Management Act, 2012 and its regulations;
  - e) Public Procurement & Asset Disposal Act, 2015 and its regulations;
  - f) National Government Constituency Development Act, 2015 and its regulations; and
  - g) Public Finance Management (National Government Affirmative Action Fund) Regulations, 2016.

### 1.3 COMMITTEE MEMBERSHIP

5. The Committee was constituted during the First Session of the 13<sup>th</sup> Parliament in October 2022, and comprises of the following Honourable Members: -

- i. Hon. Gideon Mutemi Mulyungi, M.P. - The Chairperson
- ii. Hon. Gertrude Mwanyanje Mbeyu, M.P. - The Vice Chairperson
- iii. Hon. Joseph Kahangara Mburu, M.P.
- iv. Hon. Benjamin Mejjadonk Gathiru, M.P.
- v. Hon. David Mboni Mwalika, M.P.
- vi. Hon. Innocent Momanyi Obiri, M.P.
- vii. Hon. Abdi Barre Hussein, M.P.
- viii. Hon. Adhe Guyo Wario, M.P.
- ix. Hon. Caroline Jeptoo Ng'elechei, M.P.
- x. Hon. Dorothy Muthoni, Ikiara, M.P.
- xi. Hon. Jackson Lentoijoni, Lekumontare, M.P.
- xii. Hon. Joyce Osogo, Bensuda, Atieno, M.P.
- xiii. Hon. Martin Wanyonyi Pepela, M.P.
- xiv. Hon. Reuben Kipngor, Kiborek, M.P.
- xv. Hon. Stephen Mogaka, M.P.

### 1.4 COMMITTEE SECRETARIAT

6. The Secretariat facilitating the Committee comprises the following officers:

- i. Mr. Muyodi Emmanuel - Clerk Assistant II
- ii. Ms. Sylvia Ocharo - Clerk Assistant III
- iii. Mr. John Mutinda - Clerk Assistant III
- iv. Mr. Clinton Sindiga - Legal Counsel II
- v. Ms. Elizabeth Kibati - Research Officer III
- vi. Mr. Wilson Mwangi - Fiscal Analyst III
- vii. Mr. Calvin Karung'o - Media Relations Officer III
- viii. Ms. Zainabu Wario - Serjeant-at-Arms II
- ix. Ms. Esther Mbatha - Protocol Officer III
- x. Mr. Muchiri Mwangi - Audio Officer III



## 1.5 OVERVIEW OF THE REPORT

7. This report highlights what was previously examined and tabled before the House by the Special Funds Accounts Committee in the 12<sup>th</sup> Parliament. The Committee reviewed the queries, observations, and recommendations from each constituency proposing cause of action in response to audit queries raised by the Office of the Auditor General.
8. The SFAC in its 11<sup>th</sup> Report made specific observations and recommendations arising from audit queries regarding Eleven (11) Constituencies, namely Likoni, Kisauni, Nyali, Jomvu, Bura, Lamu West, Taveta, Mwatate, Ganze, Kilifi North and Malindi. It recommended the investigation of some issues by competent investigative agencies, such as the EACC and the DCI against specific officers. In addition, the National Government Constituencies Development Fund (NG-CDF) Board was tasked to follow up on some issues mentioned in the report.
9. In Fifteen (15) constituencies, namely, Mvita, Changanwe, Msambweni, Lunga Lunga, Matuga, Kinango, Garsen, Galole, Lamu East, Wundanyi, Voi, Kaloleni, Kilifi South, Magarini and Rabai the Committee made observations and recommendations that relate to policy issues, non-compliance with existing laws (for example PFM Act, No. 18 of 2012, Public Audit Act, 2015 amongst other regulations) and non-adherence to the International Public Sector Accounting Standards (IPSAS) framework, etc.
10. The section on general observations and recommendations captures issues regarding book-keeping, preparation & accuracy of the financial statements, compliance to reporting standards and accuracy of the financial statements, standardization of projects, late disbursement and underutilization of funds, compliance with audit cycle timelines, non-remittance of statutory deductions, guidelines on the use of emergency funds and re-allocation of funds without approval. The report makes recommendations to address the issues raised.

**Twenty-Six (26) Constituencies:**

**Mombasa County**

- (1) Likoni Constituency
- (2) Kisauni Constituency
- (3) Mvita Constituency
- (4) Nyali Constituency
- (5) Changamwe Constituency
- (6) Jomvu Constituency

**Kwale County**

- (7) Msambweni Constituency
- (8) Lunga Lunga Constituency
- (9) Matuga Constituency
- (10) Kinango Constituency

**Tana River County**

- (11) Garsen Constituency
- (12) Galole Constituency
- (13) Bura Constituency

**Lamu County**

- (14) Lamu East Constituency
- (15) Lamu West Constituency

**Taita Taveta County**

- (16) Wundanyi Constituency
- (17) Taveta Constituency
- (18) Voi Constituency
- (19) Mwatate Constituency

**Kilifi County**

- (20) Ganze Constituency
- (21) Kaloleni Constituency
- (22) Kilifi South Constituency
- (23) Magarini Constituency
- (24) Malindi Constituency
- (25) Rabai Constituency
- (26) Kilifi North Constituency

## 2.0 CONSIDERATION OF THE REPORT OF THE AUDITOR GENERAL ON THE ACCOUNTS OF NGCDF FOR VARIOUS CONSTITUENCIES

### Specific Observations and Recommendations

11. Eleven (11) constituencies namely Likoni, Kisauni, Nyali, Jomvu, Bura, Lamu West, Taveta, Mwatate, Ganze, Kilifi North and Malindi contained specific observations and recommendations arising from audit queries that need to be forwarded to the responsible agencies i.e., National Government Constituencies Development Fund (NG-CDF) Board, Ethics and Anti-Corruption Commission (EACC) and Directorate of Criminal Investigations (DCI) for further action.
12. Below are the specific observations and recommendations that were observed during the examination of the audit reports.

### 1. MOMBASA COUNTY

#### 2.1 LIKONI CONSTITUENCY

##### Audit Matters in the Financial Year 2013/2014

##### 1.0 Outstanding Imprests

13. Included in the outstanding imprest balance of Kshs. 292,000 was a long outstanding imprest amounting to Kshs. 92,000 whose holder ceased being in the employment of the Fund making recovery uncertain. No provision for certain impairment on this imprest had been made in these financial statements. Consequently, the accuracy and validity of the outstanding imprest balance of Kshs. 292,000 as at June 2014 could not be ascertained.

##### Committee Observations

14. The Committee observed that there was an outstanding Imprest amounting to Kshs 92,000 whose holder (now deceased) stopped being in the employment of the Fund making recovery uncertain and the audit query is not resolved.

### Committee Recommendations

15. The Accounting Officer should within three months of the adoption of this report, seek approval from the Cabinet Secretary of the National Treasury for the write-off of the imprest in accordance with Section 69 of the PFM Act, 2012 and Regulation 148(5), (6) and (7) of the PFM (National Government) Regulations, 2015.

### 2.0 Other Payments to Project Contractors

16. The financial statement reflected other payments balance of Kshs. 1,973,161 relating to direct payments made to project contractors with unpaid bills at the beginning of the year for works undertaken in the previous year. However, the CDF Act, 2013 stipulates that bill payments in respect of the projects should be paid by the Project Management Committee (PMC) and therefore this was a violation of the Act. Under the circumstances, the propriety and validity of other payments balance Kshs. 1,973,161 for the year ended 30 June 2014 could not be confirmed.

### Committee Observations

17. The Committee observed that:

- (i) The Fund Account Manager paid Kshs. 1,973,162 to Project Implementing Contractors directly.
- (ii) The Fund Account Manager provided a satisfactory explanation to the Committee.

### Committee Recommendations

18. The Committee recommends that:

- (i) The Accounting Officer should within three months of the adoption of this report, institute disciplinary action against the then Fund Account Manager for violation of the laid down procedures on payments of projects as per the CDF Act, 2013 repealed; and
- (ii) The Accounting Officer ensures that, at all times, all the Fund Account Managers comply with the provisions of Section 68 of the PFM Act, No. 18 of 2012 on the timely submission of documents for Audit.

## Audit Matters in the Financial Year 2014/2015

### Transfer to Other Government Units

19. The statement of receipts and payments reflected transfers to other government units' balance of Kshs. 46,094,168 for the year ended 30 June 2015. However, out of this amount, a total of Kshs. 26,222,944 was not supported with various documents. Consequently, the propriety and value for money for Kshs. 26,222,944 transferred to the schools and health center for the year ended 30 June 2015 could not be confirmed.

### Committee Observations

20. The Committee observed that: -

- (i) At the time of the audit, the Fund did not provide supporting documents for Kshs. 26,222,944 spent on various schools and health projects. However, the Fund Account managers submitted documents that were not relevant to the matter during the examination of the Accounts by the Committee.
- (ii) The Fund Account Manager provided supporting schedules for the school projects after the audit period.
- (iii) Quotation documents for the health projects had not been provided for audit hence the issue was unresolved.

### Committee Recommendations

21. The Committee recommends that: -

- (i) Within three months of the adoption of this report, the Accounting Officer issues a written reprimand to the Fund Accounting Manager for failure to provide documentation during the audit period as provided under Section 68 of the PFM Act, No. 18 of 2012; and
- (ii) The Accounting Officer ensures that relevant documents are provided to the Auditor General for audit verification and reporting in the subsequent audit reports.

## Audit Matters in the Financial Year 2015/2016

### 1.0 Other Grants and Transfers

22. The statement of receipts and payments for the year ended 30 June 2016 reflected other grants and transfers of Kshs. 13,673,344 of which the following observations were made:

#### a) Bursaries

23. Included in other grants and transfers is the amount of Kshs. 13,673,344 and disclosed in Note 7 to the financial statements for the year ended 30 June 2016 were bursaries totaling Kshs. 11,775,450 for students in secondary schools and tertiary institutions of which bursary applications, criteria awards, approved applications, and evidence of receipts by the beneficiaries were not availed for audit review.

24. Further, the bursary figure reported in these financial statements was different from Kshs. 12,146,450 shown in payment vouchers availed for audit review. The difference of Kshs. 371,000 between the two records had neither been explained nor reconciled.

### Committee Observations

25. The Committee observed that: -

- (i) At the time of the audit, the Fund Account Manager had not provided for audit review the bursary applications, criteria of awards, approved applications, and evidence of receipts by the beneficiaries for audit review.
- (ii) The supporting documents were however later availed and verified by the auditors.
- (iii) The difference of Kshs. 371,000 purported to have been a replacement of cheques some of which related to the previous financial year were not verified and hence the audit query remains unresolved.

### Committee Recommendations

26. The Committee recommends that:

- (i) The Accounting Officer ensures that all Fund Account Managers comply with the provisions of Section 62 (1) (b) and (c) of the Public Audit Act, No.34 of 2015, and Section 68 of the PFM Act, No. 18 of 2012 on the timely submission of documents.
- (ii) Within three months of the adoption of this report, the Accounting Officer ensures that the Fund Account Manager submits to the Auditor General, evidence of replacement of cheques totaling Kshs 371,000 failure to which the Accounting

Officer surcharges the Fund Account Manager and reports to the Auditor General.

## 2.2 KISAUNI CONSTITUENCY

### Audit Matters in the Financial Year 2013/2014

#### 1.0 Payments to other government units and other grants and transfers

27. The statement of receipts and payments included payments amounting to Kshs. 36,353,005.35 and Kshs. 58,854,651.80 being transfers to other government units and other grants and transfers respectively. The money was disbursed by the Constituency Development Fund Committee to be used on various projects by the beneficiary institutions. However, there were no records maintained of all the receipts, disbursements, actual expenditure, and unspent balance per project in line with Section 33 of the CDF Act, 2013 which requires the fund manager to maintain records relating to receipts, disbursements, actual expenditure, and balance as per each project.
28. Under the circumstance, it was not possible to confirm the validity and accuracy of the payments amounting to Kshs. 36,353,005 and Kshs. 58,854,651.80 in respect of transfers to other government units and other grants respectively.

#### Committee Observations

29. The Committee observed that:

- (i) The Fund Account Manager did not maintain a record of receipts, disbursements, actual expenditure, and unspent balance per project.
- (ii) Supporting documents for the expenditure had not been provided for review during the time of the audit.
- (iii) The supporting documents provided and reviewed by the auditor submitted by the Fund Account Manager all dated 2015 were inadmissible since they could not explain matters for FY 2013/2014.

#### Committee Recommendations

30. The Committee recommends that:

- (i) The Accounting Officer ensures that all Fund Account Managers comply with the provisions of Section 68 of the PFM Act, No. 18 of 2012 on the timely submission of appropriate documents; and

- (ii) Within three months of the adoption of this report, the EACC initiates an investigation into the matter to prosecute persons found culpable.

## 2.0 Bank Balances

31. Included in the statement of financial assets and liabilities was a bank balance of Kshs. 20,299,383 as at 30<sup>th</sup> June 2014. It was revealed that the bank balance excluded stale cheques amounting to Kshs. 690,631 which were yet to be reversed to the cashbook, unrecorded payments amounting to Kshs. 5,796,863 that had been outstanding for more than a year and various deposits amounting to Kshs. 300,000 that had been outstanding for the last four years. Consequently, the validity and accuracy of the bank balance of Kshs. 20,299,383 as at 30<sup>th</sup> June 2014 could not be ascertained.

## Committee Observations

32. The Committee observed that: -

- (i) The Fund Account Manager had stale cheques which had not been reversed to the cashbook, unrecorded payments, and deposits that had been outstanding for more than a year.
- (i) The Fund Account Manager had misplaced the bank slips required in cashbook preparation.
- (ii) The Bank statements submitted as evidence of bank reconciliation were of the subsequent financial year, as such they could not be sufficient response to the query.

## Committee Recommendations

33. The Committee recommends that:

- (i) The Accounting Officer ensures that all Fund Account Managers prepare accurate financial records that are reliable, complete, and adhere to accounting standards prescribed by the PSASB as provided by Section 81(3) of the PFM Act, No. 18 of 2012 and PFM (NG) Regulation 100 and 101(4); and
- (ii) Within three months of the adoption of this report, the Accounting Officer ensures that the Fund Account Manager provides to the auditors authenticated bank slip



copies or certified bank statements to support the reconciliation of the receipts of the outstanding deposit of Kshs 300,000.

## 2.3 NYALI CONSTITUENCY

### Audit Matters in the Financial Year 2014/2015

#### 1.0 Transfer to Other Government Units

##### a) Bamburi Health Centre

34. Included under note 7 to the financial statements was a transfer to health institutions of Kshs. 6,294,132, included in this was a conditional grant amounting to Kshs. 4,482,759 for the construction of a prefabricated staff house at Bamburi Health center. However, the audit inspection at the health center revealed that although funds were disbursed to the project in December 2014, no work had commenced. Information availed indicated that the County Government had not yet approved the project and the officer in charge of health centres appeared not to be aware of the project.

35. It was not clear how the CDFC expected to implement a project in the institution without the involvement of the institution's administration. The intended goal of the project would therefore take longer to realize. Consequently, the validity of transfers to other Government units of Kshs. 24, 873,788 for the year ended 30<sup>th</sup> June 2015 could not be confirmed.

#### Committee Observations

36. The Committee observed that: -

- (i) Kshs 4,482,759 for the construction of a fabricated staff house at Bamburi Health center was disbursed to the project in December 2014, but no work had commenced at the time of the audit.
- (ii) The request for reallocation of an amount of Kshs. 4,482,759.00 was made on February, 2019 to the Board, 5 years after the money was allocated as a conditional grant from the Ministry of Health.
- (iii) The Fund initiated the project without consultations with the County Government considering that Health is a devolved function.

## Committee Recommendations

37. The Committee recommends that:

- (i) The Accounting Officer ensures that the Fund Account Manager and PMCs involve the public in the identification and submission of projects as required by Section 27 of the National Government Constituency Development Fund Act, 2015; and
- (ii) Within three months of the adoption of this report, the Accounting Officer ensures that the Board approves the request for reallocation of Kshs. 4,482,759.00 that was made in February 2019 to the Board.

## Audit Matters in the Financial Year 2015/2016

38. The Committee was informed that Mr. Mwalim Rashid Mrafi, the Fund Account Manager who served during the period July 2015 to July 2016 was on interdiction w.e.f. December 2019 on matters under Kasarani Constituency and that his contract with the Board was not renewed. However, he appeared before the Committee pursuant to Article 226 (5) of the CoK which provides that- *"If the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not"*.

## 1.0 Committee Expenses

39. Statement of receipt and payments for the year ended 30 June 2016 reflected a figure of Kshs. 5,882,783 in respect of the use of goods and services as detailed in note 5 to the financial statements. Included in this figure was an amount in respect of committee allowances amounting to Kshs. 708,000 which was paid to Constituency Development Fund (CDFC) members on 29 February 2016, the period when the CDFC had been disbanded. Although the management indicates the payment was for sittings held before disbandment, there was however no documentary evidence availed for audit to confirm this assertion. In the foregoing, the propriety and regularity of the committee allowance amounting to Kshs. 708,000 for the year ended 30 June 2016 could not be ascertained.

### Committee Observations

40. The Committee observed that: -

- (i) The Fund Account Manager paid committee allowances amounting to Kshs. 708,000 to Constituency Development Fund (CDFC) members on 29 February 2016, yet the submitted payment voucher was dated 26<sup>th</sup> September 2016.
- (ii) Payment details and schedule for the payment of Kshs. 708,000 had not been provided for audit.

### Committee Recommendations

41. The Committee recommends that within three months of the adoption of this report, the Accounting Officer ensures that the Fund Account Manager submits supporting documents, failure to which the matter be referred to EACC for further investigation.

## 2.4 JOMVU CONSTITUENCY

### Audit Matters in the Financial Year 2014/2015

#### 1.0 Other Grants and Transfers

##### a) Mikindani Street Lighting Project

42. Statement of receipts and payments reflected other grants and transfer payments amounting to Kshs. 56,415,655 which includes a payment of Kshs. 6,454,900 relating to Mikindani street lighting. A review of the project file revealed that the Fund used restricted tendering which contravened Section 73 of the Public Procurement and Disposal Act, 2005, and which allows restricted tendering when there is competition for contract whereby because of the complex or specialized nature of the goods, works or services is limited to prequalified contractors and there were only a few known suppliers of the goods, works or services as may be prescribed in the regulations. Further, the award of the project was to Romulas Enterprises which was not prequalified. It was also noted that the Fund made a payment of Kshs. 4,500,000 to the contractor, three (3) days after signing the contract and failed to deduct withholding tax.

### Committee Observations

43. The Committee observed that: -

- (i) The use of restricted tendering for a contract whose sum was Kshs. 6,454,900 contravened Section 73 of the Public Procurement and Disposal Acts, 2005; and

- (ii) The minutes dated 9<sup>th</sup> July 2014 confirming pre-qualification of Romulas Enterprises were submitted later.

#### Committee Recommendations

44. The Committee recommends that:

- (i) The Ethics and Anti-Corruption Commission investigates the award of the contracts for breach of the Public Procurement and Disposal Act 2005 and the Public Procurement and Asset Disposal Regulations 2006 on the limits on the procurement threshold; and
- (ii) The NG-CDF Board takes administrative action against the Fund Account Manager and any other officers involved in the procurement process within three months of the adoption of this Report.

## 2. TANA RIVER COUNTY

### 2.5. BURA CONSTITUENCY

Audit matters in the Financial Year 2014/2015

#### 1.0 Unauthorized Withdrawals

45. Included in the transfers to other Government units in note 6 to the financial statements were payments totaling Kshs. 2,821,877.30 which were paid without the evidence of the Project Management Committee's (PMC's) minutes. The cheque confirmation schedules were not signed by the Fund's Account Manager. Consequently, the propriety and validity of payment of Kshs. 2,821,877.30 for the year ended 30<sup>th</sup> June 2015 could not be confirmed.

#### Committee Observations

46. The Committee observed that the Kshs 2,821,877.30 had been paid out without the evidence of the Project Management Committee's (PMC's) minutes and cheque confirmation schedules had not been signed by the Fund's Account Manager hence the audit issue is unresolved.

## Committee Recommendations

47. The Committee recommends that: -

- (i) The NG-CDF Board, should within three months upon adoption of this report, investigate the unauthorized expenditure and report to the relevant authorities for prosecution of those found culpable; and
- (ii) The Accounting Officer ensures that the Fund Account Manager complies with the provisions of Section 68 of the PFM Act, No. 18 of 2012 on the timely submission of documents.

### 3. LAMU COUNTY

#### 2.6 LAMU WEST CONSTITUENCY

##### Audit Matters in the Financial Year 2014/2015

#### 1.0 Transfer to other Government Units

48. The financial statements reflected an amount of Kshs. 65,265,204.35 in respect to transfers to other government units for the year ended 30 June 2015. This included transfers to primary schools of Kshs. 6,134,006 and transfers to secondary school schools of Kshs. 53,648,449. However, payment vouchers amounting to Kshs. 17,134,006 to various schools were not availed for audit as detailed below:

Project	Amount (Kshs)
Witu Secondary School	4,000,000.00
Mpeketoni Secondary School	4,000,000.00
Hindi Secondary School	3,000,000.00
Matondoni Secondary School	3,000,000.00
Sinambio Primary School	2,000,000.00
Sinambio Primary School	1,134,006.00
Total	17,134,006.00

49. The management indicated that vouchers were taken by the Ethics and Anti-Corruption Commission (EACC) during the investigation of the Fund. In addition, according to the supporting schedules availed for audit review, disbursement to Mkunumbi Secondary School was indicated as Kshs. 3,518,689 while payment voucher No.9 of 21/09/2014 reflected an amount of Kshs. 3,681,689 leading to the unexplained not reconciled variance

of Kshs. 163,000.00. Consequently, the propriety, accuracy, and completeness of transfers to other government units amounting to Kshs. 17,296,006 could not be confirmed.

#### Committee Observations

50. The Committee observed that: -

- (i) Payment vouchers amounting to Kshs. 17,134,006 to various schools were not availed for audit.
- (ii) Payment vouchers were taken by the Ethics and Anti-Corruption Commission (EACC); and
- (iii) The audit query is not resolved.

#### Committee Recommendations

51. The Committee recommends that the Ethics and Anti-Corruption Commission (EACC) expedites investigations, conclude the matter, and provide a status report to the National Assembly within three months after the adoption of this report.

#### 2.0 Other Grants and Transfers

##### a) Water

52. Included in other grants and transfers of Kshs. 27,790,501 for the year ended 30 June 2015 at Note 8 to the financial statements is the expenditure of Kshs. 4,500,000 in respect to water projects. The expenditure of Kshs. 4,500,000 was a disbursement to M/s Myself Cluster SH Group for rehabilitation of Lake Kenyatta Water Dam. However, it was not clear how the group was identified and whether the project was proposed by the community.

53. In addition, there was no contract agreement, project file with returns on how the disbursement was spent and how the project was implemented. In the circumstance, the propriety, accuracy, and regularity for the bursaries and water projects amounting to Kshs. 15,300,120 for the year ended 30 June 2015 could not be confirmed.

### Committee Observations

54. The Committee observed that:

- (i) The Fund Account Manager did not provide at the time of the audit the documentary evidence on the water projects.
- (ii) The documents required by the auditors for review could not be traced.
- (iii) The audit query is not resolved.

### Committee Recommendations

55. The Committee recommends that:

- (i) Within three months of adoption of this report, the EACC investigates the procurement and implementation of the contract, awarded to M/S Myself Cluster SH Group, for the rehabilitation of the Lake Kenyatta Water Dam Project; and
- (ii) The Accounting Officer ensures that the Fund Account Manager complies with the provisions of Section 68 of the PFM Act, No. 18 of 2012 on the timely submission of documents.

## 4. TAITA TAVETA COUNTY

### 2.7 TAVETA CONSTITUENCY

#### Audit Matters in the Financial Year 2014/2015

##### 1.0 Emergency Funds

56. Included in the other grants and transfers amount of Kshs. 15,170,000 was an emergency expenditure of Kshs. 4,570,000 for the year ended 30<sup>th</sup> June 2015. However, included in this amount was Kshs. 250,026.40 spent on the painting of Taveta Sub-County Commissioner's Office and Kshs. 740,000 spent on bursaries for which the authority of the Board as per Section 10(2) of the CDF Board Act, 2013 were not availed for audit review. Further, according to Section 12(3) of the CDF Board Act, 2013, emergency refers to an urgent, unforeseen need for expenditure for which it was in the opinion of the committee that it could not be delayed until the next financial year without harming the public interest of the constituents. Painting of the office and paying bursaries were not emergencies within the context of this law.

57. Consequently, the expenditure of Kshs. 990,026.40 treated as an emergency for the year ended 30<sup>th</sup> June 2015 was not supported and did not comply with the law.

### Committee Observations

58. The Committee observed that: -

- i) The Fund used Kshs. 250,026.40 emergency funds on the painting of Taveta Sub County Commissioner's Office and Kshs. 740,000 spent on bursaries for which the authority of the Board as per Section 10 (2) of the CDF Board Act, 2013 were not availed for audit review.
- ii) The activities did not qualify to be emergency according to Section 12(3) of the CDF Board Act, 2013.
- iii) The audit query is not resolved.

### Committee Recommendations

59. The Committee recommends that within three months of the adoption of this report, the Accounting Officer takes appropriate administrative action against the Fund Account Manager who reallocated the emergency funds without the Board's approval in contravention of Section 10(2) and 12(3) of the Constituencies Development Fund Act, 2013.

## 2.8 MWATATE CONSTITUENCY

### Audit Matters in the Financial Year 2014/2015

#### 1.0 Committee Meeting Allowances and Expenses

60. The statement of receipts and payments reflected committee meeting allowances and expenses of Kshs. 5,707,000. Included in this figure is Kshs. 5,457,700 relating to sitting and transport allowances paid to Constituency Development Fund Committee (CDFC) members. However, quotations for hire of taxis, daily motor vehicle work tickets for vehicles used, minutes of meetings held, reports produced during the meetings, dates the projects visited by the Monitoring and Evaluation Committee members were not availed for audit verification. Consequently, the propriety of expenditure totaling Kshs. 5,457,700 on committee meeting allowances and expenses for the year ended 30 June 2015 could not be confirmed.



### Committee Observations

61. The Committee observed that:

- (i) The Fund Account Manager did not provide documentation on committee meeting allowances and expenses.
- (ii) The documents were taken by EACC who were investigating fraud cases in the Constituency office.
- (iii) The audit issue is unresolved.

### Committee Recommendations

62. The Committee recommends that:

- (i) The Ethics and Anti-Corruption Commission (EACC) should expedite investigations, conclude the matter, and provide a status report to the National Assembly within three months of the adoption of this report.
- (ii) The Accounting Officer should ensure that the documents taken by Ethics and Anti-Corruption Commission (EACC) are returned for clearing the outstanding audit issues.

## 2.0 Other Grants and Transfers

### a) Projects Implementation

63. Incomplete construction work on classrooms of two secondary schools at a cost of Kshs. 2,900,000. Omission of projects in the current status report costing Kshs. 38,245,747 reported as ongoing in the status report as at 30 June 2014.

### Committee Observations

64. The Committee observed that: -

- i) Slow implementation of projects was occasioned by the late disbursement of funds by the NG- CDF Board and the National Treasury; and
- ii) At Laghonyi Secondary school, the construction of the classrooms was not completed and that there was on-going investigation by the office of the Directorate of Criminal Investigations (DCI) on the project.

### Committee Recommendations

65. The Committee recommends that: -

- (i) The National Treasury shall ensure timely disbursement of funds to the National Government Constituencies Development Fund Board for immediate release to the constituencies; and
- (ii) The Accounting Officer should follow up with the DCI on the status of the investigation on the construction of the Laghonyi Secondary School and report to the Auditor General for audit review and reporting in the subsequent audit.

## 5. KILIFI COUNTY

### 2.9 GANZE CONSTITUENCY

#### Audit Matters in the Financial Year 2013/2014

##### 1.0 Use of Goods and Services

66. Included in the statement of receipts and payments for the year ended 30 June 2014 is an amount of Kshs. 4,346,107 in respect of use of Goods and Services. However, no documentary evidence was availed for audit verification to support the balances as reported under note 5 to the financial statements. It was not possible to confirm whether the goods and services were procured and received by the Fund. In addition, no evidence was availed for audit examination to support the adherence to the Public Procurement and Disposal Act, 2005 and its regulations thereof in the procurement of goods and services. In the circumstances, the propriety, validity, and accuracy of the expenditure of Kshs. 4,346,107 in respect of use of goods and services for the year ended 30 June 2014 could not be confirmed.

### Committee Observations

67. The Committee observed that documentary evidence was not availed for audit verification to support an amount of Kshs. 4,346,107 because this figure comprised part of un-surrendered imprests of Kshs. 6,105,460 whose documentation was under investigation by EACC.

## Committee Recommendations

68. The Committee recommends that:

- (i) The Accounting Officer should within three months of the adoption of this report, follow up on the status of the investigation by the Ethics and Anti-Corruption Commission (EACC) and report to the National Assembly; and
- (ii) The Accounting Officer should within three months of the adoption of this report, get certified copies of documentation of the Kshs 6,105,460 from the EACC and submit them to the Auditor General for audit verification and reporting in the next audit cycle.

## 2.0 Transfers to Other Government Units

69. Included in the statement of receipts and payments for the year ended 30 June 2014 is an amount of Kshs. 38,998,735 for transfers to other Government Units as shown on note 7 to the financial statements. However, no records were availed for audit verification in support of this expenditure. Consequently, the propriety, accuracy, and validity of transfers to other Government units amounting to Kshs. 38,998,735 could not be ascertained for the year ended 30 June 2014.

## Committee Observations

70. The Committee observed that documentary evidence was not availed for audit verification because the payment vouchers had been taken by EACC.

## Committee Recommendations

71. The Committee recommends that: -

- (i) The Accounting Officer should within three months of the adoption of this report, follow-up on the status of investigation by the Ethics and Anti-Corruption Commission (EACC) and report to the National Assembly.
- (ii) The Accounting Officer should within three months of the adoption of this report, get certified copies of documentation from the EACC and submit them to the Auditor General for audit verification and reporting in the next audit cycle.

### 3.0 Other Grants and Transfers

72. Included in the statement of receipts and payments for the year ended 30 June 2014 is an amount of Kshs. 82,384,134 in respect of other grants and transfers as shown on note 8 to the financial statements. However, no records were availed for audit verification in support of this expenditure. Consequently, the propriety, accuracy and validity of other grants and transfers amounting to Kshs. 82,384,134 could not be ascertained.

#### Committee Observations

73. The Committee observed that documentary evidence was not availed for audit verification because the payment vouchers had been taken by EACC and audit query is not resolved.

#### Committee Recommendations

74. The Committee recommends that: -

- (i) The Accounting Officer should within three months of the adoption of this report, follow-up on the status of investigation by the Ethics and Anti-Corruption Commission (EACC) and report to the National Assembly; and
- (ii) The Accounting Officer should within three months of the adoption of this report, get certified copies of documentation from the EACC and submit them to the Auditor General for audit verification and reporting in the next audit cycle.

### 4.0 Outstanding Imprest

75. Included in the statement of financial assets and liabilities is outstanding imprest balance of Kshs. 6,095,460 as at 30 June 2014 as disclosed in Note 8 of the financial statements. Included in this outstanding imprest figure is an amount of Kshs. 5,805,460 owed by the Fund Account Manager which had no documentary evidence to show how the imprest was issued. In addition, during the period under review, the Fund Account Manager was issued with ten (10) imprests amounting to Kshs. 13,083,000 without surrendering the previous imprest contrary to the Government Financial Regulations and procedures which states that no additional imprest should be issued to an officer unless the previous one had been surrendered and fully accounted for. Further, the Fund Manager is no longer in the service of the Fund and the entire amount is yet to be surrendered. Additional imprest records availed for audit review indicated that an amount of Kshs. 1,500,000 was outstanding as at 30 June 2014 and had not been included in the figure for the outstanding imprest balance

of Kshs. 6,095,460 as at 30 June 2014. Consequently, the accuracy, validity, and completeness of outstanding imprest balance of Kshs. 6,095,460 as at 30 June 2014 could not be ascertained.

#### Committee Observations

76. The Committee observed that: -

- (i) Multiple imprests were issued to an officer in contravention of Section 71 (2) of the PFM Act, 2012. The officer was no longer an employee of the Fund; and
- (ii) The supporting documents were not provided for audit verification to support the amount because documentation was under investigation by EACC.

#### Committee Recommendations

77. The Committee recommends that:

- (i) The Accounting Officer should within three months of the adoption of this report, follow-up on the status of the investigation by the Ethics and Anti-Corruption Commission (EACC) and report to the National Assembly; and
- (ii) The Accounting Officer should within three months of the adoption of this report, get certified copies of documentation from the EACC and submit them to the Auditor General for audit verification and reporting in the next audit cycle.

### 5.0 Property, Plant and Equipment - Other Matters

#### a) Lack of Ownership Documents

78. The financial statements disclosed non-current assets owned by the Ganze Constituency Development Fund. The assets include three (3) tractors whose registration numbers are KAV 579K, KAV 580K and KAV 583K. Ownership of these tractors could not be confirmed as registration documents were not availed for audit verification. Review of the asset inventory revealed that two (2) trailers registration numbers ZC 4746 and ZC 4745 had no ownership documents. Similarly, a six (6) ton trailer asset number GNZ2/CDC/018/018 whose registration was not indicated had no registration documents and, therefore, its ownership could not be confirmed

## Committee Observations

79. The Committee observed that: -

- (i) Ownership documents for the assets were not provided for audit review in violation of Section 68 of the PFM Act, 2012; and
- (ii) The trailers were bought and registered in 2006 in the name of the then, Member of Parliament, Hon. Joseph Kingi in contravention to CDF Act.

## Committee Recommendations

80. The EACC should within three months of the adoption of this report, investigate the circumstances under which public assets were bought and registered in 2006 in the name of the then member of parliament for Gnaze Constituency, Hon. Joseph Kingi.

## Audit Matters in the Financial Year 2014/2015

### 1.0 Inaccuracies in the Financial Statements

81. The financial statements availed for audit review had figures which were at variance with figures reflected in the notes to the account amounting to Kshs. 226,811,640 as detailed below:

	Financial Statement Item	Amount on financial statement Kshs.	Amount on notes Kshs.	Variance Kshs.	Comment
1	Use of goods and services	7,780,390	7,820,390	40,000	Wrong casting
2	Transfer to other government units	38,905,705	50,701,235	11,795,530	Unreconciled variance
3	Other grants and transfers	43,138,530	31,343,000	11,795,530	Unreconciled variance
4	Cash flow statement-financial activity balance	99,844,321	0	99,844,321	No support schedule availed for audit review
5	Bank balance	20,952,103	48,666,645	27,714,542	Unreconciled variance

	Financial Statement Item	Amount on financial statement Kshs.	Amount on notes Kshs.	Variance Kshs.	Comment
6	Direct transfer from CDF Board	75,621,717	0	75,621,717	No support schedule availed for audit review
	Total	286,242,766	138,531,270	226,811,640	

### Committee Observations

82. The Committee observed that:

- (i) The unreconciled variances and wrong casting of figures had been rectified in the financial statements; and
- (ii) Documents supporting the various expenditures were not availed for audit verification.

83. The financial statements also contained variance amounting to Kshs. 35,734,204 between figures in the financial statement and the supporting schedules as detailed below:

	Item	Financial Statement Figure Kshs	Supporting Schedule Figure Kshs	Unexplained Difference
1	Transfer to secondary schools	20,900,000	10,500,000	10,400,000
2	Transfer to primary schools	3,600,000	10,400,000	6,800,000
3	Water projects	7,712,530	3,573,000	4,139,530
4	Emergency expenditure	4,083,000	4,019,000	64,000
5	Other Grants and transfer	43,138,530	31,343,000	11,795,530
6	Committee meeting allowances	3,731,100	2,445,500	1,285,600
7	Use of goods and services	7,820,390	6,570,846	1,249,544
	Total			35,734,204

### **Committee Observations**

84. The documents supporting the expenditure of Kshs. 35,734,204 had been taken by EACC as confirmed by the NG-CDF Board.

### **Committee Recommendations**

85. The Committee recommends that the Ethics and Anti-Corruption Commission (EACC) expedites investigations, conclude the matter, and provides a status report on the matter to the National Assembly within three months after adoption of this report.

### **2.0 Other Grants and Transfers**

86. The statement of receipts and payments for the year indicated other grants and transfers balance of Kshs. 43,138,530 which includes an amount of Kshs. 1,930,000 for environmental expenses. However, there was no supporting documentary evidence on how the individual suppliers for the tree seedlings were identified and quantity supplied determined. Further, the distribution list to confirm how the seedlings were distributed was also not availed for audit. Consequently, the propriety of the environmental expenditure of Kshs. 1,930,000 for the year ended 30 June 2015 could not be confirmed.

### **Committee Observations**

87. The Committee observed that documentary evidence was not availed for audit verification because the payment vouchers had been taken by EACC.

### **Committee Recommendations**

88. The Committee recommends that the Ethics and Anti-Corruption Commission (EACC) expedites investigations, conclude the matter, and provide a status report to the National Assembly within three months after adoption of this report.

### **3.0 Committee Meeting Allowances**

89. The statement of receipts and payments for the year ended 30 June 2015 reflected committee expenses amounting to Kshs. 3,731,100 whereas supporting schedules availed for audit review indicated an amount of Kshs. 2,445,500, resulting to the unexplained nor reconciled variance of Kshs. 1,285,600. Further, the expenditure was not supported by documentary evidence on who attended the meetings, the agenda, and the minutes of the



meetings. As a result, it was not possible to confirm the propriety and completeness of the committee meeting allowances expenditure of Kshs. 3,731,100 for the year ended 30 June 2015.

#### Committee Observations

90. The Committee observed that documentary evidence was not availed for audit verification because the payment vouchers had been taken by EACC.

#### Committee Recommendations

91. The Committee recommends that the Ethics and Anti-Corruption Commission (EACC) expedites investigations, conclude the matter, and provide a status report to the National Assembly within three months after the adoption of this report.

#### 4.0 Transfer to Other Government Units

92. The statement of receipts and payments showed that the CDF management spent a total of Kshs. 38,905,705 in respect of transfer to other government units. Included in this expenditure is an amount of Kshs. 9,791,235 for unspecified projects. The amount was not supported by an approved budget, PMC minutes and details on the location of the projects. The expenditure is as below:

Payee	Date	Voucher No.	Cheque No.	Amount (Kshs.)
Al-Madina Hardware	7/27/2014	290743	2692	2,405,705.00
Mwepe General Supplies	7/24/2014	290742	2690	2,600,000.00
Devens Building Contractors	8/15/2014	290749	2706	185,000.00
Mabati Rolling Mills	7/24/2014	290741	2691	2,000,290.00
Beyond Chance	8/15/2014	290748	2707	2,600,240.00
<b>Total</b>				<b>9,791,235.00</b>

93. In the circumstances, it was not possible to confirm the propriety and validity of the transfer to other government units' balance of Kshs. 9,791,235 for the year ended 30 June 2015.

### Committee Observations

94. The Committee observed that documentary evidence was not availed for audit verification because the payment vouchers had been taken by EACC. In addition, there was no documentary evidence on the ruling.

### Committee Recommendations

95. The Committee recommends that within three months of the adoption of this report, the Accounting Officer should ensure that the Fund Account Manager submits a certified court ruling on the matter to the Auditor-General for audit review.

### 5.0 Outstanding Imprest

96. The statement of financial assets indicated an outstanding imprest of Kshs. 3,270,500 as at 30 June 2015. However, note 9 to the financial statements reflected Kshs. 6,095,460 resulting to unreconciled or explained variance of Kshs. 2,824,960. Consequently, the accuracy, validity, and completeness of outstanding imprests balance of Kshs. 3,270,500 as at 30 June 2015 and its recoverability could not be confirmed.

### Committee Observations

97. The Committee observed that supporting documents including the imprests warrants and imprest register were not availed to the auditors to account for the Kshs. 3,270,500 outstanding imprests. The explanation by the Fund Account Manager was not satisfactory.

### Committee Recommendations

98. The Committee recommends that:

- (i) The Fund Account Manager adheres to the provisions of Section 71 (2) of the PFM Act, No. 18 of 2012; and Regulation 93 (5) and (6) of the PFM (National Government) Regulations, 2015; and
- (ii) The Accounting officer ensures that the Fund Account Manager complies with the provisions of Section 68 of the PFM Act 2012 on the timely submission of documents;

- (iii) The Accounting Officer institutes administrative action against the Fund Account Manager for failure to adhere to the provisions of the PFM Act and attendant regulations.

#### Audit Matters in the Financial Year 2015/2016

##### 1.0 Outstanding Imprests

99. The statement of assets as at 30 June 2016 reflected an imprests balance of Kshs. 3,129,360 which had been outstanding for two years, contrary to Regulation 93(5) of the PFM Regulations (National Government) Regulations 2015 which provides that a holder of temporary imprest should account for or surrender the imprest within seven days of return to duty station. Although management had explained that these imprests had since been surrendered, documentary evidence to that effect had not been provided for audit verification. Consequently, the accuracy, completeness, and validity of the imprests balance of Kshs. 3,129,360 as at 30 June 2016 could not be confirmed.

##### Committee Observations

100. The Committee observed that the supporting documents including the imprests warrants and imprest register were not availed to the auditors to account for the Kshs. 3,270,500 outstanding imprests.

##### Committee Recommendations

101. The Committee recommends that the Ethics and Anti-Corruption Commission (EACC) expedite investigations, conclude the matter, and provide a status report to the National Assembly within three months after the adoption of this report.

##### 2.0 Other Grants and Transfers

###### a) Majajani Dam Project

102. The financial statements reflected expenditure of Kshs. 35,769,259 for water projects, out of which Kshs. 5,136,000 was disbursed for excavation of Majajani Dam. Records availed for audit review indicated that the contract sum of the project was Kshs. 5,136,750, and out of this amount, Kshs. 4,676,250 was released to the contractor. However, quotations, tender committee minutes, minutes of tender evaluation and award, engineer's certificates of completion and progress reports were not availed for audit review.

103. Further, at the time of the project verification in April 2017, the dam had no water and was not fenced yet Kshs. 196,250 out of the total amount paid to the contractor related to fencing. Management explained that water had dried up due to prolonged drought, which implied that the pan's water supply was not reliable. In addition, the project was omitted from the project's implementation status report as at 30 June 2016 availed for audit review.

#### Committee Observations

104. The Committee observed that: -

- (i) The Fund Account Manager had not provided at the time of audit the supporting documents. The documents were however provided for verification after audit period.
- (ii) There was no value for money for the expenditure of Kshs. 5,136,750 expended on the project given that it is incomplete and not in use.

#### Committee Recommendations

105. The Ethics and Anti-Corruption Commission (EACC) expedites investigations, concludes the matter, and provide a status report to the National Assembly within three months after the adoption of this report.

#### b) Mwaeba-Katofeni Water Project

106. The financial statements reflected Kshs. 35,769,259 for water projects, out of which Kshs. 2,000,000 was disbursed for water distribution from the main (Baricho) water pipe. However, the bill of quantities, quotations, procurement committee minutes, minutes of evaluation and award committees, progress reports and engineer's certificates of completion were not availed for audit review. Further, at the time of project verification in April 2017, the taps had no water since meters had not been installed and the line tested.

#### Committee Observations

107. The Committee observed that: -

- (i) The Fund Account Manager had not provided at the time of audit the bill of quantities, quotations, procurement committee minutes. minutes of evaluation and award committees, progress reports and engineer's certificates of completion; and

- (ii) The documents were however provided for verification after audit period.

#### **Committee Recommendations**

108. The Committee observed that: -

- (i) The Ethics and Anti-Corruption Commission (EACC) expedites investigations, concludes the matter, and provides a status report to the National Assembly within three months after adoption of this report.
- (ii) The Accounting Officer ensures that all Fund Account Managers avail supporting documents to the Auditor-General during audit as required under section 9(1)(e) Public Audit Act, 2015.

### **2.10 KILIFI NORTH CONSTITUENCY**

#### **Audit Matters in the Financial Year 2013/2014**

##### **1.0 Fraudulent Withdrawal**

109. Examination of records availed for audit revealed that an amount of Kshs. 2,500,000.00 was withdrawn from the CDF bank account during the year without the management approval. The funds were ear marked for rural electrification project which was never implemented. Although management states that the matter is being investigated by the Central Bank of Kenya Anti-Corruption Fraud Unit, the payment had neither been incorporated in these financial statements nor a disclosure made in the notes regarding the contingency loss in line with International Accounting Standards 37. In the circumstances, it had not been possible to confirm the accuracy and validity of total payment figure of Kshs 42,352,251.25 reflected in these financial statements as at 30th June 2014.

### **Committee Observations**

111. The Committee observed that the matter was active in Kilifi Law Court.

### **Committee Recommendations**

The Committee observed that: -

112. Within three months of the adoption of this report, the Accounting Officer should within three months of the adoption of this report, follow up the matter and provide a status report to the Auditor-General for reporting in the next audit cycle.

### **Audit Matters in the Financial Year 2014/2015**

#### **1.0 Fraudulent Withdrawal**

113. As reported in the financial year 2013/2014, examination of records availed for audit revealed that an amount of Kshs 2,500,000.00 was withdrawn from the CDF bank account during the year without the management approval. The funds were ear marked for rural electrification project which was never implemented. Although management states that the matter is being investigated by Central Bank of Kenya Anti-Corruption Fraud Unit, the payment had neither been incorporated in these financial statements nor a disclosure made in the notes regarding the contingency loss in line with International Public Sector Accounting Standards. In the circumstances, it had not been possible to confirm the accuracy and validity of the brought forward cash and cash equivalent of Kshs 3,409,240.75 as at 30<sup>th</sup> June 2015.

### **Committee Observations**

114. The Committee observed that the matter was active in Kilifi Law Courts and was carried forward from the previous financial year.

### **Committee Recommendations**

115. Within three months of the adoption of this report, The Accounting Officer should within three months of the adoption of this report, follow up the matter and provide a status report to the Auditor-General for reporting in the subsequent audit cycle.

## 2.11 MALINDI CONSTITUENCY

### Audit Matters in the Financial Year 2014/2015

#### 1.0 Mzizima Water Project FY 2014/2015

116. During the year under review, the fund closed the bank account operated at KCB and transferred all funds to Equity Bank. During this process, outstanding and stale cheques were either replaced or reversed. However, a cheque of Kshs 1,800,000 issued on August, 2013 for Mzizima Secondary School for construction of class rooms was instead issued to Mzizima Water Project, a project that was not initially approved by the Board and that the water project had also been moved to Kilifi North CDF. There was no evidence of the reallocation of funds by the CDF Board to move funds from Mzizima Secondary School to Mzizima Water Project. In the absence of approval from the CDF Board, the validity and propriety of payment of Kshs 1,800,000 to Mzizima Water project for the year ended June 2015 could not be ascertained.

#### Committee Observations

117. The Committee observed that: -
- (i) The Fund Account Manager reallocated Kshs. 1,800,000 meant for Mzizima Secondary School for the construction of classrooms for the Mzizima Water Project without the approval by the NG-CDF Board; and
  - (ii) The project was implemented by Kilifi North CDF and was complete and in use.

#### Committee Recommendations

118. The Committee recommends that:
- (i) The National Government Constituencies Development Fund Board should within three months of the adoption of this report, take administrative action against the Fund Account Manager for reallocating funds without the approval of the Board contrary to section 10 (2) of the CDF Act, 2013; and
  - (ii) The Accounting Officer ensures that all Fund Account Managers comply with the provisions of section 6(2) and section 31 of the NG-CDF Act, 2015.

#### 2.0 Project Tender

119. Quotations were issued instead of tendering despite the amount of the project being Kshs 4,301,883.20 contrary to Public Procurement and Asset Disposal Regulations,

Regulation 6(1). A site visit to the project showed that the project had stalled despite the fact that the contractor had been paid. The BQ indicted that three (3) water kiosks would be constructed but none was constructed at the time of project visit.

#### Committee Observations

120. The Committee observed that the project tender was awarded through quotations instead of open tender contrary to provisions of the Public Procurement and Disposal Act, 2005.

#### Committee Recommendations

121. The Committee recommends that:
  - (i) The NG-CDF Board should within three months of the adoption of this report, investigate the award of the contracts to determine the irregularities and take action against the Fund Account Managers and any other officers involved in the procurement process and report to the National Assembly.
  - (ii) (The Accounting Officer ensures that all Fund Account Managers comply with provisions of the Public Procurement and Asset Disposal Act, 2015 and its Regulations.

#### Audit Matters in the Financial Year 2015/2016

##### 1.0 Security Projects

122. A review of documents availed for audit indicated that the fund applied request for quotations for Kakuyuni Administration Police posts projects of Kshs. 7,992,636 thus exceeding the threshold matrix of Kshs 6 million sets by the First Schedule of the Public Procurement and Disposal Regulations 2006 as amended in 2013. The validity and propriety of the expenditure amounting to Kshs. 7,992,636 incurred on projects during the year under review could not be confirmed.



### Committee Observations

123. The Committee observed that the project tender was awarded through a request for quotations instead of open tender in contravention of the Public Procurement and Asset Disposal Act, 2015.

### Committee Recommendations

124. The Committee recommends that: -
- (i) The NG-CDF Board should within three months of the adoption of this report, investigate the award of the contracts to determine the irregularities and takes action against the Fund Account Managers and any other officers involved in the procurement process and report to National Assembly.
  - (ii) The Accounting Officer ensures that Fund Account Managers comply with provisions of the Public Procurement and Asset Disposal Act, 2015, and its Regulations.

### 2.0 Acquisition of Assets

125. The fund spent a total of Kshs 6,050,000 to acquire land as follows: Kshs 5,000,000 was paid to the land vendor and Kshs 1,050,000 was paid to a single-source consultant to verify the land details. Records availed did not provide information on how the piece of land and the vendor were identified. A perusal of payment details revealed that the land was acquired and paid for before valuation. The fund had not acquired ownership documents and the matter was under investigation by Ethics and Anti-Corruption Commission (EACC). Examination of documents availed for audit indicated that construction of the office commenced before the land sale agreement was signed.

### Committee Observations

126. The Committee observed that: -
- (i) The Fund Account Manager acted in breach of the Public Procurement and Asset Disposal Act, 2015 on the procurement method used; and
  - (ii) The Fund had not acquired ownership documents and the matter was under investigation by EACC.

### Committee Recommendations

127. The Committee recommends that: -
- (i) The Accounting Officer follows up with the Ethics and Anti-Corruption Commission (EACC) on the status of the investigation on the matter and reports to the National Assembly within three months after the adoption of this report.
  - (ii) The Accounting Officer ensures that Fund Account Managers comply with provisions of the Public Procurement and Asset Disposal Act, 2015 and its Regulations.

### 3.0 GENERAL OBSERVATIONS AND RECOMMENDATIONS

128. Having considered the audited financial statements, the following general observations and recommendations cut across the twenty-six (26) constituencies during the examination of the Reports:

#### 1) Bookkeeping, Preparation & Accuracy of The Financial Statements

129. The Committee observed that the bookkeeping and preparation of financial statements is a big challenge in almost all the Constituency Offices. Further, the Fund Account Managers faced challenges in submitting supporting documents to the auditors in time because the documents are usually in the custody of the Sub-County Accountants (formerly District Accountants). The Sub-County Accountants are required to sign the financial statements as per the templates issued by the Public Sector Accounting Standard Board. However, they did not undertake this responsibility and more often than not, did not cooperate with the Fund Account Managers during the audit to ensure timely submission of documents for audit review.

130. The delays in the preparation of complete financial statements are also attributable to the lack of adequate capacity at the Constituency NG-CDF Offices. The Sub-County Treasuries (formerly District Accountant) in charge of maintaining books of accounts for all national government offices at the Sub-County is also maintaining accounting records and various supporting documents of the fund at the Constituencies.

131. The Committee recommends that:

- (i) The National Government Constituencies Development Fund Board strengthens the Constituency Offices by establishing Treasury units to serve the Constituencies.
- (ii) The NG-CDF Board should consider employing qualified Accountants for the Constituency Offices beginning FY 2022/23 within the 5% administrative allocation to the Board. This will strengthen the maintenance of books of accounts, preparation of financial statements, and timely submission of the statements and documents to the Auditors by the Constituency Offices.

## 2) Compliance To Reporting Standards and Accuracy of the Financial Statements

132. The Committee observed that Fund Account Managers experienced challenges in adapting to the International Public Sector Accounting Standards (IPSAS) reporting framework in the preparation of financial statements. The Committee also observed that the PSASB reviews the IPSAS Standards periodically to take into account emerging issues and conform to best accounting practices. The Committee found that some Fund Account Managers experienced challenges in the application of these standards while preparing financial statements as evidenced by the audit Matters.

133. The Committee recommends that:

- (i) The NG-CDF Board should conduct continuous capacity building on financial reporting standards for Constituency Committees and the PMC to improve the quality of reporting and enhance compliance; and
- (ii) The NG-CDF Board should consider employing qualified Accountants for the Constituency Offices beginning FY 2022/23 within the 5% administrative allocation to the Board. This will strengthen the maintenance of books of accounts, preparation of financial statements, and timely submission of the statements and documents to the Auditors by the Constituency Offices.

## 3) Standardization of the NG-CDF Construction Projects

134. The Committee observed that there were inconsistencies in design, costs, and quality of similar projects across the constituencies in the Coastal region. This creates a challenge in determining the value for money since the cost of construction and the designs are not similar. Further, there is no policy guidelines and cost estimates provided by the NG-CDF Board to guide the CDF Committees and PMCs in undertaking similar projects in their Constituency.

135. The Committee recommends that: -

- (i) The NG-CDF Board fast-tracks the recruitment of independent quantity surveyors and architects to address the inconsistencies in the projects across the Constituencies.
- (ii) The Accounting officer ensures that all projects undertaken by NG-CDF are branded (including the year of funding) and photographs taken during handing over by the contractor and commissioning as evidence of ownership of the project.
- (iii) Within three months of the adoption of this report, the NG-CDF Board initiate the development of an overarching policy guideline that include designs and cost estimates for NG-CDF projects.

#### 4) Late Disbursement and Underutilization of Funds

136. The Committee observed that there was underutilization of funds in different constituencies due to late disbursement of funds by the NG- CDF Board and the National Treasury hence rollover of Funds from subsequent years due to late receipts.

The Committee recommends that:

- (i) The National Treasury ensures timely disbursement of funds to the National Government Constituencies Development Fund Board for immediate release to the constituencies; and
- (ii) The Cabinet Secretary National Treasury shall submit to the National Assembly Constituencies exchequer disbursements schedule not later than the 15<sup>th</sup> day after the end of each quarter.

#### 5) Re-Allocation of Funds without approval of the NG-CDF Board

137. The Committee observed that some Fund Accounts Managers implemented projects and re-allocated funds without seeking prior approval from the NG-CDF Board. This was in contravention of section 6(2) and section 31 of the NG-CDF Act, 2015. The Act provides reallocation of funds during the financial year must at all-time be with the approval of the NG-CDF Board.

138. The Committee also noted that some National Government Constituencies Development Fund Committees had not engaged the services of a Clerk of Works as provided in the NG-CDF Board guidelines.

139. The Committee recommends that: -

- (i) The NG-CDF Board takes administrative action against Fund Account Managers that reallocated funds without the approval of the Board contrary to Section 6 of the NG-CDF Act, 2015.
- (ii) The Accounting Officer ensures that all the Fund Account Managers enforce compliance with section 6(2) and section 31 of the NG-CDF Act, 2015; and
- (iii) The Accounting Officer ensures that all Fund Account Managers and PMCs consult and involve relevant Government departments during initiation, cost estimation, and implementation of projects to ensure that priority projects are selected, adequate budgeting, and quality works are produced in compliance with Section 46(1) of the NG-CDF Fund Act, 2015.

#### 6) Guidelines On the Use of Emergency Funds

140. The Committee observed that some of the projects funded using emergency funds did not meet the threshold set out in Section 8 of the NG-CDF Act, 2015.

141. The Committee recommends that:

**Within three months of the adoption of this report, the NG-CDF Board issues guidelines to all the Constituencies and PMCs clarifying the use of the emergency funds.**

#### 7) Compliance with Audit Cycle Timelines

142. The Committee observed that there were delays by the Fund Account Managers in preparation of the financial statement and submission to the Office of the Auditor-General. The Accounting Officer, the Fund Account Manager, and the Sub –County Accountants (formerly District Accountants) are required to work jointly in preparation and signing of the financial statement. However, there seems to be poor coordination

between the Fund Account Manager and the Sub –County Accountants who is not an employee of the NG-CDF Board.

143. The Committee further observed that some Fund Account Managers did not avail some documents that were subject of examination by the Auditor-General for verification at the time of audit. The documents not availed for audit-included cashbooks, bank statements, payment vouchers, project completion certificates, procurement records and Bills of Quantities. These are accountable documents, which are under the custody of the Sub –County Accountants at the Sub-County Treasuries.

144. The Committee recommends that:

- (i) The National Government Constituencies Development Fund Board strengthens the Constituency Offices by establishing Treasury units to serve the Constituencies; and
- (ii) The NG-CDF Board should consider employing qualified Accountants for the Constituency Offices beginning FY 2022/23 within the 5% administrative allocation to the Board. This will strengthen the maintenance of books of accounts, preparation of financial statements, and timely submission of the statements and documents to the Auditors by the Constituency Offices.

#### 8) Bursary Fund Allocations and Disbursements

145. The Committee observed some incidences of delays in disbursement of bursaries to beneficiary institutions, non-presentation of issued bursary cheques to institutions and cancellation of issued bursary cheques.

146. The Committee recommends that:

- (i) Within three months of the adoption of the report, the National Government Constituencies Development Fund Board reviews the 2010 *Guidelines* on Issuance of Bursaries to Beneficiaries.
- (ii) The NG-CDF Board should develop an overarching bursary policy framework to guide Constituencies in line with the needs of the constituency. Each NG-CDF bursary committee to establish criteria and

guidelines for identifying, categorizing, and awarding bursaries to needy students; and

- (iii) Within three months of the adoption of this report, the National Government Constituencies Development Fund Board should consider adopting electronic funds transfer in the disbursement of bursaries.

#### 9) Non-Remittance of Statutory Deductions

147. The committee observed that some Fund Account Managers failed to file and remit various statutory deductions, such as NHIF and NSSF, as required by the law. The Funds paid penalties for non-compliance.

148. The Committee recommends that:

- (i) The Accounting Officer should ensure that All Fund Account Managers comply with the National Social Security Fund Act, 2013 and the National Health Insurance Fund Act No 9 of 1998; and
- (ii) The Accounting Officer, in liaison with the KRA should put in place sensitization programmes on taxation for the Fund Account Managers and the PMCs with the aim of enhancing tax compliance.



REPUBLIC OF KENYA



NATIONAL ASSEMBLY  
THIRTEENTH PARLIAMENT  
DECENTRALIZED FUNDS ACCOUNTS COMMITTEE  
MEMBERS' ATTENDANCE

DATE: 11<sup>TH</sup> APRIL, 2023 START TIME: 12:26pm END TIME: 13:08

VENUE: THE MEDIA CENTRE, MAIN PARLIAMENT BUILDINGS

AGENDA:

THE FIRST REPORT ON AUDITED FINANCIAL STATEMENTS FOR THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND FOR THENTY-SIX (26) CONSTITUENCIES IN THE COUNTIES OF MOMBASA, KILIFI, KWALE, TAITA TAVETA, LAMU AND TANA RIVER FOR FINANCIAL YEARS 2013/2014, 2015/2015 AND 2015/2016

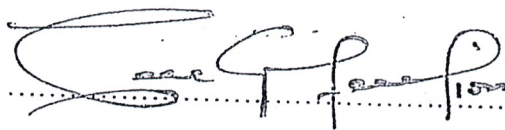
	NAMES	SIGNATURE
1.	Hon. Gideon Mulyungi, M.P. - Chairperson	
2.	Hon. Gertrude Mbeyu, M.P. - Vice Chairperson	
3.	Hon. Joseph Kahangara Mburu, M.P.	
4.	Hon. David Mboni Mwalika, M.P.	
5.	Hon. Innocent Momanyi Obiri, M.P.	
6.	Hon. Mejjadonk Benjamin Gathiru, M.P.	
7.	Hon. Adhe Guyo Wario, M.P.	
8.	Hon. Caroline Jeptoo Ng'elechei, M.P.	
9.	Hon. Dorothy Muthoni, Ikiara, M.P.	
10.	Hon. Jackson Lentoijoni, Lekumontare, M.P.	
11.	Hon. Abdi Barre Hussein, M.P.	
12.	Hon. Joyce Osogo, Bensuda, Atieno, M.P.	
13.	Hon. Martin Wanyonyi Pepela M.P.	
14.	Hon. Stephen Mogaka, M.P.	
15.	Hon. Reuben Kipngor, Kiborek, M.P.	



#### 4.0 COMMITTEE RESOLUTION

149. The Decentralized Funds Accounts Committee in a sitting held on 11<sup>th</sup> April, 2023 unanimously adopted the 11<sup>th</sup> Report of the Special Funds Accounts Committee of the 12<sup>th</sup> Parliament tabled in the House on 2<sup>nd</sup> December, 2021 without amendments and resolved to present the report to the House for consideration and adoption.

Signed: .....




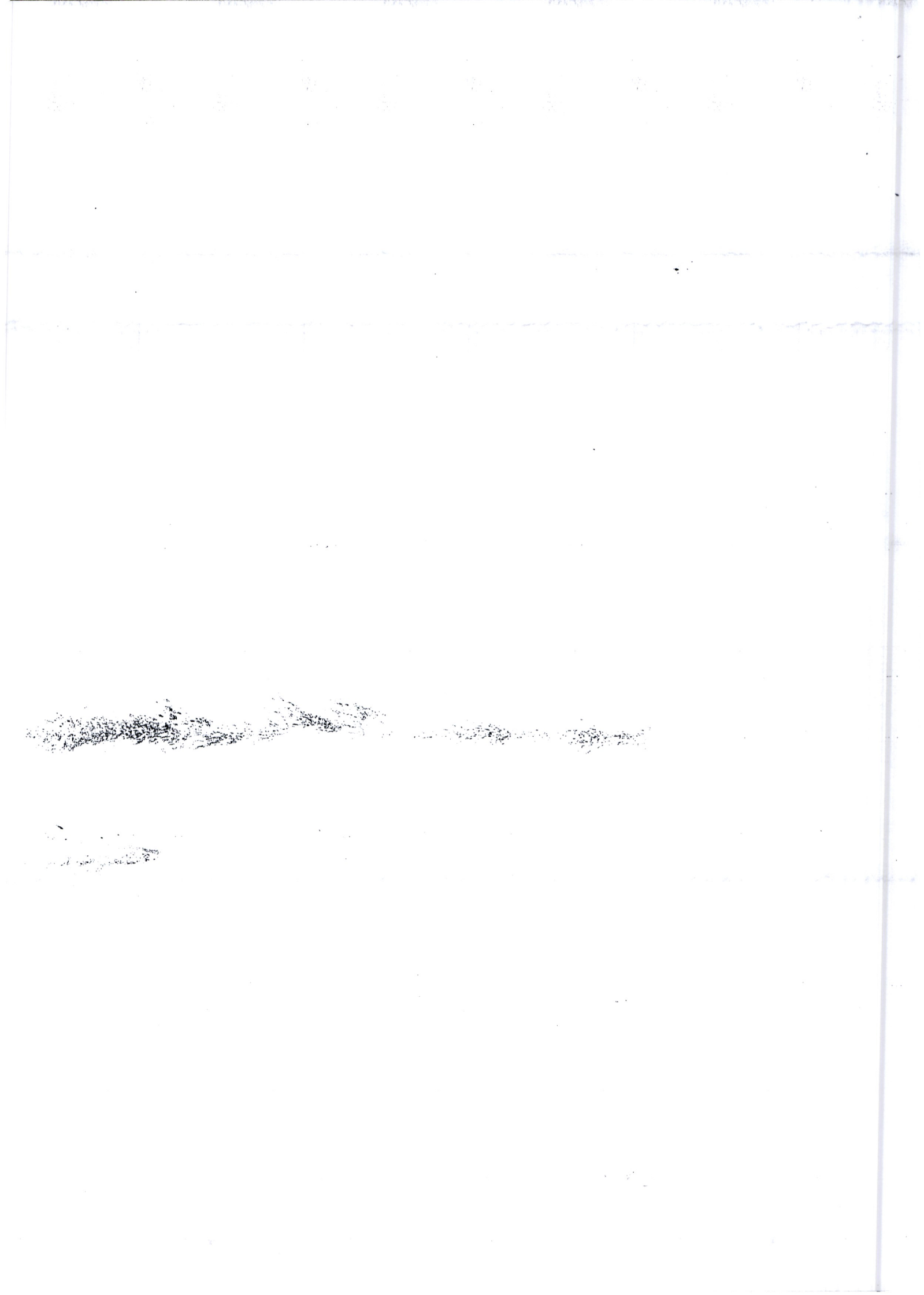
Date: .....

20/4/2023

HON. GIDEON MULYUNGI, M.P.

CHAIRPERSON, DECENTRALIZED FUNDS ACCOUNTS COMMITTEE

 THE NATIONAL ASSEMBLY PARLIAMENT BUILDING NAIROBI	
DATE: 26 APR 2023	
TUESDAY	
TABLED	Chairperson, Select Committee
	on Decentralized funds Accounts
	Committee
	Inzgu mwale



MINUTES OF THE 20<sup>TH</sup> SITTING OF THE DECENTRALIZED FUND ACCOUNTS COMMITTEE HELD ON TUESDAY, 11<sup>TH</sup> APRIL 2023, IN THE MEDIA CENTRE, MAIN PARLIAMENT BUILDINGS AT 12.00 PM.

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**PRESENT**

- |   |                  |
|---|------------------|
| 1. Hon. Gideon Mutemi Mulyungi, M.P.      | Chairperson      |
| 2. Hon. Gertrude Mwanyanje Mbeyu, M.P     | Vice-Chairperson |
| 3. Hon. Joseph Kahangara Mburu, M.P       |                  |
| 4. Hon. Abdi Barre Hussein, M.P           |                  |
| 5. Hon. Martin Wanyonyi Pepela , M.P      |                  |
| 6. Hon. Mejjadonk Benjamin Gathiru, M.P.  |                  |
| 7. Hon. Stephen Mogaka, M.P               |                  |
| 8. Hon. Dorothy Muthoni, Ikiara, M.P      |                  |
| 9. Hon. Joyce Osogo, Bensuda, Atieno, M.P |                  |
| 10. Hon. Innocent Momanyi Obiri, M.P      |                  |
| 11. Hon. Caroline Jeptoo N'gelechei, M.P  |                  |

**APOLOGIES**

1. Hon. Jackson Lentoijoni, Lekumontare, M.P.
2. Hon. David Mboni Mwalika, M.P.
3. Hon. Adhe Guyo Wario, M.P.
4. Hon. Reuben Kipngor, Kiborek, M.P

**IN ATTENDANCE**

**NATIONAL ASSEMBLY SECRETARIAT**

- |                         |                            |
|-------------------------|----------------------------|
| 1. Mr. Muyodi Emmanuel  | Clerk Assistant II         |
| 2. Mr. John Mutinda     | Clerk Assistant III        |
| 3. Mr. Clinton Sindiga  | Legal Counsel II           |
| 4. Ms. Elizabeth Kibati | Research Officer III       |
| 5. Ms. Esther Mbatha    | Protocol Officer           |
| 6. Mr. Calvin Karung'o  | Media Relation Officer III |
| 7. Mr. Benson Muchiri   | Audio Officer              |

**MIN. NA/AA&SC-DFAC/2023/89 PRELIMINARIES**

The Chairperson called the meeting to order at 12:26 pm.

**MIN. NA/AA&SC-DFAC/2023/90 ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted as circulated.

**AGENDA**

1. Prayers
2. Preliminaries
3. Confirmation of minutes
4. Substantive Agenda  
*Consideration of the 11<sup>th</sup> Report of SFAC on Audited Financial Statements for the NGCDF, Coastal Region.*
5. Any other Business
6. Adjournment and date of the next meeting.

MIN. NA/AA&SC-DFAC/2023/91

CONSIDERATION OF THE  
REPORT

The Committee considered and adopted the Report of the Decentralized Funds Accounts Committee (DFAC) on its consideration of the Reports of the Auditor General on the Financial Statements for the National Government Constituencies Development Fund For Twenty-Six (26) Constituencies in the Counties Of Mombasa, Kilifi, Kwale, Taita Taveta, Lamu, And Tana River For Financial Years 2013/2014, 2014/2015 AND 2015/2016 (The report was tabled in the House in the 12<sup>th</sup> Parliament by the Special Funds Accounts Committee) after being proposed by the Hon. Joseph Mburu, MP and seconded by the Hon. Stephen Mogaka, MP.

The report was adopted without amendments.

MIN.NO.NA/DAAOSC/DFAC/2023/92

ANY OTHER BUSINESS

The Committee was informed of the scheduled retreat to examine the reports by the Auditor General on the National Government Constituencies Development Fund for 9 Constituencies in Bungoma County. The retreat will be held in Hilton Garden Inn, Machakos County, on 13<sup>th</sup> – 18<sup>th</sup> April, 2023.

MIN.NO.NA/DAAOSC/DFAC/2023/93

ADJOURNMENT/DATE OF NEXT  
SITTING

There being no other business, the meeting was adjourned at 13.08 pm. The next meeting will be held on Thursday, 13<sup>th</sup> April, 2023.

SIGNED.......... DATE ..... 11 / 4 / 2023 .....

HON. GIDEON MUTEMI MULYUNGI, M.P.

(CHAIRPERSON)

DECENTRALIZED FUNDS ACCOUNTS COMMITTEE

MINUTES OF THE 16<sup>TH</sup> SITTING OF THE DECENTRALIZED FUND ACCOUNT  
COMMITTEE HELD ON THURSDAY, 16<sup>TH</sup> MARCH 2023, IN THE MEDIA CENTER,  
PARLIAMENT BUILDINGS AT 10.00 AM

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PRESENT

- |  |                  |
|--|------------------|
| 1. Hon. Gideon Mutemi Mulyungi, M.P.         | Chairperson      |
| 2. Hon. Gertrude Mwanyanje Mbeyu, M.P        | Vice-Chairperson |
| 3. Hon. Jackson Lentoijoni, Lekumontare, M.P |                  |
| 4. Hon. Innocent Momanyi Obiri, M.P          |                  |
| 5. Hon. Dorothy Muthoni, Ikiara, M.P         |                  |
| 6. Hon. Stephen Mogaka, M.P                  |                  |
| 7. Hon. Mejjadonk Benjamin Gathiru, M.P.     |                  |

APOLOGIES

1. Hon. Joyce Osogo, Bensuda, Atieno, M.P
2. Hon. Adhe Guyo Wario, M.P
3. Hon. Caroline Jeptoo Ng'elechei, M.P
4. Hon. Martin Wanyonyi Pepela M.P
5. Hon. David Mboni Mwalika, M.P
6. Hon. Joseph Kahangara Mburu, M.P
7. Hon. Abdi Barte Hussein, M.P
8. Hon. Reuben Kipngor, Kiborek, M.P

IN-ATTENDANCE

NATIONAL ASSEMBLY SECRETARIAT

- |                         |                      |
|-------------------------|----------------------|
| 1. Ms. Sylvia Ocharo    | Clerk Assistant III  |
| 2. Mr. John Mutinda     | Clerk Assistant III  |
| 3. Ms. Elizabeth Kibati | Research Officer III |
| 4. Mr. Clinton Sindiga  | Legal Counsel II     |
| 5. Ms. Sharon Cheruto   | Hansard Reporter III |
| 6. Mr. Kevin Legasi     | Audio Officer III    |
| 7. Ms. Esther Mbatha    | Protocol Officer     |

MIN.NO. NA/DAAQSC/ DFAC/2023/070

PRELIMINARIES

The Chairperson called the meeting to order at 10:27 am and said a prayer.

MIN.NO. NA/DAAOSC/ DFAC/2023/071

ADOPTION OF THE AGENDA

The meeting adopted the agenda as circulated, having been proposed by Hon. Dorothy Muthoni, M.P. and seconded by Hon. Innocent Obiri, M.P.

AGENDA

1. Prayers
2. Introduction
3. Adoption of Agenda
4. Confirmation of Minutes
5. Substantive Agenda
  - Consideration of 11<sup>th</sup> Report of Special Funds Accounts Committee on Audited Financial Statement for NGCDF in the Coastal Region.
6. Any Other Business
7. Adjournment.

MIN.NO. NA/DAAOSC/ DFAC/2023/072

CONFIRMATION OF MINUTES


- i. The Minutes of the 7<sup>th</sup> Sitting were confirmed to be a true and accurate record of the meeting held on Tuesday, 28<sup>th</sup> February, 2023, at 10am, having been proposed and seconded by Hon. Innocent Obiri M.P and Hon. Gideon Mulyungi, M.P., respectively.
- ii. The Minutes of the 8<sup>th</sup> Sitting were confirmed to be a true and accurate record of the meeting held on Tuesday, 2<sup>nd</sup> March, 2023, at 12pm, having been proposed and seconded by Hon. Innocent Obiri, M.P. and Hon. Gideon Mulyungi, M.P., respectively.
- iii. The Minutes of the 9<sup>th</sup> Sitting were confirmed to be a true and accurate record of the meeting held on 7<sup>th</sup> March, 2023, at 10am, having been proposed seconded by Hon. Innocent Obiri, M.P. and Hon. Gideon Mulyungi, M.P., respectively.
- iv. The Minutes of the 10<sup>th</sup> Sitting were confirmed to be a true and accurate record of the meeting held on Wednesday, 8<sup>th</sup> March, 2023, at 12pm., having been proposed and seconded by Hon. Innocent Obiri, M.P. and Hon. Gideon Mulyungi, M.P., respectively.
- v. The Minutes of the 11<sup>th</sup> Sitting were confirmed to be a true and accurate record of the meeting held on Tuesday, 7<sup>th</sup> March, 2023, at 10am., having been proposed and seconded by Hon. Innocent Obiri, M.P. and Hon. Gideon Mulyungi, M.P., respectively.



- ii. The researcher was tasked to analyze specific recommendations from each constituency proposing cause of action in response to audit queries.

MIN.NO.NA/DAAOSC/DFAC/2023/033: ADJOURNMENT/DATE OF NEXT SITTING

There being no other business, the meeting was adjourned at 11:23am. The next meeting will be held on March 2<sup>nd</sup>, 2023.

SIGNED.......... DATE ..... 11 | 4 | 2023 .....

HON. GIDEON MUTEMI MULYUNGI, M.P.

(CHAIRPERSON)

