

REPUBLIC OF KENYA



THE SENATE

ELEVENTH PARLIAMENT-FOURTH SESSION

REPORT OF THE SENATE SESSIONAL COMMITTEE ON COUNTY PUBLIC
ACCOUNTS AND INVESTMENTS ON THE INQUIRY INTO THE FINANCIAL
OPERATIONS OF TURKANA COUNTY EXECUTIVE FOR THE FINANCIAL
YEAR 2013/2014 (1ST JULY, 2013 TO 30TH JUNE, 2014)

Hon. Speaker

We recommend for
approval for tabling.

Eg 29/03/18

Alfred P
Munira

28/3/2018

CLERK'S CHAMBERS
THE SENATE

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ACRONYMS/ABBREVIATIONS

SO	- Standing Orders
PPOA	- Public Procurement Oversight Authority
LPO	- Local Purchase Order
LSO	- Local Supply Order
AG	- Auditor General
PFM	- Public Finance Management
MCA	- Member of County Assembly
CASB	- County Assembly Service Board

PREFACE

Mr. Speaker Sir,

Committees are a creation of the Constitution through Article 124(1) of the Constitution which empowers each House of Parliament to establish Committees and make Standing Orders (SO) for the orderly conduct of its proceedings, including the proceedings of its Committees.

The Senate Sessional Committee on County Public Accounts and Investments is established by the Senate pursuant to Standing Order No. 212 and is mandated:-

- a) Pursuant to Article 96(3) of the Constitution, to exercise oversight over national revenue allocated to the county governments,
- b) Pursuant to Article 228(6) of the Constitution, to examine the report of the Controller of Budget on the implementation of the budgets of county governments,
- c) Pursuant to Article 229(7) and (8) of the Constitution, to examine the reports of the Auditor-General on the annual accounts of the county governments,
- d) To examine special reports, if any, of the Auditor-General on county government funds,
- e) To examine the reports, if any, of the Auditor-General on the county public investments, and
- f) To exercise oversight over county public accounts and investments

Mr. Speaker Sir,

The membership of the Committee comprises of the following Senators:-

1. Sen. (Prof.) Anyang Nyong'o - **Chairman**
2. Sen. (Prof.) John Lonyangapuo - **Vice Chairman**
3. Sen. Henry Tirole Ndiema
4. Sen. Wamatangi Kimani
5. Sen. Karue Muriuki
6. Sen. Hassan Omar Hassan
7. Sen. Wangari Martha
8. Sen. Khaniri George

9. Sen. Sitswila Wako Amos
10. Sen. (Dr.) Boni Khalwale
11. Sen. Kennedy Okong'o Mongare
12. Sen. Stephen Ole Ntutu

Mr. Speaker Sir,

The Committee was first constituted on 27th March, 2014 pursuant to Senate Standing Order 181 following a resolution of the House on Thursday 27th February 2014 to amend the Senate Standing Orders. The Committee was subsequently reconstituted on 17th February, 2015 and February, 2016 Pursuant to Senate Standing Order 210(1) which requires *Sessional Committees* to be reconstituted at the Commencement of every session.

Mr. Speaker Sir,

The Senate Sessional Committee on County Public Accounts and Investments is the avenue through which the Senate under the provisions of Article 96(3) of the Constitution carries out the ex-post scrutiny of County Governments Budgets.

Mr. Speaker Sir,

The Committee largely relies on the report of the Auditor General and the Controller of Budget as key instruments for its ex-post scrutiny of County Governments Budgets.

Mr. Speaker Sir

The Office of the Auditor General on various dates from the month of June, 2015 forwarded reports on the financial operations of the County Governments for the financial year 2013/2014 to the Senate pursuant to the provisions of Article 229(7). As such, the Report of the Financial Operations of Turkana County Executive for the period 1st July, 2013 to 30th June, 2014 was tabled on 30th June, 2015 and stood committed to the Sessional Committee on County Public Accounts and Investments.

The Committee held six meetings with Turkana County Executive on 1st, 2nd, 23rd and 24th September, 2015 where it considered and concluded its investigation on the report of the Auditor General under review. This also included a meeting held in Turkana County on 9th October, 2015 where the Committee inspected projects that were a subject of the audit report.

The Committee received evidence from the Governor as the Chief Executive Officer of the County Government pursuant to the provisions of Article 179(4) of the Constitution of Kenya, 2010.

The main issue for determination and investigation was the various audit queries contained in the report of the Auditor General on the Financial Operations of Turkana County Executive for the financial year 2013/2014 (for the period 1st July, 2013 to 30th June, 2014).

This report is issued pursuant to the requirements of Articles 96 (3) and 229(8) of the Constitution of Kenya and the Senate Standing Order 203.

Mr. Speaker Sir,

The Committee in arriving at particular recommendations in this particular report of the Auditor General on the Financial Operations of Turkana County Executive took into account the challenges faced by Counties at their nascent days particularly during the financial year 2013/2014.

The Committee was further guided by the mandate of the Senate pursuant to the provisions of Article 96(1) of the Constitution; particularly the need to strike a balance between protection of the counties vis-a-vis the oversight role of the Senate over counties in accordance with the provisions of Article 96(1) and 96(3) of the Constitution respectively.

The Committee further structured its deliberations and decisions in the following manner:-

- (i) **Unlawful expenditure:** In this category, the expenditure in question could not be justified under any circumstances. In instances like this, the Committee recommended immediate recovery of funds from the recipients or surcharge of the individuals who received the funds.
- (ii) **Instances where procurement rules were not followed but goods and services were supplied as per the details of the requisition:** In instances where the County Government entity used restricted tendering method instead of open tender method but goods were delivered as per the details of the Local Purchase Order, the Committee depending on the oral and written submissions recommended that the respective accounting officers be reprimanded for not following the Public Procurement Rules and Regulations and be required to submit a report to the Senate on administrative actions and austerity measures taken to mitigate against committal of similar offences in the

subsequent financial years. However any fraudulent application of funds remained an offence punishable by law notwithstanding the foregoing.

- (iii) **Instances where procurement rules were not followed and the Committee could not ascertain whether the public funds were used prudently:** The Committee recommended that the office of the Auditor General undertakes the *value for money audit* on that specific project and submit a report to the Senate expeditiously and the officer who authorized the expenditure be punished depending on the gravity of the offence and circumstances surrounding the committal of the offence.
- (iv) **Instances where procurement rules were not followed and goods and services delivered or provided did not match the specification of the goods requested through the LPOs:** The Committee took the view that this was a fraudulent transaction and recommended that the officer who authorized payment should be surcharged and held personally liable for the loss of public funds in question. In addition, the committee recommended that disciplinary action be taken against the culprits.
- (v) **Instances where an irregularity occurred and the County Government entity detected it and took disciplinary action against the officers involved:** The Committee considered these on a case to case basis and in most cases where the action taken was satisfactory, the committee cleared the audit query and no further action was recommended. However, where the action taken was unsatisfactory, the Committee recommended additional punishment or mitigative measures.
- (vi) **Instances where procurement rules were not followed but the Committee ascertained that no public funds were lost in the transaction:** The Committee recommended that the officer(s) who authorized or sanctioned the committal of the irregularity be reprimanded notwithstanding the fact that no public funds were lost.
- (vii) **Instances where the County Government entity failed to submit the required documents during the time of audit but subsequently submitted the documents to the Auditor General and the documents were examined and the Auditor General was satisfied with the evidence submitted:** The Committee cleared the audit query but recommended that the County Government entity should submit the documents to the Auditor General at the time of audit.

EXECUTIVE SUMMARY

The Committee was first constituted on 27th March, 2014 pursuant to Senate Standing Order 181 following a resolution of the House on Thursday 27th February 2014 to amend the Senate Standing Orders. The Committee was subsequently reconstituted on 17th February, 2015 Pursuant to Senate Standing Order 210(1) which requires *Sessional Committees* to be reconstituted at the Commencement of every session.

In the execution of its mandate, the Committee relied on the report of the Auditor General on audited Accounts of Turkana County Executive for the Financial year 2013/2014(1st July, 2013 to 30th June, 2014) as the primary document for the investigation.

The Committee invited the Governor for Turkana County in his capacity as the Chief Executive Officer of the County Government pursuant to Article 179(4) of the constitution to respond to the audit queries raised in the report under consideration.

The Committee began its work by scheduling a meeting for evidence taking where the Clerk was invited to respond to audit queries raised by the Auditor General in the report under consideration on 1st, 2nd, 23rd and 24th September, 2015 and 9th October, 2015.

The Committee considered and concluded its inquiry into the report of the Auditor General on the Financial Operations of Turkana County Executive for the Financial Year 2013/2014(1st July, 2013 to 30th June, 2014).

This report documents the observations and recommendations of the Committee on each audit query and it is divided into four parts.

The preface details the place of Committees in the Constitution, Committee establishment and mandate, Committee membership and formation, the niche of the Committee in the Senate, the executive summary, key observations and recommendations and acknowledgement.

Chapter one contains a background to the report of the Auditor General under consideration.

Chapter two is a record of the audit queries as raised by the Auditor General in the report under review and Committee's observations and recommendations on each audit query.

Chapter three captures the Committee's findings and observations on the entire report while chapter four contains the recommendations of the Committee on the entire report.

GENERAL OBSERVATIONS

The Committee observed that:-

- 1) The CEC Finance and the Chief Officer Finance had no academic or working experience on financial matters and this may have contributed to the failure by the county government to follow the procurement rules in sourcing for goods and services.
- 2) The county executive failed to attract the services of competent personnel for various cadres including specialists in land matters, Engineering and finance.
- 3) The county government on several occasions did not follow the procurement rules and regulation in sourcing for goods and services.
- 4) The county government on various occasions made down payment of upto 50% to the suppliers before goods and services were delivered or provided.
- 5) The Finance department and by extension the procurement department lacked the requisite personnel to manage the finance docket. However, the county government submitted evidence to show that it was recruiting the necessary personnel.
- 6) The County Government had difficulty attracting the specialized skills like Engineers, Doctors and Physical Planners among others due to its geographical location in the Country.
- 7) The County Ministry of Lands, Physical Planning and Urban areas did not utilize its allocation to the tune of Kshs.151,069,311 or 87.5% of its allocation, the people of Turkana may have therefore been denied the services they are entitled to due to non-implementation of the planned projects and unsatisfactory utilization of the budgets. Although this may have been attributable to the difficulties faced by the county government in attracting staff in specialized areas including in the physical planning department, the county government should endeavour to recruit the requisite skilled personnel and utilize every allocation in order to avoid unnecessary wastage of public funds.
- 8) The county government vehicles were used without any regulations governing the movements beyond the normal working hours. This may result in misuse of county government vehicles by officers for personal engagements.

GENERAL RECOMMENDATIONS

The Committee recommends that:-

- 1) The County Government should professionalize the finance, procurement and internal audit departments for efficiency, effectiveness and proper management of county government resources as well as accountability and transparency in the management of public funds. This can be achieved through the recruitment of a qualified Chief Finance Officer and other qualified officers with financial and procurement related qualifications.
- 2) The County Executive should develop county policy to regulate the allocation and usage of motor vehicles in the counties in with Government Policy on allocation and use of public vehicles.
- 3) The Commission of Revenue Allocation in conjunction with the Salaries and Remuneration Commission should come up with a flexible plan and policy that will enable the county governments in the marginalized areas of the country to attract specialized and skilled personnel.

ACKNOWLEDGEMENTS

The Committee wishes to acknowledge the support it received from the Office of the Speaker and the Clerk of the Senate in undertaking its work.

The Committee further appreciates the support it received from the office of the Auditor General and the cooperation from the office of the Governor and the County Executive of Turkana during the consideration of the Audit Report.

The Committee further appreciates the cooperation it received from the County Assembly of Turkana during the consideration of the report and county visit.

Final appreciation goes to the distinguished and dedicated members of the Committee who created time out of their busy schedule to attend and actively participate in the proceedings of the visit.

Mr. Speaker Sir,

I wish to confirm that the resolutions of the Committee on the observations and recommendations of the Committee in this report were unanimous.

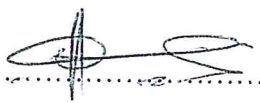
Mr. Speaker Sir,

This report is issued in accordance with the provisions of the Senate Standing Order 203.

Mr. Speaker,

It is therefore my pleasant duty and privilege, on behalf of the Senate Sessional Committee on County Public Accounts and Investments to table this report and commend it to the House for debate and adoption pursuant to the provisions of the Senate Standing Order 203(6).

SIGNED:

 Moses Okoro Kajwang

DATE:

28 March 2018

**SEN. (PROF.) ANYANG' NYONG' , MP
CHAIRPERSON**

CHAPTER ONE

1.0 Background to the report

Following the submission of the report of the Auditor General on the Financial Operations of Turkana County Executive for the Financial year 2013/2014(1st July, 2013 to 30th June, 2014) to the Senate pursuant to the provisions of Article 229(7), the report was laid on the table of the House on 30th June, 2015 and stood committed to the Sessional Committee on County Public Accounts and Investments.

The Committee subsequently invited the Governor for Turkana County to its investigatory meetings held on 1st, 2nd, 23rd and 24th September, 2015 and 9th October, 2015 to respond to the audit queries raised in the report under consideration pursuant to the provisions of Article 179(4) of the constitution of Kenya, 2010.

The Committee considered and concluded its consideration of the said report in three sittings and thereafter adopted the report during its report writing retreat held in Kisumu from 3rd to 5th February, 2016.

CHAPTER TWO

2.0 AUDIT QUERIES

4.1 Tippers

Information available indicate that M/s Foton East Africa Ltd was issued with a local purchase order on 12 February 2014 for supply of two 20 tonne tippers, Foton HP 290 at a cost of Kshs.18,000,000. Subsequently, a 50% down payment of Kshs.9,000,000 was made on 6 May 2014 vide payment voucher No 256. However, supporting documents such as tender advertisement, bids submitted by the bidders, contract for the supply of the tippers, tender Committee Minutes for award of the tender and the report of the Inspection and Acceptance Committee were not provided for audit verification. The tippers were noted to have been delivered. However, their logbooks were not availed to confirm ownership.

Further, the list of suppliers contracted by the County Ministry of Transport and Infrastructure provided for audit review did not contain the name of the motor dealer that supplied the two tippers. In the circumstances, it has not been possible to establish the ownership status of the Tippers and that the County Executive obtained value for money on the same in the absence of the documents supporting the procurement processes.

Governor's response

The Committee heard that the County Government used the prequalification list for Nairobi City County Government to identify the company that supplied the tippers because at the time of procuring the tippers, the County Government had no prequalified suppliers of its own and used another government entity prequalified list to source for the tippers. The tippers were procured at a cost of Kshs. 9,000,000 for each tipper and the tonnage of each tipper was 20 tonnes.

The Committee further heard that direct procurement method was used in the purchase of the tippers pursuant to the provisions of section 74(3) of the Public Procurement and Disposal Act, 2005 due to the need to urgently enhance speedy delivery of relief supplies to inaccessible areas of the county. The decision was arrived at after the the local transporters refused to deliver relief food to the said locations due to unmotorable roads and insecurity in some areas.

The management also admitted that the procurement rules were not followed and the matter was not reported to the Public Procurement Oversight Authority(PPOA) as required by law but pointed out that sufficient measures had been put in place to ensure that similar mistakes were not committed in the future including the establishment of the tender committee that was operational.

The management submitted the copies of log books as proof of ownership, the technical inspection report from the Ministry of Public Works and a copy of Local Purchase Order as supporting documents.

The governor also informed the Committee that at the time of taking over the management of the county government, the County Government inherited the staff from the defunct local authorities who lacked the requisite skills in financial management.

The Governor further informed the Committee that at the time of procurement of the tippers, the County Government relied on the few officers seconded to it by the Transition Authority who were expected to guide the nascent County Government Executive and where such officers provided did not or provided faulty advice, the County Government regrets committal of the resultant offences. The Governor also submitted that arising from this related mistakes committed by the then procurement officer, the county government dismissed the officer as one of the ways of dealing with the situation.

The Governor also informed the Committee that he suspended the CEC for Roads and transport after he was charged on related matters. This was on the basis that each department has officers responsible for the day to day running of the affairs and the Governor supervises and can only be personally liable where he has interfered or has committed an offence.

The County government further submitted that the 50% down payment was a condition imposed by the supplier as one of the requirements for undertaking the contract –because the supplier feared that the new county government may not pay for the supplied tippers.

The Committee also received evidence from the National Transport and Safety Authority confirming that the true tonnage of the two tippers was 10 tonnes.

Auditor's remarks

The Auditor General informed the Committee that:-

- i. A review of the documents for the supply of tippers to Nairobi County Government revealed that the tippers supplied to Nairobi County were of 25 tonnes while those procured by Turkana County were of 20 tonnes.
- ii. The technical evaluation report from the Ministry of Public works was incomplete and inadequate and hence its authenticity could be ascertained.
- iii. The issues/conditions guiding direct procurement include the existence of an emergency, determination that there is only one supplier and that the goods are required urgently.
- iv. The tippers were registered in the name of the county government of Turkana and therefore the ownership question had been ascertained and resolved.
- v. The minutes of the tender committee were not availed for examination and verification and evidence to the effect that the county government reported the matter to PPOA was not availed.

- vi. The relevant LPO was availed but since direct procurement was used it was difficult to ascertain whether the county government got value for money because the procurement department did not request for quotations from other prequalified firms.

The Committee observed that:-

1. Although the county government requisitioned and paid for two 20 tonnes tippers, the two tippers supplied were of 10 tonnes each. This was a clear indication that the procurement of the tippers was fraudulent.
2. The original log books for the tippers were held by the county government and therefore the said tippers were owned by the Turkana county government
3. In addition to the flouting of the public procurement rules and regulations, the authorization and actual payment of a 50% down payment was also made under unclear circumstances and in contravention of the public procurement law.

The Committee recommends that:-

1. The CEC Ministry of Roads, Transport, Housing and Public Works at the time and any other officer who authorized the procurement and payment including the 50% down payment for the tippers should be held responsible for loss of funds.
2. The Ethics and Anti-Corruption Commission should further investigate the matter with a view to establishing the role played by Ms. Foton East African Ltd in the fraudulent supply of the two tippers.

4.2 tractors

A review of documents availed for audit verification indicated that M/s CMC Motors Group Ltd was paid an amount of Kshs.26,764,800 on 23 June 2014 through payment voucher number 308 for supply of four (4) modern tractors (New Holland model TT 75), three (3) row chisel plough, two (2) ton tipping trailers and one (1) 10 backhoe trailer against a Local Purchase Order No.2045844 dated 17 February 2014 and invoice No.HAD-VIN 001968 dated 27 March 2014.

However, the invoice did not reflect the details of the LPO but instead it reflected the order to be a cash purchase, therefore raising doubt on the validity of the invoice. In addition, although the tractors were noted to have been delivered and received on 1 April 2014, the Company was not among the County Government contracted suppliers of tractors, and no evidence was provided for audit review to confirm whether the quotations were invited from other suppliers of tractors.

Consequently, it has not been possible to confirm if the procurement was done competitively and how the prices of the tractors were determined raising doubt that the County Executive may not have obtained value for money on the procurement of the tractors.

Governor's response

The Governor informed the committee that county government used the direct procurement method to procure the tractors from M/s CMC Group Ltd based on the advice received from the Ministry of Public Works - Supplies Branch.

The Governor further submitted the county government regrets its failure to report the matter to the Public Procurement and Oversight Authority as required by law. The Governor also tendered his apology for the late submission of the relevant documents to the auditors at the time of audit.

The Governor also assured the committee that having recruited the personnel with the requisite competencies, such anomalies will not be committed in the future.

The Governor submitted a letter of acceptance for the supply of tractors from the Ministry of Public Works Ref No SR/P/457/257, letter of notification of the award to supply tractors and the necessary accessories from the Ministry of Public Works, the Pro forma invoice from CMC, a copy of LPO for the purchase of tractors, a copy of invoice from CMC group Ltd and a Letter from CMC acknowledging invoice error.

The county government submitted that it used a pre-qualification list from the Ministry of Public Works after the said Ministry had advised that CMC was the only supplier of the **New Holland model TT 75** tractors in the country.

The management informed the Committee that the variation in the price of the chisel ploughs purchased from **Kshs. 500,000** to **Kshs. 640,000** was due to the inclusion of transport cost in the original price of the tractors.

The management pleaded for forgiveness for any lapses that may have occurred in the procurement of the tractors on the basis that the County Government purchased the tractors on a price that was in tandem with the prevailing market prices and from the main supplier of tractors in the country.

Committee's observation

The Committee observed that although CMC was the main dealer for the New Holland tractors, the County Government ought to have in the first instance requested for quotation from the prequalified firms and only after the comparison had been done and found to be higher than those of CMC, would the county government be justified to directly procure the items through the main supplier(CMC).

The Committee further observed that although the county government did not follow the public procurement rules and regulations in the procurement of the tractors, the investigation revealed that no public funds were lost in the transaction.

Committee's recommendation

The Committee agreed to clear the audit query but recommends that county government should adhere to the public procurement rules and regulations in all its procurement processes.

The Committee further recommends that the County Secretary should ensure that all the county government assets including property ownership documents are properly tagged, held and safely kept in a centralized location in the county government headquarters preferably under the custody of the County Secretary.

4.3 Motor Grader and Dozer

Records availed for audit review indicated that the County Government procured a New Holland Motor Grader 180-200 Crawler Dozer and New Holland F170 Motor Grader at contract prices of Kshs.31,650,000 and Kshs.24,180,000 respectively from M/s Achelis Material Handling Ltd. The firm was contracted to supply the equipment by the County Ministry of Transport and Infrastructure on 28 January 2014. Subsequently, a payment of Kshs.27,915,000 was made on 6 May 2014 through payment voucher number 235, being 50% down payment. Another payment of Kshs.27,915,000 being 50% final payment was made on 20 June 2014 vide payment voucher number 297. Although the equipment were noted to have been delivered, logbooks were not availed for audit verification on ownership. In the absence of ownership documents, it has not been possible to confirm the ownership status of the two graders valued Kshs.55,830,000. Further, a payment of Kshs.1,012,680 was made to M/s Top End Construction Company Ltd to transport the two graders from Nairobi to Lodwar. However, there was no documentary evidence to show how the Construction Company was identified to provide the transportation services and now the charges paid were determined.

Governor's response

The Governor informed the Committee that the county government relied on the terms of contract between the national government and suppliers for the procurement of the Motor Grader and Dozer.

The Governor further informed the Committee that at the time of audit the log books of the said motor grader and Dozer had not been issued by the Kenya Revenue Authority. However, the log books were later issued in the name of the county government and were available for verification by the Committee and the Auditor General.

The Governor also submitted that the quotations, copies of log book, Local Purchase Order and the minutes of the tender Committee on the award of the tender were available for verification. The Governor also submitted the copies of the log books, quotations, LPO and minutes of award to the company which transported the equipment to Lodwar. The Governor similarly submitted that the total cost also included the cost of transportation.

Auditor General's remarks

The Auditor General informed the Committee that the relevant documents including log books, quotation, LPO and the explanation on how the company that transported the

equipment was identified. The Auditor General advised the Committee to clear the audit query.

Committee's observation

The Committee observed that the county government had submitted all the relevant documents relating to the supply of the motor graders and the issue of ownership of the tractors was cleared. However, the Committee noted that the County Government breached the procurement rules in the procurement of the motor grader.

The Committee further observed that the management made a down payment of 50% before the items were delivered to the county government..

Committee's recommendations

The Committee while noting the submissions from the county government and the Auditor General and further that the equipment was duly supplied and was in use, agreed to clear the audit query but recommends that the county government adheres/ follows the procurement rules and regulation in the procurement of the goods and services.

4.4 Water Tanks

Information available indicate that M/s Modern Steel Welders was paid an amount of Kshs.3,950,000 on 24 January 2014 being 50% down payment for the supply of 50 plastic 10,000 litre water tanks, costing Kshs.7,900,000. A further payment of Kshs.3,436,500 was done on 6 March 2014. However, the tender advertisement, bids submitted by the bidders, contract for the supply of the tanks, tender committee minutes for award of the tenders and the inspection and acceptance committee report on the tanks received were not provided for audit review. In addition, an advance of Kshs.200,000 was paid to a Mr Kenneth Omondi on 25 March 2014 through cheque number 450 and payment voucher number 513 for branding of the water tanks. The payment was however based on only one quotation contrary to the procurement regulations which require at least three quotations.

Governor's response

The Governor informed the Committee that the tanks were procured in response to the water crisis resulting from drought in Turkana County. The tanks were procured by posting an advert at the conspicuous places reserved for the purpose of advertisement in the premises of the County Government as certified by the head of the procurement unit. The Governor further informed the committee that six vendors bought the tender documents and only of five of them filled and returned the tender documents. These tenders were opened by the tender opening committee, evaluated by the tender evaluation committee and awarded by the tender committee.

The Governor further submitted that it was regrettable that the documents were not availed to the auditors at the time of audit or at a reasonable time thereafter. The Governor made an undertaking to the effect that similar mistakes will not be repeated in the future.

The county government submitted a copy of the advertisement, minutes of the tender committee on the opening of bids, minutes of the financial and technical evaluation, minutes of the tender committee on the award of the tender, a copy of the LPO and inspection and acceptance certificate.

The Governor also informed the Committee that the branding of tanks was done through an imprest (Imprest No. 1807613/513) of Kshs. 200,000 issued to Mr. Kenneth Omondi which was duly surrendered thereafter in accordance with the law.

The County Government submitted that the law on the composition of the tender committee should be amended to avoid a situation where the chief officers are members of the tender committee when they are accounting officers.

The Committee heard that down payment of 50% was based on the request of the supplier in accordance with the terms of contract.

Auditor General's remarks

The Auditor General informed the Committee that all the relevant documents relating to the audit query had been submitted and verified and the auditor general was satisfied that the matter had been resolved.

Committee's observation

The Committee further observed that the procurement department was under staffed but the county government had advertised for various positions to fill the existing gaps.

The Committee also noted that the chief officers who were the accounting officers for the county governments departments, were part of the procurement committee and this was not a prudent mechanism. This ought to be revisited so that the accounting officers were excluded from the procurement committee.

Committee's recommendation

The Committee while noting the responses by the county government, the documents submitted and the advice from the Auditor General agreed to clear the audit query but recommends that the county government should never pay any down payment to any supplier before delivery or provision of the sourced/requisitioned goods and services.

4.5 Animal Feeds

Information available for audit review indicated that on 10 February 2014, M/s SiloAgrovet was paid an amount of Kshs. 7,000,000 via payment voucher number 152 for the purchase of emergency animal feeds which included range cubes, survival mash and survival cubes. However, tender advertisements, bids submitted by bidders, minutes of the Tender Committee approving award of the tender, contract for supply, report of Inspection and

Acceptance Committee and a report on how the animal feeds were distributed were not provided for audit review. Consequently, the propriety of the expenditure of Kshs.7,000,000 on purchase of animal feeds could not be confirmed.

Governor's response

The Committee heard that the County Government purchased the Animal Feeds which included the range cubes, survival mash and survival cubes through restricted tendering method (given that the purchase involved different items which did not meet the threshold in open tendering) in line with sec. 73(2) (b) of Public Procurement & Disposal Act 2005. The Committee further heard that the urgency was necessitated by the need to address the drought emergency situation that existed and threatened the livelihoods of the pastoralist community.

The county government also submitted that quotations were sent to all the prequalified suppliers in that category but only 5 bidders were able to present their bids and as a result one bidder was selected from the five bidders.

The County Government further submitted the S11, S13, copies of bids, minutes of the tender committee, inspection and acceptance reports, drought situation report and the distribution list of the animal feeds procured.

The county government further pleaded guilty to the offence of non-compliance with the procurement rules and regulations.

Auditor General's remarks

The Auditor General informed the Committee that the method used was quotation method and not restricted tendering as alleged by the County Government and therefore the procurement process was not followed.

Committee's observation

The Committee noted that the evidence submitted by the county government did not address the audit query and therefore the matter remained unresolved.

Committee's Recommendation

The Committee while noting the insufficiency of evidence submitted by the county government and the submission from the Auditor General recommends that the officer who authorized payment under the audit query should be reprimanded.

4.6 Seeds

A review of the records availed for audit verification indicated that M/s Modern Steel Welders was paid an amount of Kshs.5,629,360 on 23 May 2014 vide payment voucher number 682 and cheque number 630 for purchase of seeds for various irrigation projects which included maize DH04, sorghum gadam, cowpeas kenkunde and green grams. However, tender advertisement, bids submitted by the bidders, Tender Committee Minutes for award of the tenders; contract for supply of seeds, the

Inspection and Acceptance Committee report on the seeds received and the distribution list were not provided for audit review.

Governor's response

The Governor informed the Committee that the seeds were bought through quotation method pursuant to the provisions of section 88(a) of the Public Procurement and Disposal Act, 2005. The management tabled quotations from three bidders, minutes of the opening of quotation, minutes of the tender award, a copy of the LPO, inspection and acceptance certificate, the drought report and seeds distribution lists. However, the management admitted that the law was not followed particularly the provisions of section 88(b) of the Public Procurement and Disposal Act, 2005 and pleaded for forgiveness with undertaking that similar offence will not be repeated.

The county government also informed the Committee that Katilu irrigation scheme was one of the beneficiaries and the harvest for the entire project was 8,413 bags of maize, 6,146 bags of Sorghum, 208 bags of cow piece and 173 bags of green grams. The Governor requested the Committee to visit the County and verify the issue through interviewing the beneficiary farmers.

Auditor's remarks

The Auditor General submitted that the real issue was failure to follow the provisions of section 88(b) of the Public Procurement and Disposal Act, 2005.

Committee's observation

The Committee observed that the procurement rules were not followed and any documents submitted to support the anomaly were inadmissible but the mitigations given by the Governor were worth consideration.

The Committee further observed that Turkana County was one of the county governments perennially hit by hunger and lack of food and the attempt to produce food was commendable.

Committee's recommendation

The Committee having interrogated the audit Query at length recommends that to the Senate to clear the Audit Query and that the Governor be reprimanded for failing to comply with the provisions of section 88(b) of the Public Procurement and Disposal Act, 2005.

4.7 Car Hire

Information available indicate that the County Public Service Board made payments totalling Kshs.3,307,940 to various firms in respect of car hire services. However, the quotations from the firms and signed contracts with the County Government for the services rendered were not availed for audit review. Consequently, it was not possible to confirm how the firms were identified and the rates determined and therefore, the propriety of Kshs.3,307,940 for the car hire could not be verified.

Governor's response

The county government submitted that it was true the documents relating to the audit query were not submitted to the auditors at the time of audit. The Governor further informed the Committee that this mistake was regrettable but assured the committee that the same mistake will not be repeated in the future. The management also availed the relevant documents relating to the audit query including the contracts, Local Purchase Order, minutes of the tender committee, quotations and payment voucher.

Auditor General's remarks

Auditor General informed the Committee that information provided by the client was satisfactory.

Committee's observation and recommendations

The Committee while relying on the submission from the Auditor General recommends that the audit query be cleared and no further action is recommended.

4.8.1 Hire of Consultant Firm

A review of documents availed for audit verification indicated that a Consultancy firm was contracted by the County Ministry of Tourism, Trade and Industry to offer business development and training to young entrepreneurs in 25 wards of the County for Kshs.3,795,000. Request for quotation method was used to identify the supplier although the procurement exceeded the threshold of Kshs.2,000,000 for using this method. The quotations were sought from three (3) suppliers who were not in the list of prequalified suppliers approved by the County Government. Further, minutes of the Tender Committee awarding the contract were not availed for audit verification. As at the time of this audit, there was no evidence of the services provided by the firm although payments totalling Kshs.2,656,500 had been made.

Governor's response

The Governor admitted to the Audit Query and informed the committee that the companies that were awarded the tender were not prequalified but the procurement process was discussed through the tender committee meeting dated 14th November, 2014 that recommended Capital Strategies to conduct the training.

The Governor further submitted that despite the procurement lapses the training was professionally carried out and this was clearly evidenced by the workshop report, pictorial representations of the workshop, list of participants and minutes of the tender committee that awarded the tender.

The management further informed the Committee that the firm that was awarded the contract requested for a Kshs. 2.6 million in advance as part of the agreement contained in the contract as per the award contract.

The management also submitted documents including the LSO, breakdown of payment and a letter from the consultant firm demanding for payment of Kshs. 2.6 million in advance as a condition for rolling out the training as stipulated by the contract.

The Committee further heard the Chief Officer in the department authorized payment relying on the LSO and contract signed between the contractor and procurement section.

The management apologized for the mistakes committed in not following the procurements rules in the sourcing for the services citing capacity challenges.

Committee's observation

The Committee noted that although no money was lost the County Government flouted the procurement rules and regulations.

The Committee further noted the mitigation by the Govevornor and the challenges faced by the County Governments at the dawn of devolution.

Committee recommendations

- a) The Committee having interrogated the audit Query at length recommends that to the Senate to clear the Audit Query and that the Governor be reprimanded for failing to comply with the provisions of section 88(b) of the Public Procurement and Disposal Act, 2005.
- b) The County should institute urgent capacity building programmes for its officers at the procurement department and consider recurruting competent and competetive staffers.

4.8.2 Training at Kenya School of Government

Audit review of records availed showed that an amount of Kshs.739,000.00 was paid to Kenya School of Government on 27 June 2014 vide cheque No. 001852 and P.V No. 2330 in respect of full board training for 17 officers who were attending Effective Personal Assistant and Office Administrators Training for 5 days. A further payment of Kshs.767,125.00 was made to Mr David Kakalel Austin to cater for per diem ,quarter per diem ,bus fare and taxi allowance for the 17 officers. Each officer was to be paid a total of Kshs.45,125.00 in respect of quarter per diem of Kshs.8,125.00 for 5 days, full per diem for 4 days of Kshs.26,000.00 while travelling, bus fare of Kshs.9,000.00 and taxi allowance of Kshs.2,000.00. There was however no evidence that any training needs assessment was carried out and that the officers were being trained out of need as required by the County Public Service Human Resource Manual, 2013. In addition, there was no evidence that the training was recommended by the County Departmental Training Committee and approved by the County Secretary as required. Further, no reason has been provided as to why individual imprests were not issued to each officer as required instead of being directly charged to expenditure. There has also been no evidence of the same having been paid to the intended 17 officers. No reason has been provided as to why quarter per diem was paid to the officers while attending a full board training paid for by the County Government, which, according to the regulations is not payable.

Governor's response

The Governor informed the Committee that the county government recognizes the important role played by the Training Needs Assessment in identifying staff capacities and areas of improvement before making recommendations and approving on who, where and when to go for training.

The Governor further informed the Committee that the county government department on training makes recommendation on who should be trained and where to train.

The management also submitted that the committee that makes recommendation on training does so in consultation with the office of the county secretary and the head of public service and the said training was approved by the County Secretary as stipulated in Section 1.8(ii) of the County Public Service Human Resource Manual but the training needs assessment was not carried out owing to the challenges faced by the county during its nascent days.

The Governor undertook to follow the laid down procedures in the identification, recommendation, and approval of staff trainings are adhered to. This had already been mitigated through the establishment of the Human Resource Management section with 20 officers (from the initial 1 officer) deployed to the 10 county departments.

The Governor further submitted that the training needs assessment had already been undertaken and another having been undertaken in the recent past. This had been further buttressed by the operationalization of the County Human Resource Management Advisory/Training Committee under the chairmanship of the County Secretary.

The management further informed the Committee that imprest that was issued was inclusive of the quarter per diem for all the officers attending the training and the said imprest was issued to one officer who was the team leader.

The Committee further heard that the targeted Personal Assistants received tailor-made training tenable at the Kenya School of Government (KSG) on government operations and procedures but the payment of imprest to an individual was a regrettable mistake although the said funds were paid to the respective officers and signed accordingly. The management also submitted an invoice from the Kenya School of Government

Auditor General's remarks

Auditor General informed the Committee that the information submitted by the client on the audit query was satisfactory.

Committee's observation and recommendation

The Committee while relying on the submission by the Auditor General agreed to clear the audit query and further action is recommended.

5.0 Foreign and Local Travel Subsistence Allowance

Records availed for audit review indicates that an amount of Kshs.788,710 was paid to one officer to meet the cost of travel for ten(10) Members of the County Assembly and other six(6) officers from the County Ministry of Roads, Transport, Housing and Public Works in form of subsistence allowances and foreign travel for inspection of roads at Loima District in the County. After the road inspection, the team proceeded to Moroto in Uganda on 23 January, 2014. However, no documents were provided to show the details of the roads inspected and the purpose of visiting Moroto in Uganda. Further, the amount of Kshs.788,710 was paid in lump sum to the officer on behalf of the Members of the County Assembly and County Ministry of Roads, Transport, Housing and Public Works as an imprest from the vote of County Executive instead of County Assembly. This was against Government Financial Regulations and Procedures governing the issuance of imprests whereby officers travelling outside their duty station are issued with individual imprests which they should account for on return from official duty. In addition, the payment documents availed for audit were not supported by copies of stamped passports, copies of work tickets for vehicles used during the visits, roads inspection report and evidence of officers and honorable members acknowledgement of money receipts. Consequently, the propriety of the expenditure of Kshs.842,810 could not be confirmed.

Governor's response

The Governor informed the committee that the team travelled to Moroto which is approximately 10Kms from the border and has adequate facilities because the part of the county around the Kenya -Uganda does not have adequate accommodation facilities

The management submitted the roads visitation schedule indicating the routes that the ministry had earmarked to visit and the work tickets and the roads inspection report.

The Governor informed the Committee that the decision was taken after it became clear that the option of going back to Lodwar which was 100Kms away would be more expensive in terms time, cost and security thereby leaving the team with the option of spending the night in Moroto which was close to the areas to be visited.

The Governor clarified that the activity was sponsored by the county executive and the relevant committees of the county assembly were invited to be part of the delegation and hence the county executive paid for the expenses relating to the visit.

The management submitted a schedule of areas visited, motor vehicle work tickets, inspection report and a Payments schedule signed by recipients of Kshs 842,810 as evidence of the said visit and expenditure.

On the issue issue of Passports the management submitted that there was no Immigration office in the Lokiriama- Moroto border and one can access Uganda through the Lokiriama -

Moroto road without a passport. This was further supported by the fact that the East African community integration policy allows Kenyans to enter Uganda using the National IDs.

Auditor General's remarks

Auditor General informed the Committee that the information submitted by the client on the audit query was satisfactory.

Committee's observation and recommendation

The Committee while relying on the submission by county government and the Auditor General agreed to clear the audit query and further action is recommended.

6.0 training and workshops

Information available indicated that M/s National Council for Persons with Disability requested for funds totalling Kshs.3,690,000 from the County Ministry of Education to facilitate workshops and training for their members. This amount was paid to the organization on 19 February 2014. A further payment of Kshs.1,791,000 was made to facilitate people with disabilities from Turkana County to participate in People With Disability Desert Race in Isiolo and carry out preliminaries for selection in Lodwar. However, these payments were only supported with proposed budgets. No documentary evidence was provided to show how the money was spent. In the circumstances, the propriety of the expenditure of Kshs.5,481,000 on the training and workshops could not be verified.

Governor's response

The Governor informed the Committee that it was true that the relevant documents relating to the audit query were regrettably not submitted to the auditors at the time of audit but they have since been availed to the auditors for examination and verification. The Governor assured the committee that this anomaly will not be repeated in the future.

The management submitted the budget proposal, the Terms of Reference, the Mobilization /invitations for participants from Sub-Counties, Receipts of payments, Payment schedules and attendance lists from all the 6 Sub-Counties, Facilitators' payment schedule, Programme of event and Report on PWDs Training with photographs as evidence of the actual occurrence of the event

Auditor General's remarks

Auditor General informed the Committee that the information submitted by the client on the audit query was satisfactory.

Committee's observation and recommendation

The Committee while relying on the submission by the Auditor General agreed to clear the audit query and further action is recommended.

7.0 Payment of Supervision Fees

7.1 Supervision of Water Works

A review of records availed for audit verification indicated that the Sub County Water Officer, Turkana East District was paid an amount of Kshs.3,402,000 on 10 March 2014, being 6% payment of supervision fees for water contracts awarded during the year under review. However, the Bill of Quantities and contract agreements were not availed in support of the projects that were being implemented and supervision fees paid. Although the management explained that the supervision fees was in respect of subsistence allowance payable to those officers who were supervising various water works, a list of the officers who were paid and the projects they were supervising were not availed for audit verification. In addition, it is not clear, and the management has not explained under what circumstances are government employees are paid supervision fees in their personal capacities.

Governor's response

The Governor informed the committee that one officer was issued the imprest for purposes of facilitating other technical officers undertaking duties at sub-counties not served by any banks so that the said officers do not travel to Lodwar to collect their dues/allowances. The management also submitted that the said officers were overseeing the implementation of the projects in the various sub-counties.

The management submitted the relevant documents relating to the audit query including the request for supervision fees, sample of projects bill of quantities, schedule of payments, a table of the projects implemented and the supervision fees for each project, copies of work tickets for the vehicles used during the supervision of the projects and status of projects implemented

Auditor General's remarks

Auditor General informed the Committee that the information submitted by the client on the audit query was satisfactory.

Committee's observation and recommendation

The Committee while relying on the submission by the Auditor General agreed to clear the audit query and further action is recommended.

7.2 Supervision of Road Works

Records availed for audit review indicated that the Superintendent of Roads was paid an amount of Kshs.1,630,686 on 11 March 2014 for the supervision of road works across the County. The payment was based on a letter dated 3 March 2014, from the Superintendent of Roads to the Interim Chief Finance Officer. Further, the management explained that the superintendent was not an employee of the County Government and the amount paid was a consultancy fee in respect of services provided. However, no documentary evidence was provided to confirm how the consultant was identified and procured. In addition, the signed contract between the County Government and the consultant for the provision of the services and the list of roads supervised and report produced on the same was not provided for audit review. Consequently, the propriety of the expenditure of Kshs.1,630,686 could not be confirmed.

Governor's response

The Governor informed the committee that the roads Superintendent was not a hired consultant but an employee attached to KERRA which was the official government entity dealing with county rural roads at the time of transition and was requested to oversee the implementation of the road works because this department did not have the capacity to supervise the project due to inadequate personnel. The Governor further submitted that the lump sum payment was not for consultancy but rather for facilitation and subsistence allowance.

The Governor in support of his submission tabled the road supervision schedule and a payment schedule as evidence of how the funds were expensed.

Auditor General's remarks

Auditor General informed the Committee that the information submitted by the auditee on the audit query was satisfactory.

Committee's observation and recommendation

The Committee while relying on the submission by management and the Auditor General agreed to clear the audit query and further action is recommended.

8.0 Bursaries

Records availed for audit review indicated that the County Ministry of Education awarded bursaries totalling Kshs.47,102,100 to needy students at various learning institutions during the year 2013/2014. The bursaries were awarded by Ward Bursary Committees. However, it was not revealed how the members of the Ward Bursary Committees were identified. Further, it was not clear and the management has not explained the criteria used to award the bursary in the County thus leaving the Ward Bursary Committees to rely on the school fees balances and fees structures in awarding the bursaries rather than determine whether the applicants were needy.

Governor's response

The Governor informed the committee that the award of bursary funds to needy students in the County was guided by the criteria spelt out in the County Education Skill and Development Fund Act 2014 that had been approved by the County Assembly and assented to by the Governor.

The Governor further submitted that the Ward Appraisal Committee which was charged with the charged with overseeing the disbursement of the bursary was elected by the community members at a public baraza in the respective wards under the supervision of the Ward administrator. It was therefore the role of the Ward Appraisal Committee to scrutinize and verify the applications to determine the needy students who will be the beneficiaries of the bursary funds. This was because these are community members who know and understand the status of the students' families in their respective areas. After the disbursement meetings in all wards, the minutes, lists of beneficiaries and application forms are submitted to the ministry. Then the County Secretariat sits and again goes through the lists of beneficiaries and sampled application forms to see how fair the allocation was. When done the approval for the payments are made to the various institutions.

The management submitted the resolution of the County Assembly, sampled lists of the ward appraisal committees, ward appraisal committees minutes , a copy of Turkana County Education Skill and Development Fund Act 2014 and a sample of the application form as part of the evidence on the audit query.

Auditor General's remarks

Auditor General informed the Committee that the information submitted by the client on the audit query was satisfactory.

Committee's observation and recommendation

The Committee while relying on the submission by the Auditor General agreed to clear the audit query and further action is recommended.

9.0 Usage of Motor Vehicles

A review of work tickets numbers K713847, L435461 and L870513 for vehicles registration numbers KBU 740T, KBU 742T and KBU 743T for the month of June 2014, revealed that these vehicles were being driven during weekends. Further, during the weekends for the month of June 2014, the three vehicles covered a total of 2,465 kms. However, the purpose for which the vehicles were used was not disclosed. Further, there was no authority for these vehicles to be used outside normal working hours, especially at night.

Governor's response

The Governor informed the committee that it was true that the vehicles identified in the audit query were used during the weekends and outside the normal working hours. However, the said vehicles were the only vehicles assigned to the respective departments.

The Governor clarified that the vehicle with registration number KBU 743T belonged to the department of Water, Agriculture and Irrigation and was used for responding to water crisis in the vast Turkana County. Similarly the vehicle with registration number KBU 742T belonged to the department of Lands and was the only vehicle available for the departments use at the time and was used to carry out enforcement duties even during the weekends. And the vehicle with registration number KBU 740T belonged to the department of Pastoral Economy and Fisheries and was the only vehicle attached to the department and given the nature of the duties like disease surveillance within the vast Turkana County occasioned the movements even during the weekends.

The Governor further informed the Committee that adequate measures had been taken to ensure that all County government vehicles are used in accordance with the law.

Auditor General's remarks

The Auditor General submitted that the work tickets were duly authorized for the vehicles to be driven at night or over the weekend. However, what was lacking was the authority from the respective accounting officers.

Committee's observations

The Committee observed that the vehicles were used during the weekends and at night against the standing regulations governing the usage of government vehicles particularly the lack of authorization by relevant officers. However, after listening to the explanations given by the respective Chief Officers who were in charge of the respective departments whose docketts were assigned the vehicles, it was clear that the reasons advanced for failure to comply with the rules were genuine and forgivable.

The committee also observed that county government vehicles were purchased and used hapazardly and this called for the need for the CRA or Controller of Budget to come up with a proper policy on should be entitle to a car in the County Government.

Committee's recommendations

The Committee while relying on the submission from the county government agreed to clear the audit query but recommends that the Commission on Revenue Allocation(CRA) should urgently come up with a policy to regulate the allocation and usage of motor vehicles in the counties

10.0 Tree Planting

Records availed for audit review indicated that payments totalling Kshs.7,850,000 were made to Non-Governmental organizations to facilitate a tree planting exercise based on their proposed budgets. Although the trees were planted, a review of documents supporting the payment revealed that the organizations did not account for the money advanced to them and it was not clear and the management has not explain how these groups were identified as there were no policy guidelines on partnering with private groups to carry out such activities. In the circumstances, the propriety of the expenditure of Kshs.7,850,000 on tree planting could not be established.

Governor's response

The Governor informed the committee that the payments were made to the registered CBOs to help in tree planting. This was informed by section 45 of the Forest Act 2005, which encourages community participation in forest management in what it calls Participatory Forest Management (PFM). This aims to tap traditional and indigenous knowledge in conservation. It also provides for collaboration with stakeholders in the rehabilitation of degraded and over exploited dry forest areas and encourage tree planting in ASALS.

The Governor further submitted that the PPP in tree planting involved a contract between the Ministry and the private sector, community based organizations, religious institutions, schools, women groups, youth groups. The Ministry provided financial and technical advice while the private sector provided the labour and actual tree planting and that the PPPs enables the public sector to harness the expertise and efficiencies that the private sector can bring to the delivery of services traditionally procured and delivered by the government.

The Governor also informed the Committee that the criteria set for selecting the groups for tree planting in Turkana County were as follows:- (a) The NGO/CBOs and groups must have operated in Turkana County environment matters for at least two years (b) The groups must be registered by the social service and have the valid social certificate; (c) The group must have a constitutional framework which guides its operations; (d) The groups must have at least one member trained in environmental related matters or be a Community Forest Member; (e) The groups had to provide Bank statement indicating an active bank account (f) Must demonstrate the potential to implement the project and provide a clear work plan; (g) Must be willing and committed to enter into the contract with the ministry; (h) The group must demonstrate contractual ability and capacity to deliver on the project; (i) The trees species and number of seedling to be planted must be clearly indicated; (j) The sites for the project should be clearly stated (ward and the institution).

The Governor further informed the Committee that it was true that the ministry spent Kshs. 7,850,000 through the selected Non-Governmental organizations to facilitate the tree planting. However, all the CBOs that were granted the funds had submitted the expenditure returns exempt only one group - (LODEO Group) that was yet to account for Kshs. 876,000 for which a letter had been written on the need to expedite the submission of returns or refund an equivalent amount

Auditor General's remarks.

Auditor General informed the Committee that the information submitted by the client on the audit query was satisfactory.

Committee's observation

The Committee while noting the submission from the Auditor General and its findings from the sample of trees planted by the county government at various sites in Turkana agreed to clear the audit query.

11.0 Doubtful Expenditure on Water Works

Information availed for audit review showed that payments totalling Kshs.1,754,000.00 were made to six Sub-County Water Officers on 29 June 2014 vide cheque No.001002 and various payment vouchers. The payments were said to be in respect of subsistence allowance to facilitate handing over of boreholes and water pan sites to contractors. According to the supporting budgets, the payments were subsistence allowances for 376 officers who included Sub County Administrators, Sub County Water Officers, Ward Administrators, Clerk of Works, one driver and security personnel for the six teams. The payments were however not issued in the form of imprest as required by the regulations but were directly expensed contrary to the requirement of Government financial regulations and procedures. Further, no subsequent report has been provided to show how the money was utilised. In addition copies of work tickets of motor vehicle used were not provided to show the location of the sites to be handed over and the days spend. Further, all the officers indicated in the lists were within their respective Sub Counties and wards and the issue of night outs may therefore not have arisen. There was also no information to show the roles that were to be played by each of the officers indicated in the budget during the handing over process.

Governor's response

The Governor submitted that the county government paid the officers daily subsistence allowance for the purpose of overseeing handing over of the completed project across the county.

The Governor informed the committee that the water officer was the technical staff of the ministry concerned and would be the technical officer on project specifications and the sub-county administrators and ward administrators were community mobilizers that played a critical role in ensuring communities participate in construction and eventual owning of the projects for sustainability.

The Governor also informed the committee that the security personnel were actually escorting the officers especially when visiting insecure areas(project sites) within the county.

The Governor submitted a list of the projects that were handed over per Sub-County, their contractors, their contract values and their current status, copies of schedule of payments

made to the various participating officers for each Sub-County and work tickets for the vehicles used during the supervision.

Auditor General's remarks

Auditor General informed the Committee that the information submitted by the client on the audit query was satisfactory.

Committee's observation and recommendation

The Committee while relying on the submission by the Auditor General agreed to clear the audit query and further action is recommended.

12.0 Under Expenditure

Information available indicate that the County Ministry of Lands, Physical Planning and Urban areas was allocated a total of Kshs.172,613,576 to fund its budget during the year under review. However, as at the time of this audit only an amount of Kshs.21,544,265 or approximately 12.5% of the total budget had been spent resulting in an unutilized budget of Kshs.151,069,311 or 87.5%. The people of Turkana may have therefore been denied the services they are entitled to due to non-implementation of the planned projects and unsatisfactory utilization of the budgets.

Governor's response

The management informed the Committee that it was true that there was an under expenditure in the County Ministry of Lands, Physical Planning and urban areas that was occasioned by Understaffing and lack of the appropriate policies.

The Committee was further informed that despite several efforts made by the County Ministry of Lands in conjunction with the County Public Service Board to hire the key technical staff (key departments directorates, Surveyors and Physical Planners) through advertisement in the local dailies, no individuals applied for the jobs leading to prolonged understaffing in the County Ministry of Lands. This subsequently led to the delay in Physical Planning of potential towns as planned and budgeted for at Kshs 80,000,000, delay in implementation of the Street lighting in Major trading centers as budgeted for at Kshs 20,000,000 and Underutilization of personnel emolument and other ministry operations expenses as budgeted for at Kshs72, 613,576.

However, the technical staff have been hired in the County Ministry and development projects planned for implementation during FY14/15 had been completed with the exception of few that were on-going. This includes the Physical Planning of potential towns in eight (8) major towns in the County and Lodwar town solar powered street lights project which had been installed and completed. Similarly Solar powered street lights for Lokichar, Kalokol and Kakuma had been launched with the contracts having been awarded.

Committee's observation and recommendation

The Committee observed that the audit query was one of transitional nature and relates to challenges of lack of adequate staffing and inability of the county government to attract the qualified personnel.

The Committee also noted the County Government had difficulty attracting the specialized skills like Engineers, Doctors and Physical Planners among others due to its geographical location in the Country.

The Committee further observed that no public funds was lost but the relevant documents were not submitted to the Auditor General for examination and verification during the time of audit or within a reasonable time thereafter.

CHAPTER THREE

3.0 General Observations

- 1) The CEC Finance and the Chief Officer Finance had no academic or working experience on financial matters and this may have contributed to the failure by the county government to follow the procurement rules in sourcing for goods and services.
- 2) The county executive failed to attract the services of competent personnel for various cadres including specialists in land matters, Engineering and finance.
- 3) The county government on several occasions did not follow the procurement rules and regulation in sourcing for goods and services.
- 4) The county government on various occasions made down payment of upto 50% to the suppliers before goods and services were delivered or provided.
- 5) The Finance department and by extension the procurement department lacked the requisite personnel to manage the finance docket. However, the county government submitted evidence to show that it was recruiting the necessary personnel.
- 6) The County Government had difficulty attracting the specialized skills like Engineers, Doctors and Physical Planners among others due to its geographical location in the Country.
- 7) The County Ministry of Lands, Physical Planning and Urban areas did not utilize its allocation to the tune of Kshs.151,069,311 or 87.5% of its allocation, the people of Turkana may have therefore been denied the services they are entitled to due to non-implementation of the planned projects and unsatisfactory utilization of the budgets. Although this may have been attributable to the difficulties faced by the county government in attracting staff in specialized areas including in the physical planning department, the county government should endeavour to recruit the requisite skilled personnel and utilize every allocation in order to avoid unnecessary wastage of public funds.
- 8) The county government vehicles were used without any regulations governing the movements beyond the normal working hours. This may result in misuse of county government vehicles by officers for personal engagements.

CHAPTER FOUR

4.0 General Recommendations

- 1) The County Government should professionalize the finance, procurement and internal audit departments for efficiency, effectiveness and proper management of county government resources as well as accountability and transparency in the management of public funds. This can be achieved through the recruitment of a qualified Chief Finance Officer and other qualified officers with financial and procurement related qualifications.
- 2) The Commission on Revenue Allocation(CRA) should urgently come up with a policy to regulate the allocation and usage of motor vehicles in the counties.
- 3) The Commission of Revenue Allocation in conjunction with the Salaries and Remuneration Commission should come up with a flexible plan and policy that will enable the county governments in the marginalized areas of the country to attract specialized and skilled personnel.

APPENDIX

Minutes of the Committee

MINUTES OF THE 37TH SITTING OF THE SENATE SESSIONAL COMMITTEE ON COUNTY PUBLIC ACCOUNTS AND INVESTMENTS HELD IN THE SENATE COMMITTEE ROOM NO. 4, 1ST FLOOR, MAIN PARLIAMENT BUILDING, ON TUESDAY, 1ST SEPTEMBER, 2015 AT 2.30PM

PRESENT

Sen. (Dr.) Boni Khalwale - **Chairman**
Sen. (Eng.) Karue Muriuki
Sen. Kennedy Mong'are
Sen. Martha Wangari
Sen. Khaniri George
Sen. (Prof.) John Lonyangapuo
Sen. (Prof.) Anyang' Nyong'o
Sen. John Kiyonga Munyes(Under SO 199)

ABSENT WITH APOLOGY

Sen. Hassan Omar Hassan - **Vice Chairman**
Sen. Sitswila Wako Amos
Sen. Wamatangi Kimani
Sen. Murkomen Kipchumba

IN ATTENDANCE

(I) MEMBERS OF THE NATIONAL ASSEMBLY

Hon. Joyce Emanikor - Turkana County Woman Representative
Hon. Christopher Nakuleu - Member of Parliament for Turkana North
Hon. James Lomenen - Member of Parliament for Turkana South
Hon. Protus Akuja - Member of Parliament for Loima

(II) THE COUNTY GOVERNMENT OF TURKANA

Hon. Josephat Nanok Koli - Governor
Mr. Paul Nabuin - CEC Finance & Planning
Mr. Christopher Ekuam - CEC Pastoral Economy & Fisheries
Mr. Linus E. Ebenyo - CEC Tourism & Trade
Ms. Beatrice Moe Askul - CEC Water & Agriculture
Ms. Margaret Kuchal - CEC Education
Ms. Rhoda A. Loyer - CEC Energy
Mr. Emathe Namwar - Chief Officer Finance & Planning
Mr. Mark Ewesit - Chief Officer Lands
Mr. Emmanuel Ekai - Chief Officer Roads, Transport & ICT
Ms. Amina Ewoi - Chief Officer Education
Mr. Joseph Epuu Elim - Chief Officer Energy, Env. & Natural R
Mr. Mathew Esinyen Logurale - Chief Officer Trade, Tourism & Indust.

Dr. David E. Loitakol	- CO Pastoral Economy and Fisheries
Mr. Paul Ekutan	- CO Water, Irrigation & Agriculture
Ms. Cheptoo Kimutai Lilly	- Director HRM
Mr. Richard Emoru	- Director Procurement
Mr. Michael Otieno	- Director, Internal Audit
Ms. Patricial Ekadeli	- Ag. Chairperson CPSB
Ms. Esther Ikaru	- Ag. Secretary CPSB
Mr. Abraham Losinyen	- Chief of Staff, Governor's Office

(III) THE OFFICE OF AUDITOR GENERAL

Mr. Leonard R. Lari	- Director, North Rift Hub
Mr. George Onkundi	- Manager, North Rift Hub
Mr. Akaka Ramoya	- Manager/Liaison Officer

(IV) THE SENATE SECRETARIAT

Mr. Derick Koli	- First Clerk Assistant
Ms. Rose Ometere	- Audio recorder/officer

MIN.189/2015: PRELIMINARIES

The Chairperson called the meeting to order at 2.25 pm and the meeting started with a word of prayer. Thereafter the Chairman welcomed members present to the meeting and called for a round of introductions.

MIN.190/2015: CONSIDERATION OF THE REPORT OF THE AUDITOR- GENERAL ON THE FINANCIAL OPERATIONS OF TURKANA COUNTY EXECUTIVE FOR THE FINANCIAL YEAR 2013/2014 (1ST JULY 2013 TO 30TH JUNE, 2014).

The Chairman in his opening remarks observed that during the introductions, it appeared that all the officers appearing before the Committee were from one ethnic community and requested the Governor to respond to that observation.

The Governor in his opening remarks registered his apologies for having requested the Committee to postpone the meeting from 10:00am to 2:30pm of the same date owing to logistical challenges on the travelling arrangements for his team.

The Governor further informed the Committee that the composition of the CECs and COs was attributable to lack of interest from Kenyans from other ethnic communities in the jobs at the time of recruitment. Some positions had to be re-advertised severally for them to be filled. The Governor further informed the Committee that this

notwithstanding, other ethnic communities occupied at least 30% of the human resources starting from the directors among others.

Procedural matter by the Auditor General

The Auditor General on a point of order informed the Committee that the necessary documents for the audit queries were submitted by the county government to his offices on the material and therefore the examination and verification of the said documents had not been concluded. The Auditor General sought the guidance of the Committee on the matter because his advice would only be useful where the documents had been examined.

Governor's response on the remarks from the Auditor General

The Governor submitted that the documents were submitted the detailed responses file to the regional office on 25th August, 2015 and a forwarding letter(email) of the summary responses was done on 27th August, 2015. This claim was refuted by the Office of the Auditor General who claimed that the documents were never delivered to their offices on the alleged dates.

Committee's observation on the matter raised by the Auditor General

- i. The Committee observed that there was a communication lapse between the Office of the Auditor General and the County Government because it emerged that the documents were returned back to the county government because they were not properly labelled.
- ii. The Committee also noted that the county government failed to adhere to the timelines provided for the audit process and documents were submitted to the Auditor General far too late after the audit.

Resolution of the Committee on the matter

The Committee after extensively deliberating on the subject resolved as follows:-

1. That the county government should submit all the documents relating to the audit queries to the Auditor General immediately and the Auditor General peruses the said documents within a day in order to enable the Committee proceed with the consideration of the report on 2nd September, 2016.
2. That the office of the Auditor General should be proactive in its dealings with the county governments to avoid situations where the counties and the Auditor General blame each other when they appear before the committee.
3. That the Committee will proceed to consider the report during its meeting to be held on Wednesday, 2nd September, 2015.

MIN. 191/2015: ANY OTHER BUSINESS

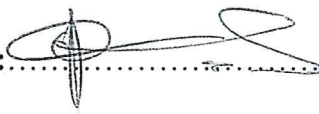
- (i) The Governor submitted that at the time of audit his government had difficulties getting qualified staff and some positions had to be re-advertised twice or thrice to get the right people. The Governor further submitted that the financial year 2013/2014 was the most difficult one because the county government had only about 20 employees and only one director in the finance department but more employees had since been recruited including four more directors for the finance docket. The Governor pleaded with the committee to take these challenges including the demand for delivery of services to the populace into account during the consideration of the audit queries.

MIN. 192/2015: DATE OF THE NEXT MEETING

The next meeting was to be held on Wednesday 2nd September, 2015 at 10:00am.

MIN.193/2015: ADJOURNMENT

The being no other business, the meeting was adjourned at three o'clock.

SIGNED: 
Moses Okemo Kejwangi
(CHAIRPERSON)

DATE: 28 March 2018

**MINUTES OF THE 38TH SITTING OF THE SENATE SESSIONAL COMMITTEE
ON COUNTY PUBLIC ACCOUNTS AND INVESTMENTS HELD IN THE SENATE
COMMITTEE ROOM NO. 4, 1ST FLOOR, MAIN PARLIAMENT BUILDING, ON
WEDNESDAY, 2ND SEPTEMBER, 2015 AT 10.00AM**

PRESENT

Sen. (Dr.) Boni Khalwale - **Chairman**
Sen. (Prof.) John Lonyangapuo
Sen. (Prof.) Anyang' Nyong'o
Sen. (Eng.) Karue Muriuki
Sen. Khaniri George
Sen. Kennedy Mong'are
Sen. Martha Wangari
Sen. John Kiyonga Munyes(under SO 199)

ABSENT WITH APOLOGY

Sen. Hassan Omar Hassan - **Vice Chairman**
Sen. Wamatangi Kimani
Sen. Murkomen Kipchumba

IN ATTENDANCE

(I) THE COUNTY GOVERNMENT OF TURKANA

Hon. Josephat Nanok Koli - Governor
Mr. Paul Nabuin - CEC Finance & Planning
Mr. Linus E. Ebenyo - CEC Tourism& Trade
Ms. Beatrice moe Askul - CEC Water & Agriculture
Ms. Margaret Kuchal - CEC Education, Culture & Social S.
Ms. Rhoda A. Loyor - CEC Energy
Mr. Emathe Namwar - Chief Officer Finance & Planning
Mr. Christopher Ekuam - CEC Pastoral Economy & Fisheries
Mr. Peter Lokol Lomulen - CEC Lands
Mr. Mark Ewesit - Chief Officer Lands
Mr. Emmanuel Ekai - Chief Officer Roads, Transport & ICT
Ms. Amina Ali Ewoi - Chief Officer Education, Culture & S.
Mr. Joseph Epuu Elim - Chief Officer Energy, Env. & Natural R
Mr. Paul Ekutan - Chief Officer Water, Agr. & Irrigation
Dr. Dabvid Ereng Loitakol - Chief Officer Pastoral Economic & F.
Mr. Mathew Logurale - Chief Officer Trade & Tourism
Mr. Richard Emoru - Director Procurement
Ms. Willy Cheptoo - Director HRM
Ms. Esther Ikaru - Ag. Secretary CPSB
Ms. Patricia Ekadeli - Ag. Chairperson CPSEB
Mr. Abraham Losinyen - Chief of Staff Governor's Office
Mr. Michael Otieno - Director of Internal Audit

(II) THE OFFICE OF AUDITOR GENERAL

Mr. Leonard R. Lari - OAG - Director, North Rift Hub
Mr. George Onkundi - OAG- Manager
Mr. Akaka Ramoya - OAG – Manager/Liaison Officer

(III) THE SENATE SECRETARIAT

Mr. Derick Koli - First Clerk Assistant
Ms. Rose Ometere - Audio recorder/officer

MIN. 194/2015: PRELIMINARIES

The Chairperson called the meeting to order at 10:15 am and the meeting started with a word of prayer. Thereafter the Chairman welcomed members present to the meeting and called for a round of introductions.

MIN. 195/2015: CONSIDERATION OF THE REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL OPERATIONS OF TURKANA COUNTY EXECUTIVE FOR THE FINANCIAL YEAR 2013/2014 (1ST JULY 2013 TO 30TH JUNE, 2014).

4.1 Tippers

Information available indicate that M/s Foton East Africa Ltd was issued with a local purchase order on 12 February 2014 for supply of two 20 tonne tippers, Foton HP 290 at a cost of Kshs.18,000,000. Subsequently, a 50% down payment of Kshs.9,000,000 was made on 6 May 2014 vide payment voucher No 256. However, supporting documents such as tender advertisement, bids submitted by the bidders, contract for the supply of the tippers, tender Committee Minutes for award of the tender and the report of the Inspection and Acceptance Committee were not provided for audit verification. The tippers were noted to have been delivered. However, their logbooks were not availed to confirm ownership.

Further, the list of suppliers contracted by the County Ministry of Transport and Infrastructure provided for audit review did not contain the name of the motor dealer that supplied the two tippers. In the circumstances, it has not been possible to establish the ownership status of the Tippers and that the County Executive obtained value for money on the same in the absence of the documents supporting the procurement processes.

Management response

The Committee heard that the County Government used the prequalification list for Nairobi City County Government to identify the company that supplied the tippers because at the time of procuring for the tippers, the County Government had no prequalified suppliers of its own and used another government entity

prequalified list to source for the tippers. The tippers were procured at a cost of Kshs. 9,000,000 for each tipper and the tonnage of each tipper was 20 tonnes.

The Committee further heard that direct procurement method was used in the purchase of the tippers pursuant to the provisions of section 74(3) of the Public Procurement and Disposal Act, 2005 due to the need to urgently open up feeder roads in order to enhance speedy delivery of relief supplies to inaccessible areas of the county. The decision was arrived at after the local transporters refused to deliver relief food to the said locations due to unmotorable roads.

The management also admitted that the procurement rules were not followed and the matter was not reported to the Public Procurement Oversight Authority (PPOA) as required by law but pointed out that sufficient measures had been put in place to ensure that similar mistakes were not committed in the future including the formation of the tender committee that was operational.

The committee also heard that the tender committee had been instituted and was operational

The management submitted the copies of log books as proof of ownership, the technical inspection report from the Engineers and a copy of Local Purchase Order as supporting documents.

The governor also informed the Committee that at the time of taking over the management of the county government, the County Government inherited the staff from the defunct local authorities who lacked the requisite skills in financial management.

The Committee directed the County Government to submit the tender advertisement, the copy of bids, the contract for the supply of tippers and the minutes of the tender committee on the subject matter. However, the management informed the Committee that the said documents were not available because direct procurement method was used in the purchase of the tippers. The management also informed the Committee that the capacity of each tipper was 20 tonnes.

The Auditor General informed the Committee that a review of the documents for the supply of tippers to Nairobi County Government revealed that the tippers supplied to Nairobi County were of 25 tonnes while those procured by Turkana County were of 20 tonnes. Similarly, the inspection report was incomplete and therefore its authenticity could be ascertained.

The Committee on the basis of the circumstance under which the tippers were procured could not clear the audit query pending the outcome of further the investigation into the matter.

4.2 tractors

A review of documents availed for audit verification indicated that M/s CMC Motors Group Ltd was paid an amount of Kshs.26,764,800 on 23 June 2014 through payment voucher number 308 for supply of four (4) modern tractors (New Holland model TT 75), three (3) row chisel plough, two (2) ton tipping trailers and one (1) 10 backhoe trailer against a Local Purchase Order No.2045844 dated 17 February 2014 and invoice No.HAD-VIN 001968 dated 27 March 2014.

However, the invoice did not reflect the details of the LPO but instead it reflected the order to be a cash purchase, therefore raising doubt on the validity of the invoice. In addition, although the tractors were noted to have been delivered and received on 1 April 2014, the Company was not among the County Government contracted suppliers of tractors, and no evidence was provided for audit review to confirm whether the quotations were invited from other suppliers of tractors.

Consequently, it has not been possible to confirm if the procurement was done competitively and how the prices of the tractors were determined raising doubt that the County Executive may not have obtained value for money on the procurement of the tractors.

Governor's response

The Committee heard that the County Government used the direct procurement method to procure the tractors from M/s CMC Group Ltd. The County Government relied on the advice from the Ministry of Public Works. However, the matter was not reported to the PPOA as required by law and documents were not submitted to the Auditor General for examination and verification at the time of audit.

The county government submitted that it used a pre-qualification list from the Ministry of Public Works on the advice from the same Ministry to the effect that CMC was the main company that supplied the government tractors.

The management submitted a letter from Ministry of Public Works, LPO no. 2045844, notification of award to supply tractors and its accessories from the Ministry of Public works, proforma invoice from CMC, copy of LPO for purchase of tractors and copy of invoice from CMC group limited and a letter from CMC acknowledging the invoice error.

The management informed the Committee that the variation in the price of the chisel ploughs purchased from **Kshs. 500,000** to **Kshs. 640,000** was due to the inclusion of transport cost in the original price of the tractors.

The management pleaded for forgiveness for any lapses that may have occurred in the procurement of the tractors on the basis that the County Government purchased the tractors on a price that was in tandem with the prevailing market prices and from the main supplier of tractors in the country and therefore the cheapest.

The Committee observed that although CMC was the main dealer for the New Holland tractors, the County Government ought to have in the first instance requested for quotation from the prequalified firms and only after the comparison had been done and found to be higher than those of CMC, would the county government be justified to directly procure the items through the main supplier(CMC).

The Committee directed the County Government to submit all the relevant documents to the Auditor General for examination and verification and only then will the Committee make a determination on the matter.

4.3 Motor Grader and Dozer

Records availed for audit review indicated that the County Government procured a New Holland Motor Grader 180-200 Crawler Dozer and New Holland F170 Motor Grader at contract prices of Kshs.31,650,000 and Kshs.24,180,000 respectively from M/s Achelis Material Handling Ltd. The firm was contracted to supply the equipment by the County Ministry of Transport and Infrastructure on 28 January 2014. Subsequently, a payment of Kshs.27,915,000 was made on 6 May 2014 through payment voucher number 235, being 50% down payment. Another payment of Kshs.27,915,000 being 50% final payment was made on 20 June 2014 vide payment voucher number 297. Although the equipment were noted to have been delivered, logbooks were not availed for audit verification on ownership. In the absence of ownership documents, it has not been possible to confirm the ownership status of the two graders valued Kshs.55,830,000. Further, a payment of Kshs.1,012,680 was made to M/s Top End Construction Company Ltd to transport the two graders from Nairobi to Lodwar. However, there was no documentary evidence to show how the Construction Company was identified to provide the transportation services and now the charges paid were determined.

Governor's response

The Governor informed the Committee that the County Government relied on the terms of contract between the national government and suppliers for the procurement of the Motor Grader and Dozer.

The Committee heard that at the time of audit the log books of the said motor grader and Dozer had not been issued by the Kenya Revenue Authority. However, the log books were later issued in the name of the county government and were available for verification by the Committee and the Auditor General.

The Governor further submitted that the quotations, log book copies, Local Purchase Order and the minutes of the tender Committee on the award of the tender were available for verification and the total cost also included the cost of transportation.

Auditor General's remarks

The Auditor General confirmed that the log books were in the name of the County Government.

Committee's observations and recommendations

The Committee observed that the County Government had all the relevant documents relating to the supply of the motor grader and dozer and the issue of ownership of the tractors was cleared. However, the Committee noted that the County Government breached the procurement rules in the procurement of the motor grader and dozer.

The Committee further observed that the management made down payment of 50% to the supplier before the equipment was delivered.

The Committee while noting that the motor graders were supplied and their log books were in the county government, pended its decision on the matter until the report writing.

4.4 Water Tanks

Information available indicate that M/s Modern Steel Welders was paid an amount of Kshs.3,950,000 on 24 January 2014 being 50% down payment for the supply of 50 plastic 10,000 litre water tanks, costing Kshs.7,900,000. A further payment of Kshs.3,436,500 was done on 6 March 2014. However, the tender advertisement, bids submitted by the bidders, contract for the supply of the tanks, tender committee minutes for award of the tenders and the inspection and acceptance committee report on the tanks received were not provided for audit review. In addition, an advance of Kshs.200,000 was paid to a Mr Kenneth Omondi on 25 March 2014 through cheque number 450 and payment voucher number 513 for branding of the water tanks. The payment was however based on only one quotation contrary to the procurement regulations which require at least three quotations.

Governor's response

The Governor informed the Committee that the tanks were procured in response to the water crisis resulting from drought in Turkana County and were procured by posting an advert at the conspicuous places reserved for the purpose of advertisement in the premises of the County Government as certified by the head of the procurement unit. The Governor further informed the committee that six vendors bought the tender documents and only of five of them filled and returned the tender documents. These tenders were opened by the opening committee, evaluated by the evaluation committee and awarded by the tender committee.

The Governor also informed the Committee that the relevant documents were not submitted to the Auditor General at the time of audit but adequate measures had been instituted to ensure strict observance of the law in the future.

The county government submitted a copy of the advertisement, minutes of the tender committee on the opening of bids, minutes of the financial and technical evaluation, minutes of the tender committee on the award of the tender, a copy of the LPO and inspection and acceptance certificate.

The Governor further informed the Committee that the branding of the Plastic Water Tanks was done through an imprest of Kshs. 200,000 (Imprest No.1807613/513) to pay for the branding of fifty tanks and the amount was duly surrendered.

The county government submitted that the law on the composition of the tender committee should be amended to avoid a situation where the chief officers are members of the tender committee when they are accounting officers.

The Committee heard that down payment of 50% was based on the request of the supplier in accordance with the terms of contract.

Auditor General's remarks

The Auditor General informed the Committee that the response submitted by the county government did not address the audit query sufficiently.

Committee's observation and recommendation

The Committee observed in addition to the flouting of the procurement rules and regulations, the county government paid a 50% down payment to the supplier in contravention of the law.

The Committee further observed that the procurement department was under staffed but the county government had advertised for various positions to fill the existing gaps.

The Committee also noted that the chief officers who were the accounting officers for the county governments departments, were part of the procurement committee and this was not a prudent mechanism. This ought to be revisited so that the accounting officers were excluded from the procurement committee.

MIN. 196/2015: ANY OTHER BUSINESS

- i. The Committee observed that the CEC Finance had no academic or working experience on financial matters as required by the PFM Act, 2012 and this may have contributed to the failure by the county government to follow the procurement rules.
- ii. The also noted that the Chief Finance Officer in charge of the county treasury also lacked the requisite qualification and experience to manage the finance docket.
- iii. The senator for Turkana, Sen. John Munyes alleged that the CEC Finance and the Governor control the procurement process. This allegation was refuted by the Governor and CEC Finance. However, no documentary evidence was tabled by the senator to substantiate the alleged misconduct by the CEC Finance and the Governor.
- iv. The Committee noted that any issues that were not part of the audit queries contained in report under consideration may be raised through a petition.

MIN. 197/2015: DATE OF THE NEXT MEETING

The next meeting was to be held on Wednesday, 2nd September, 2015 at 3.00 pm

MIN. 198/2015: ADJOURNMENT

The being no other business, the meeting was adjourned at ten minutes to one o'clock.

SIGNED:  Moses Okoro Kijueg
(CHAIRPERSON)

DATE: 28 March 2018

MINUTES OF THE 39TH SITTING OF THE SENATE SESSIONAL COMMITTEE ON COUNTY PUBLIC ACCOUNTS AND INVESTMENTS HELD IN THE SENATE COMMITTEE ROOM NO. 4, 1ST FLOOR, MAIN PARLIAMENT BUILDING, ON WEDNESDAY, 2ND SEPTEMBER, 2015 AT 2.30PM

PRESENT

Sen. (Dr.) Boni Khalwale - **Chairman**
Sen. (Eng.) Karue Muriuki
Sen. Kennedy Mong'are
Sen. (Prof.) John Lonyangapuo
Sen. (Prof.) Anyang' Nyong'o

ABSENT WITH APOLOGY

Sen. Hassan Omar Hassan - **Vice Chairman**
Sen. Khaniri George
Sen. Martha Wangari
Sen. Sitswila Wako Amos
Sen. Wamatangi Kimani
Sen. Murkomen Kipchumba

IN ATTENDANCE

(I) THE COUNTY GOVERNMENT OF TURKANA

Hon. Josephat Nanok Koli - Governor
Mr. Peter Eripete - County Secretary
Mr. Paul Nabuin - CEC Finance & Planning
Mr. Christopher Ekuam - CEC Pastoral Economy & Fisheries
Mr. Linus E. Ebenyo - CEC Tourism & Trade
Ms. Beatrice moe Askul - CEC Water & Agriculture
Ms. Margaret Kuchal - CEC Education
Ms. Rhoda A. Loyer - CEC Energy
Mr. Emathe Namwar - Chief Officer Finance & Planning
Mr. Mark Ewesit - Chief Officer Lands
Mr. Emmanuel Ekai - Chief Officer Roads, Transport & ICT
Ms. Amina Ewoi - Chief Officer Education
Mr. Joseph Epuu Elim - Chief Officer Energy, Env. & Natural R
Mr. Richard Emoru - Director Procurement
Mr. Abraham Losinyen - Chief of Staff Governor's Office

(II) THE OFFICE OF AUDITOR GENERAL

Mr. Leonard R. Lari - Director, North Rift Hub
Mr. George Onkundi - Manager, North Rift Hub
Mr. Akaka Ramoya - Manager/Liaison Officer

(III) THE SENATE SECRETARIAT

Mr. Derick Koli

- First Clerk Assistant

Ms. Rose Ometere

- Audio recorder/officer

MIN.199/2015: PRELIMINARIES

The Chairperson called the meeting to order at 2.30 pm and the meeting started with a word of prayer. Thereafter the Chairman welcomed members present to the meeting and called for a round of introductions.

MIN. 200/2015: CONSIDERATION OF THE REPORT OF THE AUDITOR- GENERAL ON THE FINANCIAL OPERATIONS OF TURKANA COUNTY EXECUTIVE FOR THE FINANCIAL YEAR 2013/2014 (1ST JULY 2013 TO 30TH JUNE, 2014).

Audit Query 4.5 Animal Feeds

Information availed for audit review indicated that on 10 February 2014, M/s SiloAgrovet was paid an amount of Kshs.7,000,000 vide payment voucher number 152 for the purchase of emergency animal feeds which included range cubes, survival mash and survival cubes. However, tender advertisements, bids submitted by bidders, minutes of the Tender Committee approving award of the tender, contract for supply, report of Inspection and Acceptance Committee and a report on how the animal feeds were distributed were not provided for audit review. Consequently, the propriety of the expenditure of Kshs.7,000,000 on purchase of animal feeds could not be confirmed.

The Governor's response

The Committee heard that the County Government purchased the Animal Feeds which included the range cubes, survival mash and survival cubes through restricted tendering method (given that the purchase involved different items which did not meet the threshold in open tendering) in line with sec. 73(2) (b) of Public Procurement & Disposal Act 2005. The Committee further heard that the urgency was necessitated by the need to address the drought emergency situation that existed and threatened the livelihoods of the pastoralist community.

The county government also submitted that quotations were sent to all the prequalified suppliers in that category but only 5 bidders were able to present their bids and as a result one bidder was selected from the five bidders.

The County Government further submitted the S11, S13, copies of bids, minutes of the tender committee, inspection and acceptance reports, drought situation report and the distribution list of the animal feeds procured.

It emerged that the documents submitted by the county government to the Auditor General were not organized in a manner that would allow the committee interrogate the audit queries appropriately.

And arising from this the Governor on a point of order requested the committee to **adjourn the sitting to allow him and his team to organize the documents and appear before the Committee on a different date. In his request the Governor contended that this would also allow his team and the Auditor General to consult further and agree on what documents had been delivered and which ones needed to be provided before the next appearance.**

Resolution of the Committee

The Committee deliberated on the matter extensively and agreed to grant the Governor two weeks to organize his responses and also ensure that the Office of the Auditor General had examined the documents submitted.

The Committee further directed as follows:

1. That the County Government should submit all the necessary documents to the Auditor General for examination and verification.
2. That the Office of the Auditor General should finalize its scrutiny of the documents by the end of the two weeks period to enable the Committee proceed with the consideration of the report of Turkana County Government.
3. That the Committee will not entertain excuses regarding lack of delivery of documents to the Auditor General and lack of proactiveness on the part of the Auditor General while dealing with the auditees.

MIN. 201/2015: ANY OTHER BUSINESS

1. The Auditor General requested the County Government to submit the necessary documents to his Office for examination and verification in good time.
2. The Chairman in his concluding remarks implored the Governor and his team to take the exercise of accountability seriously and ensure devolution benefits the poor people of Turkana.

MIN. 202/2015: DATE OF THE NEXT MEETING

The next meeting was to be held on Thursday 3rd September, 2015 at 10:00am.

MIN. 203/2015: ADJOURNMENT

The being no other business, the meeting was adjourned at thirty minutes past three o'clock.

SIGNED:  Moses Othman Kijwang
(CHAIRPERSON)

DATE: 28 March 2015

MINUTES OF THE 40TH SITTING OF THE SENATE SESSIONAL COMMITTEE ON COUNTY PUBLIC ACCOUNTS AND INVESTMENTS HELD IN THE SENATE COMMITTEE ROOM NO. 4, 1ST FLOOR, MAIN PARLIAMENT BUILDING, ON THURSDAY, 3RD SEPTEMBER, 2015 AT 10.00AM.

PRESENT

Sen. (Dr.) Boni Khalwale - **Chairman**
Sen. Kennedy Mong'are
Sen. Wamatangi Kimani
Sen. Khaniri George
Sen. (Prof.) Anyang' Nyong'o

ABSENT WITH APOLOGY

Sen. Hassan Omar Hassan - **Vice Chairman**
Sen. (Prof.) John Lonyangapuo
Sen. (Eng.) Karue Muriuki
Sen. Martha Wangari
Sen. Sitswila Wako Amos
Sen. Murkomen Kipchumba

IN ATTENDANCE

(I) THE MEMBERS OF THE SENATE

Sen. John Munyes Kinyonga - Senator for Turkana County

(II) THE COUNTY EXECUTIVE OF TURKANA

Mr. Emathe Namuar - Chief Officer Finance & Planning

(III) THE COUNTY ASSEMBLY OF TURKANA

Mr. Linus Lokawa - Clerk of the County Assembly
Mr. Ekai Lochuch - Principal Finance Officer
Mr. Timothy Ekidor - Senior Accountant

(IV) THE OFFICE OF AUDITOR GENERAL

Mr. Leonard R. Lari	- Director, North Rift Hub
Mr. George Onkundi	- Manager, North Rift Hub
Mr. Akaka Ramoya	- Manager/Liaison Officer

(V) THE SENATE SECRETARIAT

Mr. Derick Koli	- First Clerk Assistant
Ms. Rose Ometere	- Audio recording officer

MIN. 204/2015: PRELIMINARIES

The Chairperson called the meeting to order at 10.05 am and the meeting started with a word of prayer. Thereafter the Chairman welcomed members present to the meeting and called for a round of introductions.

MIN. 205/2015: CONSIDERATION OF THE REPORT OF THE AUDITOR- GENERAL ON THE FINANCIAL OPERATIONS OF TURKANA COUNTY ASSEMBLY FOR THE FINANCIAL YEAR 2013/2014 (1ST JULY 2013 TO 30TH JUNE, 2014).

The Chairman welcomed the witnesses to the meeting and asked the Auditor General to take the committee through the audit queries as outlined in the report of the Auditor General. This was after guiding the witness on the expectations of the Committee and the general procedure of engagement during the meeting.

The Auditor General lead the Committee in the consideration of the audit queries and the evidence submitted and the observation of the Committee as well as the Committee recommendations were as recorded in the following paragraphs.

Audit query 1.1 Foreign Travel and Subsistence Allowance

The Clerk of the County Assembly admitted the Members of the County Assembly who travelled to USA, Singapore and Israel were paid per diems directly and not through an imprest system as required by law. However, corrective measures had been taken to

ensure that all travel allowances are paid to members in the form of imprest which is surrendered within 48 hours after the journey as required by law.

The Clerk further informed the Committee that all the other relevant documents including the copies of passports and reports of the visits have since been submitted to the Auditor General for verification.

The Auditor General informed the Committee that the relevant documents including copies of travel documents and reports of the visits had since been examined and verified and the audit query had been resolved.

The Committee observed that although funds were disbursed directly to the MCAs without following the requisite procedure, records availed to the Committee confirmed that the said members actually travelled to the United States of America, Singapore and Israel respectively.

The Committee further observed that County Assembly had budgeted for roughly Kshs 12,500,000 for the foreign travel but ended up spending more than its budgeted allocation under the foreign travel vote. This meant that other planned activities which were equally important were not implemented due to the reallocation of funds to foreign travel.

The Committee also observed that a total of eighteen (18) Members of the County Assembly (MCAs) participated in the foreign trip to Singapore while sixteen (16) MCAs participated in the foreign trip to Israel. The size of the delegation for each foreign trip was large and resulted in wastage of public funds and therefore untenable in the long run. However, the Committee noted the intervention by the Ministry of Foreign Affairs that limits the number of members of a delegation for any given trip outside the country to a maximum of seven(7) at any given time.

The Committee recommended that the County Assembly should reduce its foreign travel budget and increase its allocation to local travel in the subsequent financial years

in order to ensure that adequate funds are available for regular and closer scrutiny of the County Executive expenditure and implementation of projects.

The Committee also recommended that the County Assembly should prioritize inter county benchmarking visits and only undertake a limited number of essential foreign trips.

The Committee therefore while noting the oral and written submissions from the Clerk of the County Assembly and the submission from the Auditor General agreed to clear the audit query.

Audit query 1.2 Fact Findings on Agriculture and Natural Resources

The Clerk admitted that the payment of allowances to members of the County Assembly on a fact finding visit of the committee on Agriculture and Natural Resources was done contrary to section 5.6 of the Government Financial Regulations and Procedures but this had since been rectified and the imprest system had been embraced in payment of allowances to members of the County Assembly and staff.

The Committee further heard that the relevant reports of the fact finding missions had been submitted to the Auditor General for examination and verification.

The Committee also heard that the vehicles used by the Committee during the visit had been hired and the relevant documents relating to this matter would be availed to the Committee. The Committee directed the Clerk to submit the invoices, receipts and payment vouchers relating to the hired vehicles within a period of two weeks.

The Auditor General informed the Committee that the relevant reports relating to the said visits had been submitted, examined, verified and were satisfactory. However, the management should provide the documents relating to payments of the hired vehicles as a confirmation that the said trip was actually undertaken.

The Committee having considered the oral and written submissions from the County Assembly and the Auditor General, agreed to clear the audit query subject to submission of the receipt for the payment of the hired vehicles as a confirmation that the fact finding mission was actually undertaken.

Audit Query 1.3 Payment of sitting allowances to Members of the County Assembly

The Committee heard that the irregular payment of the sitting allowances to Members of the County Assembly while they were on a foreign trip was occasioned by a mistake on the part of the payroll manager who erroneously misinterpreted a circular from the Salaries and Remuneration Commission on the subject matter. However, the issue had since been rectified and members are paid sitting allowance depending on the actual meetings they attend.

The Committee further heard that the record keeping for all Committee meetings had been institutionalized and attendance registers are kept for all meetings of the County Assembly Committees.

The Committee having considered the submissions from the County Assembly observed that some Members of the County Assembly were irregularly paid sitting allowances amounting to **Kshs. 1,092,000**. This was because the said members were part of the delegation that was out of the country in the months of February and March, 2014.

The Committee recommends that the amount of **Kshs. 1, 092,000** should be recovered from the said Members of the County Assembly forthwith. The Committee subsequently directed the Clerk to initiate recovery from the month of September, 2015.

The Committee therefore recommends that Kshs. 31,200 be recovered from each of the following members of the County Assembly and recovery be concluded within a period of seven months with effect from 30th September, 2015:-

1. Mr. Jackson Lowoi - Kshs. 31,200

2. Ms. Rebecca Asekon	- Kshs. 31,200
3. Ms. Jacinta Abenyo	- Kshs. 31,200
4. Ms. Elizabeth Korikel	- Kshs. 31,200
5. Mr. Benard Kebo	- Kshs. 31,200
6. Mr. Vincent Lobuin	- Kshs. 31,200
7. Mr. Michael Ewoi	- Kshs. 31,200
8. Ms. Leah Nachere	- Kshs. 31,200
9. Mr. Philemon Ngasike	- Kshs. 31,200
10. Mr. Joseph Nyaga	- Kshs. 31,200
11. Mr. Didymus Chegem	- Kshs. 31,200
12. Mr. John Sepae	- Kshs. 31,200
13. Mr. James Ikeny	- Kshs. 31,200
14. Mr. Samuel Edapal	- Kshs. 31,200
15. Mr. Jacob Nakuwa	- Kshs. 31,200
16. Ms. Naomi Enyang	- Kshs. 31,200
17. Mr. Emmanuel Lomorukai	- Kshs. 31,200
18. Ms. Miriam Nasanyana	- Kshs. 31,200
19. Mr. Raphael Loperito	- Kshs. 31,200
20. Ms. Roseline Aite Onakuta	- Kshs. 31,200
21. Mr. Nichodemus Eguman	- Kshs. 31,200
22. Mr. Shadrack Lodonga	- Kshs. 31,200
23. Mr. James Abei	- Kshs. 31,200
24. Ms. Margaret Eramram	- Kshs. 31,200
25. Ms. Sarah Kaatho	- Kshs. 31,200
26. Mr. Nicholas Ewoi	- Kshs. 31,200
27. Mr. Evans Ekai	- Kshs. 31,200
28. Mr. Bethwel Kobongin	- Kshs. 31,200
29. Mr. Samson Akuri	- Kshs. 31,200
30. Ms. Ruth Kuya	- Kshs. 31,200
31. Ms. Selina Lokope	- Kshs. 31,200
32. Mr. John Lokwatubwa	- Kshs. 31,200
33. Mr. Lawrence Lotomon	- Kshs. 31,200

34. Mr. Joseph Tioko - Kshs. 31,200
35. Ms. Margaret Ekai Eyangon - Kshs. 31,200

Audit query 2.1 County Assembly Ward Offices

The Committee heard that the establishment of 30 Ward offices was through a resolution of the County Assembly Service Board Minutes No.....of the meeting held on 8th July, 2013. Thereafter, the Office of the Clerk was directed to implement the resolution of the board. The Clerk appointed a committee to undertake a survey of office rent across the 30 wards and the Committee submitted a report that recommended the payment of Kshs. 15,000 for office rent for each ward.

The Committee further heard that the funds used to pay the rent were budgeted for through a supplementary budget for the year under review.

The Committee also heard from the office of the Auditor General that the lease agreements had been provided and examined.

The Committee having considered both the oral and written submission from the County Assembly and the Auditor General agreed to clear the audit query and further action was recommended.

Audit query 2.2 Salaries in County Assembly Ward Offices

The Committee heard that the identification and recruitment of Ward Offices staff was undertaken by the members of the County Assembly but the County Assembly Service Board ratified/approved the appointment.

The Committee further heard that the funds used to pay the Ward Offices staff were budgeted for and regularized through the supplementary budget of the financial year 2013/2014.

The Committee also heard that the Commission on Revenue Allocation (CRA) had intervened through a circular that capped the maximum allocation to each Ward Office for staff payment and operational expenses to Kshs. 22,000 respectively. The same circular further capped the maximum number of employees for each Ward Office to three.

The Committee observed that the Commission on Revenue Allocation had taken appropriate steps to contain the situation and no further measures were necessary.

The Committee on the basis of the evidence received and the intervention by the Commission on Revenue Allocation agreed to clear the audit query and no further action was recommended.

Audit query 3.0 Hire of Transport Services

The Committee heard that at the time of hiring the vehicle, the management was not aware that the hired vehicle belonged to a Member of the County Assembly and the Member did not disclose to the management that the vehicle used belonged to her.

The Clerk Committee further heard that the Turkana Drivers and Transport Association determines the rates for car hire in Lodwar town and other areas within and outside the county. In the hire of the vehicle under the audit query, the management had negotiated and paid the lowest possible rate of Kshs. 8,000 per day excluding fuel cost.

The Auditor General informed the Committee that section 33(1) of the Public Procurement and Disposal Act, 2005 prohibits an employee of an organization from trading with the organization without declaring the interest in advance.

The Committee further heard that the management had taken appropriate steps to ensure that the procurement of goods and services was done in accordance with the

provisions of the Public Procurement and Disposal Act, 2005 including the compliance with the provisions of section 33(1) of the Public Procurement and Disposal Act, 2005.

The Committee noted the submissions from the County Assembly and directed the clerk to furnish the Committee with the relevant documents relating to the hired vehicle within a period of one week.

The Committee observed that the management discovered that the hired vehicle belonged to the member of the County Assembly at the time of payment and the member failed to disclose the interest at the time of hiring the vehicle. Although the non-disclosure of interest by the member of the County Assembly during the time of hiring the vehicle contravened the law, the committee noted that the management had taken appropriate steps to mitigate against committal of similar offences in the future.

The Committee having considered the circumstance under which the offence was committed and the appropriate steps taken by the County Assembly to mitigate against committal of similar offences in the future, agreed to clear the audit query but recommended that the management should ensure that the provisions of the Public Procurement and Disposal Act, 2005 and Regulations of 2006 and 2013 are adhered to in the procurement of goods and Services in the subsequent years.

MIN. 206/2015: ANY OTHER BUSINESS

- (i) The Chairman directed the Clerk of the County Assembly of Turkana to ensure prudent management of funds at the County Assembly
- (ii) The Chairman further directed the Clerk of the County Assembly of Turkana to reduce expenditure on foreign trips and increase expenditure on inter-county benchmarking visits and other oversight functions within the county.
- (iii) The Chairman informed the Committee that he will be away on official duties in Belgium from 7th to 12th September, 2015 and during his absence Senator Prof. Anyang Nyong' would chair the sessions when the vice chairman would not be present.

- (iv) The Chairman asked the Clerk of the County Assembly of Turkana to convey the greetings of the Committee and the Senate to the speaker of Turkana County Assembly.
- (v) The Chairman further reminded the Clerk of the County Assembly that Turkana County Government is one of the most marginalized counties that needs to take advantage of the huge allocations to better the lives of its poor populace and not the lives of MCAs and County Government employees.
- (vi) The Chairman further informed the Committee that Kajiado County Executive and Kajiado County Assembly had been scheduled to appear before the Committee on 8th , 9th and 10th September, 2015.

MIN. 207/2015: DATE OF THE NEXT MEETING

The next meeting was to be held on Tuesday 8th September, 2015 at 10:00am.

MIN. 208/2015: ADJOURNMENT

The being no other business, the meeting was adjourned at four minutes past twelve o'clock.

SIGNED:  Moses Okoro Kijwaji
(CHAIRPERSON)

DATE: 28 March 2018

**MINUTES OF THE 43RD SITTING OF THE SENATE SESSIONAL COMMITTEE
ON COUNTY PUBLIC ACCOUNTS AND INVESTMENTS HELD IN THE SENATE
COMMITTEE ROOM NO. 4, 1ST FLOOR, MAIN PARLIAMENT BUILDING, ON
WEDNESDAY, 23RD SEPTEMBER, 2015 AT 10.00AM**

PRESENT

Sen. (Dr.) Boni Khalwale - **Chairman**
Sen. Hassan Omar Hassan - **Vice Chairman**
Sen. Murkomen Kipchumba
Sen. Sitswila Wako Amos
Sen. George Khaniri
Sen. Kennedy Mong'are
Sen. Martha Wangari
Sen. (Prof.) John Lonyangapuo
Sen. John Kiyonga Munyes (under SO199)

ABSENT WITH APOLOGY

Sen. (Prof.) Anyang' Nyong'o
Sen. (Eng.) Karue Muriuki
Sen. Wamatangi Kimani

IN ATTENDANCE

(I) MEMBERS OF THE NATIONAL ASSEMBLY

Hon. Joyce Emanikor, MP - Turkana County Women Rep.
Hon. Christopher Nakuleu, MP - MP for Turkana North Constituency
Hon. James Lomenen - MP for Turkana South Constituency
Hon. Protus Akuja - MP for Loima Constituency
Hon. Nicholas Nixon Ngikor - MP for Turkana East Constituency

(II) THE COUNTY GOVERNMENT OF TURKANA

Hon. Josephat Nanok Koli - Governor
Mr. Peter Eripete - County Secretary
Mr. Paul Nabuin - CEC Finance & Planning
Mr. Linus E. Ebenyo - CEC Tourism & Trade
Ms. Margaret Kuchal - CEC Education, Culture & Social S.
Mr. Emathe Namwar - Chief Officer Finance & Planning
Mr. Christopher Ekuam - CEC Pastoral Economy & Fisheries
Mr. Emmanuel Ekai - Chief Officer Roads, Transport & ICT
Ms. Amina Ali Ewoi - Chief Officer Education, Culture & S.
Mr. Joseph Epuu Elim - Chief Officer Energy, Env. & Natural R.
Mr. Paul Ekutan - Chief Officer Water, Agr. & Irrigation
Dr. David Ereng Loitakol - Chief Officer Pastoral Economic & F.
Mr. Mathew Logurale - Chief Officer Trade & Tourism
Mr. Vincent Palor - Director Liaison Office-Nairobi
Mr. Richard Emoru - Director Procurement
Ms. Esther Ikaru - Ag. Secretary CPSB
Ms. Patricia Ekadeli - Ag. Chairperson CPSB
Mr. Abraham Losinyen - Chief of Staff Governor's Office
Mr. Michael Otieno - Director of Internal Audit
Mr. Edward Masakha - Director

(III) THE OFFICE OF AUDITOR GENERAL

Mr. Leonard R. Lari	- Director, North Rift Hub
Mr. George Onkundi	- Manager, North Rift Hub
Mr. Akaka Ramoya	- Manager/Liaison Officer

(IV) THE SENATE SECRETARIAT

Mr. Derick Koli	- First Clerk Assistant
Mr. Washington Otiato	- Media Relations Officer
Ms. Rose Ometere	- Audio recorder/officer

MIN. 220/2015: PRELIMINARIES

The Chairperson called the meeting to order at 10.20 am and the meeting started with a word of prayer. Thereafter the Chairman welcomed members present to the meeting and called for a round of introductions.

The Chairman recognized and welcomed Members of the National Assembly from Turkana County to the meeting and thanked them for their keen interest in the County matters particularly the accountability.

The Chairman informed the Committee that the Members of the National Assembly from Turkana County had requested to attend the meeting and follow the proceedings of the Committee and the request was made by Hon. Christopher Doye Nakuleu who had called him that morning.

The Chairman further informed the Committee that he had also received a call from the Governor for Turkana, Mr. Josephat Nanok informing him that he had sacked three CECs (Ms. Beatrice Moe Askul, Mr. Christopher Ekuam Eporon and Mr. Peter Lokol) on matters not related to the audit queries and suspended one CEC, Ms. Rhoda Loyor on matters related to the audit queries under review and he has overheard that the said CECs were planning to attend the meeting as part of his County Government against his view that they are no longer members of his County Government.

The Committee extensively deliberated on the two issues and resolved that:

- i. The Governor had the prerogative to appoint and sack the County Executive Committee members and he is at liberty to determine who accompanies him to the meetings of the Committee including who speaks and at what time. Further that the Committee had not received any formal request by the sacked officials to appear before it and therefore in the event that they wished to attend the meetings of the Committee, they were at liberty to do so as members of the public.
- ii. Members of the National Assembly had a constitutional right to attend the meetings of the Senate Committee. However, due to the restrictions imposed by the Standing Orders on who participates in the deliberations and decisions of the Committee, they would make their contributions and interventions on the specific audit queries under consideration through the Senator for Turkana County, Sen. John Kiyonga Munyes.
- iii. Any other issues not related to the audit queries under consideration would be considered under the agenda, "Any Other Business" at the end of the sitting.

and will be recorded for purposes of posterity but will not be included in the report of the Committee.

- iv. Since the Committee proceedings were open to the public pursuant to the provisions of Article 118 of the Constitution, 2010 and the Senate Standing Order 236, the sacked officials were at liberty to attend the meeting but will not participate in the deliberations as members of the county government. In the event that a request is made to the Committee on their intention to be heard on any issue relating to the audit report under consideration, the Committee will appoint a day for them to be heard separately.
- v. If in the course of evidence gathering, the committee determines that any of the sacked CECs or any other former employee will be required to provide information to the Committee, the said employees will be invited to appear before the Committee in the usual procedure and manner.

The Committee proceeded to consider the audit queries as outlined in the following paragraphs:-

Audit query 4.1: Tippers

Information available indicate that M/s Foton East Africa Ltd was issued with a local purchase order on 12 February 2014 for supply of two 20 tonne tippers, Foton HP 290 at a cost of Kshs.18,000,000. Subsequently, a 50% down payment of Kshs.9,000,000 was made on 6 May 2014 vide payment voucher No 256. However, supporting documents such as tender advertisement, bids submitted by the bidders, contract for the supply of the tippers, tender Committee Minutes for award of the tender and the report of the Inspection and Acceptance Committee were not provided for audit verification. The tippers were noted to have been delivered. However, their logbooks were not availed to confirm ownership. Further, the list of suppliers contracted by the County Ministry of Transport and Infrastructure provided for audit review did not contain the name of the motor dealer that supplied the two tippers. In the circumstances, it has not been possible to establish the ownership status of the Tippers and that the County Executive obtained value for money on the same in the absence of the documents supporting the procurement processes.

Governor's response

The County Government admitted that the procurement law was not followed in the procurement of tippers. The Governor further submitted that at the time of procuring the tippers the County Government of Turkana was under pressure to respond to emergency situation relating to hunger and the need to deliver relief food to inaccessible areas of the county where the ordinary vehicles could not access.

The Governor further informed the Committee that the direct procurement was used in the procurement of the tippers as opposed to the open tendering without obtaining the authority from the Public Procurement Oversight Authority.

The Governor further informed the Committee that at the time of procurement of the tippers, the County Government relied on the few officers seconded to it

by the Transition Authority who were expected to guide the nascent County Government Executive and where such officers did not provide such advice, the County Government regrets committal of the resultant offences.

The Governor also informed the Committee that he suspended the CEC for Roads and transport after he was charged on related matters. This was on the basis that each department has officers responsible for the day to day running of the affairs and the Governor supervises and can only be personally liable where he has interfered or has committed an offence.

The County government further submitted that the 50% down payment was a condition imposed by the supplier as one of the requirements for undertaking the contract –because the supplier feared that the new county government may not pay for the supplied tippers.

The County Government further submitted that the contractor who supplied the tippers was identified from the prequalified list of Nairobi City County Government.

The county government further submitted that at the time of purchasing the tippers, the county government was facing a serious drought situation and food shortage and the owners of the commercial vehicles were not willing to transport food to insecure and inaccessible areas.

The Governor also submitted that during the year under review the county government relied on an officer seconded from the Transition Authority to guide the county executive on all procurement matters. The guidance provided may have been faulty. The governor equally informed the committee that one officer was sacked owing to matters related to the audit query.

The Senator for Turkana County alleged that the County Government had violated the law on the appointment of the tender committee whereby the County Executive in charge of Finance appointed the tender Committee whereas the Public Finance Management, Act, 2012 and county government procurement regulations, 2013 vest the power to appoint the tender committee to the County Secretary. The Senator tabled a copy of a letter to support his claim.

The Auditor General informed the Committee that the issues/conditions guiding direct procurement include the existence of an emergency, determination that there is only one supplier and that the goods are required urgently. The Auditor General further informed the committee that the ownership documents were verified to the satisfaction of the Auditor General.

The Auditor General also informed the Committee that the technical report from public works, copies of LPOs and copies of log books were submitted for verification and examination. However, the minutes of the tender committee were not submitted and no report was submitted to PPOA

The Auditor General informed the Committee that the LPOs were availed but direct procurement was used and therefore the quotation from other suppliers were never requested from the prequalified suppliers.

The Committee observed that:-

1. The tonnage of the tippers procured by the County Government required verification in order to establish whether the County Government procured what they actually requisitioned.
2. The procurement law was not followed in the purchase of tippers and the down payment of 50% may not have been necessary under the circumstances.
3. The value for money may not have been achieved due to the tonnage variance

4.2 Tractors

A review of documents availed for audit verification indicated that M/s CMC Motors Group Ltd was paid an amount of Kshs.26,764,800 on 23 June 2014 through payment voucher number 308 for supply of four (4) modern tractors (New Holland model TT 75), three (3) row chisel plough, two (2) ton tipping trailers and one (1) backhoe trailer against a Local Purchase Order No.2045844 dated 17 February 2014 and invoice No.HAD-VIN 001968 dated 27 March 2014. However, the invoice did not reflect the details of the LPO but instead it reflected the order to be a cash purchase, therefore raising doubt on the validity of the invoice. In addition, although the tractors were noted to have been delivered and received on 1 April 2014, the Company was not among the County Government contracted suppliers of tractors, and no evidence was provided for audit review to confirm whether the quotations were invited from other suppliers of tractors. Consequently, it has not been possible to confirm if the procurement was done competitively and how the prices of the tractors were determined raising doubt that the County Executive may not have obtained value for money on the procurement of the tractors.

Governor's response

The Governor informed the committee that county government used the direct procurement method to procure the tractors from M/s CMC Group Ltd based on the earlier contract from the Ministry of Public Works - Supplies Branch.

The Governor further submitted that the county government regrets its failure to report the matter to Public Procurement and Oversight Authority and the delay in submitting the relevant documents to the auditors

The Governor also assured the committee that having recruited the personnel with the requisite competencies, such anomalies will not be committed in the future.

The Governor submitted a letter of acceptance for the supply of tractors from the Ministry of Public Works Ref No SR/P/457/257, letter of notification of the award to supply tractors and the necessary accessories from the Ministry of Public Works, the Pro forma invoice from CMC, a copy of LPO for purchase of tractor, a copy of invoice from CMC group Ltd and a Letter from CMC acknowledging invoice error.

Auditor General's remarks

The Auditor General informed the Committee that the relevant documents relating to the audit query had not been submitted and therefore the matter remains unresolved.

Committee's observation and recommendation

The Committee noted that the evidence submitted by the county government did not address the audit query and therefore the matter remained unresolved.

4.3 Motor Grader and Dozer

Records availed for audit review indicated that the County Government procured a New Holland Motor Grader 180-200 Crawler Dozer and New Holland F170 Motor Grader at contract prices of Kshs.31,650,000 and Kshs.24,180,000 respectively from M/s Achelis Material Handling Ltd. The firm was contracted to supply the equipment by the County Ministry of Transport and Infrastructure on 28 January 2014. Subsequently, a payment of Kshs.27,915,000 was made on 6 May 2014 through payment voucher number 235, being 50% down payment. Another payment of Kshs.27,915,000 being 50% final payment was made on 20 June 2014 vide payment voucher number 297. Although the equipment were noted to have been delivered, logbooks were not availed for audit verification on ownership. In the absence of ownership documents, it has not been possible to confirm the ownership status of the two graders valued Kshs.55,830,000. Further, a payment of Kshs.1,012,680 was made to M/s Top End Construction Company Ltd to transport the two graders from Nairobi to Lodwar. However, there was no documentary evidence to show how the Construction Company was identified to provide the transportation services and now the charges paid were determined.

Governor's response

The Governor informed the committee that the county government could not submit the Log books to the auditors at the time of audit because the said logbooks had not been issued to the county government by the Kenya Revenue Authority. However, the log books were now available for verification to enable the committee confirm the ownership of the property.

The Governor also submitted the copies of the log books, quotations, LPO and minutes of award to the company which transported the equipment to Lodwar.

Auditor General's remarks

The Auditor General informed the Committee that the relevant documents including log books, quotation, LPO and the explanation on how the company

that transported the equipment was identified. The Auditor General advised the Committee to clear the audit query.

Committee's observation and recommendation

The Committee noted the submissions from the county government and the Auditor General and agreed to clear the audit query and no further action is recommended

4.4 Water tanks

Information available indicate that M/s Modern Steel Welders was paid an amount of Kshs.3,950,000 on 24 January 2014 being 50% down payment for the supply of 50 plastic 10,000 litre water tanks, costing Kshs.7,900,000. A further payment of Kshs.3,436,500 was done on 6 March 2014. However, the tender advertisement, bids submitted by the bidders, contract for the supply of the tanks, tender committee minutes for award of the tenders and the inspection and acceptance committee report on the tanks received were not provided for audit review. In addition, an advance of Kshs.200,000 was paid to a Mr Kenneth Omondi on 25 March 2014 through cheque number 450 and payment voucher number 513 for branding of the water tanks. The payment was however based on only one quotation contrary to the procurement regulations which require at least three quotations.

Governor's response

The Governor informed the committee that the tanks were procured in response to the water crisis resulting from drought in Turkana County. The tanks were procured by posting an advert at the conspicuous places reserved for the purpose of advertisement in the premises of the County Government as certified by the head of the procurement unit.

The Governor further informed the committee that six vendors bought the tender documents and only of five them filled and returned the tender documents. These tenders were opened by the tender opening committee, evaluated by the evaluation committee and awarded by the tender committee.

The Governor further submitted that it was regrettable that the documents were not availed to the auditors at the time of audit or at a reasonable time thereafter. The Governor made an undertaking to the effect that similar mistakes will not be repeated in the future.

The county government submitted a copy of the advertisement, minutes of the tender committee on the opening of bids, minutes of the financial and technical evaluation, minutes of the tender committee on the award of the tender, a copy of the LPO and inspection and acceptance certificate.

The Governor also informed the Committee that the branding of tanks was done through an imprest (Imprest No.1807613/513) of Kshs. 200,000 issued to Mr.

Kenneth Omondi which was duly surrendered thereafter in accordance with the law.

Auditor General's remarks

The Auditor General informed the Committee that all the relevant documents relating to the audit query had been submitted and verified and the auditor general was satisfied that the matter had been resolved.

Committee's observation and recommendation

The Committee observed that the responses by the county government together with the documents submitted satisfactorily addressed the audit query and agreed to clear the audit query and no further action is recommended.

4.5 Animal feeds

Information availed for audit review indicated that on 10 February 2014, M/s SiloAgrovet was paid an amount of Kshs.7,000,000 vide payment voucher number 152 for the purchase of emergency animal feeds which included range cubes, survival mash and survival cubes. However, tender advertisements, bids submitted by bidders, minutes of the Tender Committee approving award of the tender, contract for supply, report of Inspection and Acceptance Committee and a report on how the animal feeds were distributed were not provided for audit review. Consequently, the propriety of the expenditure of Kshs.7,000,000 on purchase of animal feeds could not be confirmed.

Governor's response

The Governor informed the committee that the county government purchased the animal feeds which included the range cubes, survival mash and survival cubes through restricted tendering method (given that the purchase involved different items which did not meet the threshold in open tendering) in line with sec. 73(2) (b) of Public Procurement & Disposal Act 2005, to address an emergency of pastoralist livestock, which were being lost due to the prevailing drought conditions in Turkana County.

The Governor further submitted that quotations were sent to all the prequalified suppliers in that category but only 5 bidders were able to present their bids and as a result one bidder was selected.

The Governor further informed the committee that the store documents such as S11, S13 and the distribution list of the animal feeds were available. The management submitted copies of bids submitted by bidders, minutes of the tender committee, inspection and acceptance committee report, the report on how the animal feeds were distributed and a drought situation report, S11 and S13 as the documents supporting the expenditure.

The Governor also informed the committee that the County government used the restricted tendering method in the procurement of the animal feeds owing to the drought emergency situation that required urgent attention and mitigation.

Auditor General's remarks

The Auditor General informed the Committee that the method used was quotation method and not restricted tendering as alleged by the County Government and therefore the procurement process was not followed.

Committee's observation and recommendations

The Committee noted that the evidence submitted by the county government did not address the audit query and therefore the matter remained unresolved.

MIN. NO. 221 /2015: ANY OTHER BUSINESS

- (i) The Senator for Turkana, Sen. John Kinyonga Munyes sought clarification on who is the accounting officer of the County Government as well as who between the CEC Finance and the County Secretary was designated to appoint the tender committee. The committee resolved to respond to the request in the next meeting which was to be held on 24th September, 2015 at 10:00am.
- (ii) The Committee noted that the CEC Finance and the Chief Finance Officer lacked the professional qualification to head the county finance department. But the committee noted that while the law was clear on the qualification of the Chief Officer Finance (being biased on Finance and accounting), there was no law that required the CEC Finance to hold finance and accounting professional qualifications.

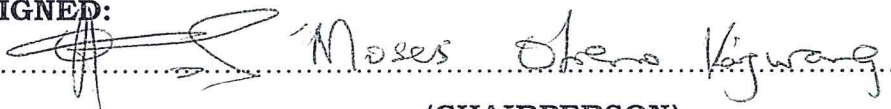
MIN. NO. 222/2015: THE DATE OF THE NEXT MEETING

The next meeting was to be held on Thursday 24th September, 2015 at 10:00am

MIN.NO. 223/2015: ADJOURNMENT

The being no other business the meeting was adjourned at thirty minutes past twelve o'clock

SIGNED:


.....

(CHAIRPERSON)

DATE:

..... 28 March 2018

MINUTES OF THE 53RD SITTING OF THE SENATE SESSIONAL COMMITTEE ON COUNTY PUBLIC ACCOUNTS AND INVESTMENTS HELD IN THE CONFERENCE ROOM, CEAMO HOTEL, TURKANA COUNTY ON FRIDAY, 9TH OCTOBER, 2015 AT 11.00AM

PRESENT

Sen. (Dr.) Boni Khalwale - **Chairman**
Sen. Hassan Omar Hassan - **Vice Chairman**
Sen. (Eng.) Karue Muriuki
Sen. (Prof.) John Lonyangapuo

ABSENT WITH APOLOGY

Sen. Martha Wangari
Sen. (Prof.) Anyang' Nyong'o
Sen. Wamatangi Kimani Sen. Khaniri George
Sen. Kennedy Mong'are
Sen. Murkomen Kipchumba
Sen. Sitswila Wako Amos

IN ATTENDANCE

(I) MEMBERS OF THE SENATE

Sen. John Kiyonga Munyes

(II) MEMBERS OF THE NATIONAL ASSEMBLY

Hon. James Lomenen
Hon. Christopher Nakuleu

(III) THE COUNTY EXECUTIVE

Hon. Josephat Nanok	- Governor
Mr. Peter Lokoel	- Deputy Governor
Mr. Peter Eripete	- County Secretary
Mr. Chris Aletia	- Deputy County Secretary
Mr. Paul Nabuin	- CEC Finance
Ms. Jane Ajele	- CEC Health
Ms. Margaret Kuchal	- CEC, Education, Culture & Social Services
Mr. Linus Ebenyo	- CEC, Pastoral Economy and Fisheries
Mr. Emathe Namuar	- CO, Finance & Planning
Mr. Mark Ewesit	- CO, Lands
Mr. Paul Ekutan	- CO, Water, Agriculture and Irrigation
Mr. Emmanuel Ekai	- CO, Roads
Mr. Esinyen Logurale	- CO, Trade and Tourism
Ms. Amina Ali Ewoi	- CO Education, Culture and Social Services
Mr. Michael Ngoma	- Director Internal Audit
Mr. Richard Emoru	- Director Procurement
Mr. Jeremiah Apalia	- Economic Adviser

(IV)THE TURKANA COUNTY ASSEMBLY

Hon. James Ikal	- MCA Kanamkemer Ward
Hon. Didymus Chegem	- MCA Kapedo Ward
Hon. Emmanuel Lomorukai	- Nominated MCA
Mr. Samuel Ariong	- Clerk Assistant, PAC

(IV)THE OFFICE OF THE AUDITOR GENERAL

Mr. Akaka Ramoya	- Manager/Liaison Officer
Mr. George Onkundi	- Manager Eldoret hub

(V)THE SENATE SECRETARIAT

Mr. Derick Koli	- First Clerk Assistant
Mr. Otiato	- Media Relations Officer
Mr. Joseph Tiyan	- Research Officer III
Ms. Rose Ometere	- Audio Recorder
Mr. Godana Mamo	- Serjeant At Arms

MIN.276/2015: PRELIMINARIES

The Chairperson called the meeting to order at 11.00am and the meeting started with a word of prayer.

The Chairman thereafter informed the gathering that the Committee of the Senate was sitting outside Parliament in the interest of ascertaining certain aspects of the audit queries under investigation.

The Chairman Further clarified that all evidence submitted must be treated with the seriousness that it deserves.

MIN.277/2015: EVIDENCE TAKING ON PENDING ISSUES THAT REQUIRED FURTHER CLARIFICATION AND PHYSICAL VERIFICATION ON THE GROUND

The Chairman guided the Committee in seeking clarifications on the audit queries as documented in the subsequent paragraphs.

(i) Audit query 4.1: Tippers (KBY 960C and KBY 959)

The County Government tabled the original log books of the two tippers that were a subject of the audit query and the Committee confirmed that the vehicles were registered in the name of Turkana County.

The Committee further confirmed that the two tippers were in possession of the County Government. However, it was confirmed that the County Government procured and paid for two tippers of 20 tonnes each while the tippers supplied were those of 10 tonnes each. The Committee noted the

variation with Concern and agreed to deliberate on the matter during its report writing.

(ii) Audit Query 4.2: tractors

The Chairman clarified that the Committee was visiting to receive documents relating to the purchase of tractors including the log books and confirm whether the tractors actually were in the custody of the County Government.

Governor's submission

The county government tabled documents relating to the procurement of the tractors including quotations and copies of the log books for the four tractors.

The county government further informed the Committee that the original log books would be provided within a reasonable time.

The Governor informed the Committee that the problem of locating the original log books may have been occasioned by lack of handing over by the sacked CEC, Ms. Beatrice Moe Askul.

Committee's observation and recommendation

The Committee observed that all the four tractors were actually procured and supplied. During the visit, the committee confirmed that three of the four tractors were in good working condition and the fourth tractor was stationed in Katilu irrigation scheme where the committee could not visit due to time constraints.

The Committee observed that the original log books for the tractors were not in custody of the County Government. However, the Committee agreed to clear the audit query subject to the submission and verification of the original log books.

The Committee further recommended that the County Secretary undertakes an inventory of all the County Government Assets and ensure that all the documents were kept safely in a centralized place/strong rooms.

(iii) Audit Query 9: Usage of Motor Vehicles(KBU 740T, KBU 742T and KBU 743T)

The Chairman informed the meeting that the clarifications sought on the matter related to reasons why the three vehicles identified in the audit query were used during the weekends and beyond the normal working hours during the month of June, 2014.

The Committee heard that the said vehicles were among the first few vehicles procured by the County Government and were initially assigned to the CECs but at the time of audit, the vehicles were used by the Chief Officers of the respective Ministries.

The Committee heard that the vehicles were used for various reasons including ambulatory and emergency response. The Committee was further informed that due to the fastness of the County and the necessity to provide

services to remote areas of the County, officers would occasionally find themselves arriving at headquarters late in the night or during weekends.

The Committee was also informed that the County Government had severally deliberated on the matter and appropriate actions had been taken to ensure prudent measures had been instituted to safeguard against any loss of public funds due to unauthorized travel plans by all County officials.

The Committee in the course of the sitting gave the three officers who were using the vehicles on the said dates an opportunity to justify why the vehicles were used during the weekends and outside the normal working hours.

Observations and resolution of the Committee

The Committee after listening to the reasons given by each officer observed that the fastness of the area and the requirements of the emergency services among others were the reasons why the vehicles were used in the manner pointed out in the audit query.

The Committee while noting the challenges faced by the County Government and circumstances under which the offences were committed, agreed to clear the audit query but recommends that the County Government should take the administrative measures including devolved units that can function without necessarily sending rescue services from the headquarters. The Committee further recommended that all County Government vehicles should be used responsibly. The Committee further recommended that the Office of the Controller of Budget should come up with the necessary guidelines on the motor vehicle allocation and usage in the county governments

(iv) Audit query 10.0: Tree Planting

The Committee visited three sites (Kawalase self-help group, Kenyatta line Turkana Central and Queen of peace in Kanamkemer) where trees were planted and confirmed the existence of the trees. The Committee while relying on the sample visited agreed to clear the audit and no further action is recommended.

(v) Documents submitted to the Committee on various issues

- (a)** Two Letters to confirm that the appointment of the tender Committee members by the CEC Finance instead of the County Secretary in contravention of the provisions of PFM Regulations, 2013 was regularized after detection and reporting by the internal audit department.
- (b)** Relevant documents relating to the audit query 4.5: Animal feeds- particularly distribution lists
- (c)** Relevant documents relating to Audit query 4.6: Seeds- Particularly the distribution lists and the resultant harvest

(d) Relevant documents relating to audit query 4.8.1: Hire of Consultant Firm

(vi) **The Committee sought clarification on the following issues that were not part of the audit queries:-**

(a) **Revenue collection statistics for the Financial years 2012/2013, 2013/2014, 2014/2015 and 2015/2016**

The Governor informed the Committee as follows:-

That in the County Budget of the years listed, the County Government allocated resources as follows:

2013/2014 = 8% development

2014/2015 = 67% development 33 % on recurrent

2015/2016 = 70% development 30% recurrent

That in the revenue collection, the County Government collected as follows:-

2012/2013

2013/2014 = 126m

2014/2015 = 129m

2015/2016 = ?

(vii) **Tour of various facilities (Areas visited)**

The committee toured the following places to confirm the projects that were a subject of the audit report under review:-

- (i) Queen of peace girls primary: seedlings at this place were 100% successful
- (ii) Tractors Yard in the Ministry of Water and Irrigation compound: The tractors seen were three. The Committee heard that the fourth tractor was stationed at Katilu irrigation scheme. The Registration of tractors was in the name of the County Government. Of Turkana but the original log books were missing. Only copies were provided. The Committee directed the County Government to submit the original logbooks for verification by the Auditor General and the Committee within a period of one week.
- (iii) Water tank in a school compound: The main issue was direct procurement of the contract of labeling of the 50 tanks at Kshs. 200,000. The Committee sampled the labelled tanks and agreed to clear the matter.
- (iv) Tippers yard in the Ministry of Roads and Public Works compound: The Committee confirmed that indeed tractors of two tippers of 10 tonnes each were in good working condition. However, the issue of the discrepancy between the procured tippers of 20 tonnes and those that were actually supplied (10 tonnes tippers) was to be further deliberated by the Committee during its report writing.

MIN. 278 /2015: ANY OTHER BUSINESS

The Senator for Turkana, John Munyes thanked the Committee for visiting and taking interest in the audit matters of Turkana County.

MIN. 279/2015: DATE OF THE NEXT MEETING

The next meeting was to be called by notice

MIN. 280/2015: ADJOURNMENT

The being no other business, the meeting was adjourned at thirty minutes past three o'clock.

SIGNED:

A handwritten signature in black ink, appearing to read "Moses Othman Koyway". The signature is written over a horizontal dotted line.

(CHAIRPERSON)

DATE:

28 March 2018

MINUTES OF THE 67TH SITTING OF THE SENATE SESSIONAL COMMITTEE ON COUNTY PUBLIC ACCOUNTS AND INVESTMENTS HELD IN THE SENATE COMMITTEE ROOM NO. 4, 1ST FLOOR, MAIN PARLIAMENT BUILDING ON TUESDAY, 1ST DECEMBER, 2015 AT 10.00AM

PRESENT

Sen. (Dr.) Boni Khalwale - **Chairman**
Sen. Hassan Omar Hassan - **Vice Chairman**
Sen. (Eng.) Karue Muriuki
Sen. Khaniri George
Sen. Kennedy Mong'are
Sen. Wamatangi Kimani

ABSENT WITH APOLOGY

Sen. Martha Wangari
Sen. (Prof.) John Lonyangapuo
Sen. (Prof.) Anyang' Nyong'o
Sen. Sitswila Wako Amos
Sen. Murkomen Kipchumba

IN ATTENDANCE

NATIONAL TRANSPORT AND SAFETY AUTHORITY

Mr. Cosmas Ngese - Deputy Director Registration
Mr. Stephen Asiachi - Manager Registration
Eng. Fredric Oanya - D/D Motor Vehicle Registration

OFFICE OF THE AUDITOR GENERAL

Mr. Akaka Ramoya - Liaison Officer

TRANSITION AUTHORITY

Ms. Kanini Nzioki - Chief Accountant
Mr. Ng'ang'a Mukundi - Chief Transition Coordinator

THE SENATE SECRETARIAT

Ms. Gloria Wawira - Clerk Assistant

MIN. 254/2015: PRELIMINARIES

The Chairperson called the meeting to order at 10.15 a.m. and the meeting started with a word of prayer. Thereafter the Chairman welcomed members present to the meeting and called for a round of introductions.

MIN. 255/2015: ADOPTION OF AGENDA

The agenda of the meeting was adopted as set out in the notice having been proposed by Sen. George Khaniri, MP and seconded by Sen. Kennedy Mong'are, MP

MIN. 256/2015: MEETING WITH NATIONAL TRANSPORT AND SAFETY AUTHORITY (NTSA) AS A WITNESS OVER AUDIT QUERY 4.1 IN THE REPORT OF THE AUDITOR GENERAL FOR THE FINANCIAL OPERATIONS OF TURKANA COUNTY EXECUTIVE

The Committee in the course of evidence taking and verification of documents relating to the purchase of tippers under **audit query 4.1- titled, *irregular procurement of Tippers*** realized it required the expert advice from the Registrar of motor vehicles and resolved therefore to invite the Director General of the National Transport and Safety Authority to provide information relating to the two tippers purchased by the County Government which were a subject of the audit query referred in the subject.

At the centre of controversy was the true tonnage of the two tippers owing to the fact that the County Government requisitioned for twenty (20) tonnes tippers whereas the particulars of the log books in possession of the Committee indicated that the tonnage for each of the two tippers was 10 tonnes.

The Committee had requested the Director General of NTSA to provide information relating to the following:-

- i. The true tonnage of the vehicles KBY 984C and KBY 960C
- ii. The authenticity of the registration certificates /Log books (K505335E and K505339A).
- iii. The true owner of the two vehicles referred in (i) above
- iv. Confirm whether the explanation by the General Manager for FOTON on the letter written to the County Government of Turkana after the visit by the Committee (Ref. No. TCG/CO/MORTHWP/ADM/GC/VOL.I(30)/015 on the variance in the tonnage was sufficient to address the discrepancies in the tonnage of the vehicles referred in (i) above.

The Committee while receiving evidence from the National Transport and Safety Authority was informed that:

- i. The true tonnage of each of the two tippers was calculated by the formula- Gross weight – Tire weight = x tonnes. In this case the gross weight of each tipper was 22,000kgs while the tire weight was 12,000 kgs. Therefore, gross weight (22,000kgs) –

tire weight (12,000kgs) = 10,000kgs (10 tonnes) and therefore the true tonnage of each tipper was 10 tonnes

- ii. The log books of the two tippers were authentic and were issued by the Kenya Revenue Authority in accordance with the law.
- iii. The two tippers/ vehicles were duly registered on 12th January, 2014 in the name of Turkana County and have never been transferred to any other owner and therefore the current owner was Turkana County Government.
- iv. The National Transport and Safety Authority had not introduced new regulations governing determination of vehicles weights. However the Traffic Act Cap 403, laws of Kenya (Twelfth schedule) under weights and dimensions gives guidance on determination of weights of vehicles.

Committee Resolution

The Committee resolved to write to Foton East Africa to establish the cost of a 20 tonne and 10 tonne truck.

MIN. 257/2015: DATE OF THE NEXT MEETING

The next meeting was to be held on Wednesday 2nd December, 2015 at 10:00am.

MIN. 258/2015: ADJOURNMENT

The being no other business, the meeting was adjourned at forty five minutes past ten o'clock.

SIGNED: 
Moses Othman Bywang
(CHAIRPERSON)

DATE..... 28 March 2018

MINUTES OF THE 44TH SITTING OF THE SENATE SESSIONAL COMMITTEE ON COUNTY PUBLIC ACCOUNTS AND INVESTMENTS HELD IN THE SENATE COMMITTEE ROOM NO. 4, 1ST FLOOR, MAIN PARLIAMENT BUILDING, ON TUESDAY, 24TH SEPTEMBER, 2015 AT 10.00AM

PRESENT

Sen. (Dr.) Boni Khalwale - **Chairman**
Sen. Sitswila Wako Amos
Sen. Kennedy Mong'are
Sen. Martha Wangari
Sen. (Prof.) John Lonyangapuo
Sen. John Kiyonga Munyes (under SO 199)

ABSENT WITH APOLOGY

Sen. Hassan Omar Hassan - **Vice Chairman**
Sen. (Prof.) Anyang' Nyong'o
Sen. Khaniri George
Sen. (Eng.) Karue Muriuki
Sen. Wamatangi Kimani
Sen. Murkomen Kipchumba

IN ATTENDANCE

(I) MEMBERS OF THE NATIONAL ASSEMBLY

Hon. Joyce Emanikor, MP - Turkana County Women Rep.
Hon. Christopher Nakuleu, MP - MP for Turkana North
Hon. James Lomenen - MP for Turkana South
Hon. Protus Akuja - MP for Loima Constituency

(II) THE COUNTY GOVERNMENT OF TURKANA

Hon. Josephat Nanok Koli - Governor
Mr. Peter Eripete - County Secretary
Mr. Paul Nabuin - CEC Finance & Planning
Mr. Linus E. Ebenyo - CEC Tourism & Trade
Ms. Beatrice Moe Askul - CEC Water & Agriculture
Ms. Margaret Kuchal - CEC Education, Culture & Social S.
Mr. Emathe Namwar - Chief Officer Finance & Planning
Mr. Mark Ewesit - Chief Officer Lands
Mr. Emmanuel Ekai - Chief Officer Roads, Transport & ICT
Ms. Amina Ali Ewoi - Chief Officer Education, Culture & S.
Mr. Joseph Epuu Elim - Chief Officer Energy, Env. & Natural R
Mr. Paul Ekutan - Chief Officer Water, Agr. & Irrigation
Dr. Dabvid Ereng Loitakol - Chief Officer Pastoral Economic & F.
Mr. Mathew Logurale - Chief Officer Trade & Tourism
Mr. Vincent Palor - Director Liaison Office-Nairobi
Mr. Richard Emoru - Director Procurement
Ms. Willy Cheptoo - Director HRM
Ms. Esther Ikaru - Ag. Secretary CPSB

Ms. Patricia Ekadeli - Ag. Chairperson CPSB
Mr. Abraham Losinyen - Chief of Staff Governor's Office
Mr. Michael Otieno - Director of Internal Audit

(III) THE OFFICE OF AUDITOR GENERAL

Mr. Leonard R. Lari - Director, North Rift Hub
Mr. George Onkundi - Manager, North Rift Hub
Mr. Akaka Ramoya - Manager/Liaison Officer

(IV) THE SENATE SECRETARIAT

Mr. Derick Koli - First Clerk Assistant
Ms. Gloria Wawira - Third Clerk Assistant
Mr. Joseph Tiyan - Research Officer
Ms. Rose Ometere - Audio recorder/officer

MIN.NO. 224/2015: PRELIMINARIES

The Chairperson called the meeting to order at 10.25 am and the meeting started with a word of prayer. Thereafter the Chairman welcomed members present to the meeting and called for a round of introductions.

MIN.NO. 225/2015: CONSIDERATION OF THE REPORT OF THE AUDITOR- GENERAL ON THE FINANCIAL OPERATIONS OF TURKANA COUNTY EXECUTIVE FOR THE FINANCIAL YEAR 2013/2014 (1ST JULY 2013 TO 30TH JUNE, 2014).

The Chairman informed the Committee that the Committee had previously dispensed audit queries 4.1 to 4.5 and asked the Auditor General to lead the Committee through the remaining audit queries starting with Audit query 4.6

4.6 Seeds

A review of the records availed for audit verification indicated that M/s Modern Steel Welders was paid an amount of Kshs.5,629,360 on 23 May 2014 vide payment voucher number 682 and cheque number 630 for purchase of seeds for various irrigation projects which included maize DH04, sorghum gadam, cowpeas kenkunde and green grams. However, tender advertisement, bids submitted by the bidders, Tender Committee Minutes for award of the tenders; contract for supply of seeds, the Inspection and Acceptance Committee report on the seeds received and the distribution list were not provided for audit review.

Governor's response

The Governor informed the Committee that the seeds were bought through quotation method pursuant to the provisions of section 88(a) of the Public Procurement and Disposal Act, 2005. The management tabled quotations from three bidders, minutes of the opening of quotation, minutes of the tender award, a copy of the LPO, inspection and acceptance certificate, the drought report and

seeds distribution lists. However, the management admitted that the law was not followed particularly the provisions of section 88(b) of the Public Procurement and Disposal Act, 2005 and pleaded for forgiveness with undertaking that similar offence will not be repeated.

The county government also informed the Committee that Katilu irrigation scheme was one of the beneficiaries and the harvest for the entire project was 8,413 bags of maize, 6,146 bags of Sorghum, 208 bags of cow piece and 173 bags of green grams. The Governor requested the Committee to visit the County and verify the issue through interviewing the beneficiary farmers.

Auditor General's remarks

The Auditor General submitted that the real issue was failure to follow the provisions of section 88(b) of the Public Procurement and Disposal Act, 2005 and therefore the documents submitted will not suffice.

Committee's observation and recommendation

The Committee observed that the procurement rules were not followed and any documents submitted to support the anomaly were inadmissible but the pleadings for forgiveness by the management will be considered during report writing.

4.7 Car Hire

Information available indicate that the County Public Service Board made payments totalling Kshs.3,307,940 to various firms in respect of car hire services. However, the quotations from the firms and signed contracts with the County Government for the services rendered were not availed for audit review. Consequently, it was not possible to confirm how the firms were identified and the rates determined and therefore, the propriety of Kshs.3,307,940 for the car hire could not be verified.

Governor's response

The county government submitted that it was true the documents relating to the audit query were not submitted to the auditors at the time of audit. The Governor further informed the Committee that this mistake was regrettable but assured the committee that the same mistake will not be repeated in the future. The management also availed the relevant documents relating to the audit query including the contracts, Local Purchase Order, minutes of the tender committee, quotations and payment voucher.

Auditor General's remarks

Auditor General informed the Committee that information provided by the client was satisfactory.

Committee's observation and recommendations

The Committee while relying on the submission from the Auditor General agreed to clear the audit query and no further action is recommended.

4.8.1 Hire of Consultant Firm

A review of documents availed for audit verification indicated that a Consultancy firm was contracted by the County Ministry of Tourism, Trade and Industry to offer business development and training to young entrepreneurs in 25 wards of the County for Kshs.3,795,000. Request for quotation method was used to identify the supplier although the procurement exceeded the threshold of Kshs.2,000,000 for using this method. The quotations were sought from three (3) suppliers who were not in the list of prequalified suppliers approved by the County Government. Further, minutes of the Tender Committee awarding the contract were not availed for audit verification. As at the time of this audit, there was no evidence of the services provided by the firm although payments totalling Kshs.2,656,500 had been made.

Governor's response

The Governor informed the committee that it was true that the companies that were awarded the tender were not prequalified but the procurement process was discussed through the tender committee meeting dated 14th November 2014 that recommended Capital Strategies to conduct the training.

The Governor further submitted that despite the procurement lapses the training was professionally carried out and this was clearly evidenced by the workshop report, pictorial representations of the workshop, list of participants and minutes of the tender committee that awarded the tender.

The management further informed the Committee that the firm that was awarded the contract requested for a Kshs. 2.6 million in advance as part of the agreement contained in the contract as per the award contract.

The management also submitted documents including the LSO, breakdown of payment and a letter from the consultant firm demanding for payment of Kshs. 2.6 million in advance as a condition for rolling out the training as stipulated by the contract.

The Committee further heard the Chief Officer in the department authorized payment relying on the LSO and contract signed between the contractor and procurement section.

The management apologized for the mistakes committed in not following the procurements rules in the sourcing for the services.

Committee's observation and recommendation

The Committee while noting the submissions from the County Government observed that the County Government flouted the procurement rules and regulations but pleaded for forgiveness.

4.8.2 Training at Kenya School of Government

Audit review of records availed showed that an amount of Kshs.739,000.00 was paid to Kenya School of Government on 27 June 2014 vide cheque No. 001852 and P.V No. 2330 in respect of full board training for 17 officers who were attending Effective Personal Assistant and Office Administrators Training for 5 days. A further payment of Kshs.767,125.00 was made to Mr David Kakalel Austin to cater for per diem ,quarter per diem ,bus fare and taxi allowance for the 17 officers. Each officer was to be paid a total of Kshs.45,125.00 in respect of quarter per diem of Kshs.8,125.00 for 5 days, full per diem for 4 days of Kshs.26,000.00 while travelling, bus fare of Kshs.9,000.00 and taxi allowance of Kshs.2,000.00. There was however no evidence that any training needs assessment was carried out and that the officers were being trained out of need as required by the County Public Service Human Resource Manual, 2013. In addition, there was no evidence that the training was recommended by the County Departmental Training Committee and approved by the County Secretary as required. Further, no reason has been provided as to why individual imprests were not issued to each officer as required instead of being directly charged to expenditure. There has also been no evidence of the same having been paid to the intended 17 officers. No reason has been provided as to why quarter per diem was paid to the officers while attending a full board training paid for by the County Government, which, according to the regulations is not payable.

Governor's response

The Governor informed the Committee that the county government recognizes the important role played by the Training Needs Assessment in identifying staff capacities and areas of improvement before making recommendations and approving on who, where and when to go for training.

The Governor further informed the Committee that the county government department on training makes recommendation on who should be trained and where to train.

The management also submitted that the committee that makes recommendation on training does so in consultation with the office of the county secretary and the head of public service and the said training was approved by the County Secretary as stipulated in Section 1.8(ii) of the County Public Service Human Resource Manual but the training needs assessment was not carried out owing to the challenges faced by the county during its nascent days.

The Governor undertook to follow the laid down procedures in the identification, recommendation, and approval of staff trainings are adhered to. This had already been mitigated through the establishment of the Human Resource Management section with 20 officers (from the initial 1 officer) deployed to the 10 county departments.

The Governor further submitted that the training needs assessment had already been undertaken and another having been undertaken in the recent past. This had been further buttressed by the operationalization of the County Human Resource Management Advisory/Training Committee under the chairmanship of the County Secretary.

The management further informed the Committee that imprest that was issued was inclusive of the quarter per diem for all the officers attending the training and the said imprest was issued to one officer who was the team leader.

The Committee further heard that the targeted Personal Assistants received tailor-made training tenable at the Kenya School of Government (KSG) on government operations and procedures but the payment of imprest to an individual was a regrettable mistake although the said funds were paid to the respective officers and signed accordingly. The management also submitted an invoice from the Kenya School of Government

Auditor General's remarks

Auditor General informed the Committee that the information submitted by the client on the audit query was satisfactory.

Committee's observation and recommendation

The Committee while relying on the submission by the Auditor General agreed to clear the audit query and further action is recommended.

5.0 Foreign and Local Travel Subsistence Allowance

Records availed for audit review indicates that an amount of Kshs.788,710 was paid to one officer to meet the cost of travel for ten(10) Members of the County Assembly and other six(6) officers from the County Ministry of Roads, Transport, Housing and Public Works in form of subsistence allowances and foreign travel for inspection of roads at Loima District in the County. After the road inspection, the team proceeded to Moroto in Uganda on 23 January, 2014. However, no documents were provided to show the details of the roads inspected and the purpose of visiting Moroto in Uganda. Further, the amount of Kshs.788,710 was paid in lump sum to the officer on behalf of the Members of the County Assembly and County Ministry of Roads, Transport, Housing and Public Works as an imprest from the vote of County Executive instead of County Assembly. This was against Government Financial Regulations and Procedures governing the issuance of imprests whereby officers travelling outside their duty station are issued with individual imprests which they should account for on return from official duty. In addition, the payment documents availed for audit were not supported by copies of stamped passports, copies of work tickets for vehicles used during the visits, roads inspection report and evidence of officers and honorable members acknowledgement of money receipts. Consequently, the propriety of the expenditure of Kshs.842,810 could not be confirmed.

Governor's response

The Governor informed the committee that the team travelled to Moroto which is approximately 10Kms from the border and has adequate facilities because the part of the county around the Kenya -Uganda does not have adequate accommodation facilities

The management submitted the roads visitation schedule indicating the routes that the ministry had earmarked to visit and the work tickets and the roads inspection report.

The Governor informed the Committee that the decision was taken after it became clear that the option of going back to Lodwar which was 100Kms away would be more expensive in terms time, cost and security thereby leaving the team with the option of spending the night in Moroto which was close to the areas to be visited.

The Governor clarified that the activity was sponsored by the county executive and the relevant committees of the county assembly were invited to be part of the delegation and hence the county executive paid for the expenses relating to the visit.

The management submitted a schedule of areas visited, motor vehicle work tickets, inspection report and a Payments schedule signed by recipients of Kshs 842,810 as evidence of the said visit and expenditure.

On the issue of Passports the management submitted that there was no Immigration office in the Lokiriama- Moroto border and one can access Uganda through the Lokiriama - Moroto road without a passport. This was further supported by the fact that the East African community integration policy allows Kenyans to enter Uganda using the National IDs.

Auditor General's remarks

Auditor General informed the Committee that the information submitted by the client on the audit query was satisfactory.

Committee's observation and recommendation

The Committee while relying on the submission by county government and the Auditor General agreed to clear the audit query and further action is recommended.

6.0 Training and Workshops

Information available indicated that M/s National Council for Persons with Disability requested for funds totalling Kshs.3,690,000 from the County Ministry of Education to facilitate workshops and training for their members. This amount was paid to the organization on 19 February 2014. A further payment of Kshs.1,791,000 was made to facilitate people with disabilities from Turkana County to participate in People With Disability Desert Race in Isiolo and carry out preliminaries for selection in Lodwar. However, these payments were only supported with proposed budgets. No documentary evidence was provided to show how the money was spent. In the circumstances, the propriety of the expenditure of Kshs.5,481,000 on the training and workshops could not be verified.

Governor's response

The Governor informed the Committee that it was true that the relevant documents relating to the audit query were regrettably not submitted to the auditors at the time of audit but they have since been availed to the auditors for examination and verification. The Governor assured the committee that this anomaly will not be repeated in the future.

The management submitted the budget proposal, the Terms of Reference, the Mobilization /invitations for participants from Sub-Counties, Receipts of payments, Payment schedules and attendance lists from all the 6 Sub-Counties, Facilitators' payment schedule, Programme of event and Report on PWDs Training with photographs as evidence of the actual occurrence of the event

Auditor General's remarks

Auditor General informed the Committee that the information submitted by the client on the audit query was satisfactory.

Committee's observation and recommendation

The Committee while relying on the submission by the Auditor General agreed to clear the audit query and further action is recommended.

7.0 Payment of Supervision Fees

7.1 Supervision of Water Works

A review of records availed for audit verification indicated that the Sub County Water Officer, Turkana East District was paid an amount of Kshs.3,402,000 on 10 March 2014, being 6% payment of supervision fees for water contracts awarded during the year under review. However, the Bill of Quantities and contract agreements were not availed in support of the projects that were being implemented and supervision fees paid. Although the management explained that the supervision fees was in respect of subsistence allowance payable to those officers who were supervising various water works, a list of the officers who were paid and the projects they were supervising were not availed for audit verification. In addition, it is not clear, and the management has not explained under what circumstances are government employees are paid supervision fees in their personal capacities.

Governor's response

The Governor informed the committee that one officer was issued the imprest for purposes of facilitating other technical officers undertaking duties at sub-counties not served by any banks so that the said officers do not travel to Lodwar to collect their dues/allowances. The management also submitted that the said officers were overseeing the implementation of the projects in the various sub-counties.

The management submitted the relevant documents relating to the audit query including the request for supervision fees, sample of projects bill of quantities, schedule of payments, a table of the projects implemented and the supervision

fees for each project, copies of work tickets for the vehicles used during the supervision of the projects and status of projects implemented

Auditor General's remarks

Auditor General informed the Committee that the information submitted by the client on the audit query was satisfactory.

Committee's observation and recommendation

The Committee while relying on the submission by the Auditor General agreed to clear the audit query and further action is recommended.

7.2 Supervision of Road Works

Records availed for audit review indicated that the Superintendent of Roads was paid an amount of Kshs.1,630,686 on 11 March 2014 for the supervision of road works across the County. The payment was based on a letter dated 3 March 2014, from the Superintendent of Roads to the Interim Chief Finance Officer. Further, the management explained that the superintendent was not an employee of the County Government and the amount paid was a consultancy fee in respect of services provided. However, no documentary evidence was provided to confirm how the consultant was identified and procured. In addition, the signed contract between the County Government and the consultant for the provision of the services and the list of roads supervised and report produced on the same was not provided for audit review. Consequently, the propriety of the expenditure of Kshs.1,630,686 could not be confirmed.

Governor's response

The Governor informed the committee that the roads Superintendent was not a hired consultant but an employee attached to KERRA which was the official government entity dealing with county rural roads at the time of transition and was requested to oversee the implementation of the road works because this department did not have the capacity to supervise the project due to inadequate personnel. The Governor further submitted that the lump sum payment was not for consultancy but rather for facilitation and subsistence allowance.

The Governor in support of his submission tabled the road supervision schedule and a payment schedule as evidence of how the funds were expensed.

Auditor General's remarks

Auditor General informed the Committee that the information submitted by the auditee on the audit query was satisfactory.

Committee's observation and recommendation

The Committee while relying on the submission by management and the Auditor General agreed to clear the audit query and further action is recommended.

8.0 Bursaries

Records availed for audit review indicated that the County Ministry of Education awarded bursaries totalling Kshs.47,102,100 to needy students at various learning institutions during the year 2013/2014. The bursaries were awarded by Ward Bursary Committees. However, it was not revealed how the members of the Ward Bursary Committees were identified. Further, it was not clear and the management has not explained the criteria used to award the bursary in the County thus leaving the Ward Bursary Committees to rely on the school fees balances and fees structures in awarding the bursaries rather than determine whether the applicants were needy.

Governor's response

The Governor informed the committee that the award of bursary funds to needy students in the County was guided by the criteria spelt out in the County Education Skill and Development Fund Act 2014 that had been approved by the County Assembly and assented to by the Governor.

The Governor further submitted that the Ward Appraisal Committee which was charged with the charged with overseeing the disbursement of the bursary was elected by the community members at a public baraza in the respective wards under the supervision of the Ward administrator. It was therefore the role of the Ward Appraisal Committee to scrutinize and verify the applications to determine the needy students who will be the beneficiaries of the bursary funds. This was because these are community members who know and understand the status of the students' families in their respective areas. After the disbursement meetings in all wards, the minutes, lists of beneficiaries and application forms are submitted to the ministry. Then the County Secretariat sits and again goes through the lists of beneficiaries and sampled application forms to see how fair the allocation was. When done the approval for the payments are made to the various institutions.

The management submitted the resolution of the County Assembly, sampled lists of the ward appraisal committees, ward appraisal committees minutes , a copy of Turkana County Education Skill and Development Fund Act 2014 and a sample of the application form as part of the evidence on the audit query.

Auditor General's remarks

Auditor General informed the Committee that the information submitted by the client on the audit query was satisfactory.

Committee's observation and recommendation

The Committee while relying on the submission by the Auditor General agreed to clear the audit query and further action is recommended.

9.0 Usage of Motor Vehicles

A review of work tickets numbers K713847, L435461 and L870513 for vehicles registration numbers KBU 740T, KBU 742T and KBU 743T for the month of June 2014, revealed that these vehicles were being driven during weekends. Further, during the weekends for the month of June 2014, the three vehicles covered a total of 2,465 kms. However, the purpose for which the vehicles were used was not disclosed. Further, there was no authority for these vehicles to be used outside normal working hours, especially at night.

Governor's response

The Governor informed the committee that it was true that the vehicles identified in the audit query were used during the weekends and outside the normal working hours. However, the said vehicles were the only vehicles assigned to the respective departments.

The Governor clarified that the vehicle with registration number KBU 743T belonged to the department of Water, Agriculture and Irrigation and was used for responding to water crisis in the vast Turkana County. Similarly the vehicle with registration number KBU 742T belonged to the department of Lands and was the only vehicle available for the departments use at the time and was used to carry out enforcement duties even during the weekends. And the vehicle with registration number KBU 740T belonged to the department of Pastoral Economy and Fisheries and was the only vehicle attached to the department and given the nature of the duties like disease surveillance within the vast Turkana County occasioned the movements even during the weekends.

The Governor further informed the Committee that adequate measures had been taken to ensure that all County government vehicles are used in accordance with the law. The Governor tabled copies of the letters to support this claim and the committee directed the Auditor General to examine the documents and report back to the Committee.

The Auditor General's remarks

The Auditor General submitted that the work tickets were duly authorized for the vehicles to be driven at night or over the weekend. However, what was lacking was the authority from the respective accounting officers.

Committee's observations and recommendation

The Committee observed that the vehicles were used during the weekends and at night against the standing regulations governing the usage of government vehicles particularly the lack of authorization by relevant officers. However, since the work tickets were duly authorized, the drivers were innocent and the officers assigned the vehicles should be afforded the opportunity to make their case before a determination is made on the matter.

The committee noted with concern that county government vehicles were used hapazardly and there was necessity for the CRA or Controller of Budget to come up with a proper policy on who needs a vehicle in the County Government.

10.0 Tree Planting

Records availed for audit review indicated that payments totalling Kshs.7,850,000 were made to Non-Governmental organizations to facilitate a tree planting exercise based on their proposed budgets. Although the trees were planted, a review of documents supporting the payment revealed that the organizations did not account for the money advanced to them and it was not clear and the management has not explain how these groups were identified as there were no policy guidelines on partnering with private groups to carry out such activities. In the circumstances, the propriety of the expenditure of Kshs.7,850,000 on tree planting could not be established.

Governor's response

The Governor informed the committee that the payments were made to the registered CBOs to help in tree planting. This was informed by section 45 of the Forest Act 2005, which encourages community participation in forest management in what it calls Participatory Forest Management (PFM). This aims to tap traditional and indigenous knowledge in conservation. It also provides for

collaboration with stakeholders in the rehabilitation of degraded and over exploited dry forest areas and encourage tree planting in ASALS.

The Governor further submitted that the PPP in tree planting involved a contract between the Ministry and the private sector, community based organizations, religious institutions, schools, women groups, youth groups. The Ministry provided financial and technical advice while the private sector provided the labour and actual tree planting and that the PPPs enables the public sector to harness the expertise and efficiencies that the private sector can bring to the delivery of services traditionally procured and delivered by the government.

The Governor also informed the Committee that the criteria set for selecting the groups for tree planting in Turkana County were as follows:- (a) The NGO/CBOs and groups must have operated in Turkana County environment matters for at least two years (b) The groups must be registered by the social service and have the valid social certificate; (c) The group must have a constitutional framework which guides its operations; (d) The groups must have at least one member trained in environmental related matters or be a Community Forest Member; (e) The groups had to provide Bank statement indicating an active bank account (f) Must demonstrate the potential to implement the project and provide a clear work plan; (g) Must be willing and committed to enter into the contract with the ministry; (h) The group must demonstrate contractual ability and capacity to deliver on the project; (i) The trees species and number of seedling to be planted must be clearly indicated; (j) The sites for the project should be clearly stated (ward and the institution).

The Governor further informed the Committee that it was true that the ministry spent Kshs. 7,850,000 through the selected Non-Governmental organizations to facilitate the tree planting. However, all the CBOs that were granted the funds had submitted the expenditure returns exempt only one group - (LODEO Group) that was yet to account for Kshs. 876,000 for which a letter had been written on the need to expedite the submission of returns or refund an equivalent amount

Auditor General's remarks.

Auditor General informed the Committee that the information submitted by the client on the audit query was satisfactory and no further action is recommended.

Committee's observation and recommendation

The Committee while relying on the submission by the Auditor General agreed to clear the audit query and no further action is recommended.

The Committee also resolved to verify any pending issues on the matter including a sample of planted trees during a visit to Turkana

11.0 Doubtful Expenditure on Water Works

Information availed for audit review showed that payments totalling Kshs.1,754,000.00 were made to six Sub-County Water Officers on 29 June 2014 vide cheque No.001002 and various payment vouchers. The payments were said to be in respect of subsistence allowance to facilitate handing over of boreholes and water pan sites to contractors. According to the supporting budgets, the payments were subsistence allowances for 376 officers who included Sub County Administrators, Sub County Water Officers, Ward Administrators, Clerk of Works, one driver and security personnel for the six teams. The payments were however not issued in the form of imprest as required by the regulations but were directly expensed contrary to the requirement of Government financial regulations and procedures. Further, no subsequent report has been provided to show how the money was utilised. In addition copies of work tickets of motor vehicle used were not provided to show the location of the sites to be handed over and the days spend. Further, all the officers indicated in the lists were within their respective Sub Counties and wards and the issue of night outs may therefore not have arisen. There was also no information to show the roles that were to be played by each of the officers indicated in the budget during the handing over process.

Governor's response

The Governor submitted that the county government paid the officers daily subsistence allowance for the purpose of overseeing handing over of the completed project across the county.

The Governor informed the committee that the water officer was the technical staff of the ministry concerned and would be the technical officer on project specifications and the sub-county administrators and ward administrators were community mobilizers that played a critical role in ensuring communities participate in construction and eventual owning of the projects for sustainability.

The Governor also informed the committee that the security personnel were actually escorting the officers especially when visiting insecure areas (project sites) within the county.

The Governor submitted a list of the projects that were handed over per Sub-County, their contractors, their contract values and their current status, copies of schedule of payments made to the various participating officers for each Sub-County and work tickets for the vehicles used during the supervision.

Auditor General's remarks

Auditor General informed the Committee that the information submitted by the client on the audit query was satisfactory.

Committee's observation and recommendation

The Committee while relying on the submission by the Auditor General agreed to clear the audit query and further action is recommended.

12.0 Under Expenditure

Information available indicate that the County Ministry of Lands, Physical Planning and Urban areas was allocated a total of Kshs.172,613,576 to fund its budget during the year under review. However, as at the time of this audit only an amount of Kshs.21,544,265 or approximately 12.5% of the total budget had been spent resulting in an unutilized budget of Kshs.151,069,311 or 87.5%. The people of Turkana may have therefore been denied the services they are entitled to due to non-implementation of the planned projects and unsatisfactory utilization of the budgets.

Governor's response

The management informed the Committee that it was true that there was an under expenditure in the County Ministry of Lands, Physical Planning and urban areas that was occasioned by Understaffing and lack of the appropriate policies.

The Committee was further informed that despite several efforts made by the County Ministry of Lands in conjunction with the County Public Service Board to hire the key technical staff (key departments directorates, Surveyors and Physical Planners) through advertisement in the local dailies, no individuals applied for the jobs leading to prolonged understaffing in the County Ministry of Lands. This subsequently led to the delay in Physical Planning of potential towns as planned and budgeted for at Kshs 80,000,000, delay in implementation of the Street lighting in Major trading centers as budgeted for at Kshs 20,000,000 and Underutilization of personnel emolument and other ministry operations expenses as budgeted for at Kshs72, 613,576.

However, the technical staff have been hired in the County Ministry and development projects planned for implementation during FY14/15 had been completed with the exception of few that were on-going. This includes the Physical Planning of potential towns in eight (8) major towns in the County and Lodwar town solar powered street lights project which had been installed and

completed. Similarly Solar powered street lights for Lokichar, Kalokol and Kakuma had been launched with the contracts having been awarded.

Committee's observation and recommendation

The Committee observed that the audit query was one of transitional nature and relates to challenges of lack of adequate staffing and inability of the county government to attract the qualified personnel.

The Committee also noted the County Government had difficulty attracting the specialized skills like Engineers, Doctors and Physical Planners among others due to its geographical location in the Country.

The Committee further observed that no public funds were lost but the relevant documents were not submitted to the Auditor General for examination and verification during the time of audit or within a reasonable time thereafter.

MIN.NO. 226/2015: ANY OTHER BUSINESS

- 1) The Committee requested the leadership of the County Government to work for the betterment and development of the marginalized county of Turkana.
- 2) The Senator for Turkana thanked the Committee and the County Government for the interaction through the consideration of the report. The Senator further pleaded with the County Government to streamline the operations of the procurement department and ensure that the County Secretary is given the opportunity to serve independently. He further requested the County Government to be sensitive to the needs of the people of Turkana including listening to the demands for relief food. He further thanked the Committee for allowing the members of Parliament from Turkana to attend the meeting.
- 3) The Governor thanked the Committee for the capacity building received by the County Government through the interactions and experiences shared during the consideration of the report under review. The Governor further informed the Committee that the County Government had challenges at its nascent days including the lack of adequate skilled personnel. He further informed the Committee had taken appropriate steps to recruit the requisite personnel particularly the finance and procurement departments and tabled documents to support his claims. The Governor undertook to take appropriate actions to streamline the problems pointed out in the report of the Auditor General under review.
- 4) The Chairman made a communication on the roles of the County Secretary and the CEC Finance in relation to the appointment of the tender Committee. In his ruling the Chairman informed the meeting that the roles are clearly specified in the provisions of sections 7(1) and 8(3) of the County Government Procurement Regulations, 2013. The said provisions give the County Secretary the powers to appoint the tender Committee.

- 5) The Chairman informed the meeting that the Committee will visit Turkana County on 9th October, 2015. The Committee during the visit will look at the seeds project, tippers, tractors and
- 6) The Committee recommended that the County Government should professionalize the finance, procurement and internal audit departments.

MIN.NO. 227/2015: DATE OF THE NEXT MEETING

The next meeting was to be held on Tuesday, 29th September, 2015.

MIN.NO. 228/2015: ADJOURNMENT

The being no other business, the meeting was adjourned at twenty minutes to two o'clock.

SIGNED:

 Moses Othman Kijwangi
.....
(CHAIRPERSON)

DATE:

28 March 2018
.....

THE SENATE

STANDING COMMITTEE ON ROADS AND TRANSPORTATION

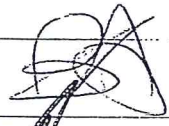

ATTENDANCE REGISTER

DATE: 11th OCTOBER 2018 TIME: 10-am

AGENDA: Public Hearing on the County Planning (Roads, Pavements and Parking Bays) Bill, 2018.

VENUE: SHIMBA HALL, KICC

INATTENDANCE

#	NAME	DESIGNATION / INSTITUTION	CONTACT	SIGNATURE
1.	Brenda Rao	KENHA	0714339708	
2.	NJIRU NJUE	KENHA	0714777250	
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Committee Clerk: Peter Waswa Mulesi

Signature: 

Dramatic change to policy on Africa

counter China new Africa plan

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phesis, Ms Singh added. It is "very different" from China's approach, she said. "Predatory lending" is a hallmark of China's government-directed investment strategy in Africa, added Matthew Harrington, an assistant secretary in the State Department's Africa Bureau who also spoke at the October 4 press briefing.

But following China's lead, the Build Act will also enable a newly created US government agency to take an equity stake of its own in development projects in Africa.

The US government entity that

the Build Act replaces had not been permitted to make direct investments of that sort. Its mandate was limited to activities such as underwriting risk insurance for US companies venturing into emerging markets.

Trump administration officials say they cannot yet provide specifics on how the new International Development Finance Corporation will benefit Kenya. But they add that the increased funding provided by the Build Act will likely lead US private businesses to invest more aggressively in countries such as Kenya that are viewed as posing comparatively less risk.

"It makes US companies more competitive and reduces the risk in a growing market that is not well understood by American business," Whitney Schneidman, an Africa specialist at a Washington consulting firm, wrote regarding the Build Act in a recent blog post.

The legislation soon to be signed into law by President Trump has also drawn criticisms.

Raj Bhala, a US law professor and adviser to the Dentons investment consulting firm, argues that the \$60 billion in funding for the Build Act is too "paltry" a sum.

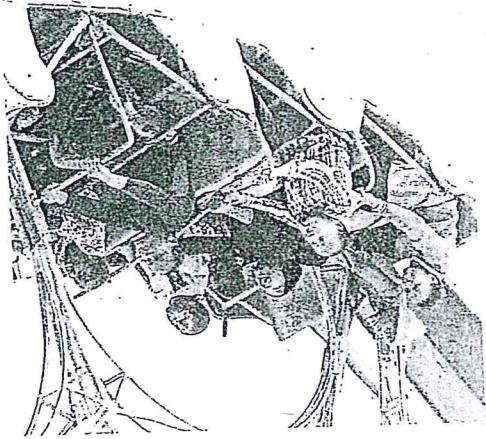
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Africa glance

COUNTERING THE CHINESE

The US cannot hope to counter Chinese influence in Africa when its new international development arm can muster only six per cent of the total value of China's investments in the developing world, Prof Bhala wrote last week on the Bloomberg news agency's opinion website.



Fanfare at trade fair

Children have fun on the final day of the weeklong Nairobi International Trade Fair yesterday. The annual event was officially opened by President Uhuru Kenyatta on Thursday.

DENNIS ONSONGO / NATION

Revamp Kenyan embassies abroad: MPS

BY SAMWEL OWINO

MPs want the government to urgently improve the condition of its foreign missions which are in deplorable state.

A report tabled in Parliament in August by the chairman of the National Assembly Committee on Defence and Foreign Relations, Mr Katoo ole Metito (Kajiado South), paints a grim picture of broke foreign missions operating in old blocks.

week Thursday, the lawmakers said there is need for the executive to urgently facelift all the offices abroad.

Majority Whip Benjamin Washiali said the foreign missions' help in supervising bilateral agreements that Kenya signs with other countries hence their conditions should be improved.

"In the next supplementary budget, some money should be set aside to improve conditions of our foreign missions," Mr

Washiali said.
Deputy Minority Whip Chris Wamalwa said he recently visited Egypt and was disappointed at the state of affairs at Kenya's offices.

"The ambience of the foreign missions must be good because they project the face of Kenya," Mr Wamalwa said as he also asked the Treasury to urgently address the problem of late disbursement of money to the missions saying the staff were suffering due to pay delays.

SENIOR BANK VACANCIES

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CLOSING DATE: 15TH OCTOBER 2018

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REPUBLIC OF KENYA



**TWELFTH PARLIAMENT
THE SENATE**

The County Planning (Roads, Pavements and Parking Bays) Bill, 2018

PUBLIC HEARINGS/ RECEIPT OF MEMORANDA

The County Planning (Roads, Pavements and Parking Bays) Bill, 2018 was read a First Time in the Senate on 11th September, 2018 and thereafter stood committed to the Senate Standing Committee on Roads and Transportation.

Pursuant to the provisions of Article 118 and standing order 140 (5) of the Standing Orders of the Senate, the Standing Committee on Roads and Transportation now invites interested members of the public to submit any representations that they may have on the County Planning (Roads, Pavements and Parking Bays) Bill, 2018. The representations may be made orally or by submission of written memoranda in the following manner -

- Public Hearings shall be held on Thursday, 11th October, 2018 from 10:00 a.m. to 1:00 pm at the Shimba Hills, KICC or
- Written Memoranda may be forwarded to the Clerk of the Senate/ Secretary, Parliamentary Service Commission, P.O. Box 41842-00100, Nairobi, hand-delivered to the Office of the Clerk, First Floor, Main Parliament Buildings, Nairobi or emailed to csenate@parliament.go.ke, to be received on or before Monday, 8th October, 2018 at 5:00 pm.

The County Planning (Roads, Pavements and Parking Bays) Bill, 2018 is available on the Parliament website at <http://www.parliament.go.ke/senate>.

**CLERK OF THE SENATE/ SECRETARY
PARLIAMENTARY SERVICE COMMISSION.**