

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

REPORT



OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL OPERATIONS OF
LAIKIPIA COUNTY EXECUTIVE**

FOR THE PERIOD

1 JULY 2013 TO 30 JUNE 2014

*Paper hand by the Chairman
of the Session Committee on
County Public Accounts and
Investment (Mr. Kharone)
on 14/10/2015*



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REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL OPERATIONS OF LAIKIPIA COUNTY EXECUTIVE FOR THE PERIOD 1 JULY 2013 TO 30 JUNE 2014

EXECUTIVE SUMMARY

Introduction

The Office of the Auditor General has the mandate to audit and report on the accounts of the National and County Governments under Article 229 of the Constitution and Section 23 of Public Audit Act, 2003. Further, the County Government Act, 2012 replaced the Local government Act Cap 265, thus effectively dissolving all the 175 local Authorities and creating 47 County Governments.

Audit Objective

The objective of the audit was to ascertain whether the systems formulated and applied by the County Government were reliable for the management of the County's finances in the delivery of service to the local residents.

Terms of Reference

The terms of reference set for audit included verification and confirmation of transactions in respect to but not limited to the following areas:

- County Government Policies Implementation
- Procurement of Goods , Works and Services
- Sitting and other allowances
- Travelling and accommodation expenses
- Hire of motor vehicles
- Motor vehicle running expenses
- Consultancy Services
- Seminars/workshop training expenses
- Residential and non-residential expenses
- Bursaries
- Imprest and advances
- Revenue records
- Cash and bank balances
- County Government Funds
- Human Resource Record
- IT environment
- Non-Current Assets
- Devolved Funds
- Current Liabilities
- Prior Year outstanding issues

KEY AUDIT FINDINGS

1.0 Budget Implementation

The County Executive of Laikipia 2013/2014 actual total expenditure of Kshs.2,200,808,577.60 against total expenditure budget of Kshs.2,730,960,904, resulting in under expenditure of Kshs.530,152,327. The County Executive exceeded the actual expenditure of Kshs.1,051,264,824.00 budget for devolved Ministries Staff of Kshs.865,000,000.00 by Kshs.186,264,824 during the same period. Further, the County Executive spent Kshs.1552, 830.00 on running of ECD Schools during the year under review which had not been budgeted for. No explanation was given on excess expenditure.

2.0 Failure to withhold taxes from contractors

During the financial year 2013/2014, the County Executive of Laikipia paid a sum of Kshs.47,326,240.00 to various contractors without deducting and withholding taxes amounting to Kshs.1,419,787.20 (Schedule II). No explanation was given by the management for its failure to deduct and withhold taxes for various contractors who were tendering services to the County Government.

3.0 Irregular Payment of Auctioneer Fees

During the financial year 2013/14, the County Government engaged the services of an auctioneer to auction goats, sheep and cows during market days in Rumuruti on behalf of the County Government. However, the auctioneer was irregularly paid Kshs.2,195,235 for services not rendered since no auctions took place during the period under review (Schedule IV). Further, the auctioneer had no contractual agreement with the County Government. In addition, there were no records of any revenue accruing from auctions.

No explanation was given by the management of the County Government as to why they resulted to engaging the services of auctioneer to collect revenue when they have adequate revenue collectors.

4.0 Implementation of Road Projects

The County Executive of Laikipia awarded tenders to various contractors to undertake road projects throughout the County, out of the pre-qualified contractors. The road works involved grading of roads and supply, delivery, spreading and compacting of murram of various roads. However, out of a sample of tenders awarded to various contractors amounting to Kshs.21,828,000 it was observed that although the contractors were pre qualified, it was unclear how they were identified to carry out the road works since no quotations were sent out to bidders.

Incomplete and shoddy works were paid for in full in some cases, completion certificates and BQs showing the details of the works involved were not availed for audit review.

The County Executive contravened Public Procurement Regulations and made full payments for works not effectively undertaken. Therefore, the County Government did not get value for her money in these procurements.

5.0 Failure to deduct taxes on allowances paid to members of the County Public Service Board

An amount of Kshs.3,024,000.00 in respect of sitting allowances to members of Laikipia County Public Service Board was not taxed as required by Income Tax Act (Schedule V). Consequently, the Government lost Kshs.907,200.00 in form of unpaid taxes. No explanation was given for failure to deduct taxes from these allowances.

6.0 Unsupported claims, travelling and subsistence allowances

A sum of Kshs.1,191,500.00 was paid to various County officers in respect of overtime allowance for working over the weekends, over lunch hour and late in the evening (Schedule III). No explanation was given to prove that the services rendered were not anticipated and could not therefore have been carried out during the normal working hours. Also, included in this amount are unsupported claims amounting to Kshs. 429,900.

Further, the County Government spent a total of Kshs.1,516,000 to pay staff members purportedly attending IFMIS training at Kenya School of Government which was not supported by relevant documents.

In addition, an amount of Kshs.3,060,000 was incurred in respect of staff travel and subsistence allowances. However, the expenditure was not properly supported journeys travels were not evidenced by bus tickets, expenditure schedules, work tickets or invitation letters for the various out-post functions.

In the circumstances, the propriety of the above expenditure amounting to Kshs.5,767, 500 could not be ascertained.

7.0 Irregular Procurement Procedures

An amount of Kshs.2,000,000 was incurred to purchase unspecified household items in cash contrary to public procurement and disposal regulations. In addition, the items purchased were not officially taken on charge in the County Government stores.

Further, the County Executive irregularly procured household items for the Deputy Governor worth Kshs.580,290.00 directly from Nakumatt Holdings Limited. The items procured were not officially taken on charge in the County Government stores.

The County Government did not explain why public procurement regulations and existing financial regulations were not adhered to.

8.0 Irregular Procurement of legal services

The County Government of Laikipia directly procured legal services from M/s Sichangi Partners Advocates at a contract sum of Kshs.3,684,000, to represent the Governor and the Speaker in a case filed against them by the Hon. Member of Laikipia North Constituency concerning appointment of members of executive committee of the County Government of Laikipia contrary to laid down procurement regulations. Further, there was no evidence of award of the contract by the tender committee or approval for use of direct procurement. The County Government did not give an explanation for failure to adhere to proper procurement procedures.

9.0 Unaccounted For Expenditure

Payment vouchers for expenditure amounting to Kshs.992,380 were not availed for audit review. In the circumstances, the propriety of the expenditure amounting to Kshs.992,380 could not be ascertained (Schedule VII).

10.0 Foreign Travel

Records held by Laikipia Executive Government revealed that an amount of Kshs.5,960,122.00 was incurred in respect of four (4) foreign trips to Namibia, Zambia, UK and Greece. However, the respective implementation status report for each tour were not availed for audit review. In the circumstances, it was not possible to confirm whether the County Government of Laikipia got value for money from this expenditure. No explanation was given for failure to avail implementation reports.

11.0 Revenue Records

(i) Sub-Counties Revenue

Unbanked Revenue

During the year under review, Laikipia County Government collected a total of Kshs.256,230,524.00 from its three Sub-Counties. The total revenue banked during the same period was Kshs.242,177,255.95 leaving unbanked balance of Kshs.14,053,268.05 contrary to government financial regulations and procedures. The unbanked revenue was not accounted for.

No explanation was given for failure to bank revenue intact.

(ii) Sub-Counties Hospitals Revenue

During the year 2013/2014, Rumuruti and Nyahururu Sub-Counties Hospitals over banked revenue amounting to Kshs.892,042, which was not explained. This implies that proper books of accounts are not maintained at the hospitals. Further, Nanyuki Sub-County

Hospital did not bank revenue amounting to Kshs.765,077.00 during the same period. The amount may have been misappropriated (Schedule IX).

12.0 Human Resource Records

12.1 Unsupported payments of casual wages

The County Executive paid casual wages amounting to Kshs.1,755,792.00 engaged in bush clearing in various wards in Laikipia County. However, payment vouchers in respect of the said casual wages were not supported by signed schedules confirming that the casual were actually engaged and received the wages for the days worked.

No explanation was given by the management for its failure to produce the necessary payment schedules for casual employees' payments as required.

12.2 Irregular refund of salaries to non-existing staff

The County Government of Laikipia refunded a total of Kshs.43,086,946 to Nyandarua County Government in respect of salaries paid to staff engaged in Nyahururu Sub-County Hospital for the months of February and March 2014. However, scrutiny of Human Department records in Nyahururu Sub-County Hospital revealed that some paid staff did not exist in their establishment. The total salaries refunded in respect to non-existence staff in the month of February and March 2014 amounted to Kshs.8,813,848 (Schedule XII).

12.3 Non compliance with recruitment, selection and appointment procedures

The County Government of Laikipia did not have an approved staff establishment to determine the number of vacancies in each grade and the required/ expected posts for each grade. During recruitments, the County Public Service Board only received letters of intent to recruit from the Human Resource department in total disregard of the posts required in each post. The County Government of Laikipia did not have a scheme of service to spell out the terms of service of the staff being recruited (Schedule 12.3).

Further, some officers were recruited yet they had not met the minimum advertised qualifications and some staff personal files lacked copies of academic and professional certificates and job application letters. No explanations were given by the management for failure to follow the recruitment guidelines.

13.0 Improper Handing over/taking over from the defunct local authorities

As similarly reported in 2012/2013 special audit report, the County Government of Laikipia had not officially taken over assets and liabilities of the former County Council of Laikipia, Municipal Council of Nanyuki, Municipal Council of Nyahururu and Town Council of Rumuruti at the time of conclusion of the audit in July 2014.

14.0 Creditors

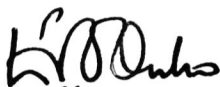
The County Executive reported creditors amounting to Kshs.227,658,113.00 as at 30 June 2014. However, the same could not be confirmed as accurate since no creditors' ledger was maintained. Further, the figure included some huge liabilities inherited from former local authorities which could not be confirmed since the County Government had not officially taken over the assets and liabilities of the defunct local authorities (Schedule XIV).

In the absence of the creditors ledger, it was not possible to confirm accuracy of the creditors balance that the County Government took over from the former councils and if they had been settled or not.

Conclusion

The foregoing observations clearly indicate that the County Government of Laikipia has not yet instituted sound accounting and reporting systems in line with Section 194 of Public Finance Management Act, 2012. The County Government should therefore follow the guidelines issued by Public Sector Accounting Standards Board in developing such systems. Expenditure should be incurred in accordance with the Public Finance Management Act, 2012. Finally, goods and services should be procured in accordance with Public Procurement and Disposal Act, 2005.

Detailed audit findings are contained in the audit report herewith appended.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

NAIROBI

29 May 2015

DETAILED AUDIT REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL OPERATIONS OF LAIKIPIA COUNTY EXECUTIVE FOR THE PERIOD 1 JULY TO 30 JUNE 2014

DETAILED AUDIT FINDINGS

1.0 County Executive Policies Implementation

1.1 Budget versus Actual Expenditure Analysis

During the year 2013/2014 financial, the County Executive of Laikipia approved budget was Kshs. 2,730,960,904 against actual expenditure of Kshs.2, 200,808,577.60 as analyzed below:

<u>Item</u>	<u>Budgeted Kshs.</u>	<u>Actual Expenditure</u>	<u>Under Kshs.</u>	<u>Over Expenditure Kshs.</u>
2013/2014				
Exchequer Issues	2,730,960,904	2,200,808,577.60	530,152,327	-
Devolved Ministries	865,000,000	1,051,264,824		186,264,824
ECD Schools	-	1,552,830		1,552,830

From the above analysis it was observed that;

- (i) The County Government incurred unauthorised over expenditure of Kshs.186,264,824 in respect of staff salaries for devolved ministries.
- (ii) The County Government spent further Kshs.1,552,830.00 on running of ECD schools. The amount had not been budgeted for during the year. Further, no approval from Controller of Budget authorizing this amount was made available for audit verification.

Recommendation

The County Executive should strictly adhere to the requirements of Public Finance Management Act and existing Government financial regulations.

1.2 Inter-Vote borrowings

It was observed in several cases that upon release of funds to the County's operational account, the County Executive of Laikipia irregularly allowed inter-vote borrowing totaling to Kshs 3,228,100.00. (Schedule I.) Further, no approval from the Controller of budget authorizing these inter vote borrowings was made available for audit review.

Recommendation

The County Executive should allocate and manage funds per sector/department to avoid unnecessary budget inter-borrowing and budget overruns

2.0 Failure to deduct withholding Taxes

During the year under review, the County Executive of Laikipia paid a sum of Kshs 47,326,240.00 to various contractors without deducting withholding taxes. The withholding tax not deducted and remitted amounted to Kshs 1,419,787.20 (**See Schedule II**). The County Executive therefore contravened Income Tax Act. Heavy penalties are likely to be charged by KRA on the failure to deduct and remit the taxes in due date.

Recommendation

The County Government should institute measures to recover the undeducted taxes and remit the same to KRA.

Recommendation

The above amounts are not justifiable and should be recovered from the concerned officers.

3.0 Irregular Payments of Auctioneer fees

During the period under review, the county Government engaged the services of M/s Cleverline Auctioneer to auction goats, sheep and cows during every market day of the week at Rumuruti (i.e. every Thursday of the week). In order to collect the cess, the auctioneer uses own revenue collection receipts, while the county officials uses their own official revenue collection receipts. Further, the Auctioneer charged Kshs 60 and Kshs 200 for every goat/sheep and cow sold respectively. On the other hand, the County Government charged Kshs 60 and Kshs 100 for every goat/sheep and cow sold respectively. The total cess collection (on the market day) by the County Government is surrendered intact to the main cashier at the Rumuruti sub county offices. However, the total cess (goat and cow) collected by the auctioneer is shared equally between the County Government and Auctioneer (on cash basis) at the end of the market day.

However, the following anomalies were noted:

- (i) There was no contractual agreement between the County Government of Laikipia and Cleverline Auctioneer on the collection of the goat/sheep and cow cess.
- (ii) The auctioneer does not actually auction since no auction was being done. In fact the auctioneer was merely collecting revenue along side with the county government staff.
- (iii) During the financial year 2013/2014, the auctioneer was irregularly paid a total of Kshs 2,195,235.00 (**See Schedule IV**).

Recommendations

Since there is no auction done by the auctioneer, their services should be terminated and the revenue officers based within the division should be engaged for the purposes of the cess collection. The total amount of Kshs.2,195,235.00 irregularly paid to the auctioneer should be recovered.

4.0 Implementation of Roads Projects

4.1 The grading, supply, delivery, spreading and compacting of murram at Tutu – Endana Road at Segera Ward

The tender for grading, supply, delivery, spreading and compacting of murram at Endana Road, Segera Ward was awarded to M/s Tanad Transporters Limited at a contract cost of Kshs.4, 000,000.

Award of the Tender

It was not clear how the contractor was identified to carry out the above road works since no quotations were sent out to bidders. BQ for the works and completion certificates for this payment were not availed for audit review. The Contractor was paid full contract amount of Kshs.4, 000,000 before the work was completed and certified.

Physical Verification

Physical verifications showed that the road was properly done for the first 3km from Tutu. However, in the next 5km, the grading was poorly done, murraming though supplied and spread, no compacting was done. After 8km to Endana town (Endana Town is 13km from Tutu), there were no evidence of any grading work done.

In conclusion, the County Government contravened public procurement procedures while awarding this tender. Further, full payment was made to the contractor who did not complete the works and did shoddy work. Therefore, the County Executive did not get value for the money in this contract.

4.2 The supply, delivery, spreading and compacting of murram at Ilpolei- Kimanjo- Ewaso Road – 23km

The tender for supply, delivery, spreading and compacting of murram for 23km at Ilpolei- Kimanjo- Ewaso Road, Mukogondo West Ward was awarded to M/s Framu Contractors at a contract cost of Kshs.4, 000,000.

Award of the Tender

It was noted that although M/s Framu Contractors was prequalified, it was not explained how the contractor was identified to carry out road works since no quotations were sent out to bidders. Further, no BQ for the works were availed for audit review.

The Contractor was paid full contract amount of Kshs.4, 000,000, although no completion certificates supporting this payment were made available for audit verification.

Physical Verification

It was observed that only road grading was done on the 20Km road between Ilpolei and Kimanjo. Murram was not supplied, spread and compacted at this area. From Kimanjo town to Ewaso (distance of about 3.1Km), some sections murram spreading was not done, except murram patching was done in some sections of the road.

In conclusion, the County Executive contravened public procurement procedures. Further, full payment was made to the contractor who did not complete the works. Therefore, the County Executive did not get value for their money in this contract.

4.3 Grading of Roads within Marmanet Ward

The tender for grading roads within Marmanet Ward was awarded to M/s Shangdong Construction Limited at a contract cost of Kshs.2, 400,000.

Award of the Tender

Although the contractor was prequalified, it was not clear how they were identified to carry out road works since quotations were not sent out to bidders.

Further no BQ for the works was availed for audit review. The Contractor was paid full contract amount of Kshs.2, 400,000 although no completion certificates supporting this payment were made available for audit verification.

Physical Verification

It was observed that the grading works on Karandi road did not meet the required standards. The road was not raised well to allow proper drainage to avoid destruction during the rains. Some parts of it had started growing grass.

In conclusion, the County Government contravened public procurement procedures. Further, poor workmanship was noted in some sections of the road. Therefore, the County Executive did not get value for her money in this contract.

4.4 Dozer works In Githiga ward, Kamwenje area

The tender for 300 hours Dozer Works at Kamwenje area, Githiga Ward was awarded to Shangdong Construction Limited at a contract cost of Kshs.2, 700,000

Award of the Tender

It was not clear how the contractor was identified to carry out road works since no quotations were sent out to bidders. Further, no BQ showing the details of required works were availed for audit review. The Contractor was paid full contract amount of Kshs.2,

700,000 although no completion certificates supporting this payment were made available for audit verification.

Physical Verification

A physical verification showed that poor workmanship was noted in some sections of the road. In a certain section of the road, a tree stem was seen at the middle of the road. The tree stem had not been uprooted during the roads work.

In conclusion, the County Government contravened public procurement procedures in this contract. Further, poor workmanship was noted in some sections of the road. Therefore, the County Executive did not get value for their money in this contract.

4.5 Culvert Drift construction at Githiga Ward

The tender for Culvert Drift Construction at Githiga Ward was awarded to M/S Freeza Enterprises at a contract cost of Kshs.1, 000,000.

Award of the Tender

It was not explained how the contractor was identified to carry out this road works since quotations were not sent out to bidders. Although the contractor was prequalified, no BQ showing the details of the work to be done and the costing were made available for audit review. In addition, the contractor was paid full contract amount of Kshs.1, 000,000 although no completion certificates supporting this payment were made available for audit review.

Physical Verification

During the project visit, the work was in progress. The gabions had not been done to the required standards and complete drainage excavation were not done to the water pans. It's only the temporary exaction of drainage that had been done.

In conclusion, the work done was too shoddy though full payment for the project of Kshs.1, 000,000 had been made.

4.6 Heavy Grading In Rumuruti Ward

The tender for heavy grading in Rumuruti Ward was awarded to M/s J.K. Construction at a contract cost of Kshs.2, 400,000.

Award of the tender

Although this tender was awarded to M/s J.K Construction who were a prequalified contractor, it was not explained how the contractor was identified to carry out road works since no quotations were sent out to other bidders. Further, no BQ showing the details of the work involved was produced for audit review.

The contractor was paid full contract amount of Kshs.2, 400,000 although no completion certificates supporting the payment were made available for audit verification.

Physical Verification

It was noted that the heavy grading was not done to specifications as the road was not even, shrubs at the road side had already sprout and grass had grown (appeared not to have been uprooted in some sections).

In conclusion, the County Executive contravened public procurement procedures. Further, poor workmanship was noted in some sections of the road. Therefore, the County Executive did not get value for her money in this contract.

4.7 Murraming at Akorino Ndaiga Primary – Muramati Road

The tender for murraming of Akorino Ndaiga Primary School – Muramati Road was awarded to M/s Shalton Contractors at a contract cost of Kshs.2, 000,000.

Award of the tender

Although the tender was awarded to M/s Shalton Contractors who were prequalified contractors, it was not explained how the contractor was identified to carry out road works since no quotations were sent out to bidders. Further, no BQs showing the details of the work involved were available for audit review. The contractor was paid full contract amount of Kshs.2,000,000 vide payment voucher No.7340 dated 17 April 2014 although no project completion certificates supporting the payment were made available for audit verification.

Physical Verification

Physical verification of the project revealed that, the murraming of the road was not done at all despite the fact that the full contract amount had been paid.

In conclusion, the County Executive lost Kshs.2, 000,000 for effecting full payment for works not undertaken at all.

4.8 Grading in Nanyuki ward

The tender for grading of 22.4km feeder roads within Nanyuki Ward was awarded to M/s Lampstand Holdings Limited at a contract cost of Kshs.2, 400,000.

Award of the tender

It was not explained how the contractor was identified to carry out road works since no quotations were sent out to bidders. BQ for the works were not available for audit review. The contractor was paid full contract amount of Kshs.2, 400,000 before work and the completion certificates were issued.

Physical Verification

Physical inspection of grading works of 2.9km Ntrukuma road showed that the road was partially and poorly done.

In conclusion, proper procurement procedures were not followed in identifying the contractor and the County Executive may have lost value for her money in this contract.

4.9 Sewerage area road grading – 1.5Km

The tender for grading of 1.5km road within Sewerage area, Nanyuki Ward was awarded to M/s Lampstand Holding Limited at a contract cost of Kshs.928,000.

Award of the tender

It was unclear how the contractor was identified to carry out road works since quotations were not sent out to bidders. BQ for the works were not available for audit review. The contractor was paid full contract amount of Kshs.928, 000 although no completion certificates supporting the payment were made available for audit verification.

Physical Verification

This road was poorly done such that it could not allow proper drainage of rain water.

In conclusion, the County Executive of Laikipia contravened public procurement regulations and may have lost value for her money since works were not undertaken as per required standards.

Recommendations

Payment should be made based on quantified or certified works. Where shoddy work has been done, the contractor should be compelled to re- do the work to the required standards. The Bill of Quantities for road grading should be clear and specific on the works to be done.

5.0 Failure to Deduct Taxes on Allowances paid to members of the County Public Services Board

It was noted that allowances totaling to Kshs 3,024,000.00 paid to members of the Laikipia County Public Service Board were not subjected to tax deduction contrary to the provisions of Income Tax Act. (See Schedule V for details)

Further, it was noted that the Board members were paid allowances which exceeded 8 meetings contrary to the Transition Authority's directive contained in circular Ref. No. SRC/TC/CGOVT/3/61 of 13 June 2013.

Therefore there was loss of public funds due to non collection of taxes and unauthorized payments of excessive sitting allowances.

Recommendations

The County Executive of Laikipia should recover the unpaid taxes totaling to Kshs 907,200.00 from board members and remit the same to Kenya Revenue Authority. Further, the County Executive of Laikipia should recover excess sitting allowances paid to the members of County Public Service Board.

6.0 Unapproved allowances and Unsupported Claims

A sum of Kshs 1,191,500.00 was paid to various county officers for working over the weekends and overtime allowances. Also, included in this amount are unsupported claims amounting to Kshs. 429,900. (See Schedule III). In the circumstances, the propriety of these payments could not be confirmed.

6.1 Unsupported Payments for Participants attending IFMIS training at Kenya School of Government (KSG)

Laikipia County Staff were paid allowances and transport expenses amounting to Kshs. 755,000 vide payment voucher No. 1251 to attend training on IFMIS at Kenya School of Government for six days although no imprests were issued to the officers. Further, no evidence was adduced to show that the training took place as there was no supporting evidence of correspondence between the County Secretary and Kenya School of Government requesting for the training.

Further, the internal audit staffs were also required to attend the course at Kenya School of Government between 5th–16th August 2013. They were also paid allowances amounting to Kshs. 761,000 for the 13 days they were in Nairobi vide payment voucher No. 372 dated 18/02/2013.

It was further noted that between the period 5th – 15th August 2013, the training was cancelled by IFMIS ACADEMY due to shortage of space at KSG. Supporting schedules for the above payments were not dated. No imprest was applied and authorized for the above training.

Recommendation

The County Executive management should account for these payments in full.

6.2 Unsupported travelling and subsistence allowance

Observations

During the year under review, various travelling and subsistence allowances payments were not properly supported. In most cases, travels were not evidenced by bus tickets, air tickets, expenditure schedules, work tickets as well as invitation letters for the various functions. Some specific cases sampled revealed the following:

- (i) An amount of Kshs.1,200,000 was paid vide payment voucher No. 1117 dated 4 December 2013 to Cecima Contractors (K) Ltd in respect of transport for Laikipia Musical Festival participants and capacity building expenses. No expenditure schedules were made available for audit verification. Further, no tender documents were produced to show how the supplier was sourced and awarded the tender.
- (ii) Audit verification revealed that a total of Kshs. 236,000.00 was spent in facilitating official visit on water issues. The payments were done on 1 March 2014. However, this expenditure was only supported by claim forms. Hence, the propriety of the payment could not be confirmed.
- (iii) A total of Kshs.154,000.00 was incurred by the County Government of Laikipia County in respect of Water Bill Workshop held at Kirimara Springs hotel. Included in the said payments were payments in respect of transport expenses paid to two facilitators. However the payment was not supported. Further, the recipients did not acknowledge receipt of the money.

Further, a total of Kshs.70,000.00 was paid to various individuals (Kshs.1, 000.00 each) whose nature was not disclosed or specified i.e. the purpose or type of allowance was not disclosed.

- (iv) An amount of Kshs.1,414,970 was issued to officers as travel and subsistence allowances/imprest. However, the officers did not fully account for the imprests (See **Schedule VI**).

Recommendation

The County Executive should justify that the expenditures were proper charge to public funds.

6.3 Other Unsupported claims/Irregular payments

The following anomalies were noted in respect to expenses incurred by The Deputy Governor, out of the sampled payments:

- (i) An amount of Kshs.65,000 was claimed by the Deputy Governor and paid in respect of per diem during purported meeting with KETRACO officials, vide payment voucher No. 1163 dated 9 December 2013. The payment was only supported by claim form. Under such circumstances, we were unable to ascertain the propriety of this payment.
- (ii) An amount of Kshs.64,976 was paid to H.E. the Deputy Governor, being expenses incurred by him while attending various meetings on various dates, vide payment voucher No.1569 dated 13 January 2014. However, the nature and specific dates of the purported meetings were not disclosed. Some of the receipts supporting this payment also appear unofficial. Under such circumstances we were unable to ascertain the authenticity of this payment.

- (iii) An amount of Kshs.43,403 was claimed and paid to the Deputy Governor, being expenses incurred by him during various meetings on various dates. However, the nature and specific dates of the purported meetings were not disclosed. Some of the receipts supporting this payment appear unofficial. Further, included in the said claim was an amount of Kshs.16, 000 refund for fuel expenses which was not supported. Under such circumstances we were unable to ascertain the authenticity of these payments.

Recommendation

The Deputy Governor should fully account for the above expenditure, otherwise the same should be recovered from him.

7.0 Procurement of House Hold Items

It was observed that a total of Kshs.2,000,000 was incurred to purchase unspecified household items in cash, in total disregard of public procurement and disposal regulations. Further, the items procured were not officially taken on charge in the County Government stores records. In addition, we were unable to verify the purchased items since they were not in the store.

Recommendation

The County Government should strictly adhere to Public Procurement Regulations.

7.1 Procurement of house hold items for the Deputy Governor

During the year under review, the County Executive irregularly procured household item for the Deputy Governor worth Kshs.580, 290.00 directly from Nakumatt Holdings Limited. The items procured were not officially taken on charge in the County Executive store. In addition, we were unable to verify the purchased items since they were not in the store.

Recommendations

The County Executive should institute measures to recover the above amount from the beneficiary.

8.0 Direct procurement of legal services

Background Information

The Member of Parliament (MP) for Laikipia North Constituency filed a case No. 229 of 2013 on 30 May 2013 against the Governor, County Government of Laikipia and the Speaker, Laikipia County Assembly, complaining that the Governor did not take into account the principle of fair representation of all Laikipia County minorities, marginalized groups and communities in selecting members of the executive committee.

Consequently, on 31 May 2013, the court issued conservatory order restraining the Speaker from approving the nominees to the Laikipia County Executive Committee pending the hearing and determination of the case.

Award of the tender

The County Executive of Laikipia directly procured legal services from Sichangi Partners Advocates at contract cost of Kshs.3, 684, 000, to represent the Governor and the Speaker in the above said case, contrary to laid down procurement regulations. There was no evidence of award of the contract by the tender committee or approval for use of Direct Procurement.

Payments

The payment of Kshs.3, 684, 000 to the advocates was to be shared equally between the County Executive and the County Assembly. Consequently, the tender committee during its meeting held on 23 April 2014, approved the processing of the County Executive Government share of the payment of Kshs.1.8 million to Sichangi Partners Advocates. The said legal firm was paid Kshs.1, 842, 000 on 8 May 2014.

In conclusion, the County Executive of Laikipia may have lost value for her money in this procurement, by being denied the benefits of competitive bidding by directly procuring legal services.

Recommendation

The County Executive should strictly adhere to public procurement regulations.

8.1 Other Irregular Procurement Procedures

Review of procurement and payment records revealed the following anomalies;

- (i) An amount of Kshs.40,000 was paid to Mwangi Commercial Services vide payment voucher no.6748 dated 21 March 2014, in respect of purchase of Samsung Galaxy Note Tabs for County Executive Member of Finance. The description of the above item was not uniform to all the suppliers as indicated in the quotations. A specification of a certain supplier's brand was given, in this case 'Samsung', contrary to the provisions of the public procurement regulations.
- (ii) An amount of Kshs.30,900 was paid to Gema Auto Diesel vide payment voucher No.1180 dated 9 December 2013 in respect to supply of spares. The supplier was not among the prequalified suppliers, thus direct procurement method was irregularly used.
- (iii) An amount of Kshs.50,000 and Kshs.148,000, vide payment voucher No.7937 dated 15 May 2014, and voucher No.7938 dated 14 May 2014 respectively, in respect of payment of banners, Posters and invitation cards for Ministries of Gender and National Youth Fund were made to M/s Silicon Computers who were not among the prequalified suppliers.

- (iv) An amount of Kshs.390,000 was paid to M/s Jopecha Building and Civil Works Ltd vide payment voucher No. 1685 dated 22 January 2014. The payment was in respect of 500 doses of Anti Rabies vaccine. It was noted that the supplier was a prequalified building contractor. It was however not explained whether a building contractor was competent to supply drugs. The payment therefore appears suspicious.

Recommendation

The County Executive should strictly adhere to the laid down Public Procurement Regulations.

9.0 Unaccounted for Expenditure

Sampled payment vouchers amounting to Kshs 992,380.00 were not availed for audit examination (See **schedule VII**). Therefore expenditure of Kshs.992, 380 was unaccounted for.

Recommendation

The Executive Government of Laikipia should fully account for this expenditure.

10.0 Foreign Travel

Laikipia County Executive did not have a separate budget for domestic travel cost and foreign travel cost during the financial year 2013/2014. The combined budget for Domestic travel and foreign travel cost including subsistence allowances was Kshs. 52,442,858.00 against actual cost of Kshs.50, 200,531.00, resulting in under expenditure of Kshs.2, 242,327.00.

Records held by Laikipia Executive Government revealed that an amount of Kshs.5, 960,122.00 was incurred in respect of foreign travel. The foreign trips included visit to Namibia in respect of benchmarking exercise, Zambia in respect of first congress on conservation of agriculture, UK in respect of visit to Torbay hospital and Greece in respect of carrying out due diligence for milk coolants.

However, implementation status reports were not availed for audit review. In the circumstances, it was not possible to confirm whether the County Government of Laikipia got value for her money in this expenditure.

Recommendations

Laikipia Country Executive should only undertake foreign trips that are beneficial to the County. Further, the planning of foreign trips should be integrated to the County Government budgeting process in order to facilitate timely and effective implementation of the resulting learning points from the trips.

11.0 Revenue Records

11.1 Sub-Counties Revenue (excluding Sub-Counties Hospitals revenue)

(i) During the year under review, Laikipia County Government collected a total of Kshs.256, 230,524.00 as per the schedule provided for audit. This was revenue collected from all the three sub counties, i.e. Laikipia North, Laikipia East and Laikipia West.

The total revenue banked during the same period was Kshs242, 177,255.95. Therefore, revenue amounting to Kshs.14, 053,268.05 was not banked during the year contrary to government financial regulations and procedures. The unbanked revenue was not accounted for.

(ii) Comparison of the same period's collection with similar period the previous year also revealed that there was decline in the revenue collection by Kshs. 8, 064,263.00 as shown below:

Period	2012/2013	2013/2014	Variance
July to June	264,294,787.00	256,230,524.00	8,064, 263

11.2 Sub-Counties Hospitals Revenue

(i) Rumuruti Sub-County Hospital

During the year under review, Rumuruti Sub-Hospital collected revenue amounting to Kshs.1, 785, 050 and banked Kshs.1, 912, 015, resulting in unexplained and unreconciled over banking of Kshs.126, 965. (See **Schedule VIII** attached)

(ii) Nyahururu Sub-County Hospital

During the year under review, Nyahururu Sub-Hospital collected revenue amounting to Kshs.40, 144, 196.00 and banked Kshs.40, 909, 273.00, resulting in unexplained and unreconciled over banking of Kshs.765, 077. (See **Schedule IX** attached)

(iii) Nanyuki Sub-County Hospital

During the year under review, Nanyuki Sub-County Hospital collected revenue amounting to Kshs.45, 110, 273.80 and banked Kshs.41, 829, 833.00, resulting in unexplained and unreconciled under banking of Kshs.3, 280, 441.80. (See **Schedule X** attached)

Recommendations

The County Government should fully account for all Sub-Counties revenue collected. Further, the County Government revenue collected should be banked intact as per Government Financial Regulations requirements.

11.3 Cash and Bank Balances

It was noted that cashbooks were not properly maintained and updated as transactions arose. Although bank reconciliations statements were prepared, the reconciliations were done against the actual payments effected through the G-Pay System.

Recommendation

A cashbook should be maintained for every bank account held by the County Government and bank reconciliations done regularly.

12.0 Human Resource Records

12.1 Unsupported Payments of Casuals Engaged in Bush Clearing Works in various Wards in Laikipia County

Payment vouchers in respect of casual wages were not supported by signed schedules to confirm that casuals were actually engaged and received the wages for the days worked. Some of the notable payments amounting to Kshs 1,755,792.00 are indicated in **schedule XI**.

12.2 Irregular refunds to County Government Nyandarua

Nyandarua County Government made a claim to Laikipia County Government of Kshs. 21,543,473 for February 2014 salaries paid to staff engaged in Nyahururu Sub-County Hospital and Maina Dispensary.

It was further noted that the same amount for March salaries was refunded to Nyandarua County by County Government of Laikipia. The supporting documents for the payments were a list of staff members attached to the payment vouchers. Audit verification on records maintained by the Human Resource department in Nyahururu Sub-County Hospital revealed the paid staff did not exist in their establishment. Total salaries paid to them in the month of February and March amounted to Kshs. 8,813,848. (See **Schedule XII** attached)

12.3 Non Compliance with Recruitment, Selection and Appointment procedures

The following observations were made in relation to the recruitment, selection and appointments done by the County Public Service Board (CPSB) of Laikipia County:

- (i) The County Government of Laikipia did not have an approved staff establishment to determine the number of vacancies in each grade and the required/ expected posts for each grade. In the circumstances, it was not possible to determine the number of vacancies /per position/grade. The County Executive of Laikipia had a total of 1,725 members of staff as at 30 June 2014. However, during recruitments, the CPSB only received letters of intent to recruit from the Human Resource department in disregard of the posts required in each post.

- (ii) The county Government of Laikipia did not have a scheme of service to spell the terms of service (engagement of employees – e.g. designation, structure, salary scale, job descriptions and job specifications at all levels)
- (iii) Some officers were recruited yet they had not met the minimum advertised qualifications e.g. academic qualifications and years of relevant experience.
- (iv) Some personal files lacked copies of academic and professional certificates and job application letters.

Therefore, in the above instances, the process of recruiting, selection and appointment contravened the values and principles of public services as stipulated in Chapter Thirteen clause 232 of The Constitution of Kenya. **See Schedule XIII for the detailed analysis of the above observations.**

Recommendations

- The County Executive of Laikipia should provide details of areas where the casuals were engaged and reasons as to why the payment schedules were not endorsed by the paying officer as per financial regulations mentioned above.
- The County Executive of Laikipia should explain the basis of refund of the said salaries.
- All present and future should be based on the values and principles stipulated in the constitution and other relevant laws, rules and regulations.

13.0 Non Current Assets

It was noted that the County Executive did not maintain asset register during the year under review. Further, the County Executive had not officially taken over assets inherited from defunct local authorities.

In the absence of the assets register, we could not ascertain all the assets owned by the County Government of Laikipia.

Recommendations

The County Executive should maintain accurate and complete records of all its assets. Further, the County Government of Laikipia should ensure that an inventory of all the assets inherited from defunct councils is done and that all the assets are officially handed over to it, soonest possible.

14.0 Current Liabilities

The County Executive reported liabilities amounting to Kshs. 227,658,113.00 as at the time of conclusion of the audit. However, the same could not be verified due to lack of a supplier's/creditor's ledger, hence no concrete details were provided on the creditor's position. Further, liabilities, especially those inherited from the defunct local authorities had

huge balances that had been outstanding for a long period of time. See **Schedule XIV** for analysis of the above said huge outstanding balances.

Further, it was noted that the County Government of Laikipia had not officially taken over liabilities relating to the defunct local authorities.

Recommendations

The County Government should ensure that accurate and complete records of its liabilities are maintained. Further, the County Government should liaise with Transition Authority and other relevant Government bodies to arrange for proper handing over of defunct local authorities' liabilities.

15.0 Other Audit Findings: Interference by the Members of the County Assembly on Affairs of the County Executive - Project Implementation

Section 9 (2) of The County Governments Act No.17 of 2012 states that a Member of the County Assembly shall not be directly or indirectly involved in the – (a) Executive functions of the county government and its administration or (b) delivery of services as if the member was an officer or employee of the county government.

It was noted that on various occasions, some Members of the County Assembly (MCA) were exerting undue influence or pressure to some County Executive Committee Members (CECM). This was evidenced by various unreferenced letters which were written by the MCAs to CECM demanding alteration of the work to be done contrary to what had been procured. Some of the cases noted include the following:

- (i) On 3 April, 2014, the MCA for Marmanet wrote a letter to the CECM – Roads, Transport & Public Works instructing the CECM to change the earlier issued LSO for services of a dozer to those of a grader. According to the MCA, he had seen a need for the grader and not dozer due to the nature of the roads and infrastructure. The MCA further stated that the grader would be working for 300hours.
- (ii) On 3 June 2014, the MCA for Ngobit and Sosian wards through a letter reference CGL/CA/WV/50/10 to the CECM – Infrastructure and Housing informed the CECM that they had agreed that a total of Kshs 1.8m be transferred from Sosian Ward to Ngobit Ward so that the roads being murramed at Ngobit can be completed. They further stated that the contractor was on site and that they wanted him to continue murraming until the funds are exhausted.
- (iii) On 27 June 2014, the MCA for Githiga ward sent cash sale receipts to the CECM – Infrastructure demanding a cash refund of Kshs 76,430.00 being refund of expenses for repair of caterpillar and dozer while working at Githiga ward.
- (iv) On the 11 March 2014, the chairperson of the Transport and Public works Committee through letter ref: CGL/CA/CM/006/12 informed the Interim County Secretary to issue a notice to stop a construction taking place on plot No.131 and stop any approvals

in the same area and construction around Jua Kali and old market place until further notice is given.

- (v) We carried out physical inspection of some projects in Sipili Ward, Laikipia West and noted that the MCA of the said Ward instructed members of the public to install some culverts on some sections of the roads without involvement of any contractor.
- (vi) Upon inquiry from the members of the public during our physical inspection of the projects in Ngobit Ward, we were informed that the MCA was indeed in charge of road works in his Ward.
- (vii) Cases of MCAs supervising the road works were noted. This was evident in Githiga Ward among others.

Recommendations

The MCAs should strictly adhere to their roles as stipulated in the constitution and other laws governing devolution. Further, the offices of Head of Treasury & Accounts and Procurement should be allowed to operate independently without undue influence.

15.1 ICT Environment

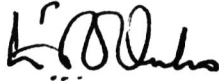
The County Government of Laikipia has installed the Integrated Financial Management Information Systems (IFMIS) and the Government Payment Systems (G-Pay).

Both softwares are operational and some members of staff have been trained on the use. However, the IFMIS though installed was not operational for the period between July and September, 2013.

Conclusion

- All moneys collected and received by the County Government should be receipted and banked intact as per Section 109 of Public Finance Management Act, 2012.
- The County officers travelling locally and abroad on official duties should fully account for their travel, subsistence and hospitality expenditure.
- The County Government should come up with sound policies on management of its assets and liabilities.
- Procurement of goods and services should be as per the Public Procurement and Disposal Act, 2005.
- The County Government should strictly adhere to their budgetary allocations.
- All irregularly paid funds should be recovered from the beneficiaries.

- Finally, it is clear from the foregoing observations that proper accounting and reporting system needs to be put in place as required by Section 194 of Public Finance Management Act, 2012.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

NAIROBI

29 May 2015

LAIKIPIA COUNTY EXECUTIVE REPORT OF FINANCIAL OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2014

Schedule I : Inter- Vote Borrowings (Report Par. 1.2)

Vote Borrowed from	Vote transferred to	Amount
Tree Keeping	Operations costs	2,111,321.00
Tree Keeping	Soil Testing	289,444.00
Milk Coolant	Operations costs	510,790.00
Land Range Management	Operations costs	105,565.00
Irrigation	Operations costs	210,980.00
Total		3,228,100.00

LAIKIPIA COUNTY EXECUTIVE REPORT ON FINANCIAL OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2014

SCHEDULE II - UNTAXED CONTRACTORS(Withholding Taxes) Fees - Report Par. 2.0

P.V. No.	LSO/LPO No.	Contractor	Amount paid(KSHS)	Details	Audit Observations
8062	719074	Mt. Kenya Leewards Builders	2,000,000.00	Murraming at Thamangua - Jikinga and Iriuko Primary Road(Tigithi Ward)	No tax charged
7616	719076	Wilttime Enterprises Ltd	2,000,000.00	Murraming at Withare/Kijabe/Githira road(Ngobit Ward)	No taxed charged
7008	2133519	Besmar Transporters(Margaret Muthoni Mwaniki)	2,000,000.00	Delivery of First Grade Approved murram(Gravel) from Thingithu Ward.	No taxed charged
7340	2133520	Shalton Contractors	2,000,000.00	Murraming at Murungai and Umande	No taxed charged
7795	2144988	Oritere Construction Ltd	4,000,000.00	Murraming at Sipili/Ol Moran	No taxed charged
7421	2133704 and 0719116	Laikipia Logistics	4,000,000.00	murraming at Salama Ward	No taxed charged
8040	719136	Laikipia Logistics	2,700,000.00	murraming at Salama Ward	No taxed charged
8041	719141	Laikipia Logistics	4,000,000.00	murraming at Salama Ward	No taxed charged
	719079	Kahuro Merchants Ltd	2,000,000.00	murraming at Rumuruti Ward	No taxed charged
7808	2133721	Colti Construction Co. Ltd	4,000,000.00	murraming at Ol Moran Ward	No taxed charged
	0719087 and 2133702	Fransé General Construction	4,000,000.00	murraming at Marmanet	No taxed charged
8032	719082	Freeza Enterprises	2,000,000.00	murraming at Githiga Ndingika Kieni and Mbogoini road	No taxed charged
8034	2133703	Freeza Enterprises	2,000,000.00	murraming at Githiga ward,Tandare and Ngarasha road	No taxed charged
8035	718142	Freeza Enterprises	4,000,000.00	murraming at Githiga ward,Tandare and Ngarasha road	No taxed charged
1947	645442	J.K Construction	1,346,240.00	Heavy Grading at Rumuruti	No tax charged
1371		Shangdong Construction Limited	5,280,000.00	Grading	No tax charged
Total			47,326,240.00		

Therefore the contractual fee not deducted and remitted is Kshs

1,419,787.20

LAIKIPIA COUNTY EXECUTIVE REPORT ON FINANCIAL OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2014

Schedule III: Non- Approved Overtime and weekend allowances and Claims - (Report Par. 6.0)

PV. No.	Date	Payee	Details	Amount
1143	5.12.2013	Elizabeth Muthee & Others	Payments in respect of various claim	349,650.00
	3.12.2013	Peter Ndirangu	Payments in respect of various allowances	210,000.00
	5.12.2103	Daniel G. Kamunya	Allowance payment	49,000.00
1194	9.12.2013	Beth Muthee & Others	Payment in respect of allowances for IFMIS technical team working through out supporting other officers from executive and assembly	402,000.00
1144	5.12.2013	Esther Warukira & others	Various claims	80,250.00
1091	4.12.2013	Monicah Gikeri	Late duty allowances and weekends	19,500.00
1090	4.12.2013	Cecilia Wanjiru	Overtime and weekends payments	28,100.00
1089	4.12.2013	Julius Kingori & others	Payment for overtime	27,000.00
6378	13.3.2014	Ann Ndegwa & others	Allowance payment while working for budget preparation	26,000.00
			Total	1,191,500.00

LAIKIPIA COUNTY EXECUTIVE REPORT ON FINANCIAL OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2014

SCHEDULE IV : Auctioneer Fees Irregularly Paid (Report Par. 3.0)

MONTH	Amount (KSHS)
JULY	
04 July 2013	45,510.00
11 July 2013	45,565.00
18 July 2013	45,540.00
25 July 2013	45,610.00
Sub Total	182,225.00
AUGUST	
08 August 2013	57,460.00
15 August 2013	61,950.00
22 August 2013	59,160.00
29 August 2013	63,840.00
Sub Total	242,410.00
SEPTEMBER	
05 September 2013	77,740.00
12 September 2013	73,340.00
19 September 2013	78,590.00
26 September 2013	77,890.00
Sub Total	307,560.00
OCTOBER	
03 October 2013	74,940.00
10 October 2013	
17 October 2013	23,820.00
24 October 2013	40,290.00
31 October 2013	38,430.00
Sub Total	177,480.00
NOVEMBER	
07 November 2013	33,030.00
14 November 2013	34,020.00
21 November 2013	32,820.00
28 November 2013	33,450.00
Sub Total	133,320.00
DECEMBER	
05 December 2013	33,840.00
11 December 2013	29,730.00
19 December 2013	48,870.00
24 December 2013	19,680.00
Sub Total	132,120.00
JANUARY	
02 January 2014	27,570.00
09 January 2014	32,160.00
16 January 2014	30,630.00
23 January 2014	43,130.00
30 January 2014	51,030.00
Sub Total	184,520.00
FEBRUARY	
06 February 2014	53,980.00
13 February 2014	59,950.00
20 February 2014	33,590.00
09 February 2014	38,820.00
Sub Total	186,340.00

MARCH		
	06 March 2014	34,220.00
	13 March 2014	43,590.00
	20 March 2014	34,290.00
	27 March 2014	36,920.00
Sub Total		149,020.00
APRIL		
	03 April 2014	33,990.00
	10 April 2014	33,530.00
	17 April 2014	42,910.00
	24 April 2014	45,330.00
Sub Total		155,760.00
MAY		
	08 May 2014	48,490.00
	15 May 2014	44,190.00
	22 May 2014	44,190.00
	29 May 2014	41,200.00
Sub Total		178,070.00
JUNE		
	05 June 2014	43,280.00
	12 June 2014	41,870.00
	19 June 2014	42,970.00
	26 June 2014	38,290.00
Sub Total		166,410.00
TOTAL		2,195,235.00

LAIKIPIA COUNTY EXECUTIVE REPORT ON FINANCIAL OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2014

SCHEDULE V- Untaxed Allowances to members of CPSB of Laikipia (Report Par. 5.0)

Month	Amount
August-13	400,000.00
September-13	374,000.00
October-13	470,000.00
November-13	1,040,000.00
December-13	740,000.00
Total	3,024,000.00

LAIKIPIA COUNTY EXECUTIVE REPORT ON FINANCIAL OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2014

Schedule VI: Unsupported Travelling and Subsistence Allowance (Report Par. 6.2iv)

P.V NO	DATE	PAYEE	PARTICULARS	AMOUNT (KSHS)	REMARKS
2031	11/2/2014	Cecilia Maina	Claim for Travel and Subsistence allowance- attending the launch of a power station	6,000.00	No work ticket attached to ascertain that the journey took place. No invitation letter was attached.
2029	11/2/2014	Benson Ndungu	Claim for Travel and Subsistence allowance- attending the launch of a power station	8,250.00	No work ticket attached to ascertain that the journey took place. No invitation letter was attached.
Combined vouchers	January 2014	Travelshoppe	Payment in respect of air ticket for county executive members to Mombasa for the Miss tourism event	340,410.00	Wasteful/unnecessary expenditure. Trip was not of any significance thus does not add any value to the development of Laikipia county.
580	9/1/2014	Cecilia Maina	Claim for Travel and Subsistence allowance.	22,560.00	Payment was not well supported by invitation letter to the event.
916	20/11/2013	Samuel M. Karani	Claim for Travel and Subsistence allowance for cooperative consultative forum.	13,500.00	No supporting documentation. No evidence of travel.
Combined	15/4/2014	County Public	Claim for Travel and	700,000.00	No supporting

vouchers		Service Board (CPSB) members	Subsistence allowance while attending CPSB meeting in Nanyuki.		documentation such as minutes for the meeting.
1129	05/12/2013	Anne Cheptoo	Claim for Travel and Subsistence allowance for various functions	75,000.00	No evidence of travel.
7244	15/4/2014	Naftaly G. Karangu	Claim for Travel and Subsistence allowance	120,000.00	Payment was not supported by minutes of the meeting, work tickets.
7386	23/4/2014	David Kingori	Claim for Travel and Subsistence allowance in respect to attend a meeting in Nairobi on data sensitization workshop.	17,000.00	No supporting documentation attached to the claim such as programme of the workshop.
6796	27/3/2014	David Gathogo	Claim for Travel and Subsistence allowance	41,250.00	No evidence of travel i.e no work ticket was attached to the payment voucher.
1655	21/1/2014	Peter Ndirangu	Claim for Travel and Subsistence allowance for various functions	60,000.00	No evidence of travel i.e no work ticket was attached to the payment voucher.
1421	8/1/2014	Martin Mathenge- Driver	Claim for Travel and Subsistence allowance to Mombasa for 2	11,000.00	No evidence of travel i.e. no work ticket was attached to the payment voucher.

			days		
TOTAL				1,414,970.00	

LAIKIPIA COUNTY EXECUTIVE REPORT ON FINANCIAL OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2014

Schedule VII: Missing Payment Vouchers (Report Par. 9.0)

P.V no.	Date	Payee	Amount (Kshs)
7134	8/4/2014	David Kingori	193,980.00
485	7/10/2013	Peter Ndirangu	227,000.00
6269	3/3/2014	Eston Nyaga	149,400.00
-	4/2/2014	P.M Njeru	162,000.00
-	4/2/2014	Peter Ndirangu	162,000.00
-	-	Joseph Maina	260,000.00
TOTAL			992,380.00

LAIKIPIA COUNTY EXECUTIVE REPORT ON FINANCIAL OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2014

Schedule VIII

RUMURUTI DISTRICT HOSPITAL - REVENUE (Report Par. 11)

Month	Collections	Banking	Over/Under banking
Jul-13	210,900	197,980	12,920
Aug-13	134,230	135,060	-830
Sep-13	133,230	159,090	-25,860
Oct-13	183,210	195,880	-12,670
Nov-13	97,440	92,750	4,690
Dec-13	66,760	63,620	3,140
Jan-14	124,780	125,330	-550
Feb-14	165,040	245,490	-80,450
Mar-14	224,160	160,670	63,490
Apr-14	174,300	234,045	-59,745
May-14	81,960	98,940	-16,980
Jun-14	189,040	203,160	-14,120
Total	1,785,050	1,912,015	-126,965

LAIKIPIA COUNTY EXECUTIVE REPORT ON FINANCIAL OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2014

SCHEDULE IX

NYAHURURU SUB-COUNTY HOSPITAL - REVENUE (Report Par. 11(ii))

Month	Collections	Banking	Over/Under banking
Jul-13	3,440,749	3,711,883	271,134
Aug-13	3,105,776	3,833,683	727,907
Sep-13	4,047,529	3,276,430	-771,099
Oct-13	3,961,441	3,977,172	15,732
Nov-13	3,356,606	3,342,540	-14,066
Dec-13	1,970,670	3,610,472	1,639,802
Jan-14	3,732,587.98	3,595,310	-137,278
Feb-14	3,206,907	3,015,097	-191,810
Mar-14	3,309,689.80	3,269,014	-40,676
Apr-14	3,373,585	3,299,499	-74,086
May-14	3,404,449.06	3,249,145	-155,304
Jun-14	3,234,207	2,729,028	-505,179
Total	40,144,196	40,909,273	765,077

LAIKIPIA COUNTY EXECUTIVE REPORT ON FINANCIAL OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2014

Schedule X

Nanyuki Sub-County Hospital -Revenue Analysis (Report Par. 11(iii))

Month	Collection	Bankings	Over/under banking
Jul-13	3,486,302	2,683,687	802,615
Aug-13	3,958,362.80	3,391,079	567,284
Sept. 2013	3,776,346	3,548,600	227,746
Oct. 2013	4,020,970	4,386,000	-365,030
Nov. 2013	4,195,861	4,031,202	164,659
Dec. 2013	1,897,800	2,016,950	-119,150
Jan. 2014	3,707,220	3,409,600	297,620
Feb. 2014	3,924,090	3,576,150	347,940
Mar-14	3,964,910	3,905,235	59,675
Apr-14	4,008,461	3,855,580	152,881
May-14	4,321,831	4,218,630	103,201
Jun-14	3,848,120	2,807,120	1,041,000
Totals	45,110,273.80	41,829,833	3,280,440.80

LAIKIPIA COUNTY EXECUTIVE REPORT ON FINANCIAL OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2013

Schedule XI: Unsupported Payments to Casual Workers

Payment voucher	Date	Ward	Remarks	Amount (Kshs).
1972	6/2/2014	Thingithu	Schedules not signed. Days not indicated	445,800
3026	14/2/2014	Ngobit	Schedules not signed. Days not indicated	347,500
7045	9/4/2014	Ngobit	Schedules not signed. Days not indicated	436,500
7188	11/4/2014	Thingithu	Schedules not signed. Days not indicated	345,500
6730	2/3/20114	Laikipia East	Schedules not signed. Days not indicated	180,492
Total				1,755,792

LAIKIPIA COUNTY EXECUTIVE REPORT ON FINANCIAL OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2014

SCHEDULE XII

MEDICAL STAFF OF LAIKIPIA COUNTY

NYAHURURU DISTRICT HOSPITAL & MAINA DISPENSARY (Report Par. 12.2)

Name of employee	P/NO	Amount to pay
John Mwasa Kiriri	1973037709	22,992
Mary Wairimu Githua	1977043485	41,323
Nancy Wanjiru Kariuki	1981017331	76,560
Mary Wacuka Wambugu	1983075296	72,560
Mary Wanjiku Muthee	1984106587	76,560
Joseph Kamau Waweru	1985056921	68,200
Anastasiah Nyanjuki Wambugu	1985060865	72,560
Rose Wanjiru Wahome	1986072263	76,560
Robert Gichari Ngunjiri	1988082997	260,270
Grace Njeri Njoroge Ndirangu	1989022704	76,560
Margaret Wambui Wachira	1989020566	85,510
Patrick Mungai Ndung'u	1989144954	30,489
Gladys Gathii Kariuki	1990106228	85,510
John Angaro Ndege	1991091141	83,660
John Kamathiro wanjohi	1992003515	76,560
Josephine Wanjiru Ruirie	1992020664	70,760
Elias Kamau Gachau	1994038223	82,600
Lydia kagure Wanjohi	1996115526	56,918
Alice Mugure Mureithi	1997006699	74,760
Mary Wanjiku Maina	1997012242	82,600
Catherine Wanjiku Githu	1997016490	85,510
James Nderitu Wahome	2000002939	256,534
Charles Waweru Kaboi	2002026581	71,430
Francis Kabochi Mwangi	2003005465	84,450
Serah kajuju Mureithi	2003047140	229,235
Jane Wambui Gaikia	2009059006	46,589
Caroline Waruguru Chenuka	2009103342	48,489
Edward Kungwa Wanjau	2009103740	48,489
Catherine wanjiku Gitambo	2010037643	51,669
Ian Ngumo Waitere	2010038429	47,369
Jemimah Wambui Mwaura	2010040824	51,669
veronica Kabura Kamau	2010149221	49,473
Tabitha Wachinga wang'ondu	2010154851	49,473
Mary Njeri wahome	2010154877	49,473
Michael Ng'ang'a Njoroge	2011006336	142,660
Martha Nyawira Chege	2011303641	71,200
Teresia Mumbi Koigi	2011337472	23,832
Prisca Wairimu Ng'ang'a	2011339681	20,633
Brian odhiambo Momanyi	2012018903	130,710
Yvonne Njeri kianduma	2012018910	130,710

Caroline Murigo Mukaindo	2012020832	127,710
Bernard Kamiri Maina	2013017602	125,910
Beatrice Mora Nyabunga	2013017602	125,910
Moses Githinji Mwihuri	2013017722	128,910
Joshua Cavin Ombayo Ogiti	2013017739	125,910
Thomas matara Nyatwongi	2013017760	125,910
Sharon Dorsillah Onyango	2013018703	125,910
Francis Gachunga Mugo	2013021562	20,580
Hannah Wambui Thuiya	2013024238	44,323
Millicent Gakenia Waigwa	2013024290	44,323
Onesmus Maina Gitere	2013025942	49,473
Lucy Nyaruita King'ori	2013032667	49,473
Mary Wambui Kimani	2013033186	49,473
		4,406,924

**NB. This figure
represents salaries
for one month.
Two months is
8,813,848**

LAIKIPIA COUNTY EXECUTIVE REPORT ON FINANCIAL OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2014

SCHEDULE XIII: COUNTY GOVERNMENT OF LAIKIPIA - EXECUTIVE RECRUITMENT (Report Par. 12.3)						
Name	PNO.	Job Group entry salary(Kshs)	Grading Entry salary (Kshs)	Academics certificate Available in personal file	Designation	other observations
Lantano Nabaala	20130000319	R	165,089.00	No Certificates	Relations and Donor	The post in which the officer is graded not existing from SRC
Karangu Naftaly Githua	20130000310	S	202,442.00	No Certificates	M.C.P.S.B	Academic and professional records are missing
John Wambugu	20130000318	S	200,270.00	No Certificates	Chief of Staff	No letter of Acceptance or Signed letter of appointment
Ann W. Taiku	20140019674	N	80,190.00	KCSE cert, Diploma In Kenya Reg. Community Nurse	Ward Administartor	No degree as a mandatory requirement
Peter Y. Leshau	20140019601	N	80,190.00	Diploma in comm Dev and Project	Ward Administartor	No degree as a mandatory requirement, no application letter
Ikinya M. Matindi	20140019576	N	80,190.00	Bach Of Theology, K	Ward Administartor	No application letter
Martin Kabubui Mwangi		S	200,270.00	B.Sc Community De	Chief Officer(Agric. Fi	No application letter
David Nderitu Gitonga		A	13,710.00	No KCSE results	Support Staff III	No certificates
James Maina Mathenge	20140004342	Q	143,748.00	B.A	Sub-County Adminsta	No application letter
Lucy Wangui Mucheke	20130000321	D	16,680.00	KCSE D+	Gardener	No application letter, no KCSE Certificate, Unsigned letter of acceptance
Stephen Muthee		D	16,680.00	KCSE	Gardener	No letter of acceptance
Paul Kipsang Kisolio		A	13,710.00	KCPE	Support Staff III	No letter of Acceptance or Signed letter of Acceptance,
Samuel Njuguna Mwangi		Q	143,748.00	B.Ed Arts, KCSE	Sub-County Adminsta	No application letter, no letter of acceptance, letter of offer not signed
Charles Kihia Keru		N	80,190.00	Higher Diploma in Guidance and Counseling	Ward Administartor	No degree as minimum academic requirement
Margaret M. Nderitu		N	80,190.00	B.BA Human Resource Management, KCS E	Ward Administartor	No three years of experience
Amothing A. Loter		N	80,190.00	Diploma in Business Management	Ward Administartor	No degree as the minimum mandatory requirement

**LAIKIPIA COUNTY EXECUTIVE REPORT ON FINANCIAL OPERATIONS
FOR THE PERIOD ENDED 30 JUNE 2014**

Schedule XIV: Pending Bills (Report Par.14.0)

Name of the Institution	Amount
County Government of laikipia	102,597,290.00
Defunct Municipal Council of Nyahururu - Suppliers/projects	7,208,807.00
Defunct Town Council of Rumuruti	13,198,085.00
Defunct Municipal Council of Nyahururu - Salary deductions	13,936,120.00
Defunct Municipal Council of Nanyuki - Suppliers	2,743,164.00
Defunct Municipal Council of Nanyuki - Salary Deductions	7,414,905.00
Defunct County Council of laikipia - Suppliers	38,043,506.00
Nanyuki Water & Sewerage Company	42,516,236.00
Total	227,658,113.00

