

REPUBLIC OF KENYA



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LND

KENYA NATIONAL AUDIT OFFICE



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL OPERATIONS OF
UASIN GISHU COUNTY ASSEMBLY**

**FOR THE PERIOD
1 JULY 2013 TO 30 JUNE 2014**

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REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL OPERATIONS OF UASIN GISHU COUNTY ASSEMBLY FOR THE PERIOD 01 JULY 2013 TO 30 JUNE 2014

EXECUTIVE SUMMARY

Introduction

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 the Public Audit Act, 2003. Further, the Constitution and Section 107 of the Public Finance Management Act, 2012 requires the County Treasury to adhere to the principles of public finance.

Audit Objectives

The objective of the audit was to ensure existence of internal controls for proper accountability of public resources, confirm that procurement of goods, works and services was done in accordance with the Public Procurement and Disposal Act, 2005 and related regulations and that public funds have been utilized effectively and in accordance with the law.

Terms of Reference

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

- Budgetary controls and performance
- Annual operational / Activity plans
- Procurement of goods, works and services
- Allowances including travelling and accommodation expenses for local and foreign trips.
- Motor vehicle running expenses
- Consultancy services
- Imprests and advances
- Cash and bank balances
- Human Resource Records
- IT Environment
- Non-current assets
- Debtors
- Creditors

Key Audit Findings

1.0 Mortgage and Car Loan Scheme for Members of the County Assembly

Audit review of the mortgage and car loan scheme indicated that forty four (44) Members of the County Assembly(MCAs), and the Speaker were each advanced mortgage and car loan of Kshs.3,000,000 and Kshs.2,000,000 respectively, amounting to Kshs.225,000,000 as approved by the Salaries and Remuneration Commission(SRC). However, no land valuation reports, title deeds and motor vehicle logbooks were provided for audit as a prove of existence of properties purchased. The payments were also processed contrary to the County Assembly mortgage and car loan scheme policy requires that the loanees to have a charge registered on the property financed by the loan granted loans.

Consequently, it has not been possible to confirm the propriety of the loans totalling Kshs.225,000,000.

2.0 Payment of Sitting Allowances

A review of the expenditure vouchers maintained by the County Assembly indicated that on 30 June 2014, an amount of Kshs.6,341,600 was paid vide voucher No.918 to members of the County Assembly as arrears of sitting allowances for the financial year 2013/2014. Details on how the arrears arose were however not availed for audit verification. Further, records indicate that members had previously been paid at the end of each month allowances earned during year 2013/2014 in respect of plenary and committee sittings. The arrears therefore constitute an overpayment.

Consequently, and in absence of records showing how the allowances were earned, the validity and regularity of the payments could not be confirmed.

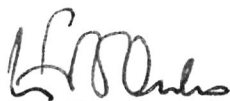
3.0 Hire of County Ward Offices Staff

Audit review of records maintained by the County Assembly indicated that Members of the County Assembly in July 2013 established county ward offices and employed a ward manager, a secretary, office messenger and a guard in each of the thirty (30) wards at an aggregated monthly cost of Kshs.50,000 per ward, all totalling Kshs.18,000,000 for the period under review. The offices and vacancies were not created in line with Section 12 of the County Government Act, 2012 which states that, the mandate to establish County public service offices including ward offices and appointing persons to hold or act in those offices is vested in the County Public Service Board. Further, no evidence was provided to confirm that the recruitment process was open, fair, competitive and transparent in line with the Constitution of Kenya.

Under the circumstances, the propriety of salaries payment amounting to Kshs.18,000,000 to temporary staff in the period 1 July 2013 to 30 June 2014 could not be confirmed.

4.0 Domestic Travel and Accommodation Allowance

According to records available, the County Assembly incurred expenditure on domestic travel and accommodation allowance during the period under review amounting to Kshs.5,673,000. The amount was however not supported with relevant documents contrary to Section 136(1) of the Public Finance Management Act, 2012 which states that all disbursements or payments of public money shall be properly supported with pre-numbered payment vouchers and all payment vouchers shall be supported by appropriate documents. Consequently, the propriety of the expenditure could not be confirmed.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

29 May 2015

DETAILED REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL OPERATIONS OF UASIN GISHU COUNTY ASSEMBLY FOR THE PERIOD 01 JULY 2013 TO 30 JUNE 2014

Detailed Audit Findings

1.0 Mortgage and Car Loan Scheme for Members of the County Assembly

Audit review of the mortgage and car loan scheme as approved by the Salaries and Remuneration Commission(SRC) indicated that forty four (44) Members of the County Assembly (MCAs), and the Speaker were each advanced mortgage and car loan of Kshs.3,000,000 and Kshs.2,000,000 respectively, amounting to Kshs.225,000,000 as analyzed in **Appendix I**. However, no land valuation reports, title deeds and motor vehicle logbooks were provided for audit as a prove of existence of the properties purchased. The payment was also processed contrary to the County Assembly mortgage and car loan scheme policy requires that the loanees to have a charge registered on the property financed through the granted loans.

Recommendation

The Accounting officer should ensure that provisions contained in the SRC Circular No.SRC/TS/CGOVT/3/16 on loan facility, are complied with.

2.0 Payment of Sitting Allowances

A review of the expenditure vouchers maintained by the County Assembly indicated that on 30 June 2014 and as detailed in **Appendix II**, an amount of Kshs.6,341,600 was paid vide voucher No.918 to members of the County Assembly as arrears of sitting allowances for the financial year 2013/2014. Details on how the arrears arose were however not provided for audit verification. Further, records indicate that members had previously been paid at the end of each month the allowances earned during year 2013/2014 in respect of plenary and committee sittings. The arrears therefore constitute an overpayment.

In the circumstances, and in absence of records showing how the allowances were earned, the validity and regularity of the payments of Kshs.6,341,600 could not be confirmed.

Recommendation

The Accounting officer should ensure that sitting allowances are paid only for actual meetings held. A review on the above payments should be carried out and the irregular payments totalling Kshs.6,341,600 be recovered from the concerned Members of the County Assembly.

3.0 Hire of County Ward Offices Staff

Audit review of records maintained by the County Assembly indicated that Members of the County Assembly in July 2013 established county ward offices and employed a ward manager, a secretary, office messenger and a guard in each of the thirty (30) wards at an aggregated monthly cost of Kshs.50,000 per ward. The expenditure incurred on Ward offices in the period July 2013 to June 2014 amounted to Kshs.18,000,000 as listed in **Appendix III**. Audit verification on expenditure records revealed the following;

- The offices and vacancies were not created in line with Section 12 of the County Government Act, 2012 which states that, the mandate to establish County public service offices including ward offices and appointing persons to hold or act in those offices is vested in the County Public Service Board.
- According to Section 21 of the gazette supplement No. 5 of 12 November 2013 on recruitment of staff, a member of County Assembly was mandated to initiate recruitment of all ward office staff and determine their terms of employment and salary scales. There was no evidence provided to confirm that the recruitment process carried out by the MCAs was open, fair, competitive and transparent in line with the Constitution of Kenya.

Recommendation

The Accounting officer should ensure that relevant authority and approval is sought before committing and expending public funds.

4.0 Domestic Travel and Accommodation Allowance

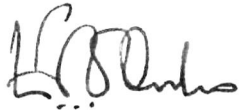
According to records available, the County Assembly incurred expenditure on domestic travel and accommodation allowance during the period under review amounting to Kshs.5,673,000. The amount was however not supported with relevant documents such as invitation letters, bus tickets, work tickets and reports for work done attached to the payment vouchers to confirm that the officers and MCAs were out of the station on official duties. The payments listed in **Appendix IV** were therefore made in contravention of Section 136(1) of the Public Finance Management Act, 2012 which states that all disbursements or payments of public money shall be properly supported with pre-numbered payment vouchers and all payment vouchers shall be supported by appropriate documents.

Recommendation

The Accounting officer should ensure that all payments are properly supported with adequate documents before payment is made.

5.0 Conclusion

The Uasin Gishu County Assembly should address the anomalies noted in order to ensure effective delivery of service of services to the people of Uasin Gishu. Laid down Government procedures and processes should be followed to ensure Public resources are only utilized for purposes for which they were intended.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

29 May 2015

APPENDIX I - Mortgage and Car Loans Scheme for MCAs

UASIN GISHU COUNTY ASSEMBLY

S/No.	Payroll No.	Name	Amount (Kshs.)
1	13203	Mr. Terer Isaac Kipkemoi – Speaker	5,000,000
2	13204	Mr. Chomba Peter	5,000,000
3	13205	Mr. Chirchir Isaac	5,000,000
4	13206	Ms Sugut Rebecca	5,000,000
5	13207	Mr. Rono Hillary	5,000,000
6	13208	Mr. Ting Tirus Kipyego	5,000,000
7	13209	Ms Tuwei Pauline Chelimo	5,000,000
8	13210	Mr. Bundotich Patrick	5,000,000
9	13211	Ms Tarus Josephine	5,000,000
10	13212	Mr. Hillary Kiptoo	5,000,000
11	13213	Mr. Jonathan Ngetich	5,000,000
12	13214	Mr. Moses Barteng	5,000,000
13	13215	Mr. Koech Joseph Kipketer	5,000,000
14	13216	Mr. Keter Hillary Kibet	5,000,000
15	13217	Mr. Lodeya Josephat Lowoi	5,000,000
16	13218	Mr. Kosgei Obadiah	5,000,000
17	13219	Mr. Chelulei Nicholus	5,000,000
18	13220	Mr. David Singoei Kiptoo	5,000,000
19	13221	Mr. Mutai Wilson	5,000,000
20	13222	Mr. Tarus David Kiptoo	5,000,000
21	13223	Mr. Kemboi Isaac Kirwa	5,000,000
22	13224	Mr. Leting Stephene Kiprotich	5,000,000
23	13225	Mr. Sang Jeremiah	5,000,000
24	13226	Mr. Kigen Pius Kipkorir	5,000,000
25	13227	Mr. Ali Ramadhan	5,000,000
26	13228	Mr. Kiptanui Amos Kimeli	5,000,000
27	13229	Mr. Sugut Peter Kipleting	5,000,000
28	13230	Mr. Mwangi Francis Muya	5,000,000
29	13231	Mr. Sanga Daniel Kipleting	5,000,000
30	13232	Mr. Korir Hoseah Kibet	5,000,000
31	13233	Mr. Ruto Samwel Kiptanui	5,000,000
32	13234	Ms Birgen Caroline	5,000,000
33	13335	Mrs. Massam Tabitha	5,000,000
34	13236	Mr. Martim Charuiyot	5,000,000
35	13237	Mrs. Bartere Flora C	5,000,000

36	13238	Mr. Ruto Duncan K	5,000,000
37	13239	Ms Kisama Rose G	5,000,000
38	13240	Ms Korir Rehema C	5,000,000
39	13241	Ms Tirop Nahum J	5,000,000
40	13242	Ms. Maizs Lydia J	5,000,000
41	13243	Ms. Njoroge Lucy N	5,000,000
42	13244	Ms. Kosgei Senah C	5,000,000
43	13245	Ms. Busienei Salome	5,000,000
44	13246	Ms Singoei Rosebellah	5,000,000
45	13247	Ms. Jemtai Anne	5,000,000
		TOTAL	225,000,000

UASIN GICHU COUNTY ASSEMBLY					
APPENDIX II - Arrears of Sitting Allowances					
S/No.	Name	Amount (Kshs)	30% Tax	Tax(Kshs)	Net(Kshs)
1	Hon. Isaac K. Terer	268,000	30%	80,400	187,600
2	Hon. Peter Kamau Kariuki Chomba	250,400	30%	75,120	175,280
3	Hon. Ramadhan Werambo Ali	245,000	30%	73,500	171,500
4	Hon. Rebecca Chepchirchir Sugut	135,300	30%	40,590	94,710
5	Hon. Wilson A. Mtai	139,500	30%	41,850	97,650
6	Hon. Francis Muya Mwangi	135,200	30%	40,560	94,640
7	Hon. Joseph Kipketer Koech	249,000	30%	74,700	174,300
8	Hon. Josephine Tarus	138,900	30%	41,670	97,230
9	Hon. Samuel Kiptanui Arap Ruto	237,200	30%	71,160	166,040
10	Hon. Amos Kimeli Kiptanui	263,200	30%	78,960	184,240
11	Hon. David Kiptoo Singoei	24,700	30%	7,410	17,290
12	Hon. David Kiptoo Tarus	136,800	30%	41,040	95,760
13	Hon. Hillary Kibet Keter	260,800	30%	78,240	182,560
14	Hon. Hillary Kipkemboi Rono	231,800	30%	69,540	162,260
15	Hon. Hillary Kiptoo Mutai	114,900	30%	34,470	

					80,430
16	Hon. Hosea Kibet Korir	128,400	30%	38,520	89,880
17	Hon. Isaac Kiptanui Chirchir	228,600	30%	68,580	160,020
18	Hon. Isaac Kirwa Kemboi	121,800	30%	36,540	85,260
19	Hon. Jeremiah Kimeli Sang	235,200	30%	70,560	164,640
20	Hon. Jonathan Kiprop Ngetich	256,600	30%	76,980	179,620
21	Hon. Josephat Lowi Lodeya	239,600	30%	71,880	167,720
22	Hon. Moses Kipchumba Barteng	256,600	30%	76,980	179,620
23	Hon. Nicholas Kiprotich Chelulei	227,800	30%	68,340	159,460
24	Hon. Obadiah Kipleting Kosgei	241,000	30%	72,300	168,700
25	Hon. Patrick Kiptoo Bundotich	271,800	30%	81,540	190,260
26	Hon. Pauline Chelimo Tuwei	249,400	30%	74,820	174,580
27	Hon. Peter Kipleting Sugut	140,100	30%	42,030	98,070
28	Hon. Pius Kipkorir Kigen	265,200	30%	79,560	185,640
29	Hon. Stephen Kiprotich Letting	141,800	30%	42,540	99,260
30	Hon. Tyrus Kipyego Ting	59,800	30%	17,940	41,860
31	Hon. Duncan Ruto	31,200	30%	9,360	21,840
32	Hon. Lydia Cheruto	32,500	30%	9,750	

					22,750
33	Hon. Carolyne Birgen	32,500	30%	9,750	22,750
34	Hon. Lucy Njoroge	32,500	30%	9,750	22,750
35	Hon. Senah Kosgei	29,900	30%	8,970	20,930
36	Hon. Salome Busienei	32,500	30%	9,750	22,750
37	Hon. Rosebellah Singoei	28,600	30%	8,580	20,020
38	Hon. Nahum Tirop	32,500	30%	9,750	22,750
39	Hon. Rehema Korir	32,500	30%	9,750	22,750
40	Hon. Rose Kisama	32,500	30%	9,750	22,750
41	Hon. Flora Bartera	32,500	30%	9,750	22,750
42	Hon. Cheruiyot Maritim	32,500	30%	9,750	22,750
43	Hon. Tabitha Massam	32,500	30%	9,750	22,750
44	Hon. Anne Jemutai	32,500	30%	9,750	22,750
	Total	6,341,600		1,902,480	4,439,120

APPENDIX III - Ward Offices Expenditure for 2013/2014			
S/No.	Ward	Expenditure Per month (Kshs)	Total Expenditure for the year (Kshs)
	Huruma	50,000	600,000
2	Kiplombe	50,000	600,000
3	Kuinet/Kapsuswa	50,000	600,000
4	Tapsagoi	50,000	600,000
5	Langas	50,000	600,000
6	Kipsomba	50,000	600,000
7	Cheptiret/Kipchamo	50,000	600,000
8	Kimumu	50,000	600,000
9	Race Cource	50,000	600,000
10	Moi's Bridge	50,000	600,000
11	Ngenyilel	50,000	600,000
12	Kapkures	50,000	600,000
13	Ziwa	50,000	600,000
14	Kipkenyo	50,000	600,000
15	Tulwet/Chuiyat	50,000	600,000
16	Kapsaos	50,000	600,000
17	Soy	50,000	600,000
18	Kapsoya	50,000	600,000
19	Kamagut	50,000	600,000
20	Kaptagat	50,000	600,000

21	Karuna/Meibeki	50,000	600,000
22	Sergoit	50,000	600,000
23	Ainabkoi/Olare	50,000	600,000
24	Segero/Barsombe	50,000	600,000
25	Tarakwa	50,000	600,000
26	Simat/Kapseret	50,000	600,000
27	Megun	50,000	600,000
28	Tembelio	50,000	600,000
29	Ngeria	50,000	600,000
30	Moiben	50,000	600,000
	Total	1,500,000	18,000,000

UASIN GICHU COUNTY ASSEMBLY						
APPENDIX IV - Unsupported Expenditure						
S/No	Date	Payment Voucher No	Payee	Amount (Kshs.)	Details	Exceptions Raised
1	18-Jun-14	1399	Michael Yator	665,000	Being Night out to members of staff to Kisumu	Invitation letters not provided.
2	16-Aug-13	39	Michael Yator	1,114,500	Night out to MCAs attending KIMSCA games	Dates of Travel not indicated
3	16-Dec-13	469	Michael Yator	731,500	Night out to staff on official duty at Kisumu	Budget and dates of event not provided.
4	2-Dec-13	473	Michael Yator	280,000	Nightout and fuel on official duty to Kisumu	Dates of Travel not provided.
5	25-Sep-13	178	Michael Yator	460,000	Night out at Nakuru for training	Dates of Travel not provided.
6	1-Apr-14	990	Michael Yator	216,000	Night out allowance for staff	No budget and Programme
7	2-Sep-13	104	Michael Yator	126,000	Attending IFMIS training	No budget and Programme.
8	2-Jun-14	151	Michael Yator	250,000	Attending IFMIS training	Invitation letters and Programme
9	7-May-14	1202	Michael Yator	1,830,000	Night out to MCAs in Kisumu	No Programme and dates of event.
				5,673,000		



REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

REPORT

**PARLIAMENT
OF KENYA
LIBRARY**

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL OPERATIONS OF
HOMABAY COUNTY EXECUTIVE**

**FOR THE PERIOD
1 JULY 2013 TO 30 JUNE 2014**



REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL OPERATIONS OF
HOMA BAY COUNTY EXECUTIVE**

**FOR THE PERIOD
1 JULY 2013 AND 30 JUNE 2014**

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

EXECUTIVE SUMMARY

BACKGROUND INFORMATION

The Constitution of Kenya 2010 created a decentralized system of government by setting up County Governments. Homa Bay County is listed as county No.43 on the first schedule of the Constitution of Kenya 2010. The county has eight (8) Sub Counties namely; Homabay, Mbita, Suba, Rangwe, Karachuonyo, Kasipul and Kabondo-Kasipul.

Introduction

The financial operations audit for the period 1 July 2013 to 30 June 2014 was undertaken to assess the adequacy and reliability of the systems of controls instituted by the management of the County Government in running its affairs in as far as utilization of public funds is concerned.

Terms of Reference

The Office of the Auditor-General is an Independent Office mandated by the Constitution under Article 229 to audit the accounts of the National and County Governments. In this regard, the office planned an audit of the systems of management and financial controls of Homa Bay County for the period July 2013 to 30 June 2014 with the following terms of references:

- Assessment of controls over management of cash and bank accounts.
- Assessment of controls over management of assets under the control of the county Government.
- Assessment of compliance with the procurement laws in the process of acquisition of goods and services
- Assessment of compliance with Public Finance Management Act, 2012 in the utilization of public funds.
- Compliance with other relevant laws and regulations
- To ascertain the integrity and reliability of financial and other information used by management in the utilization of public funds.
- All necessary supporting documents, records, and accounts have been kept in respect of all transactions

Methodology

The approach used in carrying out this audit included the following:

- Interviews with key officers at the County headquarters.
- Review of applicable legislation and regulations.
- Examination of payment vouchers, cashbooks, vote books, bank statements, bank slips, receipt books, procurement documents, stores records, asset registers and other related records.
- Review of minutes of various meetings where there were resolutions regarding utilization of public funds.
- Physical inspection and verifications
- Observation of processes and activities.
- Review of documents used by management to monitor use of funds.

Scope and Determination of Responsibilities

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). These standards require that the audit is planned and performed so as to obtain reasonable assurance that, in all material respects, expenditure incurred is fairly stated and fair recording is achieved in all financial transactions.

The maintenance of effective control measures and compliance with laws and regulations are the responsibility of the management. My responsibility is to report on the weaknesses that were identified in the course of the audit.

KEY AUDIT FINDINGS

1.0 REVENUE

1.1 Failure to Maintain Revenue Cashbook

The officer in charge of the County revenue had failed to maintain a cashbook for revenue, making it difficult to ascertain how much was collected by the revenue clerks, banked and accounted for in accordance with the Public Finance Management Act, 2012. Further, they did not carry out a bank reconciliation to ascertain whether all the revenues collected had been banked/ accounted for.

1.2 Failure to appoint County Receiver of Revenue

As at 30 June 2014 the County Executive Committee had not appointed in writing the County Receiver of revenue as required in the Public Finance Management Act, Section 157 (1).

2.0 NON CURRENT ASSETS

2.1 Additional Hostel at Sero Polytechnic

The County Government sponsored the construction of an additional Hostel at Sero Polytechnic at a cost of Kshs.4,300,000. A local purchase order for supply and delivery of building materials totalling Kshs.2,494,919 was issued to a firm on 21 November 2013, an invoice of the same amount issued on the same date and payment made on 21 November 2013. The bills of quantities, tender documents or quotations were not availed for audit verification. The invoice attached to the payment voucher totalled Kshs.2,494,919; however analysis of items supplied totalled Kshs.1,467,980 leading to overpayment of Kshs.1,026,939. The County Government further purchased building materials worth Kshs.2,597,020 between February and June 2014 from other firms for the same project. In the absence of bills of quantities and records of delivery it was not possible to confirm that the right quantities were bought and delivered and that the County Government obtained value for money in the construction of the hostel.

2.2 Purchase of Furniture and Fittings

During the year under review the County Government procured furniture worth Kshs.1,264,000, Kshs.1,475,000, Kshs.958,300 and Kshs.10,058,500 from four different firms all totalling to Kshs.13,755,800 by use of restricted tendering which was however not justified. Further, the payments to the suppliers were not supported by counter receipt vouchers, nor examined, approved or posted to the cashbook.

2.3 Renovation of Governor's Office

During the year under review the administration block renovation work was awarded to a contractor at the contract sum of Kshs.11,600,000 by use of restricted tendering which was later scaled down to Kshs.4.3 million by management citing inadequate funds as the reason for scaling down the project. However, bills of quantities to show the estimate of the renovation of the building and how it was arrived at were not availed for and verification and comparison with the tendered amount. There is no evidence the scaling down of the project was approved by the County Tender Committee.

2.4 Ablution Block, Sentry and Perimeter Wall

During the year under review, a construction contract of ablution block, sentry and perimeter wall was awarded to a contractor at a contract sum of Kshs.16,307,934. However, the bills of quantities to show the estimate of the construction and how it was arrived at was not availed for audit verification and comparison with the tendered amount. The payments were made without certificates of inspection and acceptance as the County did not appoint an inspection and acceptance committee for the project.

2.5 Alteration and Extension of the Governor's Office

During the year under review the Governor's Office was altered and extended at a cost of Kshs.19,596,027, by use of restricted tendering, however, the bills of quantities to show the estimate of the renovation of the Building was not availed for audit verification and comparison with the tendered amount. The payments were made without the certificates of the inspection and acceptance committee as the County did not appoint the committee for this project.

2.6 Partition of the Education Hall

The County Government partitioned the Education Hall at the cost of Kshs.1.3 million, however there were no tender documents, Bills of Quantities nor breakdown provided to show how the Kshs.1.3 million was utilized and payment vouchers for the same were not availed for audit verification.

2.7 Solar Lighting Project (Okonyo Welo) - (Ministry of Energy)

A joint venture agreement was signed on 28th November 2013 between the County Government of Homa Bay and a media investments company for a solar lighting project (Okonyo Welo) for rural and urban market centres in Homa Bay County. Each of the parties was to contribute 50% of the total project cost of Kshs.143,100,000 exclusive of VAT and share advertising revenue in the same ratio. The project would entail installation of 800 high solar floodlight masks in about 284 selected market centres. However, the commencement date of the project was not stated in the agreement and the project had not been completed by the time of the audit as only 225 lights had been installed out of the 800 translating to about 28% while a payment of Kshs.33,169,736 had been made by the County Government to two contractors hired to install the solar lights. At the time of audit, the media investment company had not made any payment towards the project contrary to an agreement it had signed with the County Government.

2.8 Poultry Hatcheries (Ministry of Agriculture)

The Ministry of Agriculture procured 306 poultry hatcheries to be distributed to 227 groups at a cost of Kshs.123, 663,200. The distribution of the same was done to the various wards through the offices of the Members of the County Assembly. However the number of groups allocated the hatcheries could not be confirmed as management had not done proper documentation. Verification of some of the intended beneficiaries by way of questionnaires done through phone calls revealed that some hatcheries were yet to be given to the registered groups. The ones that were distributed, other than the one given to Makongeni Youth Group, were not yet operational. The county therefore was not getting full value for the Kshs.123,663,200 spent on the project.

2.9 Renovation of Governors/Deputy Governors Residences

A contract of Kshs.11,668,904 was awarded to a contractor to undertake the proposed boundary walling for a Government house proposed to be the Governor's Residence. Another contract of Kshs.10,275,280 awarded to another firm to undertake a similar works

on an adjacent Government house proposed to be the Deputy Governor's Residence. Even after the expenditures the Governor and his deputy still commute every day from far away destinations to work because the residences are yet to be completed. The expenditure of Kshs.21,944,184 is not adding any value to the County Government.

2.10 Rehabilitation of Sewerage Works in Homa Bay Town (Min. of Water & Sanitation)

The County Government carried out rehabilitation of sewerage works in Homa Bay Town worth Kshs.6,335,500 out of which Kshs.3,347,250 had been paid to a Contractor, at the time of the audit. The bills of quantities, tender acceptance letters and contract agreement were not availed for audit verification in total disregard to Section 67(1). Further there was no inspection and acceptance committee in place.

3.0 BUDGET PERFORMANCE

3.1 Non-Compliance with the Budget process

The County Government of Homa-Bay did not follow the process required by section 128 of the Public Finance management Act, 2012 on the preparation of the budget for 2013/2014. The County Government entities were not served with a circular giving guidance on the budget preparation process.

4.0 PROCUREMENT OF GOODS AND SERVICES

4.1 Printing and Advertising Expenditure

The County Government procured receipt books from a Publishing House at a cost of Kshs.1,102,406 without following the Public Procurement procedures through tender as per the requirements of section 54 of the Public Procurement Act, 2005.

4.2 Irregular Hire of Motor Vehicles

Payments totalling Kshs.2,080,000 were made to a tours and travel firm in respect of hire of transport without following the required procurement procedures.

5.0 PERSONNEL

5.1 The County Organizational Structure

The County Government of Homa Bay has not documented its organizational structure that is clearly defined by means of an approved organization chart. It has also not put in place a performance management plan to evaluate the performance of the county public service and the implementation of county policies.

5.2 Payroll Audit

County Government employees on the IPPD payroll increased from 593 employees in August 2013 to 2044 employees in June 2014. This resulted in an increase in monthly payroll wage bill from Kshs.33 million to Kshs.122,701,375. However, a human resource

audit has not been carried out to determine the actual staff position on the ground and the human resource needs. Further, out of 47 doctors introduced in the Health sector payroll of January 2014, 22 could not be identified by the Chief Officer, Health.

5.3 Expired Contract for Consultancy Service (Ministry of Trade)

The Ministry of Trade hired a consultant to co-ordinate project activities of the County Government from 1 August 2013 to October 2013 at monthly pay of Kshs.143,748. However it was not explained how the consultant was identified and his dues determined. It was further observed that even after the expiry of the contract period the Consultant was still in office in June 2014 leading to an irregular payment of a total of Kshs.1,149,984 for eight months.

6.0 EXPENDITURE

6.1 Weaknesses in the Processing of Imprest

The County imprest processing systems did not have proper control in place as the imprest register was not properly maintained and updated.

7.0 CASH AND BANK BALANCE

The cash books were not updated and reconciled and the recurrent account at CBK and standing imprest account at Co-operative bank had also not been posted and updated as required.

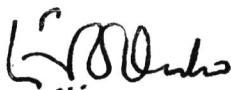
The County Revenue Fund Account at CBK, Revenue collection account at Kenya Commercial Bank and Development account at Kenya Commercial Bank cash books were not properly maintained.

8.0 NON MAINTENANCE OF DEBTORS LEDGER

The debtors ledger was not availed; making it difficult to establish the correct position of the debtors for the period covered by the audit.

9.0 NON MAINTENANCE OF CREDITORS LEDGER

The creditors` ledger was not availed and therefore, it was difficult to establish the amount owed by the County.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

28 May 2015

**DETAILED REPORT OF THE AUDITOR GENERAL ON FINANCIAL OPERATIONS OF
HOMA BAY COUNTY EXECUTIVE FOR THE PERIOD 1 JULY 2013 TO 31 MARCH 2014**

DETAILED FINDINGS COUNTY EXECUTIVE

1.0 REVENUE

1.1 Failure to Maintain Revenue Cashbook

The officer in charge of the County revenue had failed to maintain a cashbook for revenue, making it difficult to ascertain revenue collected, banked and accounted for in accordance with the Public Finance Management Act, 2012. Further, they did not carry out a bank reconciliation to ascertain whether all the revenues collected had been banked/ accounted for.

Recommendation:

Revenue Cash book should be maintained by the officer in charge of revenue at the County headquarters. Regular bank reconciliations should be carried out to avert any errors and omissions.

1.2 Failure to appoint County Receiver of Revenue

As at 31 March 2014 the County Executive Committee had not appointed in writing the County Receiver of Revenue as required in the Public Finance Management Act, Section 157(1).

Recommendation:

The County's Executive Committee should appoint a responsible person in writing to be accountable for collection, receiving and accounting for the county government revenue.

2.0 NON CURRENT ASSETS

2.1 Additional Hostel at Sero Polytechnic

The County Government sponsored the construction of the additional Hostel at Sero Polytechnic at a cost of Kshs.4,300,000. The Contract to supply material was awarded to Sulpet Enterprises Ltd, however there was no tender minutes and bills of quantities availed to show how the materials to be used were arrived at and to be compared with tender bids. The firm was paid Kshs.2,494,919 for the supply of building materials, of which no delivery records and other records were availed to confirm that the materials were delivered and received by the polytechnic. Further, the analysis for this payment amounted to Kshs.1,467,980 leading to an unexplained variance of Kshs.1,026,939.

The manager of the polytechnic was paid vide payment voucher number 11 of Kshs.200,000 in his name for the payment of labour cost offered by the trainees from the polytechnic instead of the Institution's name.

On the physical verification, it was noted that the hostel has been constructed to lintel level and the material supplied by the firm like sand, concrete, doors, windows, iron sheets, timber and steel wires were at the site and could not be verified as there were no records to show how they were received.

Recommendation

Proper records should be maintained for all projects for review and future reference.

2.2 Purchase of Furniture and fittings

During the year the County Government procured furniture using restricted tendering worth Kshs.1,264,000, Kshs.1,475,000, Kshs.958,300 and Kshs.10,058,500 from four different firms all totalling to Kshs.13,755,800. The payments to suppliers were not supported by counter receipt vouchers, nor examined, approved and posted to the cashbook.

The payment voucher for Harujo construction was not numbered, delivery note was not signed to confirm receipt of the furniture nor did they avail S13 and S3 for verification. On the physical verification it was noted that the furniture in place were not labelled and it was difficult to identify the furniture supplied by the suppliers.

Recommendation

Proper records should be maintained for assets and accounting procedures and pertinent internal controls should be practiced at all times

2.3 Renovation of Governor's Office

During the period under review the administration block renovation work was awarded to Nile Bay General works at a contract sum of Kshs.11,600,000 by use of restricted tendering which was later scaled down to Kshs.4.3 million by management who cited inadequate funds as the reason for scaling down the project. However, there is no evidence that approval of the County tender committee to scale down the project was sought. Also, the project bills of quantities to show the estimate of the renovation of the building and how it was arrived at were not availed for audit verification and the comparison of the tendered amount. The payments were made without the certification of the inspection and acceptance committee as the county did not appoint an inspection and acceptance committee.

The payments made vide payment vouchers numbers 287B, 122C, and 10 to Nile Bay General Works of Kshs.1,800,000, Kshs.1000,000 and Kshs.500,000 were not examined. The vote amount was indicated and approved except that there was no authority to pay.

Recommendation

Management should at all times ensure that the bills of quantities are prepared in accordance with the requirements of Procurement Regulations, 2006 section 33 sub section

1 and all payments for construction works should be made on the basis of certificates issued by the Supervising Engineers/Consulting Engineers.

2.4 Ablution Block, Sentry and Perimeter Wall

During the period under review the ablution block, sentry and perimeter wall construction work was awarded to Obwanda Osum Investments at the contract sum of Kshs.16,307,934. However, the bills of quantities to show the estimate of the construction and how it was arrived at was not availed for verification and the comparison to the tendered amount. The payments were made without the certification of the Inspection and acceptance committee as the County did not appoint an inspection and acceptance committee for the project.

Recommendation

Management should at all times ensure that the bills of quantities are prepared in accordance with the requirements of Procurement Regulations, 2006 section 33 sub section 1 and all payments for construction works should be made on basis of certificates issued by the Supervising Engineers/Consulting Engineers.

2.5 Alteration and Extension of the Governor's Office

During the period under review alteration and extension works on the Governor's Office was awarded to MADIP Investment at a cost of Kshs.19,596,027, however, the bill of quantities to show the estimate of the renovation of the building was not availed for audit verification and comparison with the tendered amount. The payments were made without the certification of the inspection and acceptance committee as the county did not appoint the committee for the project.

The payments made vide un-numbered payment vouchers to MADIP Investments of Kshs.1,425,775, Kshs. 6,660,000, Kshs.7,840,000 and Kshs.428,332 were not examined, vote amount indicated and approval except for the authority to pay. As at the time of audit the work for the alteration and extension was complete. However there was no work in progress register maintained by the county office to indicate how much was spent on the project. The position of the balance of Kshs.3,241,920 could not be established as the payment vouchers were not availed for verification.

Recommendation

Management should at all times ensure that the bills of quantities are prepared in accordance with the requirements of Procurement Regulations, 2006 section 33 sub section 1 and all payments for construction works should be made on basis of certificates issued by the Supervising Engineers/Consulting Engineers.

2.6 Partition of the Education Hall

The County Government partitioned the education hall at the cost of Ksh.1.3 million; however there were no tender documents, bill of quantities nor breakdown provided to show how the Kshs1.3 million was utilized and payment vouchers for the same were not availed for audit verification.

On the physical verification, it was noted that the hall was partitioned into several offices and they were in use. However, there was no information provided as to how the materials were procured, received and utilized.

Recommendation

Management should ensure that all the support documents in respect of any public expenditure are made available for future reference and review.

2.10 Solar Lighting Project (Okonyo Welo)- (Ministry of Energy)

A joint venture agreement was signed on 28 November 2013 between the County Government of Homabay and Horizon Media Investments Limited for a solar lighting project (Okonyo Welo) for rural and urban market centres in Homa Bay County and each of the parties was to contribute 50% of the total project & share advertising revenue in the same ratio. The project would entail installation of 800 high solar floodlight masts in about 284 selected market centres.

The contract sum was Kshs.143,100,000 exclusive of VAT shared in the agreed ratio of which 40% was to be paid immediately,30% halfway through the project and 30% after commissioning of project.

Commencement date of the mentioned project was not stated in the agreement documents although the completion date was 4 months after commencement.

Restricted tendering method was used for supply and delivery of batteries, charge controls, photocell & timers under tender No.HBC/ENR/01/2013-2014, supply and delivery of solar panels under tender No.HBC/ENR/02/2013-2014, supply and delivery of floodlights under tender No.HBC/ENR/03/2013-2014 and tender No.HBC/ENR/04/2013-2014 for supply of remote kits, cabling wires and double sided advertising panels with aluminium casing. Six bidders were invited to tender.

It was noted that the County Government paid a total sum of Kshs.83,000,000 which was the total amount expected of them in the agreement while the media company had not met their part of the bargain. The following issues should be clarified.

- The reasons for using restricted tender method were not explained.
- No records were availed to show the receipt and issues of the project components.
- There was advance payment and yet approximately 350 lights were done and not fully completed with the advertising panels and further the County has paid for the expected 800 lights.
- Documents showing payments made by the media were not availed.
- There was delay in execution which would lead to cost over runs. The project should have been completed 4 months after commencement date but is still ongoing several months after the expected completion.
- Prices and costs were inflated with VAT being excluded from the tender prices.

Recommendation

Management should ensure compliance with the Public Procurement and Disposal Act, 2005 and all support documents should be availed when required for review and future reference.

2.11 Poultry Hatcheries (Ministry of Agriculture)

The Ministry of Agriculture procured 306 poultry hatcheries totaling to Kshs.123, 663,200 to be distributed to 227 groups. The distribution of the same was done at the various wards through the offices of the members of the County Assembly. However the number of groups allocated the hatcheries could not be confirmed as management had not done proper documentation. Verification of some of the intended beneficiaries by way of questionnaires done through phone calls revealed that some hatcheries were yet to be given to the registered groups. The ones that were distributed, other than the one given to Makongeni Youth Group were not yet operational. In addition to this, it was noted in some situations that individuals were given the hatcheries instead of the initial plan of giving registered groups or relocated to other groups that were not in the receipt list. In addition not all hatcheries were fully accounted for.

Further, it was noted that most groups were yet to identify sites with electricity to install the hatcheries or were still waiting for distribution of eggs from the county government.

The political interference in the implementation of the procurement output lead to a waste of resources.

The decision to implement the procurement output rested on the Members of the County Assembly which lead to underutilization/waste of resources.

Recommendation

Management should account for all the Hatcheries supplied and distributed and identify a central location for the Hatcheries

2.12 Renovation of Governors/Deputy Governors Residences

A contract of Kshs.11,668,904 was awarded to an investments and general supplies company to undertake the proposed boundary walling for Governor's Residence. Another contract of Kshs.10,275,280 awarded to a different contractor to undertake the similar works at the Deputy Governor's Residence. Section 54(3) of the procurement regulations provides that where restricted tendering is used pursuant to section 73(2) (b) of the Act, the procuring entity shall invite tenders from at least ten firms selected from the list maintained by the entity. However, in this case only three contractors were invited to participate in the tendering process.

According to the letter of award, these contracts were deliberated upon and awarded by tender minute number 10 of 2 December 2013. However, this minute has not been made available for audit verification.

The contract for the Deputy Governor's house had been allocated a budgetary provision of Kshs.7,500,000 leading to a budget overrun of Kshs.2,775,280 that has not been subjected to supplementary estimates as required. To date, the residences are yet to be completed leading to the Governor and his deputy commuting daily from far away destinations using public funds.

Recommendation

Management should ensure compliance with the Public Procurement and Disposal Act, 2005 and provide all supporting documents for future reference and review and in future, all cost overrun should be factored in the supplementary estimates.

2.13 Rehabilitation of Sewerage Works in Homa Bay Town (Min. of Water & Sanitation)

The County Government carried out rehabilitation of sewerage works in Homa Bay Town for Kshs.6,335,500 out of which Kshs.3,347,250 had been paid to the Contractor at the time of audit. The bills of quantities, signed agreement and acceptance letters were not availed for audit verification. The management also acted in total disregard of Section 67(1) of the Public Procurement and Disposal Act, which requires that before the expiry of the period during which tenders must remain valid, the procuring entity shall notify the person submitting the successful tender that his tender has been accepted and Section 68(1) which requires that the person submitting the successful tender and the procuring entity shall enter into a written contract based on the tender documents. Further, there was no inspection and acceptance committee in place. In the circumstances, management did not adhere to the procurement regulations.

Recommendation

Management should ensure compliance with the Public Procurement and Disposal Act, 2005 and availability of supporting documents for future reference and review.

3.0 BUDGET PERFORMANCE

3.1 Non-Compliance with the Budget process

The County Government of Homa Bay did not follow the process required by section 128 of the Public Finance Management Act, 2012 on the preparation of the budget for 2013/2014. The County entities were not served with a circular giving guidance as to what was required for the budget preparation.

Further it was noted that the county government did not have an operational county budget and economic forum as required by section 137(1) of the Public Finance Management Act 2012.

Recommendation:

The County Executive Committee member for finance should circularize budget requirements and give guidelines to all county entities as required and the County

Government should ensure that there is an operational county budget and economic forum as required by section 137(1).

4.0 PROCUREMENT OF GOODS AND SERVICES

4.1 Printing and Advertising Expenditure

The County Government of Homa Bay procured receipt books from African Herald Publishing House at a cost of Kshs.1,102,406 without following the Public Procurement procedures through tender as per the requirements of section 54 of the Public Procurement Act 2005.

The receipt books were received as per various delivery note numbers and S13 as per Appendix I, however the entry into S3 and counter foil receipt book register was not availed to confirm how the receipt books were taken on charge in the store and issued for revenue collection.

The receipt books ordered are no longer in use as the county government ordered other types of receipts which are in use and discarded the use of the receipt books ordered from Africa Herald Publishing House.

Recommendation

Procurement regulation should be fully followed while procuring goods and services.

4.2 Irregular Hire of Motor Vehicles

Payments totalling Kshs.2,080,000 were made to a tour and travel firm in respect of hire of transport without following the required procurement procedures. The following anomalies were noted:

- (i) Hire of transport was not advertised
- (ii) Supplier was not competitively sourced
- (iii) Payment Voucher was not fully supported since there was no authority for hire of transport and there were no Local Service Orders issued to the supplier of transport services

Recommendation

Management should follow proper procedures in the hiring of motor vehicles and management should ensure all support documents are properly filed for future reference and review.

5.0 PERSONNEL

5.1 The County Organizational Structure

The County Government of Homa Bay has not documented its organizational structure that is clearly defined by means of an approved organization chart. It has also not put in place a performance management plan to evaluate the performance of the county public service and the implementation of county policies.

Section 148(1) of the Public Finance Management Act, 2012 requires the county executive committee member for finance to designate in writing accounting officers to be responsible for managing the finances of the county government entities. However, the accounting officers have not been appointed in writing as required.

Section 41(1) of the County Government Act requires meetings of the county executive committee to be recorded in writing. However, minutes for such meetings were not made available for audit verification.

The County Executive member for finance is required under section 107(1) (c) to develop regulations that limit the county government's expenditure on wages and benefits for its public officers to a percentage of the county government's total revenue. These regulations have not been developed as required by law.

Recommendation

All accounting officers should be appointed as required by Public Finance Management Act, 2012 and management should ensure that minutes of the County Executive committee meetings are properly recorded for future reference and review.

5.2 Payroll Audit

- (i) County Government employees on the IPPD payroll increased from 593 employees in August 2013 to 2044 employees in June 2014 as a result of recruitment of additional staff. This resulted in an increase in monthly payroll wage bill from Kshs.33million to Kshs.122,701,375. However, a human resource audit has not been carried out to determine the actual number of the County Government staff.
- (ii) Forty seven doctors with a monthly wage bill of Kshs.8,084,167 were added into the County IPPD payroll in the month of January 2014. However, a physical verification revealed that twenty two doctors drawing a monthly pay of Kshs.3,496,132 do not work for the County Government. **(APPENDIX I)**
- (iii) An audit of salary payments revealed that a total of Kshs.100,519,650 was paid to staff that were not on the IPPD payroll between the period September 2013 and June 2014 (Kshs.43,481,814 -September 2013 to March 2014, Kshs.57,037,836.20 - April and June 2014). 2014 and Kshs.10,853,959.35 remitted to various banks on their behalf in respect of loan recoveries. Although this was attributed to payments made to staff that were yet to be allocated personal numbers and those employed on

temporary terms, the payroll department did not maintain manual payrolls to support these payments.

- (iv) The list of staff taken over from the defunct Local Authorities, National Government and those employed during the year was not provided. The payment of salaries and deduction from employees for various institution for the months of April, May and June 2014 of Kshs.150,000,000, Kshs.152,000,000 and Kshs.13,200,000 respectively were made without support documentation to indicate how the salaries and deduction were arrived at and the payment vouchers were not numbered as required.
- (v) The salaries and remuneration commission circular Reference SRC/TS/CGOVT/3/61 dated 20 August 2013 provided that county executive committee members be allocated a motor vehicle of engine capacity not exceeding 1,800 cc. The circular further provided that prior to allocation of the said motor vehicle, the members be paid monthly commuter allowance of Kshs.20,000 each. However, it was noted that the members continued to draw the monthly allowance of Kshs.20,000 despite the fact that they have since been allocated official transport. This has led to an estimated overpayment of Kshs.1,200,000 as at 30 June 2014. **(APPENDIX II)**
- (vi) Section E.13 (1) of the County Public Service Manual prohibits officers from over-committing their salaries and that no salary deduction will be effected beyond two thirds of an officer's basic salary. In the payroll month of March 2014, thirty seven employees suffered deductions in excess of this set limit. **(APPENDIX III)**
- (vii) As part of the internal controls, it is a requirement that reconciliation between payroll and human resource records be carried out on a regular basis. However, the human resource department has not put in place vital records such as approved employee list and personal files.
- (viii) Uniform allowances of Kshs.4.8 million were paid to medical staff in the payroll month of March 2014. A circular to support this payment was not made available for audit verification.
- (ix) The entity is required to put in place a backup of its data which should be stored in a secure offsite storage facility. However, the payroll department was unable to make available payrolls for the period July and November 2013 citing loss of data.

Recommendation

Management should manage the payroll functions in accordance with the Human Resource Policy of the County and develop vital internal control payroll systems.

5.3 Expired Contract for Consultancy Service (Ministry of Trade)

The Ministry of Trade contracted a consultant from 1 August 2013 to 31 October 2013 at a monthly consultancy fee of Kshs.143,748. It was however observed that even after the expiry of the contract in October 2014, the Consultant continued to draw the monthly

consultancy fee of Kshs.143,748 for eight months to 30 June 2014 leading to an irregular payment of Kshs.1,149,948. Further it was not explained how the consultant was identified.

It was also noted that various consultants were contracted for the various projects that the department was undertaking and as such the position of the Project Coordinator was irrelevant in the months after October 2013.

Further, 5 casuals were engaged at the Homa Bay Feeds Industry with a total salary of Kshs.41,000 per month. It was however not clear how they were hired, what they do and for what period they will be at the factory.

Recommendation

Contract agreement should be signed by both parties and be strictly observed and the irregular payment of Kshs.1,149,948 should be recovered.

6.0 EXPENDITURE

6.1 Weaknesses in the Processing of Imprest

The County imprest processing was noted to be done without proof of authorization by the AIE holder, certification by the vote book accountant, and the payment of casual wages who ought to be paid through bank accounts. Further, imprest register in use did not have information on, employee personal number, date when imprest is due for surrender, details of the AIE holder and department/branch, amounts surrendered in cash, or in receipted bills and outstanding balance or amounts recovered from salary in event of default and surrendered imprest. Also the voucher number was not indicated in the register.

Recommendation:

The management should ensure that all necessary information in the processing of imprest is entered in the register and is updated as required.

7.0 CASH AND BANK BALANCE

The cash books were not updated on a daily basis as required. As at the time of audit in January 2015, the bank accounts of development account-CBK had only been posted up to June 2014 but were not reconciled, while the recurrent account at CBK and standing imprest account at Co-operative bank had been posted up to March 2014 and were without the details of transaction date, allocation/code of the transaction, voucher no, Chq/Ref number.

The county revenue fund account at CBK, revenue collection account at Kenya Commercial Bank and development account at Kenya Commercial Bank cash books were not maintained.

Also, due to weaknesses in the entity's filing system, the following bank statements were missing:

- (i) County Revenue Fund-CBK a/c 1000171065 - for the period 1 April 2013 to 2 July 2013, 6 June 2014 to 30 June 2014.

(ii) Recurrent account-CBK a/c 1000170627 - for the period April to 30 June 2014.

(iii) Development account-CBK a/c 1000170611 for the period 21 May to 30 June 2014.

(iv) Development account number 11408005649-KCB for the period October 2013 to 30 June 2014.

Recommendation

The updating of all the cashbooks and reconciliations be done regularly and the recording system should be improved including availing missing bank statements for review and future reference.

8.0 NON MAINTENANCE OF DEBTORS LEDGER

The County government did not avail the debtors Ledger and therefore, it was difficult to establish the correct position of the debtors during the period covered by the audit.

Recommendation

The management to ensure that the debtors Ledger is kept and maintained.

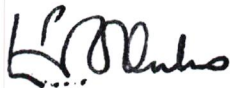
9.0 NON MAINTENANCE OF CREDITORS LEDGER

The County government did not maintain the creditors' ledger as required and therefore, it was difficult to establish the amount owed by the county.

However from the correspondence, it was noted that the county Government was required to settle the outstanding contribution for defunct local Authorities staff amounting to Kshs.34,075,806.70. **See Appendix IV**

Recommendation

The County Government should ensure that the creditors' Ledger is kept and maintained.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

28 May 2015

Homa Bay County Executive

Appendix I

Doctors on payroll not on list provided

Payrollnum	Name	Feb	Jan	Feb	Mar	Apr	May	Jun	Total	
		Gender	Gross Pay	Gross Pay	Gross Pay	Gross Pay	Gross Pay	Gross Pay		
1	1984106189	Otongo Thomas Nyamache	M	262,270.00	262,270.00	262,270.00	338,608.80	262,270.00	262,270.00	1,649,958.80
2	1991097309	Odago Joseph Oduor	M	268,172.00	268,172.00	274,249.00	369,421.10	274,249.00	274,249.00	1,728,512.10
3	1998043686	Mokaya Evans Nyasimi	M	178,290.00	178,290.00	178,290.00	275,390.05	178,290.00	178,290.00	1,166,840.05
4	2001060207	Odero Nicholas Agai	M	234,235.00	234,235.00	234,235.00				702,705.00
5	2003062425	Omondi Samuel Owino	M	229,235.00	229,235.00	229,235.00	381,283.20	229,235.00		1,298,223.20
6	2005061792	Chweya Bob Onkoba	M	150,190.00	150,190.00	150,190.00	257,657.20	150,190.00	150,190.00	1,008,607.20
7	2007014173	Ongas Magdalene Anyango	F	163,590.00	163,590.00	166,140.00	228,518.40	166,140.00	166,140.00	1,054,118.40
8	2009045502	Osolo Eric Ongesa	M	132,600.00	134,590.00	134,590.00	169,359.40	134,590.00	134,590.00	840,319.40
9	2010008610	Oreng Michael Adhiambo	M	129,600.00	129,600.00	129,600.00	209,561.40	129,600.00	129,600.00	857,561.40
10	2010011752	Obong Elisha Omondi	M	144,880.00	144,880.00	144,880.00	257,617.00	144,880.00	144,880.00	982,017.00
11	2010012669	Odhiambo Eric	M	142,660.00	144,880.00	144,880.00	196,793.30	144,880.00	144,880.00	918,973.30
12	2011007358	Mwenda Valerian	M	142,660.00	142,660.00	142,660.00	185,027.90			613,007.90
13	2011007366	Kairu Joshua Mburu	M	142,660.00	142,660.00	142,660.00	181,583.60	144,880.00	144,880.00	899,323.60
14	2011007374	Rua Sammy Mwateia	M	142,660.00	142,660.00	142,660.00	234,739.60	142,660.00		805,379.60
15	2011007382	Mutai Victor Kiplangat	M	142,660.00	142,660.00	142,660.00	228,860.80	142,660.00	142,660.00	942,160.80
16	2012014869	Manani Aggrey Mokaya	M	127,710.00	127,710.00	127,710.00				383,130.00
17	2012016725	Onanga Ephraim Oluoch	M	127,710.00	127,710.00	127,710.00	167,192.40	129,600.00	129,600.00	809,522.40
18	2012018701	Anangwe Duncan Nandichi	M	130,710.00	130,710.00	130,710.00	171,447.40	132,600.00	132,600.00	828,777.40
19	2013014905	Mokoro Dickson Oginda	M	125,910.00	125,910.00	125,910.00	165,834.60	127,710.00	34,056.00	705,330.60
20	2013015828	Patel Ruchirbhai Mahendrabhai	M	125,910.00	125,910.00	125,910.00	160,275.40	127,710.00	34,056.00	699,771.40
21	2013015924	Athembo Rebby Dorothy Awuor	F	125,910.00	125,910.00	125,910.00	160,275.40	127,710.00	34,056.00	699,771.40
22	2013016683	Dulo Charles Olang	M	125,910.00	125,910.00	125,910.00	160,275.40	127,710.00	34,056.00	699,771.40
Total				3,496,132.00	3,500,342.00	3,508,969.00	4,499,722.35	3,017,564.00	2,271,053.00	20,293,782.35

Homa Bay County Executive
Appendix II

Payment of commuter allowances to CEC Members

Payrollnum	Name	January	February	March	April	May	June
20130018996	Okello Dorothy Atieno	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
20130019000	K'Oriko Nicholas Obuya	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
20130019019	Oyomo Beatrice Akinyi	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
20130019028	Ogweno Pharesh Ratego	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
20130019037	Migowa Consolata Yambo	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
20130019046	Ogada Tom Peter	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
20130019055	Oyoo Lawrence Oteng'	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
20130019064	Okeyo Odiwuor David	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
20130019073	Pius Naphtaly Mattah	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
20130019082	Ochieng Eliud Otieno	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Total		200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00

Homa Bay County Executive
Appendix III

Employees with Overcommitted salaries
March 2014 payroll

Payrollnum	Gross Pay	Deductions	Net Pay	Basic Pay	third of Basic	Overcommitted	
1	1995058404	84,590.00	94,341.50	(9,751.50)	41,590.00	13,863.33	(23,614.83)
2	1989082047	69,200.00	78,726.60	(9,526.60)	34,200.00	11,400.00	(20,926.60)
3	1990099471	85,880.00	89,967.20	(4,087.20)	45,880.00	15,293.33	(19,380.53)
4	2002028313	81,710.00	87,912.05	(6,202.05)	37,710.00	12,570.00	(18,772.05)
5	1990029492	68,590.00	69,715.75	(1,125.75)	50,590.00	16,863.33	(17,989.08)
6	1989127643	77,840.00	76,088.15	1,751.85	58,840.00	19,613.33	(17,861.48)
7	2009105718	55,895.00	60,007.80	(4,112.80)	25,895.00	8,631.67	(12,744.47)
8	1992021806	80,760.00	81,498.50	(738.50)	35,910.00	11,970.00	(12,708.50)
9	1997091987	80,760.00	81,414.05	(654.05)	35,910.00	11,970.00	(12,624.05)
10	2009136361	56,139.00	59,873.40	(3,734.40)	20,289.00	6,763.00	(10,497.40)
11	1989144904	34,180.00	34,131.60	48.40	27,180.00	9,060.00	(9,011.60)
12	2002031942	83,600.00	79,366.95	4,233.05	39,600.00	13,200.00	(8,966.95)
13	1993060992	84,590.00	79,554.05	5,035.95	41,590.00	13,863.33	(8,827.38)
14	1993069116	69,910.00	66,106.50	3,803.50	35,910.00	11,970.00	(8,166.50)
15	1990102745	84,760.00	80,395.95	4,364.05	35,910.00	11,970.00	(7,605.95)
16	1989030804	28,304.00	27,745.20	558.80	21,304.00	7,101.33	(6,542.53)
17	2007057967	58,520.00	55,442.50	3,077.50	28,520.00	9,506.67	(6,429.17)
18	1987008801	79,050.00	73,274.00	5,776.00	34,200.00	11,400.00	(5,624.00)
19	1982054849	98,510.00	89,115.05	9,394.95	43,660.00	14,553.33	(5,158.38)
20	1978123220	28,304.00	26,120.00	2,184.00	21,304.00	7,101.33	(4,917.33)
21	2009120213	51,395.00	47,649.85	3,745.15	25,895.00	8,631.67	(4,886.52)
22	1979034741	31,323.00	29,709.60	1,613.40	19,323.00	6,441.00	(4,827.60)
23	1984057021	86,880.00	76,392.85	10,487.15	45,880.00	15,293.33	(4,806.18)
24	1986068515	71,710.00	63,931.35	7,778.65	37,710.00	12,570.00	(4,791.35)
25	1986071306	47,710.00	39,896.15	7,813.85	37,710.00	12,570.00	(4,756.15)
26	1986122181	26,589.00	23,854.05	2,734.95	20,289.00	6,763.00	(4,028.05)
27	2004009488	73,910.00	65,825.60	8,084.40	35,910.00	11,970.00	(3,885.60)
28	1989059777	80,760.00	72,481.25	8,278.75	35,910.00	11,970.00	(3,691.25)
29	2001054662	98,510.00	87,513.90	10,996.10	43,660.00	14,553.33	(3,557.23)
30	2009131947	51,395.00	45,515.55	5,879.45	25,895.00	8,631.67	(2,752.22)
31	1994053914	82,760.00	73,471.20	9,288.80	35,910.00	11,970.00	(2,681.20)
32	1986079388	76,840.00	60,783.40	16,056.60	55,840.00	18,613.33	(2,556.73)
33	1992020583	95,510.00	83,215.55	12,294.45	43,660.00	14,553.33	(2,258.88)
34	1980033083	28,827.00	25,031.70	3,795.30	17,527.00	5,842.33	(2,047.03)
35	2007066607	16,270.00	14,471.50	1,798.50	11,370.00	3,790.00	(1,991.50)
36	1982097740	27,604.00	22,153.20	5,450.80	21,304.00	7,101.33	(1,650.53)
37	1988092617	27,604.00	21,952.75	5,651.25	21,304.00	7,101.33	(1,450.08)

PPENDIX IV		
Local Authority Provident Fund demand for outstanding contributions		
Defunct Councils	As at 31st March 2013	As at 30th September 2014
	Kshs.	Kshs.
Oyugis T C	3,228,119.80	5,495,667.70
Homa Bay C C	8,777,277.90	15,450,502.70
Rachuonyo C C	6,332,167.40	11,413,355.20
Suba C C	5,459,745.90	9,294,852.30
Mbita T C	3,770,272.50	6,373,551.60
Kendu Bay T C	1,736,867.20	2,956,900.10
Total	20,527,172.80	34,075,806.70