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SIXTH REPORT

OF THE

PUBLIC INVESTMENTS COMMITTEE

ON THE ACCOUNTS OF

STATE CORPORATIONS

VOLUME II

1995

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TREASURY MEMORANDUM

ON THE

IMPLEMENTATION STATUS

ON THE FIFTH REPORT

OF THE

PUBLIC INVESTMENTS COMMITTEE

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ANNEX - D

TREASURY MEMORANDUM

INTRODUCTION

The Treasury Memorandum on the implementation status of the Fifth Report of Public Investments Committee on the audited accounts of the State Corporations is being presented herewith. This is the Third Treasury Memorandum since the Committee identified Treasury to prepare and submit such a report on regular basis.

The Memorandum contains the exact recommendations of the Committee as adopted by Parliament. The status of implementation is given immediately after each recommendation for ease of discussions.

In order to ensure that the recommendations and resolutions of the Committee are implemented, the Treasury will make a follow-up with the relevant Chief Executives of the various parastatals after the adoption of the Sixth Report with the view to preparing the next Memorandum on time, ready for the next Public Investments Committee's deliberations.

The Treasury Memorandum is hereby printed for discussions and adoption.

KENYA POSTS AND TELECOMMUNICATIONS CORPORATION

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA POSTS AND TELECOMMUNICATIONS CORPORATION FOR THE YEAR ENDED 30 JUNE, 1992

RECOMMENDATION:

1.0. SHORT TERM DEPOSITS

The Committee recommends that disciplinary measures, including surcharge in accordance with Section 19 of the State Corporations Act (Cap.446), should be taken against the then Chief Executive for failing to obtain prior approval of the Board when investing these funds.

The Committee further recommends that the Chief Executive should use all possible means, including litigation, with a view to recovering the outstanding amounts owed by the two financial institutions. The Committee also recommends that the Chief Executive should strictly adhere to the Treasury regulations by investing any surplus funds in Treasury bills and bonds.

STATUS: The matter is being followed up with the Inspector of State Corporations and the Managing Director has confirmed that future investments are being done following Treasury Regulations.

2.0. FORMER KENEXTEL DEPOSITS

The Committee recommends that the Chief Executive should submit a detailed account to the Auditor-General (Corporations) of the work done by Kangwana and Company Advocates for evaluation. The Committee further recommends that future legal negotiations should be finalised expeditiously.

STATUS: The submission has not been done and Treasury is following up with the Corporation.

3.0. STOCKS

The Committee recommends that the Chief Executive should submit a complete analysis of the stores in transit valued at Kshs.432,870,761.30 and the underestimated/ overestimated figure of Kshs.44,269,750.00 to the Auditor-General (Corporations) by Friday, 19th August, 1994. The Committee further recommends that the Chief Executive should plan and maintain the stocks at acceptable levels.

STATUS: The complete analysis has not been accomplished. The matter is still being followed up.

4.0. CASH MANAGEMENT

The Committee recommends that the Chief Executive should recover the outstanding balance from Trans National Bank and that the former Chief Executive and any other officers involved in this transaction should be surcharged in full in accordance with Section 19 of the State Corporations Act (Cap.446) for the difference between the interest rate charged on deposits and the interest rate charged on the overdrafts. The Committee further recommends that the Chief Executive should strictly adhere to the Treasury regulations by investing any surplus funds in Treasury bills and bonds.

STATUS: The Corporation confirms that Treasury regulations are being adhered to. The surcharge issue is still being pursued with inspector of State Corporations.

5.0 CREDITS

The Committee recommends that the Chief Executive must remit the balance and all future statutory deductions directly to the organisations concerned without failure. The Committee further recommends that the Chief Executive should strictly adhere to the agreed payment schedule between the Corporation and the Treasury.

STATUS: The Chief Executive confirms that statutory deductions are being remitted and that the recommendation is being adhered to.

6.0. LOANS

The Committee recommends that the Chief Executive should strictly adhere to the agreed repayment schedules and that the Treasury should always ensure that on-lending agreements are promptly signed and executed. The Committee further recommends that the Chief Executive should ensure that the Corporation services all its loans when due.

STATUS: The Corporation is now servicing loans as they fall due and on-lending agreements are up to date.

7.0. PENSION LIABILITY FUND

The Committee recommends that the Chief Executive should hasten the formation of the Trust Fund to manage the staff pension separately. The Committee further recommends that the Chief Executive should ensure that the pension fund has adequate money to take care of any unforeseen pensioners' requirements.

STATUS: A draft deed has been completed and the corporation confirms that all steps are being taken to ensure that pensioners' requirements are being met.

8.0. WORKING CAPITAL

The Committee recommends that the anomaly should be rectified without delay in order to reflect the correct position in the 1992/93 books of account.

STATUS: The Corporation confirms that the recommendation has been implemented.

9.0 POSTA HOUSE

The Committee recommends that the Chief Executive should expedite the completion of the building in order to avoid further escalation of the costs. The Committee further recommends that the Chief Executive should have proper assessment of the needs of the Corporation before committing public funds to waste.

STATUS: The Chief Executive is actively ensuring that the Posta house is completed as recommended. Proper assessment of the needs of the corporation are being done.

9.1

The Committee recommends that the former Chief Executive, Mr. Kipng'eno arap Ng'eny, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446) for re-appointing Mr. Ndarua on superfluous terms of service. The Committee further recommends that the Attorney-General should institute civil proceedings against Mr. Ndarua with a view to recovering Kshs.8,412,998.25 paid to him on superfluous terms of service.

STATUS: The matter is being followed up with the Corporation and the Inspector of State Corporations and the Attorney General.

10.0. NUGATORY PAYMENTS

The Committee recommends that the former Chief Executive, Mr. Kipng'eno arap Ng'eny, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446) for allowing the Corporation to incur nugatory payments through the hiring of this former employee, Mr. Ndarua. The Committee further recommends that the Chief Executive should immediately furnish the Attorney-General with all relevant information pertaining to this irregular employment with a view to enabling the Attorney-General to institute criminal proceedings against all the officers involved in the fraudulent transaction. The Committee also recommends that the Attorney-General should institute criminal and civil proceedings against Mr. Ndarua with a view to recovering the Kshs.46 million paid to him on superfluous terms of service.

STATUS: The latest on this recommendation will be known by the end of January 1996.

11.0 DORMANT PROJECTS

The Committee recommends that the Chief Executive should properly plan and prioritise the needs of the Corporation. The Committee further recommends that the Chief Executive should endeavour to complete the five stalled projects to avoid further escalation of the building costs.
The Committee also recommends that in future, the Corporation should first identify the source of funding before commencement of feasibility/consultancy study on any project to avoid wastage of public funds.

STATUS: ***The Corporation confirms that the recommendation is being adhered to. Projects are being undertaken when funding is clear.***

12.0 PURCHASE OF MOTOR VEHICLES

The Committee recommends that the Chief Executive should strictly adhere to the Treasury guidelines contained in Treasury Circular No.3 of 1987.

STATUS; The Corporation confirms that the recommendation is being adhered to.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA POSTS AND TELECOMMUNICATIONS CORPORATION FOR THE YEAR ENDED 30 JUNE, 1993

13.0 SHORT-TERM DEPOSITS

The Committee recommends that the former Chief Executive, Mr. Kipng'eno arap Ng'eny, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446) for investing such huge amounts of money contrary to the existing Government instructions.

The Committee further recommends that the Chief Executive should ensure that all the deposits are recovered promptly on maturity. The Committee also recommends that the Chief Executive should strictly adhere to the financial regulations by investing any surplus funds in Treasury bills and bonds.

STATUS: ***The status is as reported in the proceeding year.***

14.0 SALE OF LAND

The Committee recommends that the former Chief Executive, Mr. Kipng'eno arap Ng'eny, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446) for committing the Corporation's Kshs.83,326,756.15 as consultancy fees for the abandoned project.

The Committee further recommends that the Chief Executive should reassess the sale of the 60 acres with a view to obtaining the necessary appropriate approvals from the relevant authorities before the transfer is effected.

STATUS: ***The matter is being followed up with the Corporation and the Inspectorate of State Corporations.***

15.0 STOCKS

The Committee recommends that the Chief Executive should reflect the correct position in the 1993/94 accounts and strictly adhere to the Kenya Accounting Standard No.17.

STATUS: ***The recommendation has been implemented.***

15.1

The Committee recommends that the Chief Executive should complete the reconciliation exercise by 30th November, 1994 and submit the necessary details to the Auditor-General (Corporations) for verification by the same date.

STATUS: ***The recommendation has been implemented.***

15.2

The Committee recommends that the Chief Executive should plan and maintain the stocks at acceptable levels. The Committee further recommends that the Chief Executive should make provisions for the obsolete stocks in the 1993/94 accounts.

STATUS: ***The Corporation confirms that the provision has been made in the 1993/94 accounts.***

16.0 CASH AND BANK BALANCE

The Committee recommends that the Chief Executive should take disciplinary action, including reprimand, against the officer(s) responsible for the submission of this information for audit purposes. The Committee further recommends that the Chief Executive should ensure that the relevant information to account for the balance of Kshs.231,150,029.70 is submitted to the Auditor-General (Corporations) by 15th February, 1995 for verification.

STATUS: ***The Corporation confirms that the recommendation has been implemented.***

17.0 CREDITORS

The Committee recommends that the settlement of the statutory deductions should be expedited and that any future deductions to the organisations concerned should be remitted without fail.

STATUS: *The Corporation confirms that delays that existed hitherto in payments to creditors have since been resolved.*

18.0 LOANS

The Committee reiterates its earlier recommendation under paragraph 6.0 that the Chief Executive should strictly adhere to the agreed repayment schedule. The Committee further recommends that the Chief Executive should ensure that the Corporation services all its loans when due.

STATUS: *The Corporation confirms that it is servicing all its loans when due.*

19.0 PENSION LIABILITY FUND

The Committee reiterates its earlier recommendation under paragraph 7.0 of 1991/92 accounts that the Chief Executive should hasten the formation of the Trust Fund to manage the staff pension separately. The Committee further recommends that the Chief Executive should ensure that the pension fund has adequate money to take care of any unforeseen pensioners' requirements.

STATUS: *The Corporation confirms that Pensioner's requirements are being met and that the deed is being prepared as required.*

20.0 WORKING CAPITAL

The Committee recommends that the Chief Executive should reprimand the officer(s) involved and ensure that the Corporation maintains accurate and up to date books of account.

STATUS: *The Corporation confirms that accounts and up to date books of account are being maintained.*

21.0 POSTA HOUSE

The Committee reiterates its earlier recommendation under paragraph 9.0 of 1991/92 accounts that the Chief Executive should expedite the completion of the building in order to avoid further escalation of the costs. The Committee further recommends that the Chief Executive should have proper assessment of the needs of the Corporation before committing public funds to waste.

STATUS: *The Corporation confirms that the recommendation is being adhered to.*

22.0 NUGATORY PAYMENTS

The Committee reiterates its earlier recommendation under paragraph 10.0 of 1991/92 accounts that the former Chief Executive, Mr. Kipng'eno arap Ng'eny, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446) for allowing the Corporation to incur nugatory payments through the hiring of this former employee, Mr. Ndarua. The Committee further recommends that the Chief Executive should immediately furnish the Attorney-General with all relevant information pertaining to this irregular employment with a view to enabling the Attorney-General to institute criminal proceedings against all the officers involved in the fraudulent transaction. The Committee also recommends that the Attorney-General should institute criminal and civil proceedings against Mr. Ndarua with a view to recovering the money amounting to Kshs.94,872,716.30 paid to him on superfluous terms of service.

STATUS: ***The matter is still being followed up by the Corporation, the Inspectorate of State Corporations and the Attorney General's Chambers.***

23.0 DORMANT PROJECTS

The Committee reiterates its earlier recommendation under paragraph 11.0 of 1991/92 accounts that the Chief Executive should properly plan and prioritise the needs of the Corporation. The Committee further recommends that the Chief Executive should endeavour to complete the five stalled projects to avoid further escalation of the building costs. The Committee also recommends that the Chief Executive should in future identify the source of funds before commencement of feasibility/consultancy study on any project to avoid wastage of public funds.

STATUS: ***The recommendation is being adhered to.***

24.0 PROPERTY PURCHASE

The Committee recommends that the Chief Executive should ensure that the first batch of 88 flats are habitable and occupied by March, 1995. The Committee further recommends that the Chief Executive should take the necessary steps to complete the remaining 88 flats to avoid further escalation of the building costs. The Committee also recommends that the Chief Executive should immediately get the title of the property.

STATUS: ***The Corporation confirms that work is in progress to make the 88 flats habitable.***

25.0 DEBTORS SERVICE

The Committee recommends that the Chief Executive should ensure that the Corporation collects all the debts when due.

STATUS: ***The Corporation confirms that all debts are being collected when due as recommended.***

26.0 APPOINTMENT OF PRIVATE AUDITORS

The Committee recommends that the Chief Executive should liaise with the Treasury and avail the special management audit report by Price Waterhouse to the Auditor-General (Corporations) by 30th January, 1995 with a view to enabling him to assess whether or not the expenditure of over Kshs.4,000,000.00 was justifiable.

STATUS: ***The actual status has not been given and Treasury is following up the matter.***

AGRICULTURAL FINANCE CORPORATION

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE AGRICULTURAL FINANCE CORPORATION FOR THE YEAR ENDED 30 JUNE, 1992

27.0 RESTRUCTURING

The Committee recommends that the Chief Executive and the parent Ministry, in consultation with the Treasury, should expedite the evaluation of the recommendations submitted by the consultants and take the necessary action before 30th June, 1995.

STATUS: ***The evaluation was done by AFC, parent Ministry and the Ministry of Finance and a Cabinet Memorandum prepared and forwarded in January 1995.***

28.0 LOANS TO FARMERS

The Committee recommends that the Chief Executive, in liaison with the parent Ministry, should take all the necessary measures to recover all the outstanding loans. The Committee further recommends that the Chief Executive, in liaison with the parent Ministry, should institute the necessary machinery in order to amend Section 22 of the Agricultural Finance Corporation Act (Cap.323) to facilitate prudent business practices with the loanees, particularly on matters relating to second charge of property.

STATUS: ***The Corporation confirms that loan recovery efforts have been intensified and K£ 36,300,000 recovered in 1992/93 as compared to K£ 23,900,000 in 1991/92. Efforts continue and amendment of section 22 is in process.***

29.0 SCC AGENCY COMMISSION

The Committee recommends that the Chief Executive should liaise with the parent Ministry in order to resolve the issue by 31st December, 1994, with regard to the rate of commission the Corporation should charge.

STATUS: ***This has not been finalised and the same is expected to be completed during the agreed financial restructuring.***

30.0 REDEEMABLE LOANS

The Committee recommends that the Chief Executive should liaise with the parent Ministry and the Treasury in order to expedite the restructuring process before 30th June, 1995 to enable the Corporation service the loans without delay.

STATUS: ***Cabinet approval is being awaited.***

31.0 SHORT-TERM DEPOSITS

The Committee recommends that the Chief Executive should ensure that the money is recovered in full by 31st March, 1995. The Committee further recommends that the Chief Executive should strictly adhere to the Treasury regulations by investing any surplus funds in Treasury bills and bonds.

STATUS: ***The Chief Executive confirms that the money has been recovered except for the deposit in the Agrarian Building Society where a court process is being followed.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE AGRICULTURAL FINANCE CORPORATION FOR THE YEAR ENDED 30 JUNE, 1993

32.0 RESTRUCTURING

The Committee reiterates its earlier recommendation under paragraph 1 of 1991/92 accounts that the Chief Executive and the parent Ministry, in consultation with the Treasury, should expedite the approval of the recommendations submitted by the consultants and take the necessary action before 30th June, 1995.

STATUS: ***As above in the previous year 1991/92.***

33.0 LOANS TO FARMERS

The Committee reiterates its earlier recommendation under paragraph 2 of 1991/92 accounts that the Chief Executive, in liaison with the parent Ministry, should take all the necessary measures to recover all the outstanding loans. The Committee further recommends that the Chief Executive, in liaison with the parent Ministry, should institute the necessary machinery in order to amend Section 22 of the Agricultural Finance Corporation Act (Cap.323) to facilitate prudent business practices with the loanees, particularly on matters relating to second charge of property.

STATUS: ***As above in the previous year 1991/92.***

34.0 SCC AGENCY COMMISSION

The Committee reiterates its earlier recommendation under paragraph 3 of 1991/92 accounts that the Chief Executive should liaise with the parent Ministry in order to resolve by 31st December, 1994, the issue with regard to the rate of commission the Corporation should charge.

STATUS: ***As above in the previous year 1991/92.***

35.0 REDEEMABLE LOANS

The Committee reiterates its earlier recommendation under paragraph 4 of 1991/92 accounts that the Chief Executive should liaise with the parent Ministry and the Treasury in order to expedite the restructuring process before 30th June, 1995 to enable the Corporation service the loans without delay.

STATUS: ***As above in the previous year 1991/92.***

36.0 SHORT-TERM DEPOSITS

The Committee reiterates its earlier recommendation under paragraph 5 of 1991/92 accounts that the Chief Executive should ensure that the money invested in Agrarian Building Society is recovered in full by 31st March, 1995. The Committee further recommends that the Chief Executive should strictly adhere to the Treasury regulations by investing any surplus funds in Treasury bills and bonds.

STATUS: ***As above in the previous year 1991/92.***

AGRICULTURAL FINANCE CORPORATION AGENCY SEASONAL CROP CREDIT

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF SEASONAL CROP CREDIT SCHEMES FOR THE YEAR ENDED 30 JUNE, 1992

37.0 AGENCY COMMISSION

The Committee recommends that the Chief Executive should liaise with the parent Ministry and the Treasury with a view to finalising the rate of commission by 30th June, 1995.

STATUS: ***The Commission has not been agreed as the same is still awaiting cabinet approval of the Financial Restructuring.***

38.0 LOANS

The Committee recommends that the Chief Executive should liaise with the parent Ministry and the Treasury in order to complete the restructuring process by 30th June, 1995 to enable the Corporation service its loans without undue delay.

STATUS: ***The Cabinet Memorandum is still awaiting approval in order to complete the restructuring.***

KENYA RAILWAYS CORPORATION

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA RAILWAYS CORPORATION FOR THE YEAR ENDED 30 JUNE, 1993

39.0 FINANCIAL POSITION

The Committee recommends that the Chief Executive should ensure that the Corporation always complies with the Kenyan Accounting Standard No.9. The Committee further recommends that the Chief Executive should ensure that all interest on external loans is charged to the Revenue Account and the true position reflected in the 1993/94 accounts. The Committee also recommends that the Chief Executive should liaise with the Treasury on the rescheduling of the on-lent loans with a view to servicing them promptly thereafter.

STATUS: *The Corporation confirms that the recommendation has been implemented in full.*

40.0 FIXED ASSETS - LAND

The Committee recommends that the Chief Executive must expedite the survey and valuation of all the unsurveyed pieces of land the Corporation owns by 30th June, 1995 and include their value in the books of account. The Committee further recommends that details regarding the progress of the valuation as at 31st December, 1994 should be submitted to the Auditor-General (Corporations) for verification.

STATUS: *The Corporation confirms that it is vigorously pursuing the survey and valuation but the process is not completed as per deadline. The progress report has been submitted as recommended.*

41.0 NET PUBLIC DEBT

Taking into consideration the recurring errors and mix-up in the Corporation's account, the Committee recommends that the Chief Executive should over-haul the Accounts Section of the Corporation with a view to making it more effective. The Committee further recommends that the Chief Executive should ensure that the Corporation services its loans promptly. The Committee also recommends that the Chief Executive should personally ensure that the remaining one on-lending agreement between the Corporation and the Treasury is signed by 30th August, 1994 and details submitted to the Auditor-General (Corporations) by the same date for verification.

STATUS: *The Corporation confirms having made changes in the accounts section. Loans are being serviced promptly except at times when cash flow problems arise due to fall in revenue due to road and pipeline competitors. The on-lending agreements has been signed.*

42.0 DEBTORS

The Committee recommends that the Chief Executive should take all necessary steps, including legal action, against the debtors and ensure that the outstanding debts are recovered in full by 30th June, 1995. The Committee further recommends that the Chief Executive should recover the Kshs.12,565,743.00 from the University of Nairobi and that the affairs and operations of Ms Numerical Machinery Complex should be clearly demarcated and separated from those of the Corporation. The Committee also recommends that the Chief Executive should strengthen the Corporation's debt recovery system in order to avoid such outstanding debts.

STATUS: ***The Corporation confirms that debt collection continues to be pursued vigorously but all the money has not been recovered. Debt recovery has been strengthened. Out of the Kshs. 12,500,000.00 owed, Kshs. 10,000,000.00 million had been paid.***

EAST AFRICAN FINE SPINNERS LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF EAST AFRICAN FINE SPINNERS LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

43.0 FINANCIAL POSITION

The Committee noted that the Company was earmarked for sale under the Parastatal Reform Programme and therefore recommends that the Receiver/Manager should expedite the sale of the Company in order to avoid further losses.

STATUS: ***The Company has since been sold in 1995 to M/S Bedi Investments Ltd through receivership.***

44.0 DIRECTORS EMOLUMENTS AND EXPENSES

The Committee recommends that the then members of the Board of Directors should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446). The Committee further recommends that the Board of Directors should always operate within the Treasury guidelines. The Committee also recommends that the Receiver/Manager should expedite the sale of the Company.

STATUS: ***The surcharge matter has not been done and the process is still being examined.***

45.0 IRREGULAR PAYMENTS

The Committee recommends that the Department of Government Investments and Public Enterprises in the Treasury should exercise more control and provide adequate guidelines to such corporations, especially with reference to staff remuneration and terms of service during the transition period from private concerns to public corporations and vice-versa. The Committee further recommends that the Receiver/Manager should expedite the sale of the Corporation.

STATUS: ***The Investment Secretary confirms that more control and guidelines are being provided as recommended. The Corporation has since been sold.***

BOMAS OF KENYA

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF BOMAS OF KENYA LIMITED FOR THE YEAR ENDED 30 JUNE, 1993

46.0 ACCURACY OF THE ACCOUNTS

The Committee recommends that the Chief Executive should reflect the debit difference of Kshs.76,632.00 in the 1993/94 accounts. The Committee further recommends that the Chief Executive should minimise the use of suspense accounts.

STATUS: ***The Chief Executive confirms that the recommendation has been implemented in full. The debit difference has been corrected and the suspense account is no longer being used.***

47.0 GOING CONCERN

The Committee recommends that the Chief Executive should make a follow up with the parent Ministry and the Treasury in order to ensure that the terms and reference of the feasibility study are elaborated and approved in the context of the restructuring of the Corporation. The Committee further recommends that the Chief Executive should diversify the revenue base of Bomas of Kenya in commercially viable and sustainable income generating projects.

STATUS: ***The Chief Executive confirms having followed up the recommendation and received Treasury approval. Consultants submitted interim report on 8th August, 1995. The revenue base is being diversified.***

KENYA BROADCASTING CORPORATION

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA BROADCASTING CORPORATION FOR THE YEAR ENDED 30 JUNE, 1991

48.0 STOCK BALANCE

The Committee recommends that the Chief Executive should reconcile the difference of Kshs.1,297,276.00 and submit the details to the Auditor-General (Corporations) by 30th September, 1994 for verification.

STATUS: ***The Corporation confirms that the recommendation was made and details submitted to Auditor- General (Corporations) and this led to a clean report in 1991/92.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA BROADCASTING CORPORATION FOR THE YEAR ENDED 30 JUNE, 1992

STATUS: ***Clean report and hence no further action required.***

NYAYO TEA ZONES CORPORATION

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NYAYO TEA ZONES CORPORATION FOR THE YEAR ENDED 30 JUNE, 1992

49.0 UNSUPPORTED EXPENDITURE

The Committee recommends that the Chief Executive should ensure that the balance of Kshs.15,347,795.70 is accounted for by 30th August, 1994. The Committee further recommends that failure to vouch for this expenditure by the given deadline, the parent Ministry should immediately recover the money from the various District Commissioners who were responsible for the expenditure at that material time.

STATUS: ***The management confirms that the recommendation has been implemented.***

50.0 LOSS OF REVENUE

The Committee, while noting the gravity of the matter, concluded that there was a prima facie case of fraud in the sale of the forest produce and recommends that the Attorney-General should immediately prosecute all the officers involved in any fraudulent activities. The Committee further recommends that the Auditor-General (Corporations) should carry out a special audit with regard to the loss of revenue from forest produce and any other matter incidental thereof in accordance with Section 31 (3) of the Exchequer and Audit Act (Cap.412) by 30th June, 1995. The Committee also recommends that the then District Accountant, Bungoma, should account for the balance of Kshs.27,000.00 by 30th June, 1995, failure to which the amount should be recovered from the officers involved. Finally, the Committee recommends that the Chief Executive should institute measures to ascertain that revenue from the sale of forest produce is properly accounted for.

STATUS: ***The matter is still being pursued for prosecution and recovery.***

51.0 REHABILITATION OF CRAWLERS

The Committee recommends that the Chief Executive should strictly adhere to the Treasury regulations with regard to awarding of contracts. The Committee further recommends that the Chief Executive should reprimand the officer(s) who opted for single sourcing without seeking prior approval from the Treasury.

STATUS: ***Treasury regulations are now being adhered to and the practice of officers opting for single sourcing has been stopped.***

52.0 IMPRESTS

The Committee recommends that the Chief Executive should take disciplinary action against the officer(s) who failed to recover these imprests when due. The Committee further recommends that the Chief Executive should recover the balance of Kshs.312,239.95 in full and strictly adhere to the regulations with regard to the issuance and surrender of imprests.

STATUS: ***The balance of the imprest is being recovered.***

NATIONAL SOCIAL SECURITY FUND

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NATIONAL SOCIAL SECURITY FUND FOR THE YEAR ENDED 30 JUNE, 1991

53.0 EXTENSION TO SOCIAL SECURITY HOUSE - NAIROBI

The Committee recommends that the Chief Executive should take disciplinary action, including surcharge in accordance with Section 19 of the State Corporations Act (Cap.446), against the officer(s) who authorised the payment of acceleration fee before the actual work was completed. The Committee further recommends that since the work was completed four months after the contract date, despite the inducement and since the Fund did not claim weekly damages from the Contractor as stipulated under Clause 25 of the contract, the Permanent Secretary of the parent Ministry should ensure that the amount of Kshs.117,828,368.00 is recovered in full from the then Chief Executives, Messrs Philip Mulei, M.P. Kunguru and the then Members of the Board of Trustees.

STATUS: ***The management confirms having instructed the consultant to refund the money immediately and then thereafter take disciplinary action as recommended.***

54.0 TREASURY IMPREST - REIMBURSEMENT DUE TO GOVERNMENT

The Committee recommends that the Chief Executive should ensure that the Fund maintains correct and up to date accounts. The Committee further recommends that the Chief Executive should reflect the correct figures in the 1994/95 financial year.

STATUS: ***The imprest has been reconciled and all corrections made to reflect correct figures.***

55.0 STOCKS AND EQUITY SHARES UNQUOTED

The Committee recommends that the Chief Executive should follow up the matter and ensure that the amount of Kshs.22,230,000.00 is recovered in full by 30th June, 1995.

STATUS: ***The Fund took the matter to court and judgement has already been awarded and the Fund's lawyer is in the process of enforcing the judgement.***

56.0 MEMBERS' CONTRIBUTIONS

The Committee recommends that the Chief Executive should ensure that the exercise of reconciling the suspense account is completed by 30th June, 1995 and members' contributions credited to their individual accounts by the same date.

STATUS: ***The reconciliation is still on-going and has not yet been completed due to the large sums of money involved.***

57.0 BENEFIT PAYMENTS

The Committee recommends that the Chief Executive must complete the exercise of analysing the suspense account by 30th June, 1995 and ensure that the members' contributions are credited to their individual accounts by that date.

STATUS: ***This has not yet been completed due to the large sums involved and the age of the contributions.***

58.0 CASH AND BANK BALANCES

The Committee recommends that the Chief Executive should complete the analysis of the stale cheques totalling Kshs.13,513,250.00 by 30th June, 1995 and submit the details to the Auditor-General (Corporations) for verification. The Committee also recommends that the Chief Executive should always maintain up to date books of account.

STATUS: ***The analysis has been completed and details submitted to the Auditor General (Corporations) for verification.***

NZOIA SUGAR COMPANY LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NZOIA SUGAR COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1986

59.0 GOING-CONCERN

While noting the enormous amounts of money invested in this Company, the Committee recommends the following:-

(i) **That the on-going exercise to restructure the Company should be comprehensive and must be completed by 30th June, 1995.**

(ii) **That the recommendations of the Sugar Sector Rehabilitation Committee and the restructuring exercise should be implemented by the Government expeditiously.**

STATUS: ***The restructuring has not been done due to the dispute with Arkel International. The sugar sector study is still being evaluated by the Government.***

60.0 LOANS GUARANTEED BY GOVERNMENT

The Committee recommends that the on-going exercise to restructure the Company should be comprehensive and must be completed by 30th June, 1995. The Committee further recommends that the Sugar Sector Rehabilitation Committee and the restructuring exercise should be implemented by the Government expeditiously.

STATUS: ***The restructuring has not been completed as the evaluation by the Government is still going on.***

61.0 DEBTORS

The Committee recommends that the Chief Executive should take all the necessary steps, including litigation, and ensure that the debts are recovered in full. The Committee further recommends that the Chief Executive should submit details of the debts recovered, so far, to the Auditor-General (Corporations) by 31st December, 1994 for verification.

STATUS: ***The amount of Kshs. 63,067,230.00 due from farmers has been recovered and all staff miscellaneous debtors and details of the same submitted to Auditor General (Corporations)***

62.0 OBSOLETE STORES

The Committee recommends that the Permanent Secretary, Ministry of Finance and the Permanent Secretary, Ministry of Agriculture, Livestock Development and Marketing should recover the difference between the prevailing market price of the tractors at the time and the purchase price the Company paid by surcharging the officer(s) responsible for the negotiation of the agreement between the Government and the Company to the detriment of Nzoia Sugar Company.

STATUS: ***The recommendation has not yet been implemented as the surcharge is still being pursued.***

63.0 LOST GOODS

The Committee recommends that the Chief Executive should liaise with the Kenya Ports Authority with a view to expediting the settlement of the compensation out of court by 30th January, 1995 and submit the details to the Auditor-General (Corporations) for verification.

STATUS: ***Dispute referred to court under civil case No. 214 of 1990 which came up for hearing on 5th September 1995 and 9th October, 1995 and thereafter scheduled for January 1996.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NZOIA SUGAR COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1987

64.0 GOING CONCERN

While noting the enormous amounts of money invested in this Company, the Committee reiterates its earlier recommendation under paragraph 1 of 1985/86 accounts:-

(i) That the on-going exercise to restructure the Company should be comprehensive and must be completed by 30th June, 1995.

(ii) That the recommendations of the Sugar Sector Rehabilitation Committee and the restructuring exercise should be implemented by the Government expeditiously.

STATUS: ***Same as reported above under the year ended 30th June, 1996.***

65.0 LONG TERM LOANS

The Committee reiterates its earlier recommendation under paragraph 2 of 1985/86 accounts that the on-going exercise to restructure the Company should be comprehensive and must be completed by 30th June, 1995. The Committee further recommends that the recommendations of the Sugar Sector Rehabilitation Committee and the restructuring exercise should be implemented by the Government expeditiously.

STATUS: ***Same as reported above under the year ended 30th June, 1986.***

66.0 DEPOSITS FOR SHARES

The Committee recommends that the restructuring measures being undertaken should be expedited to enable the Company meet its future financial obligations.

STATUS: Restructuring process still being evaluated and a decision will soon be made.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NZOIA SUGAR COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1988

67.0 GOING CONCERN

While noting the enormous amounts of money invested in this Company, the Committee reiterates its earlier recommendation under paragraph 1 of 1986/87 accounts:-

(i) That the on-going exercise to restructure the Company should be comprehensive and must be completed by 30th June, 1995.

(ii) That the recommendations of the Sugar Sector Rehabilitation Committee and the restructuring exercise should be implemented by the Government expeditiously.

STATUS: Same as reported above under year ended 30th June, 1986.

68.0 LONG TERM LOANS

The Committee reiterates its earlier recommendation under paragraph 2 of 1986/87 accounts that the on-going exercise to restructure the Company should be comprehensive and must be completed by 30th June, 1995. The Committee further recommends that the recommendations of the Sugar Sector Rehabilitation Committee and the restructuring exercise should be implemented by the Government expeditiously.

STATUS: Same as reported above under year ended 30th June, 1986.

69.0 DEPOSIT FOR SHARES

The Committee reiterates its earlier recommendation under paragraph 3 of 1986/87 accounts that the restructuring measures being undertaken should be expedited to enable the Company meet its future financial obligations.

STATUS: Restructuring process still being studied. The same has been delayed by the Arkel dispute and the on-going F.C. Schaffer sugar Sub-sector study.

70.0 MEDICAL EXPENSES

The Committee recommends that the Chief Executive should ensure that the amounts of Kshs.43,605.00 and Kshs.143,137.00 are recovered in full by 30th June, 1995. The Committee further recommends that the Chief Executive should always adhere to the terms and conditions of service of the members of staff.

STATUS: *The amounts have not been recovered because the company instituted legal proceedings under case No. 487 of 1989 and 249 of 1989 and the Court has yet to rule on the matter.*

71.0 BUDGETARY CONTROL

The Committee recommends that the Chief Executive should strictly adhere to the financial regulations governing budgetary controls.

STATUS: *The Chief Executive now confirms that the management is observing and applying financial regulations in day to day operations.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NZOIA SUGAR COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1989

72.0 GOING CONCERN

While noting the enormous amounts of money invested in this Company, the Committee reiterates its earlier recommendation under paragraph 1 of 1987/88 accounts:-

(i) **That the on-going exercise to restructure the Company should be comprehensive and must be completed by 30th June, 1995.**

(ii) **That the recommendations of the Sugar Sector Rehabilitation Committee and the restructuring exercise should be implemented by the Government expeditiously.**

STATUS: *Same as reported above for the year ended 30th June, 1986.*

73.0 LONG TERM LOANS

The Committee reiterates its earlier recommendation under paragraph 2 of 1987/88 accounts that the on-going exercise to restructure the Company should be comprehensive and must be completed by 30th June, 1995. The Committee further recommends that the recommendations of the Sugar Sector Rehabilitation Committee and the restructuring exercise should be implemented by the Government expeditiously.

STATUS: *Same as reported above for the year ended 30th June, 1986.*

74.0 DEPOSIT FOR SHARES

The Committee reiterates its earlier recommendation under paragraph 3 of 1987/88 accounts that the restructuring measures being undertaken should be expedited to enable the Company meet its future financial obligations.

STATUS: *The status is the same as reported above for 30th June, 1986.*

75.0 POST BALANCE SHEET EVENTS

The Committee recommends that the restructuring measures being undertaken should be expedited to enable the Company meet its future financial obligations.

STATUS: The status is the same as reported above for 30th June, 1986.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NZOIA SUGAR COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

76.0 GOING CONCERN

While noting the enormous amounts of money invested in this Company, the Committee reiterates its earlier recommendation under paragraph 1 of 1987/88 accounts:-

(i) That the on-going exercise to restructure the Company should be comprehensive and must be completed by 30th June, 1995.

(ii) That the recommendations of the Sugar Sector Rehabilitation Committee and the restructuring exercise should be implemented by the Government expeditiously.

STATUS: The status is the same as reported above for 30th June, 1986.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NZOIA SUGAR COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1991

77.0 FINANCIAL POSITION

While noting the enormous amounts of money invested in this Company, the Committee reiterates its earlier recommendation under paragraph 1 of 1989/90 accounts:-

(i) That the on-going exercise to restructure the Company should be comprehensive and must be completed by 30th June, 1995.

(ii) That the recommendations of the Sugar Sector Rehabilitation Committee and the restructuring exercise should be implemented by the Government expeditiously.

STATUS: The status is the same as reported above for 30th June, 1986.

78.0 PHASE I AND PHASE II FACTORY REHABILITATION AND EXPANSION

The Committee recommends that the Chief Executive should in future avail all information and documents to the Auditor-General (Corporations) during the audit exercise as required by the provisions of Section 29 of the Exchequer and Audit Act (Cap.412). The Committee further recommends that the parent Ministry and the Treasury should critically evaluate turnkey projects with a view to ensuring that they are economically viable and safeguard the national interests.

The Committee also recommends that turnkey projects should be implemented in line with the Government sourcing procedures.

STATUS: ***The documents are being availed as per section 29 of the Exchequer and Audit Act. Treasury and Parent Ministries do critically evaluate Turnkey projects.***

78.1

Due to the seriousness of the matter and the amount of money involved, the Committee strongly recommends that the Attorney General should immediately initiate further investigations into this case with a view to instituting criminal proceedings against Mr. Wafula in his capacity as the former Chairman of the Company.

The Committee further recommends that the Chief Executive should submit all the necessary details to justify the variation of the contract price to the Auditor-General (Corporations) by 30th September, 1994 for verification. The Committee also recommends that the Chief Executive should avail all the necessary documents during audit exercise in accordance with the provisions of Section 29 of the Exchequer and Audit Act (Cap.412).

STATUS: ***The matter is now with the Director of CID for the required investigations and prosecution. Documents are being availed for audit purposes when required.***

78.2

The Committee recommends that the Chief Executive should submit all the necessary information to the Auditor-General (Corporations) by 30th September, 1994. The Committee further recommends that the Chief Executive should ensure that the factory attains the contractual capacity of 3000 TCD. The Committee further recommends that the Chief Executive should avail all the necessary documents during audit exercise in accordance with the provisions of Section 29 of the Exchequer and Audit Act (Cap.412).

STATUS: ***The documents were submitted as required. The factory contracted capacity of 3000 tcd has not been attained and a dispute is on with Arkel International over the same.***

78.3

The Committee recommends that the Chief Executive, in consultation with the Attorney General, should follow-up this matter with a view to recovering the US$ 179,678.

STATUS: ***Final settlement has now been concluded between Nzoia sugar company and Arkel International and the matter was considered in the final settlement.***

78.4

The Committee recommends that the Chief Executive should, in consultation with the Attorney General, follow up this legal issue with a view to ensuring that the Company is compensated accordingly. The Committee further recommends that the officers who authorised the commissioning of the factory before the installation of certain equipment should be reprimanded.

STATUS: The Attorney General is pursuing the matter but reprimand of the officers is yet to be done. The matter is being considered.

78.5

The Committee recommends that the Chief Executive and the parent Ministry should ensure that such escalation costs are avoided in future by completing projects on time as scheduled. The Committee further recommends that the Chief Executive should submit all the relevant documents pertaining to the financing of the four houses to the Auditor-General (Corporations) by 28th February, 1995 for verification.

STATUS: The recommendation is being adhered to while the documents were submitted as required before 28th February, 1995.

78.6

The Committee recommends that the parent Ministry and the Treasury should streamline the system with regard to turnkey project proposals to avoid such over-pricing of equipment.

STATUS: The system has been streamlined to avoid over-pricing.

78.7

The Committee recommends that the parent Ministry and the Treasury should streamline the system with regard to turnkey project proposals to avoid such losses in future.

STATUS: The system has been streamlined to avoid such losses in future.

78.8

In order to clarify the issues raised above, the Committee strongly recommends that the Attorney General should initiate investigations into the whole transaction, including the signing of the agreements to rehabilitate the factory and the identification of Arkel International of the United State of America, the company which was awarded the tender to implement the project, with a view to instituting criminal proceedings against any officer(s) found to be involved in fraudulent activities.

The Committee further recommends that the Permanent Secretary, Ministry of Finance, should avoid committing the Government to huge sums of money by agreements with international financiers without taking into consideration the adverse financial repercussions of such deals. The Committee noted that turnkey projects are out of date now and recommends that such agreements should be verified by local consultants to justify their viability over projects of similar nature and magnitude undertaken through the open tender system.

STATUS: The Attorney General has already directed the director of CID to follow up the matter and the second part of the recommendation has been noted and will be adhered to in future.

78.9

The Committee recommends that the then Permanent Secretary, Mr. Charles Mbindyo, and any Government officer(s) involved should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446). The Committee further recommends that the Chief Executive should liaise with the parent Ministry and the Treasury and ensure that Phase II of the expansion of the factory is completed to avoid escalation costs. The Committee also recommends that the Chief Executive should strictly adhere to the laid down tendering procedures.

STATUS: The surcharge has not yet been done. The matter is still being pursued. The dispute over the expansion has now been settled and the factory completion will be undertaken.

79.0 CONSULTANCY FEE

The Committee recommends that the Chief Executive should submit all the necessary documents pertaining to the payment of Kshs.7,000,000.00 to the Auditor-General (Corporations) by 5th November, 1994 for verification, failure to which, the parent Ministry should take stern disciplinary action against the Chief Executive.

STATUS: The Management did submit the documents as recommended.

80.0 DISPOSAL OF EQUIPMENT WITHOUT FOLLOWING TENDER PROCEDURES

The Committee recommends that the Chief Executive should strictly adhere to the laid down financial regulations with regard to disposing of equipment.

STATUS: The management now confirms that all laid down financial regulations with regard to disposing of equipment are being adhered to.

LAKE BASIN DEVELOPMENT AUTHORITY

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF LAKE BASIN DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 1989

81.0 FIXED ASSETS

The Committee recommends that the Chief Executive should expedite the survey of all the Authority's unsurveyed pieces of land by 30th June, 1995 with a view to including their value in the books of account.

STATUS: *The matter is still on-going with various area Land Authorities and Commissioner of lands it is hoped to complete the exercise by 1996.*

82.0 WATER PUMPS

The Committee recommends that the then Chief Executive, Mr. Samuel B. Obura should be surcharged in accordance with Section 19 of the State Corporations Act (Cap. 446). The Committee further recommends that the Chief Executive should ensure that the Authority strictly adheres to the regulations pertaining to the disposal of assets and that in future, such disposals must be approved by the Board.

STATUS: *(a)* *The matter of surcharge is still being pursued by the Authority.*

(b) *The Chief Executive confirms that the Authority will strictly adhere to the regulations pertaining to the disposal of assets.*

83.0 CASH ON HAND

The Committee recommends that the Chief Executive should ensure that future Boards of Survey cover the field offices in order to avoid such anomalies and that cash monthly returns are submitted by the field officers to the Authority's headquarters. The Committee further recommends that the Chief Executive should submit details of the recovery made thereof to account for the amount of Kshs.242,702.00 to the Auditor-General (Corporations) by 30th September, 1994 for verification.

STATUS: *The recommendation has been implemented and the recoveries of Kshs. 242,702.00 made.*

84.0 LACK OF CONTROL OVER IMPRESTS AND ADVANCES

The Committee recommends that the former Chief Executive, Mr. Samuel Ben Obura, and any other officer(s) who had approved the salary advances to members of staff contrary to the financial regulations should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446).

The Committee further recommends that the Chief Executive should ensure that all the outstanding imprests and salary advances are recovered in full by 30th June, 1995. The Committee also recommends that the Chief Executive should strictly adhere to the financial regulations with regard to salary advances, and the issuance and surrender of imprests.

STATUS: ***All advances have been recovered in full as the issue of the surcharge is still being handled.***

85.0 LACK OF EXPENDITURE CONTROL

The Committee recommends that the Chief Executive should prioritise the projects of the Authority in order to concentrate on a few that can be completed and be made operational. The Committee further recommends that the parent Ministry and the Treasury should ensure that funds budgeted for the Authority are released on time so as not to hamper its operations.

STATUS: ***The recommendation is being adhered to and budgeted funds are being released as required.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF LAKE BASIN DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 1990

86.0 FINANCIAL POSITION

The Committee recommends that the Chief Executive must remit all the outstanding statutory deductions amounting to Kshs.12,083,642.00 as per the requirements of the law by 30th June, 1995. The Committee further recommends that the Chief Executive should remit all future statutory deductions as and when they are deducted without delay.

The Committee also recommends that the Chief Executive should diversify the investments of the Authority to ensure that its revenue base is enhanced. The Committee further recommends that the parent Ministry, in consultation with the Treasury, should increase the budgetary allocation of the Authority in line with its development requirements.

STATUS: ***Statutory deductions are being remitted as required and at the same time the revenue base of the Authority is being enhanced and budgetary provision increased.***

87.0 FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 1 of 1988/89 accounts that the Chief Executive should expedite the survey of all the Authority's unsurveyed pieces of land by 30th June, 1995 with a view to including their value in the books of account.

STATUS: ***This has not been completed and deliberate efforts are being made to complete the survey and obtain title deeds so that the value can be included in the books of account.***

88.0 WATER PUMPS

The Committee reiterates its earlier recommendation under paragraph 2 of 1988/89 accounts that the then Chief Executive, Mr. Samuel Ben Obura should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446). The Committee further recommends that the Chief Executive should ensure that the Authority strictly adheres to the regulations pertaining to disposal of assets and that in future, such disposals must be approved by the Board.

STATUS: ***The matter of surcharge is still being pursued. The Chief Executive confirms that the Authority adheres to the regulations pertaining to disposal of assets.***

89.0 LACK OF CONTROL OVER IMPRESTS

The Committee reiterates its earlier recommendation under paragraph 4 of 1988/89 accounts that the former Chief Executive, Mr. Samuel Ben Obura and any other officer(s) who had approved the imprests contrary to the financial regulations should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446).

The Committee further recommends that the Chief Executive should recover all the outstanding imprests by 30th June, 1995. The Committee also recommends that the Chief Executive should strictly adhere to the financial regulations with regard to the issuance and surrender of imprests.

STATUS: ***Surcharge is still being pursued while the Chief Executive confirms that the outstanding imprest has been recovered and that the existing financial regulations are being followed.***

90.0 UNVOUCHED EXPENDITURE

The Committee recommends that the Chief Executive should submit all the necessary supporting documents in respect of the expenditure of Kshs.235,725.00 to the Auditor-General (Corporations) by 30th March, 1995 for verification, failure to which, the whole amount should be recovered from the officers responsible. The Committee further recommends that the Chief Executive should identify and reprimand the officer(s) responsible for the submission of the documents for audit purposes.

STATUS: *The Authority is still unable to ascertain the breakdown of Kshs. 232,725.00 and the matter is still being pursued.*

91.0 CASH ON HAND

The Committee recommends that the Chief Executive should submit the Board of Survey Certificates in respect of Cash on Hand amounting to Kshs.2,483,134.00 to the Auditor-General (Corporations) by 1st September, 1994 for verification.

The Committee further recommends that the Chief Executive should take disciplinary action, including reprimand, against the officer(s) responsible for the submission of these Certificates during the audit exercise.

STATUS: *The recommendation has been implemented.*

LOCAL AUTHORITIES PROVIDENT FUND

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF LOCAL AUTHORITIES PROVIDENT FUND FOR THE YEAR ENDED 30 JUNE, 1988

92.0 NON-REMITTANCE OF CONTRIBUTIONS BY LOCAL AUTHORITIES

The Committee recommends that the Chief Executive should analyse the monthly contributions amounting to K£26,698-00-55 by 31st December, 1994 and submit the details to the Auditor-General (Corporations) for verification. The Committee further recommends that the Chief Executive should expedite the process of amending the Local Authorities Provident Fund Act (Cap.272) with a view to strengthening the Fund's enforcement and collection procedures.

STATUS: (a) *The analysis was made and submitted to the Auditor General (Corporations) on 26th August, 1994.*

(b) *The amendment has gone through the Parent Ministry and the same is now with the Attorney General.*

93.0 PROVISION FOR DOUBTFUL DEBTS

The Committee recommends that the Chief Executive should make adequate provision for the bad and doubtful debts and at the same time, ensure that the deposits are recovered in full by 30th June, 1995. The Committee further recommends that the Chief Executive should strictly adhere to the Treasury regulations by investing any surplus funds in Treasury bills and bonds. The Committee also recommends that the Chief Executive, in liaison with the parent Ministry, should institute the necessary machinery in order to amend the Local Authorities Provident Fund Act (Cap.272) to ensure prudent investment of public funds as envisaged by the Treasury circulars.

STATUS: *Adequate provision for the bad and doubtful debts has been made and the Chief Executive confirms that Treasury guidelines are being followed.*

94.0 SUSPENSE ACCOUNT

The Committee recommends that the Chief Executive should minimise the use of suspense accounts.

STATUS: *The recommendation is being adhered to.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF LOCAL AUTHORITIES PROVIDENT FUND FOR THE YEAR ENDED 30 JUNE, 1989

95.0 NON-REMITTANCE OF CONTRIBUTIONS BY LOCAL AUTHORITIES

The Committee reiterates its earlier recommendation under paragraph 1 of 1987/88 accounts that the Chief Executive should analyse the monthly contributions for the year under review by 31st December, 1994 and submit the same to the Auditor-General (Corporations) for verification. The Committee further recommends that the Chief Executive should expedite the process of amending the Local Authorities Provident Fund (Cap.272) with a view to strengthening the Fund's enforcement and collection procedures.

STATUS: (a) *The analysis has been done and submission made.*

(b) *Amendment of the Local Authorities Provident Fund is being pursued as the same is now with the Attorney General's office.*

96.0 PROVISION FOR DOUBTFUL DEBTS

The Committee reiterates its earlier recommendation under paragraph 2 of 1987/88 accounts that the Chief Executive should make adequate provision for the bad and doubtful debts and at the same time, ensure that the deposits are recovered in full by 30th June, 1995.

The Committee further recommends that the Chief Executive should strictly adhere to the Treasury regulations by investing any surplus funds in Treasury bills and bonds. The Committee also recommends that the Chief Executive, in liaison with the parent Ministry, should institute the necessary machinery in order to amend the Local Authorities Provident Fund Act (Cap.272) to ensure prudent investment of public funds as envisaged by the Treasury circulars.

STATUS: *Adequate provision has been made and adherence to Treasury regulations is being followed. Amendment of the Local Authorities Provident Fund Act is in process.*

97.0 INVESTMENTS

The Committee recommends that the Chief Executive should ensure that the deposits are recovered in full by 30th June, 1995. The Committee further recommends that the Chief Executive should strictly adhere to the Treasury regulations by investing any surplus funds in Treasury bills and bonds. The Committee also recommends that the Chief Executive, in liaison with the parent Ministry, should institute the necessary machinery in order to amend the Local Authorities Provident Fund Act (Cap.272) to ensure prudent investment of public funds as envisaged by the Treasury circulars.

STATUS: *The deposits have since been repaid and Treasury regulations are being adhered to and the amendment of the Act is in process.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF LOCAL AUTHORITIES PROVIDENT FUND FOR THE YEAR ENDED 30 JUNE, 1990

98.0 NON-REMITTANCE OF CONTRIBUTIONS BY LOCAL AUTHORITIES

The Committee reiterates its earlier recommendation under paragraph 1 of 1988/89 accounts that the Chief Executive should analyse the monthly contributions for the year under review by 31st December, 1994 and submit the same to the Auditor-General (Corporations) for verification. The Committee further recommends that the Chief Executive should expedite the process of amending the Local Authorities Provident Fund Act (Cap.272) with a view to strengthening the Fund's enforcement and collection procedures.

STATUS: (a) *The analysis was made and submitted to the Auditor General (Corporations) on 26th August, 1994.*

(b) *The amendment of the Act is in progress having been cleared by the parent Ministry and submitted to the Attorney General's office.*

99.0 INVESTMENT

The Committee reiterates its earlier recommendation under paragraph 3 of 1988/89 accounts that the Chief Executive should ensure that the deposits are recovered in full by 30th June, 1995. The Committee further recommends that the Chief Executive should strictly adhere to the Treasury regulations by investing any surplus funds in Treasury bills and bonds. The Committee also recommends that the Chief Executive, in liaison with the parent Ministry, should institute the necessary machinery in order to amend the Local Authorities Provident Fund Act (Cap.272) to ensure prudent investment of public funds as envisaged by the Treasury circulars.

STATUS: *The deposits were repaid and the Chief Executive confirms that Treasury guidelines are being followed and that the Act is being amended.*

100.0 EXCESS INCOME OVER EXPENDITURE

The Committee recommends that the Chief Executive should ensure that the surplus profit of Kshs.4,690,596.00 is shared out in accordance with the provisions of Section 12(c) of the Local Authorities Provident Fund (Cap.272) by 30th June, 1995 and submit the necessary details to the Auditor-General (Corporations).

STATUS: *The recommendation has been implemented.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF LOCAL AUTHORITIES PROVIDENT FUND FOR THE YEAR ENDED 30 JUNE, 1991

101.0 LATE SUBMISSION OF ACCOUNTS

The Committee recommends that the Chief Executive should ensure that the accounts of the Fund are always submitted for audit on time.

STATUS: The recommendation is being adhered to.

102.0 NON-REMITTANCE OF CONTRIBUTIONS BY LOCAL AUTHORITIES

The Committee reiterates its earlier recommendation under paragraph 1 of 1989/90 accounts that the Chief Executive should analyse the monthly contributions for the year under review by 31st December, 1994 and submit the same to the Auditor-General (Corporations) for verification. The Committee further recommends that the Chief Executive should expedite the process of amending the Local Authorities Provident Fund Act (Cap.272) with a view to strengthening the Fund's enforcement and collection procedures.

STATUS: The recommendation has been implemented and the Act is being amended.

103.0 INVESTMENT

The Committee reiterates its earlier recommendation under paragraph 2 of 1989/90 accounts that the Chief Executive should ensure that the deposits are recovered in full by 30th June 1995. The Committee further recommends that the Chief Executive should strictly adhere to the Treasury regulations by investing any surplus funds in Treasury bills and bonds. The Committee also recommends that the Chief Executive, in liaison with the parent Ministry, should institute the necessary machinery in order to amend the Local Authorities Provident Fund Act (Cap.272) to ensure prudent investment of public funds as envisaged by the Treasury circulars.

STATUS: The deposits have been recovered and Treasury guidelines are being followed while at the same time machinery has been put in place to amend the Act.

104.0 EXCESS INCOME OVER EXPENDITURE

The Committee reiterates its earlier recommendation under paragraph 3 of 1989/90 accounts that the Chief Executive should ensure that the surplus profit of Kshs.4,153,607.00 is shared out in accordance with the provisions of Section 12 (c) of the Local Authorities Provident Fund (Cap.272) by 31st December, 1994 and submit the necessary details to the Auditor-General (Corporations) by the same date.

STATUS: The recommendation has been implemented.

NATIONAL OIL CORPORATION

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NATIONAL OIL CORPORATION FOR THE YEAR ENDED 30 JUNE, 1990

105.0 CONSTITUTION OF THE BOARD

The Committee recommends that the Chief Executive should personally take up the matter with the Permanent Secretary, Ministry of Energy, and ensure that a properly constituted Board is in place by 31st March, 1995.

STATUS: A properly constituted Board is now in place.

106.0 INVESTMENTS

The Committee recommends that the Chief Executive should liaise with the Attorney-General with a view to expediting the court case in connection with the accrued interest. The Committee further recommends that the Chief Executive should ensure that there is a properly constituted Board which can effectively monitor the investments of the Corporation.

STATUS: The matter is awaiting litigation as the recovery is still disputed. There is now a properly constituted Board in place.

106.1

The Committee recommends that the Chief Executive should strictly adhere to the financial regulations by investing any surplus funds in Treasury Bills and Bonds. The Committee further recommends that the Chief Executive should liaise with the Official Receiver and ensure that the money deposited in Trade Bank is recovered in full. The Committee also recommends that the Chief Executive should ensure that there is a properly constituted Board which can effectively monitor the investments of the Corporation.

STATUS: Financial regulations are being adhered to but the money deposited has not been recovered due to some dispute. A properly constituted Board is in place now.

107.0 STOCKS

The Committee recommends that the parent Ministry should strictly adhere to the Treasury regulations with regard to awarding of tenders. The Committee further recommends that the Chief Executive should strictly adhere to the financial arrangements between the Corporation and the oil marketers with regard to issuing of provisional invoices.

STATUS: The recommendation has been implemented.

108.0 DEBTORS

The Committee recommends that the Chief Executive should liaise with the Attorney-General with a view to expediting the court case. The Committee further recommends that the Chief Executive should ensure that there is a properly constituted Board which can effectively monitor the investments of the Corporation.

STATUS: The case is still going on and a proper Board is now in place.

109.0 LOAN FROM KENYA PIPELINE COMPANY LIMITED

The Committee recommends that the Chief Executive should ensure that the Corporation always honours loan obligations as per agreed loan terms and conditions.

STATUS: The full loan repaid on 1st August, 1994 and the Corporation now honours loan obligations as per agreed loan terms and conditions.

110.0 IRREGULAR PURCHASE OF CRUDE OIL

The Committee recommends that the Chief Executive should strictly adhere to such agreements and safeguard the interests of the Corporation. The Committee further recommends that the Chief Executive should adhere to the financial regulations with regard to procurement of purchase of goods and services.

STATUS: The recommendation is being adhered to.

111.0 BAD DEBTS

The Committee recommends that the Chief Executive should take all the necessary measures, including litigation, and ensure that the outstanding amount of Kshs.10,758,293.00 is recovered in full by 30th June, 1995.

STATUS: The outstanding amount has been recovered and that the Corporation continues to pursue other debtors relentlessly.

112.0 SALARY ADVANCES

The Committee recommends that the Chief Executive should institute legal action with a view to recovering the overpayment of Kshs.59,608.00 from the officer. The Committee further reprimands the Inspector of State Corporations for taking four years to make a decision on the terms and conditions of employment of this officer. The Committee also recommends that the officer in the Inspectorate of State Corporations in the Office of the President who delayed in making a decision on the terms and conditions of employment should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446).

STATUS: This recommendation has not been implemented and the matter is still being pursued.

COFFEE BOARD OF KENYA

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF COFFEE BOARD OF KENYA FOR THE YEAR ENDED 30 SEPTEMBER, 1992

113.0 FINANCIAL POSITION

The Committee recommends that the Chief Executive should ensure that the Board operates profitably.

STATUS: The recommendation is being adhered to.

114.0 EXPORT DUTY

The Committee recommends that the Chief Executive should follow up the matter with the Treasury with a view to effecting the waiver of Kshs.175,801,648.00 by 30th June, 1995.

STATUS: The recommendation has been implemented.

KENYA COFFEE AUCTIONS LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA COFFEE AUCTIONS LIMITED FOR THE YEAR ENDED 30 JUNE, 1993

115.0 LACK OF A DULY CONSTITUTED BOARD

The Committee recommends that the Chief Executive should liaise with the Company's majority shareholder, the Coffee Board of Kenya, and explore the possibilities of Kenya Coffee Auctions being exempted from the provisions of Section 6 (1) of the State Corporations Act (Cap. 446) with regard to the composition of Board members.

STATUS: The exemption has not been obtained and the matter is still being pursued.

116.0 DIRECTORS FEES

The Committee recommends that the Chief Executive should liaise with the Company majority shareholder, the Coffee Board of Kenya, and explore the possibilities of Kenya Coffee Auctions being exempted from the provisions of Section 10 of the State Corporations Act (Cap. 446).

STATUS: The exemption is still being awaited and the matter is being pursued.

117.0 MOTOR VEHICLE REGISTRATION

The Committee recommends that the Chief Executive should liaise with the Company's majority shareholders, the Coffee Board of Kenya, and explore the possibilities of Kenya Coffee Auctions being exempted from the provisions of the State Corporations Act (Cap.446) as required under Section 30 of the Act.

STATUS: The exemption is still being pursued.

118.0 INVESTMENT OF FUNDS

The Committee recommends that the Chief Executive should adhere to the Treasury regulations by investing any surplus funds in Treasury bills and bonds, or else, seek exemption from the Treasury as required by the financial regulations.

STATUS: The recommendation is being adhered to.

KENYA NATIONAL TRADING CORPORATION LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA NATIONAL TRADING CORPORATION LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during this financial year.

STATUS: Clean report therefore no further action required.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA NATIONAL TRADING CORPORATION LIMITED FOR THE YEAR ENDED 30 JUNE, 1991

119.0 IMPORTATION OF SUGAR

The Committee strongly recommends that:-

(i) **The then Permanent Secretary, Ministry of Finance, Mr. Charles Mbindyo, who should have obtained the necessary approval from the relevant authorities and the former Managing Director of Kenya National Trading Corporation, Mr. P.K. arap Magut, should both be surcharged in accordance with Section 19 of the State Corporations Act (Cap. 446).**

(ii) **The Treasury should compensate the Corporation an amount of Kshs.250,456,000.00 which represents the trading loss, by 31st July, 1995.**

(iii) **The Permanent Secretary, Ministry of Finance, should seek retrospective Parliamentary approval for the loan guarantee in order to legalise the omission.**

(iv) **The Treasury should at all times strictly adhere to the Treasury regulations it issues and all other financial regulations.**

(v) **The Auditor-General (Corporations) should investigate the price of sugar at the material time and report to the Committee the findings thereof.**

(vi) **The Attorney-General should investigate the importation of these consignment(s) of sugar with a view to taking legal action against the then management of Kenya National Trading Corporation.**

STATUS: The recommendation has not been implemented and the matter is still being followed up.

KENYA TEA DEVELOPMENT AUTHORITY

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA TEA DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 1989

120.0 PROCUREMENT OF FERTILIZER

The Committee recommends that the Chief Executive should liaise with the Attorney-General and institute civil charges with a view to recovering the finance charges amounting to Kshs.780,680.00 from East African Heavy Chemicals.

The Committee further recommends that the Chief Executive should immediately furnish the Attorney-General with all the relevant documents pertaining to this case with a view to instituting legal proceedings against Mr. Simeon Kamuyu in order to recover the Kshs.197,450.00.

STATUS: The legal process is still going on and the money has not yet been recovered.

121.0 STOCK ACCOUNT

The Committee recommends that the Chief Executive should institute ways and means of up-dating the returns from the field officers on time. The Committee further recommends that the Chief Executive should submit the details of the analysis of the difference of Kshs.1,724,300.00 to the Auditor-General (Corporations) by 30th September, 1994 for verification.

STATUS: The recommendation has been implemented.

122.0 INVESTMENTS

The Committee recommends that the Chief Executive should submit the relevant debenture deed with respect to Makomboki factory to the Auditor-General (Corporations) for verification as soon as the court case is determined. The Committee further recommends that the Chief Executive should always ensure that clear terms and conditions are signed by the Authority before any loans are acquired.

STATUS: The Court case has not yet been determined. In the meantime the Chief Executive confirms that clear terms and conditions for loans are being agreed upon before signature.

123.0 DEBTORS AND PREPAYMENTS

The Committee recommends that the Chief Executive should always make provisions for bad and doubtful debts as required by the accounting regulations. The Committee further recommends that the Chief Executive should follow up the matter and ensure that the whole amount of Kshs.5,000,000.00 is recovered in full.

The Committee also recommends that the Chief Executive should strictly adhere to the Treasury regulations by investing any surplus funds in Treasury bills and bonds.

STATUS: ***The amount of Kshs. 5,000,000.00 has not been recovered due to receivership. The matter is still being pursued as Treasury guidelines are strictly being adhered to.***

124.0 PROCUREMENT PROCEDURES

The Committee recommends that the Chief Executive should strictly adhere to the financial regulations when procuring goods and services. The Committee further recommends that the Chief Executive should submit documentary evidence to the Auditor-General (Corporations) to account for the goods worth Kshs.296,706.00 by 31st January, 1995 failure to which disciplinary action, including surcharge in accordance with Section 19 of the State Corporations Act (Cap.446), should be taken against the officer(s) involved.

STATUS: ***The financial regulations on procuring goods and services are being adhered to and all documentary evidence the above amount was submitted.***

125.0 EXPORT COLLECTION ACCOUNTS

The Committee recommends that the Chief Executive should always maintain up to date and accurate books of account. The Committee further recommends that in future, stern measures should be taken against any lax officers.

STATUS: ***Upto date and accurate records and books of account are being maintained.***

126.0 KTDA FACTORIES CURRENT ACCOUNTS

The Committee recommends that the Chief Executive should submit the complete analysis of the differences to the Auditor-General (Corporations) by 30th October, 1994 for verification, failure to which, stern action, including reprimand, should be taken against the officer(s) involved. The Committee further recommends that the Chief Executive should always maintain up to date and accurate books of account.

STATUS: ***The recommendation has been implemented.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA TEA DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 1990

127.0 INVESTMENTS

The Committee reiterates its earlier recommendation under paragraph 3 of 1988/89 accounts that the Chief Executive should submit the relevant debenture deed with respect to Makomboki factory to the Auditor-General (Corporations) for verification as soon as the court case is determined.

The Committee further recommends that the Chief Executive should always ensure that clear terms and conditions are signed by the Authority before any loans are acquired.

STATUS: *(a)* *The Court case has not yet been determined and the same is still being awaited.*

(b) *The second recommendation is being adhered to.*

128.0 PURCHASE OF MOTOR VEHICLES

The Committee recommends that the Chief Executive should immediately furnish the Attorney-General with all the relevant documents regarding these fraudulent transactions to enable him institute criminal proceedings against the officers involved. The Committee further recommends that the Chief Executive should immediately interdict all the officers who were directly involved in the purchase of these vehicles pending further investigations by the Criminal Investigation Department (CID).

STATUS: *All the three officers have since left the service of the Authority and one is already dead. Action is still being taken against the three.*

129.0 CASH AND BANK BALANCES

The Committee recommends that the Chief Executive should strictly adhere to the financial regulations and ensure that a Board of Survey is always in place.

STATUS: *The recommendation is being adhered to.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA TEA DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 1991

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: *Clean report hence no further action.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA TEA DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 1992

130.0 DEBTORS

The Committee recommends that the Chief Executive should submit all the details of the recoveries made thereof to the Auditor-General (Corporations) by 31st January, 1995 for verification. The Committee further recommends that the Chief Executive should strengthen the debt recovery system of the Authority and ensure that all debts are recovered in full when due.

STATUS: *The Chief Executive confirms that all debts have been recovered except for Kshs. 9,415.00 only. Action is still being followed as debt recovery system is being strengthened.*

KENYA FORESTRY RESEARCH INSTITUTE

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA FORESTRY RESEARCH INSTITUTE FOR THE YEAR ENDED 30 JUNE, 1990

131.0 PRIOR PERIOD ADJUSTMENT

The Committee recommends that the Chief Executive should analyse the balance of the unexplained difference amounting to Kshs.4,336,713.00 by 30th June 1995 and submit the necessary details to the Auditor-General (Corporations) for verification. The Committee further recommends that the Chief Executive should always maintain correct and up to date books of account. The Committee also recommends that the Chief Executive should strengthen the accounts section of the Institute to avoid a recurrence of this anomaly.

STATUS: ***The figure is still under dispute and the analysis has not been completed and the Accounts department has been strengthened and proper books are being maintained.***

132.0 CASH AND BANK BALANCES

The Committee recommends that the Chief Executive should always maintain correct and up to date books of account. The Committee further recommends that the Chief Executive should strengthen the accounts section of the Institute to avoid a recurrence of this anomaly.

STATUS: ***The accounts section has been strengthened and correct and up to date books of account are being kept.***

133.0 DEBTORS

The Committee recommends that the Permanent Secretary of the parent Ministry should reprimand the Chief Executive for deliberately misleading the Committee. The Committee further recommends that the Chief Executive should recover all the outstanding imprests from the officers concerned by 30th June, 1995 and submit the relevant details of the recoveries made thereof to the Auditor-General (Corporations) for verification. The Committee also recommends that the Chief Executive should strictly adhere to the financial regulations with regard to the issuance and surrender of imprests.

STATUS: ***The recommendation has been implemented.***

KENYA INDUSTRIAL RESEARCH AND DEVELOPMENT INSTITUTE

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA INDUSTRIAL RESEARCH AND DEVELOPMENT INSTITUTE FOR THE YEAR ENDED 30 JUNE, 1990

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the financial year.

STATUS: Clean report and hence no further action.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA INDUSTRIAL RESEARCH AND DEVELOPMENT INSTITUTE FOR THE YEAR ENDED 30 JUNE, 1991

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the financial year.

STATUS: Clean report and hence no further action.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA INDUSTRIAL RESEARCH AND DEVELOPMENT INSTITUTE FOR THE YEAR ENDED 30 JUNE, 1992

134.0 FIXED ASSETS

The Committee recommends that the Chief Executive should always maintain an up to date fixed assets register. The Committee further recommends that the Chief Executive should take disciplinary action against the officer(s) who were supposed to open and maintain the fixed assets register.

STATUS: An up to date fixed assets register is being maintained and the offending officers have since left the institute.

134.1

The Committee recommends that the Chief Executive should immediately overhaul and strengthen the accounts section of the Institute to enable it run efficiently. The Committee further recommends that the former Chief Executive, Dr. Robert O. Arunga, and Mr. G.S. Ouma, who was the head of the Finance Division at the time when the transaction took place, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap. 446).

STATUS: The accounts section has been strengthened while the involved officers have since left the institute and are still being pursued over the matter.

135.0 CREDITORS

The Committee recommends that the Chief Executive should ensure that all the statutory and other deductions amounting to K£ 13,292 are remitted to the respective authorities by 15th March 1995 and the necessary details submitted to the Auditor-General (Corporations) for verification. The Committee further recommends that the Chief Executive should ensure that in future, all statutory and other deductions are remitted to the respective authorities promptly as required by the law.

STATUS: ***All Statutory deductions were remitted and the action verified by the Auditor General (Corporations) as recommended. Current deductions are being remitted immediately.***

KENYA PORTS AUTHORITY

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA PORTS AUTHORITY FOR THE YEAR ENDED 30 JUNE, 1992

136.0 FIXED ASSETS

The Committee recommends that the Chief Executive should expedite and finalise the valuation exercise by 31st December, 1994 with a view to incorporating the value of the assets in the 1994/95 books of account of the Authority. The Committee further recommends that in future, such valuations should be done by relevant ministries or Governments bodies to avoid the huge expenditures on this item.

STATUS: The recommendation has been implemented.

137.0 KENYA FERRY SERVICES LIMITED

The Committee recommends that the Chief Executive should liaise with the parent Ministry and the Treasury with a view to determining the future operational modalities and the assets of the Kenya Ferry Services Ltd. The Committee further recommends that the share holders of Kenya Ferry Services should be issued with share certificates by 30th June, 1995 and copies of the same be submitted to the Auditor-General (Corporations) for verification.

On the issue of Suli Suli Cruises Ltd., the Committee recommends that:-

(i) The Kenya Ferry Services Ltd. should be de-linked from the Kenya Ports Authority management.

(ii) The former Chief Executive Mr. Phillip Okundi, and the then Board of Directors, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446) for committing the Authority to incur an expenditure of Kshs.6,975,000.00 and Kshs.2,250,000.00 in an unviable project.

(iii) The Chief Executive should immediately submit all the relevant documents pertaining to Suli Suli Cruises Limited to the Attorney-General to enable him institute further investigations into the operations of this company with a view to prosecuting any officer(s) who might have been involved in any irregular transactions.

STATUS: The future operational modalities have been determined and share certificate issued. The matter of surcharge is still being pursued.

138.0 DORMANT PROJECTS

The Committee recommends that the Chief Executive should ensure that the three dormant projects are completed in order to avoid escalation costs.

The Committee further recommends that the Chief Executive should prioritise and complete the Authority's projects as scheduled.

STATUS: ***The dormant projects have not been implemented as a study is under progress in an effort to restructure and privatise some of the activities. The study is under the Government and World Bank,***

139.0 LOANS

The Committee recommends that the parent Ministry should reimburse the Authority the amount of Kshs.102,231,400.00 before 30th June, 1995. The Committee further recommends that the Chief Executive should maintain proper and up to date books of account.

STATUS: ***The reimbursement has not been done and the Corporation is still following up the matter. Proper and up to date books of account are now being kept.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA PORTS AUTHORITY FOR THE YEAR ENDED 30 JUNE, 1993

140.0 ADVANCES TO KENYA FERRY SERVICES - KSHS.47,823,966.12

The Committee reiterates its earlier recommendation under paragraph 2 of 1991/92 accounts that the Chief Executive should liaise with the parent Ministry and the Treasury with a view to determining the future operational modalities and the assets of Kenya Ferry Services Ltd. The Committee further recommends that the shareholders of Kenya Ferry Services should be issued with share certificates by 30th June, 1995 and copies of the same be submitted to the Auditor-General (Corporations) for verification. The Committee also recommends that the Kenya Ferry Services Limited should be de-linked from the Kenya Ports Authority management. Finally the Committee recommends that the Chief Executive should immediately submit all the relevant documents pertaining to Suli Suli Cruises Limited to the Attorney-General to enable him institute further investigations into the operations of this company with a view to prosecuting any officer(s) who might have been involved in any irregular transactions.

STATUS: ***The matter is as reported above under paragraph 2.***

141.0 INVESTMENTS

The Committee recommends that the Chief Executive should liaise with the Official Receivers and Central Bank of Kenya's Deposit Protection Fund in order to recover the amount of Kshs.93,479,918.00 in full. The Committee further recommends that the Chief Executive should strictly adhere to the financial regulations by investing any surplus funds in Treasury bills and bonds.

141.1

The Committee recommends that the Chief Executive should ensure that the amount of $1,856,953 is transferred back to the country by 31st December, 1994 and the details submitted to the Auditor-General (Corporations) by the same date for verification.

STATUS: ***Only an amount of Kshs. 20,000,000.00 has been recovered and the rest is being pursued. In the meantime current financial regulations are being adhered to.***

142.0 DEBTORS - CREDIT BALANCES - KSHS.9,365,132.52 CR

The Committee recommends that the Chief Executive should streamline the accounts section and maintain proper and up to date books of account to avoid such errors.

STATUS: ***The recommendation has been implemented.***

143.0 BUDGETARY CONTROL

The Committee recommends that the Chief Executive should strictly enforce budgetary controls to avoid over-expenditure by the Authority.

STATUS: ***Budgetary controls are being enforced as recommended.***

144.0 MISUSE OF AUTHORITY'S VEHICLES

The Committee recommends that the Chief Executive should ensure that the newly introduced stringent measures to curb the misuse of vehicles are adhered to.

STATUS: ***The misuse of motor vehicles has been brought under control.***

145.0 STAFF COSTS

The Committee recommends that the Chief Executive should strictly adhere to the laid down staff regulations. The Committee further recommends that the officer(s) responsible for processing and approval of leave during this financial year should be reprimanded.

STATUS: ***The recommendation has been implemented.***

146.0 INLAND CONTAINER DEPOT - ELDORET

The Committee recommends that the Chief Executive should ensure that the project is completed on time to avoid escalation of costs.

STATUS: ***The Eldoret Container Depot has been completed and is operational.***

NATIONAL IRRIGATION BOARD

REPORT OF THE AUDITOR -GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE NATIONAL IRRIGATION BOARD FOR THE YEAR ENDED 30 JUNE, 1991

147.0 GOVERNMENT LOANS

The Committee recommends that the Chief Executive should ensure that the Board repays the loan extended to Mwea Rice Mills as scheduled. The Committee further recommends that the Chief Executive should ensure that all future loans to the Board have agreed terms and conditions of repayment.

STATUS: *(a)* *The loan has been repaid as per cheque No. 54866 of 15th September, 1994.*

(b) *All future loans are being agreed on terms and conditions of repayment.*

148.0 STOCKS

The Committee recommends that the Chief Executive must ensure that there are effective internal controls to eliminate any future discrepancies. The Committee further recommends that the Chief Executive should reconcile the discrepancy of K£ 676,025 and submit the analysis to the Auditor-General (Corporations) by 30th June, 1995 for verification.

STATUS: *Internal control has been strengthened and the reconciliation of stock figure of K£ 676,025 completed and submitted to Auditor General (Corporations) on 27th March, 1995.*

149.0 SUSPENSE ACCOUNT

The Committee recommends that the Chief Executive should clear the suspense account and submit the details of the analysis to the Auditor-General (Corporations) by 30th June, 1995 for verification. The Committee further recommends that the Chief Executive should minimise the use of suspense account in future.

STATUS: *The reconciliation has been completed and submitted as recommended and at the same time the use of the suspense account has been eliminated.*

150.0 SUNDRY DEBTORS

The Committee recommends that the Chief Executive should complete the analysis of the two figures by 31st December, 1994 and submit the details to the Auditor-General (Corporations) for verification. The Committee further recommends that the Chief Executive should strengthen the accounts section of the Board.

STATUS: *The accounts section has been strengthened and the sundry debtors analysed and submitted to Auditor General (Corporations).*

151.0 CREDIT BALANCES IN DEBTORS' ACCOUNT

The Committee recommends that the Chief Executive should recover the outstanding amounts from the farmers in full. The Committee further recommends that the Chief Executive should submit the details of the recoveries made thereof to the Auditor-General (Corporations) by 31st December, 1994 for verification.

STATUS: *The amount has been recovered and the same will be reflected in the accounts of 1994/95.*

REPORT OF THE AUDITOR -GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE NATIONAL IRRIGATION BOARD FOR THE YEAR ENDED 30 JUNE, 1992

152.0 GOVERNMENT LOANS

The Committee reiterates its earlier recommendation under paragraph 1 of 1990/91 accounts that the Chief Executive should repay the loan extended to Mwea Rice Mills as scheduled. The Committee further recommends that the Chief Executive should ensure that all future loans to the Board have agreed terms and conditions of repayment.

STATUS: *The recommendation has been implemented.*

153.0 STOCKS

The Committee reiterates its earlier recommendation under paragraph 2 of 1990/91 accounts that the Chief Executive must ensure that there are effective internal controls to eliminate any future discrepancies. The Committee further recommends that the Chief Executive should reconcile the discrepancy of K£ 499,994.07 and submit the analysis to the Auditor-General (Corporations) by 30th June, 1995 for verification.

STATUS: *The recommendation has been implemented.*

154.0 LONG TERM DEBTORS £208,148

The Committee recommends that the Chief Executive should submit the details of the recoveries made thereof to the Auditor-General (Corporations) by 30th September, 1994 for verification. The Committee further recommends that the Chief Executive should ensure that the Board maintains up to date and correct books of account.

STATUS: *Details of the recoveries here submitted for verification and the Board confirms that up to date and correct books of account are being maintained.*

KENYA PIPELINE COMPANY LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA PIPELINE COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1989

155.0 STAFF HOUSING PROJECT - OUTER RING ROAD - NAIROBI

The Committee recommends that the Chief Executive should institute legal action against the Nairobi City Council and Mutiso/Menenzes International Architects with a view to recovering the amount of Kshs.1,750,000.00 in full by 30th June, 1995.

STATUS: ***Kshs. 900,000.00 was recovered from Messrs Mutiso Menezes International during the financial year 1994/95 and the balance followed up.***

156.0 LOAN TO NATIONAL OIL CORPORATION OF KENYA

The Committee recommends that the Chief Executive should adhere to prudent business practice and ensure that the Company recovers money due to it on time as per the terms and conditions of repayment.

STATUS: ***The Company is adhering to the recommendation.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA PIPELINE COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

157.0 STAFF HOUSING PROJECT - OUTER - RING ROAD - NAIROBI

The Committee reiterates its earlier recommendation under paragraph 1 of 1988/89 accounts that the Chief Executive should institute legal action against the Nairobi City Council and Mutiso/Menenzes International Architects with a view to recovering the amount of Kshs.1,750,000.00 in full by 30th June, 1995.

STATUS: ***A portion of the money has been recovered and the matter of the balance of Kshs 850,000.00 is being pursued.***

158.0 LOAN TO NATIONAL OIL CORPORATION

The Committee reiterates its earlier recommendation under paragraph 2 of 1988/89 accounts that the Chief Executive should adhere to prudent business practice and ensure that the Company recovers money due to it on time as per the terms and conditions of repayment.

STATUS: ***The Company is adhering to the recommendation.***

159.0 TERM DEPOSITS, BANK BALANCE AND CASH

The Committee recommends that the Chief Executive should liaise with the Liquidators of Middle Africa Finance Company and ensure that the amount of Kshs.7,000,000.00 and the accrued interest thereof is recovered in full. The Committee further recommends that the Chief Executive should strictly adhere to the financia! regulations by investing any surplus funds in Treasury bills and bonds.

STATUS: ***There has been no recoveries made as the receivership continues. Currently the Company is investing in Treasury Bills and Bonds.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA PIPELINE COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1992

160.0 GOING CONCERN

The Committee recommends that the Chief Executive should endeavour to make the Company operate viably. The Committee, while taking note of the importance of the pipeline project, further recommends that the Auditor-General (Corporations) should carry out a special audit with regard to the mooting, implementation and viability of the project and any other matter incidental thereof in accordance with Section 31 (3) of the Exchequer and Audit Act (Cap.412) by 30th June, 1995.

STATUS: ***The Chief Executive confirms that the company now operates profitably and that the special audit is not yet ready and that the same is being carried out.***

161.0 ACCOUNTS RECEIVABLES

The Committee recommends that the Chief Executive should ensure that the amount of Kshs.11,515,903.00 is recovered in full. The Committee further recommends that the Chief Executive should enter into a formal agreement with the parent Ministry of Energy on the repayment of this money.

STATUS: ***The amount of Kshs. 11,515,903.00 has been recovered in full on 30th June,1995 and hence the recommendation is fully implemented.***

162.0 BANK BALANCE AND CASH

The Committee recommends that the Chief Executive should liaise with the Central Bank with a view to recovering the money and the interest accrued thereon in full.

The Committee further recommends that the Chief Executive should strictly adhere to the financial regulations by investing any surplus funds in Treasury bills and bonds.

STATUS: ***The money has not yet been recovered as the receivership continues in the meantime surplus funds are only being invested in Treasury bills and bonds.***

162.1

The Committee recommends that the Chief Executive should always remit statutory deductions to the institutions involved when due.

STATUS: Remittances are made immediately after the Statutory deductions.

163.0 ACCOUNTS PAYABLES

The Committee recommends that the Chief Executive should always remit statutory deductions to the institutions involved when due. The Committee further recommends that the Chief Executive should strictly adhere to the agreed payment schedules between the Company and the Income Tax Department.

STATUS: The recommendation is being adhered to.

NYAYO BUS SERVICE CORPORATION

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NYAYO BUS SERVICE CORPORATION FOR THE YEAR ENDED 30 JUNE, 1990

164.0 NON-COMPLIANCE WITH LEGAL REQUIREMENTS

The Committee recommends that the Chief Executive should ensure that the Corporation is always run by a duly constituted Board in accordance with the law.

STATUS: *A duly constituted Board is now in place.*

165.0 OPERATING DEFICIT

The Committee recommends that the Chief Executive should liaise with the parent Ministry and the Treasury with a view to having proper and well equipped workshops to maintain the vehicles. The Committee further recommends that the Chief Executive should ensure that all the chassis procured by the Corporation are made operational as soon as possible to avoid further deterioration. The Committee also recommends that the Corporation should base the fare it charges its passengers at a level that avoids operational losses.

STATUS: *The Corporation has now got a proper and well equipped workshop but the Corporation still operates with losses and all the chassis procured are not yet operational due to inadequate funds.*

166.0 PROCUREMENT PROCEDURES

The Committee recommends that the Chief Executive should strictly adhere to the financial regulations with regard to procurement procedures. The Committee further recommends that the Chief Executive should submit the necessary approvals by the Central Tender Board to the Auditor-General (Corporations) by 30th September, 1994 for verification.

STATUS: *The Corporation now adheres to the financial regulations with regard to procurement. The necessary approvals by the Central Tender Board were submitted.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NYAYO BUS SERVICE CORPORATION FOR THE YEAR ENDED 30 JUNE, 1991

167.0 OPERATING DEFICIT

The Committee reiterates its earlier recommendation under paragraph 2 of 1989/90 accounts that the Chief Executive should liaise with the parent Ministry and the Treasury with a view to having proper and well equipped workshops to maintain the vehicles.

The Committee further recommends that the Chief Executive should ensure that all the chassis procured by the Corporation are made operational as soon as possible to avoid further deterioration. The Committee also recommends that the Corporation should base the fare it charges its passengers at a level that avoids operational losses.

STATUS: Same as reported under year ending 30th June,1990.

168.0 DEBT COLLECTION

The Committee recommends that the Chief Executive should use all possible means, including litigation, and ensure that all the outstanding debts are recovered in full by 30th June, 1995. The Committee further recommends that the Chief Executive should submit the details of the recoveries made thereof to the Auditor-General (Corporations) for verification.

STATUS: The debts remain uncollected and the matter is still being pursued by the Corporation.

169.0 STANDING IMPREST

The Committee recommends that the Chief Executive should retrieve the documents to vouch for the imprest of K£ 15,542 and submit them to the Auditor-General (Corporations) by 30th June, 1995 for verification. The Committee further recommends that the Chief Executive should strictly adhere to the existing financial regulations with regard to issuance and surrender of imprests and that the lax officers who could not avail the vouchers for audit should be disciplined.

STATUS: The recommendation has been implemented and existing financial regulations are being adhered to.

170.0 CASH IN TRANSIT

The Committee recommends that the Chief Executive should follow up the matter with the parent Ministry and ensure that the recommendations of the Ministerial Advisory Committee are implemented not later than 30th June, 1995.

STATUS: The recommendation has been implemented.

171.0 PROCUREMENT PROCEDURES

The Committee reiterates its earlier recommendation under paragraph 3 of 1989/90 accounts that the Chief Executive should strictly adhere to the financial regulations with regard to procurement procedures. The Committee further recommends that the Chief Executive should submit the necessary approvals by the Central Tender Board to the Auditor-General (Corporations) by 30th September, 1994 for verification.

STATUS: The recommendation has been implemented.

TANA AND ATHI RIVERS DEVELOPMENT AUTHORITY

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF TANA AND ATHI RIVERS DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 1991

172.0 FINANCIAL POSITION

The Committee recommends that the Authority, the parent Ministry and the Treasury should adhere to the legal opinion given by the Attorney-General and revert to the original terms and conditions of the loan and lease agreements by 31st December, 1994. The Committee further recommends that the outstanding amount of Kshs.1,556,342,267.50 should be remitted to the Authority by 30th June, 1995.

STATUS: This recommendation has not been implemented as the same is awaiting the finalisation of the overall Energy Sector Study and rationalisation.

173.0 REVENUE FROM SALE OF HYDRO-ELECTRIC BULK POWER

The Committee recommends that the Authority, the parent Ministry and the Treasury should adhere to the legal opinion given by the Attorney-General and revert to the original terms and conditions of the loan and lease agreements by 31st December, 1994. The Committee further recommends that the outstanding amount of Kshs.1,266,382,794.40 should be remitted to the Authority by 30th June, 1995.

STATUS: The issue is awaiting the finalisation and implementation of the whole Energy Sector Study and rationalisation.

174.0 OUTSTANDING LOAN REPAYMENTS

The Committee recommends that the Authority, the parent Ministry and the Treasury should adhere to the legal opinion given by the Attorney-General and revert to the original terms and conditions of the loan and lease agreements by 31st December, 1994 to enable the Authority honour its loan obligations.

STATUS: The matter is awaiting the Energy Sector Study, rationalisation and implementation.

175.0 IRREGULAR USE OF THE AUTHORITY'S FUNDS TO CONSTRUCT A PRIVATE HOUSE

The Committee recommends that the Chief Executive should seek legal assistance from the Attorney-General with a view to taking the best course of action on this issue.

The Committee further recommends that the Authority should set the necessary machinery in motion to attach this house with a view to recovering the Kshs.3,900,000.00 owed to the Authority by Mr. Birgen. The Committee further recommends that the Attorney-General should expedite the finalisation of the criminal proceedings against Mr. Birgen.

STATUS: The matter is awaiting the court ruling.

176.0 SHORT TERM INVESTMENT

The Committee recommends that the Chief Executive should pursue the recovery of the money from the three financial institutions under receivership and submit the details of any recoveries made thereon to the Auditor-General (Corporations) for verification. The Committee further recommends that the Chief Executive should make provisions in the books of account for possible non-recovery of this money. The Committee also recommends that the Chief Executive should strictly adhere to the financial regulations by investing any surplus funds in Treasury bills and bonds.

STATUS: Only Kshs. 1,900,000.00 has been received from Trade Bank while the balance from other financial institutions Kshs. 20,750,000.00 remains unpaid due to receivership. A provision for Bad debts has been made and no more investments are being made.

177.0 MEDICAL EXPENSES

The Committee recommends that the Chief Executive should strictly adhere to the laid down regulations regarding medical claims. The Committee further recommends that the Chief Executive should recover the balance of Kshs.7,934.00 and submit the details of the recoveries made thereof to the Auditor-General (Corporations) by 31st December, 1994 for verification.

STATUS: The recommendation has been implemented.

178.0 OUTSTANDING IMPRESTS

The Committee recommends that the Chief Executive should ensure that all the outstanding imprests are recovered in full by 31st December, 1994. The Committee further recommends that the Chief Executive should strictly adhere to the laid down financial regulations with regard to issuance and surrender of imprests. The Committee also recommends that the officer(s) who were directly involved in the authorisation of imprests should be reprimanded for not ensuring that imprests were surrendered on time as required by the financial regulations.

STATUS: The recommendation has been implemented.

TANA RIVER DEVELOPMENT COMPANY LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE TANA RIVER DEVELOPMENT COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1989

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: Clean report and hence no further action required.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE TANA RIVER DEVELOPMENT COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: Clean report and hence no further action required.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE TANA RIVER DEVELOPMENT COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1991

179.0 DEBTORS

The Committee recommends that the Chief Executive should ensure that the Company meets all its financial obligations on time. The Committee further strongly recommends that since the directive by the Government was on an interim basis, albeit irregular, the Chief Executive, in liaison with the parent Ministry, should revert to the original lease and terms of conditions of the agreement by 30th June, 1995.

STATUS: Awaiting the Energy Sector and implementation.

180.0 CREDITORS

The Committee recommends that the Chief Executive should ensure that the Company meets its loan obligations on time to avoid escalation of costs due to increased interest.

STATUS: The Company currently meets its loan obligations when due.

181.0 OPERATING AND ADMINISTRATION EXPENSES

The Committee strongly recommends that since the directive by the Government was on an interim basis, albeit irregular, the Chief Executive, in liaison with the parent Ministry, should revert to the original lease and terms of conditions of the agreement by 30th June, 1995.

STATUS: ***The matter is awaiting the total Energy study and implementation.***

TEACHERS SERVICE COMMISSION

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF TEACHERS SERVICE COMMISSION FOR THE YEAR ENDED 30 JUNE, 1991

182.0 SALARY OVERPAYMENTS

The Committee recommends that the Chief Executive should ensure that the Commission recovers all the outstanding amounts and also exercise effective control over the agents in the field in order to minimise and ultimately eliminate such overpayments.

STATUS: *The outstanding amounts are being recovered as the finance section has been reorganised to eliminate any overpayments.*

183.0 UNCLAIMED SALARIES

The Committee recommends that the Permanent Secretary, Ministry of Education in liaison with the Permanent Secretary/Head of the Public Service and the Attorney-General should personally pursue this matter and ensure that Mr. Cyrus Maina accounts for the sum of K£ 20,255 by 31st December, 1994, failure to which, legal action should be taken against him with a view to recovering the money. The Committee further recommends that the Chief Executive should institute strict measures to ensure that unclaimed salaries are returned to the Commission without undue delay.

STATUS: *Legal action is being pursued to recover the money as strict measures have been put in place to ensure that unclaimed salaries are returned.*

184.0 SHORT-TERM DEPOSITS

The Committee recommends that the Chief Executive should pursue the matter with the Official Receiver with a view to recovering the balance of K£ 451,529 - 2 - 80 in full. The Committee further recommends that the Chief Executive should make provisions in the Commission's books of account for any possible loss.

STATUS: *The amount remains unsettled as the receivership continues and provisions for write-off have not been made yet. There is hope of recovery.*

185.0 PENSION CONTRIBUTION

The Committee recommends that the Chief Executive should ensure that all contributions from teachers' salaries are remitted to the agencies involved in accordance with the law.

STATUS: *The remittances are being made in accordance with the law.*

186.0 FIXED ASSETS REGISTER

The Committee recommends that the Chief Executive should submit the fixed assets register to the Auditor-General (Corporations) by 30th September, 1994 for verification. The Committee further recommends that the Chief Executive should always maintain an up to date fixed assets register.

STATUS: ***The recommendation has been implemented and an up to date fixed assets register is being maintained.***

THE KENYA NATIONAL EXAMINATIONS COUNCIL

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA NATIONAL EXAMINATIONS COUNCIL FOR THE YEAR ENDED 30 JUNE, 1989

187.0 FIXED ASSETS

The Committee recommends that the Chief Executive should always maintain an accurate and up to date fixed assets register. The Committee further recommends that the Chief Executive should ensure that, in future, the Council promptly gets title deeds for its properties whenever they are acquired.

STATUS: ***The recommendation has been implemented.***

188.0 HONORARIA PAYMENT

The Committee recommends that the Chief Executive should adhere to the terms and conditions of service of the Council.

STATUS: ***The terms and conditions of service are being adhered to.***

189.0 PROCUREMENT

The Committee recommends that the Chief Executive should invite limited quotations where the materials are of confidential nature, with a view to having competitive rates for the supply of materials. The Committee further recommends that the Chief Executive should always invite open tenders for the other materials not falling in the classified category.

STATUS: ***The recommendation is being adhered to.***

190.0 BANK/CASH BALANCES

The Committee recommends that the Chief Executive should over-haul and strengthen the Council's accounts section. The Committee further recommends that the Chief Executive should closely monitor the accounts section with a view to making it effective. The Committee also recommends that the Chief Executive should always produce documents for audit as required under Section 29 of the Exchequer and Audit Act (Cap.412).

STATUS: ***The Council accounts section has been strengthened and section 29 of the Exchequer and Audit Act (Cap 412) is being adhered to.***

191.0 DISHONOURED CHEQUES

The Committee recommends that the Chief Executive should take all the necessary steps, including legal action, to recover the Kshs.1,155,034.30 owed to the Council by 30th June, 1995. The Committee further recommends that the Chief Executive should over-haul and strengthen the Council's accounts section with a view to making it effective.

STATUS: The recommendation has been implemented.

192.0 SUSPENSE ACCOUNT

The Committee recommends that the Chief Executive should maintain correct and up to date books of account. The Committee further recommends that the Chief Executive should minimise the use of suspense accounts.

STATUS: Correct and up to date books are being maintained and the suspense account is not being used.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA NATIONAL EXAMINATIONS COUNCIL FOR THE YEAR ENDED 30 JUNE, 1990

193.0 FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 1 of 1988/89 accounts that the Chief Executive should always maintain an accurate and up to date fixed assets register. The Committee further recommends that the Chief Executive should ensure that in future, the Council promptly gets title deeds for its properties whenever they are acquired.

STATUS: The recommendation has been implemented and issue of tittle deeds is being adhered to.

194.0 UN-IDENTIFIED BANK PAYMENTS

The Committee recommends that the Chief Executive should over-haul and strengthen the Council's accounts section and ensure that strict discipline is observed in maintaining up to date accounts. The Committee further recommends that the Chief Executive should always keep abreast with proper accounting procedures in the Council.

STATUS: The recommendation has been implemented and proper accounting procedures are being followed.

195.0 DISHONOURED CHEQUES

The Committee reiterates its earlier recommendation under paragraph 5 of 1988/89 accounts that the Chief Executive should take all the necessary steps, including legal action, to recover the Kshs.1,199,372.30 owed to the Council. The Committee further recommends that the Chief Executive should over-haul and strengthen the Council's accounts section with a view to making it effective.

STATUS: The recommendation has been implemented.

196.0 SHORT TERM INVESTMENTS

The Committee recommends that the Chief Executive should strictly adhere to the existing financial regulations by investing any surplus funds in Treasury bills and bonds. The Committee further recommends that in future, severe disciplinary action should be taken against the Chief Executive where the Council deviates from the existing regulations without prior authority from the Treasury.

STATUS: Treasury regulations are being followed when investing surplus funds.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA NATIONAL EXAMINATIONS COUNCIL FOR THE YEAR ENDED 30 JUNE, 1991

197.0 FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 1 of 1989/90 accounts that the Chief Executive should always maintain an accurate and up to date fixed assets register.

STATUS: The recommendation is being adhered to.

198.0 UN-IDENTIFIED BANK PAYMENTS

The Committee reiterates its earlier recommendation under paragraph 2 of 1989/90 accounts that the Chief Executive should over-haul and strengthen the Council's accounts section and ensure that strict discipline is observed in maintaining up to date accounts. The Committee further recommends that the Chief Executive should always keep abreast with proper accounting procedures in the Council.

STATUS: The accounts section has been over-hauled and strengthened and proper accounting procedures are being followed.

199.0 DISHONOURED CHEQUES

The Committee reiterates its earlier recommendation under paragraph 3 of 1989/90 accounts that the Chief Executive should take all the necessary steps, including legal action, to recover the money owed to the Council. The Committee further recommends that the Chief Executive should over-haul and strengthen the accounts section with a view to making it effective.

STATUS: The recommendation has been implemented.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA NATIONAL EXAMINATIONS COUNCIL FOR THE YEAR ENDED 30 JUNE, 1992

200.0 FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 1 of 1990/91 accounts that the Chief Executive should always maintain an accurate and up to date fixed assets register.

STATUS: The recommendation is being adhered to.

201.0 UN-IDENTIFIED BANK PAYMENTS

The Committee reiterates its earlier recommendation under paragraph 2 of 1990/91 accounts that the Chief Executive should over-haul and strengthen the Council's accounts section and ensure that strict discipline is observed in maintaining up to date accounts. The Committee further recommends that the Chief Executive should always keep abreast with proper accounting procedures in the Council.

STATUS: The recommendation has been implemented and proper accounting procedures are being followed.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA NATIONAL EXAMINATIONS COUNCIL FOR THE YEAR ENDED 30 JUNE, 1993

202.0 FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 1 of 1991/92 accounts that the Chief Executive should always maintain an accurate and up to date fixed assets register.

STATUS: The recommendation is being adhered to.

203.0 WORK IN PROGRESS

The Committee recommends that the Chief Executive should furnish the Attorney-General with all the relevant information regarding this project by 30th November, 1994 to enable the Attorney General to initiate investigations into this case and institute criminal proceedings against the officers involved in any fraudulent activities. The Committee further recommends that the parent Ministry and the Treasury should ensure that the project is completed without any further delay to avoid escalation costs.

STATUS: ***The required information has been submitted but the project remains uncompleted due to cash flow problems.***

THE JOMO KENYATTA FOUNDATION

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE JOMO KENYATTA FOUNDATION FOR THE YEAR ENDED 30 JUNE, 1989

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: ***Clean report hence no further action required.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE JOMO KENYATTA FOUNDATION FOR THE YEAR ENDED 30 JUNE, 1990

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: ***Clean report hence no further action required.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE JOMO KENYATTA FOUNDATION FOR THE YEAR ENDED 30 JUNE, 1991

204.0 STOCK

The Committee recommends that the Chief Executive should reflect the reconciliation in the subsequent financial year. The Committee further recommends that the Chief Executive should always maintain correct and up to date books of account.

STATUS: ***The recommendation has been reflected in the subsequent financial year and correct and up to date books of account are being maintained.***

205.0 STAFF CAR LOANS

The Committee recommends that the Chief Executive should ensure that the balance of Kshs.91,667.00 is recovered in full. The Committee further recommends that the Chief Executive should strictly administer the newly approved car loan scheme. The Committee also recommends that the Chief Executive should liaise with the Board and the other necessary authorities with a view to reviewing upwards the car loan interest rate for the members of staff who leave the service of the Foundation.

STATUS: ***The officer has been traced and legal proceedings are taking place to recover the money. The second and third parts of the recommendation are being adhered to.***

206.0 WORK FIRMED OUT

The Committee recommends that the Chief Executive should submit the necessary documentary evidence regarding the break-down of machines and insufficient work force to the Auditor-General (Corporations) by 30th September, 1994 for verification. The Committee further recommends that the Chief Executive should institute prudent financial management and always produce documents for audit as required under Section 29 of the Exchequer and Audit Act (Cap.412).

STATUS: The necessary documentary evidence was submitted and the Foundation is keeping in line with section 29 of the Exchequer and Audit Act (Cap. 412).

207.0 SUSPENSE ACCOUNT

The Committee recommends that the Chief Executive should make the necessary adjustments in the 1993/94 books of account. The Committee further recommends that the Chief Executive should always maintain up to date and correct books of account.

STATUS: The required adjustments were made and up to date and correct books of account are being maintained.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE JOMO KENYATTA FOUNDATION FOR THE YEAR ENDED 30 JUNE, 1992

208.0 ACCURACY OF ACCOUNTS

The Committee recommends that the Chief Executive should analyse the difference of Kshs.4,208,509.00 by 31st December, 1994 and submit them to the Auditor-General (Corporations) for verification. The Committee further recommends that the analyses for the amount of Kshs.1,453,993.00 should be submitted for audit by 30th September, 1994. The Committee also recommends that the Chief Executive should always maintain up to date and correct books of account.

STATUS: The difference was analysed and transferred appropriately in the year 1993/94. The analysis was submitted and proper and up to date books of account are in place.

209.0 STAFF CAR LOANS

The Committee recommends that the Chief Executive should recover all the outstanding car loans as per the terms and conditions of service; and the car loan agreements. The Committee further recommends that the Chief Executive should liaise with the Board and the other necessary authorities with a view to reviewing upwards the car loan interest rate for the members of staff who leave the service of the Foundation.

STATUS: *Car loans were recovered from the ex-members provident funds benefits. Staff who leave the service have their car loan interest reviewed as recommended.*

210. OVERPAYMENT OF HOUSE ALLOWANCE

The Committee recommends that the Chief Executive should be vigilant to avoid such advance payments before new rates are approved.

STATUS: *The recommendation is being adhered to.*

211. PRINTING WORKS FIRMED OUT

The Committee reiterates its earlier recommendation under paragraph 3 of 1990/91 accounts that the Chief Executive should submit the necessary documentary evidence regarding the break down of machines and insufficient work force to the Auditor-General (Corporations) by 30th September, 1994 for verification. The Committee further recommends that the Chief Executive should institute prudent financial management and always produce documents for audit as required under Section 29 of the Exchequer and Audit Act (Cap.412).

STATUS: *The recommendation has been implemented and the Chief Executive confirms that section 29 of Exchequer and Audit Act (Cap. 412) is being adhered to.*

212.0 SCHOLARSHIP AWARDS

The Committee recommends that the Chief Executive should submit the necessary details relating to the criteria used in awarding the scholarships and an analysis of the awards, so far awarded, between 1989/90 - 1991/92 to the Auditor-General (Corporations) by 30th September, 1994 for verification. The Committee further recommends that the Chief Executive should always produce documents for audit as required under Section 29 of the Exchequer and Audit Act (Cap.412).

STATUS: *The information was provided as recommended and compliance to section 29 of the Exchequer and Audit Act (Cap. 412) is in force.*

UNIVERSITY OF NAIROBI

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF UNIVERSITY OF NAIROBI FOR THE YEAR ENDED 30 JUNE, 1992

213.0 FINANCIAL POSITION

The Committee recommends that the Vice Chancellor should liaise with the parent Ministry and the Treasury with a view to ensuring that the University gets adequate funds. The Committee further recommends that the Vice Chancellor and the parent Ministry should explore other avenues of funding the University. The Committee also recommends that the parent Ministry should refund the University the amount of K£ 6,408,403 by 31st December, 1994.

STATUS: *K£ 2,502,074 has been refunded and the balance of K£ 4,906,329 is expected to be refunded in 1995/96. A bill on students loans has been passed in Parliament and other avenues of funding are being sought.*

214.0 LOSS OF EQUIPMENT

The Committee recommends that the Vice Chancellor should recover the total amount of Kshs.100,000.00 and Kshs.350,000.00 from the two officers. The Committee further recommends that the Vice Chancellor should make a follow up with the police with regards to the other pending cases in order to finalise them and take the necessary action where necessary.

STATUS: *The total of Kshs. 100,000.00 has been fully recovered while Kshs.102,000.00 has been recovered leaving a balance of Kshs. 248,000.00 which is being recovered at the rate of Kshs. 3,400.00 per month from the payroll. Police investigation continue on pending cases.*

NAIROBI UNIVERSITY PRESS

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NAIROBI UNIVERSITY PRESS FOR THE YEAR ENDED 30 JUNE, 1989

The Committee noted that this was a clean report and commends the Vice Chancellor for the efforts made during the year under review.

STATUS: ***Clean report hence no further action required.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NAIROBI UNIVERSITY PRESS FOR THE YEAR ENDED 30 JUNE, 1990

The Committee noted that this was a clean report and commends the Vice Chancellor for the efforts made during the year under review.

STATUS: ***Clean report hence no further action required.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NAIROBI UNIVERSITY PRESS FOR THE YEAR ENDED 30 JUNE, 1991

The Committee noted that this was a clean report and commends the Vice Chancellor for the efforts made during the year under review.

STATUS: ***Clean report hence no further action required.***

UNIVERSITY STUDENTS ACCOMMODATION BOARD

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE UNIVERSITY STUDENTS ACCOMMODATION BOARD FOR THE YEAR ENDED 30 JUNE, 1987

215.0 DEBTORS

The Committee recommends that the Vice Chancellor should use all possible means, including litigation, with a view to recovering all the debts by 30th June, 1995 and submit the details of the recoveries made thereof to the Auditor-General (Corporations) for verification.

STATUS: ***Kshs. 3,290,948.00 has been recovered and the balance of Kshs. 1,695,240.00 is being pursued by all means including litigation.***

215.1

The Committee recommends that the Vice Chancellor should recover all the debts by 30th June, 1995 and submit the details of the recoveries made thereof to the Auditor-General (Corporations) for verification. The Committee further recommends that the Vice Chancellor should institute firm regulations on the advance of salaries, allowances and loans to the members of staff of the Students Welfare Association (SWA) to ensure prompt recovery of the same.

STATUS: ***Kshs. 283,388.00 has been recovered and the balance of Kshs. 75,617.00 is being pursued through legal channels.***

216.0 STOCKS

The Committee recommends that the Vice Chancellor should submit all the records pertaining to the stock taking exercise done during the hand-over/take-over exercise to the Auditor-General (Corporations) for verification by 30th September, 1994. The Committee further recommends that the Vice Chancellor should ensure that annual stock taking is done periodically as required.

STATUS: ***The records for the Kshs. 7,593,300.00 stock sheets were submitted and verified by the Auditor General (Corporations) and the annual stock taking is now being done periodically.***

217.0 INVESTMENTS

The Committee recommends that the Vice Chancellor should make all efforts, including legal action, in order to recover the amounts in full by 30th June, 1995 and submit the details of the recoveries made thereof to the Auditor-General (Corporations) for verification. The Committee further recommends that the Vice Chancellor should strictly adhere to the financial regulations by investing any surplus funds in Treasury bills and bonds.

STATUS: *The amount of Kshs. 5,500,000.00 investments was cleared after verification by the Auditor General (Corporations) and the Vice-Chancellor confirms that he is strictly adhering to the financial regulations.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE UNIVERSITY STUDENTS ACCOMMODATION BOARD FOR THE YEAR ENDED 30 JUNE, 1988

218.0 DEBTORS

The Committee reiterates its earlier recommendation under paragraph 1.2 of 1986/87 accounts that the Vice Chancellor should recover all the debts by 30th June, 1995 and submit the details of the recoveries made thereof to the Auditor-General (Corporations) for verification. The Committee further recommends that the Vice Chancellor should institute firm regulations on the advance of salaries, allowances and loans to the members of staff of the Board to ensure prompt recovery of the same.

STATUS: *The position is as reported above for the 1986/87.*

219.0 STOCKS

The Committee reiterates its earlier recommendation under paragraph 2 of 1986/87 accounts that the Vice Chancellor should submit all the records pertaining to the stock taking exercise done during hand-over/take-over exercise to the Auditor-General (Corporations) by 30th September, 1994. The Committee further recommends that the Vice Chancellor should ensure that annual stock taking is done periodically as required.

STATUS: *The position is as reported above for the year 1986/87.*

220.0 INVESTMENTS

The Committee reiterates its earlier recommendation under paragraph 3 of 1986/87 accounts that the Vice Chancellor should make all efforts, including legal action, in order to recover the amounts in full by 30th June, 1995 and submit the details of the recoveries made thereof to the Auditor-General (Corporations) for verification.

The Committee further recommends that the Vice Chancellor should strictly adhere to the financial regulations by investing any surplus funds in Treasury bills and bonds.

STATUS: *The recommendation has been implemented as reported above for the year 1986/87.*

221.0 UNVOUCHED EXPENDITURE

The Committee recommends that the Vice Chancellor should identify and produce the necessary documents to vouch for the expenditure of Kshs.22,871,595.00 by 31st December, 1994 and submit them to the Auditor-General (Corporations) for verification. The Committee further recommends that the Vice Chancellor should take disciplinary action against the officer(s) directly responsible for the production of these documents during the audit exercise.

STATUS: ***The P.S parent Ministry has already taken action and written to the National Bank of Kenya Ltd for the figure of Kshs. 22,871,595.00 and the matter involving disciplinary issue is still being pursued.***

222.0 BANK OVERDRAFT

The Committee recommends that the Vice Chancellor should reconcile the outstanding difference of Kshs.1,682,959.20 by 31st December 1994 and submit the analysis to the Auditor-General (Corporations) for verification. The Committee further recommends that the Vice-Chancellor should take disciplinary action, including reprimand, against the officers who did not reconcile the difference during the financial year.

STATUS: ***Verification is still incomplete as the figure has now risen to Kshs. 1,782,895.25 after getting supporting documents for Kshs. 21,226,646.75 out of the original figure of Kshs. 22,909,965.00. The disciplinary action has been taken.***

223.0 DEBTORS

The Committee recommends that the Vice Chancellor should recover all the debts by 30th June, 1995 and submit the details of the recoveries made thereof to the Auditor-General (Corporations) for verification.

STATUS: ***The matter has not been resolved and the recovery is still being followed up.***

224.0 STOCKS

The Committee reiterates its earlier recommendation under paragraph 2 of 1987/88 accounts that the Vice-Chancellor should submit all records pertaining to the stock taking exercise done during the hand-over/take-over exercise to the Auditor-General (Corporations) by 30th September, 1994 for verification. The Committee further recommends that the Vice-Chancellor should ensure that annual stock taking is done periodically as required.

STATUS: ***The position is as reported above during 1986/87.***

225.0 OUTSTANDING AUDIT FINDINGS

(a) Cash and Imprests

The Committee recommends that the Vice-Chancellor should recover all the outstanding amounts in full by 30th June, 1995 and submit the details of the recoveries made thereof to the Auditor-General (Corporations) for verification.

The Committee further strongly recommends that the former General Manager, Mr. George Lusweti, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446) for authorising the excess payments.

STATUS: The outstanding amounts have not yet been recovered and the Vice-Chancellor is following up with the Auditor-General(Corporations) and also the matter of Mr. Lusweti's surcharge.

(b) Sundry Expenses

The Committee strongly recommends that the Vice-Chancellor should personally take immediate measures, including legal action, to recover the over-payments from all the officers involved. The Committee further recommends that the then General Manager, Mr. George Lusweti, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446) for authorizing the excess payments.

STATUS: The overpayments of Kshs. 37,650.00 have been recovered from salaries and the balance of Kshs. 81,479.15 is being pursued through the Court of law. The matter of the surcharge is still being pursued.

(c) Non Compliance with Purchasing and Procurement Procedure

The Committee recommends that the Vice-Chancellor should liaise with the Ministry of Education and recover the Kshs.194,875.00 from Mr. Lusweti, this being the amount the Board would have saved had it procured the wardrobes from the lowest tenderer. The Committee further recommends that the Vice-Chancellor should recover the amount of Kshs.285,640.00 from the firm which supplied the beds since they were ordinary spring beds and not metal beds as specified in the order.

The Committee also recommends that the Vice-Chancellor should strictly adhere to the financial regulations with regards to the procurement of goods and services.

STATUS: The weakness were under the defunct USAB and the UON has instituted proper procurement and purchasing procedures. The recovery of the money is still being pursued.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE UNIVERSITY STUDENTS ACCOMMODATION BOARD FOR THE FOUR MONTHS PERIOD ENDED 14TH NOVEMBER, 1989

226.0 NON-PRODUCTION OF ACCOUNTING RECORDS

The Committee recommends that the Vice-Chancellor should take disciplinary action against the officer(s) who failed to produce these documents during the audit exercise.

STATUS: Disciplinary action has been taken and most of the officers sacked.

227.0 FIXED DEPOSITS

The Committee recommends that the Vice-Chancellor should ensure that the fixed deposit receipts are obtained by 30th April, 1995 and submitted to the Auditor-General (Corporations) for verification. The Committee further recommends that the Vice Chancellor should take disciplinary action against the officer(s) who failed to produce the documents during the audit exercise.

STATUS: The fixed deposit receipts were obtained and verified and disciplinary action taken including termination of service.

228.0 DEBTORS

The Committee reiterates its earlier recommendation under paragraph 3 of 1988/89 accounts that the Vice-Chancellor should recover all the debts by 30th June, 1995 and submit the details of the recoveries made thereof to the Auditor-General (Corporations) for verification.

STATUS: The position is as explained above in the previous year.

KENYATTA UNIVERSITY

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYATTA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 1989

229.0 OPERATING DEFICITS

The Committee recommends that the Vice-Chancellor should liaise with the parent Ministry and the Treasury with a view to ensuring that the University gets adequate funds. The Committee further recommends that the Vice Chancellor and the parent Ministry should explore other avenues of funding the University. The Committee also recommends that the parent Ministry should pay the University the amount of Kshs.5,603,032.00 by 31st December, 1994.

STATUS: ***The Vice-Chancellor is liaising with the parent Ministry and the Treasury to improve the funding as recommended.***

230.0 CAPITAL WORKS

The Committee recommends that the Vice-Chancellor should liaise with the parent Ministry and the Treasury and ensure that projects are completed to avoid escalation of costs. The Committee further recommends that the deficit of K£ 13,507,517 should be reflected in the University's 1993/94 accounts as creditors.

STATUS: ***The recommendation is being seriously followed and the completion of the stalled projects is being seriously looked into to avoid the escalating costs. The figure is being reflected as recommended.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYATTA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 1990

231.0 FINANCIAL PERFORMANCE

The Committee recommends that the Vice-Chancellor should liaise with the parent Ministry and the Treasury with a view to ensuring that the University gets adequate funds. The Committee further recommends that the Vice-Chancellor and the parent Ministry should explore other avenues of funding the University. The Committee also recommends that the parent Ministry should refund the University the amount of Kshs.10,000,000.00 by 31st December, 1994.

STATUS: ***Higher Education Loan scheme is now in operation and avenues for University funding are being pursued. The figure is due for refund.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYATTA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 1991

232.0 SUPPLY OF FURNITURE - NYAYO HOSTELS

The Committee recommends that the former University Secretary, Dr. J.K. Yego, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446). The Committee further recommends that the Vice-Chancellor should ensure that the University is not committed to such irregular guarantees in future.

STATUS: ***No further irregular guarantees are being committed and surcharge of Dr. J.K. Yego is being pursued.***

MASENO UNIVERSITY COLLEGE

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MASENO UNIVERSITY COLLEGE FOR THE YEAR ENDED 30 JUNE, 1991

233.0 ACCURACY OF THE ACCOUNTS

The Committee recommends that the Principal should ensure that such differences do not recur.

STATUS: ***The recommendation is being adhered to.***

234.0 FIXED ASSETS

The Committee recommends that the parent Ministry should return the said vehicles to Maseno University College by 30th September, 1994 and their value included in the College's books of account.

STATUS: ***The vehicles have been returned and are now being included in the fixed assets register.***

MOI UNIVERSITY

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MOI UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 1987

The Committee noted that this was a clean report and commends the Vice-Chancellor for the efforts made during the year under review.

STATUS: Clean report hence no further action required.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MOI UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 1988

The Committee noted that this was a clean report and commends the Vice Chancellor for the efforts made during the year under review.

STATUS: Clean report hence no further action required.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MOI UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 1989

235.0 FIXED ASSETS

The Committee recommends that the Vice Chancellor should always maintain a correct and an up to date fixed assets register.

STATUS: The recommendation is being adhered to.

236.0 PROCUREMENT OF FURNITURE

The Committee recommends that the Vice Chancellor should ensure that the University strictly adheres to the laid down financial regulations with regards to procurement of goods and services. The Committee further recommends that the Vice Chancellor should institute internal control systems in order to avoid such losses in future.

STATUS: Internal control systems have been strengthened and the laid down financial regulations are being adhered to.

237.0 CONSTRUCTION WORKS

The Committee recommends that the Vice Chancellor should ensure that the University strictly adheres to the tendering procedures.

STATUS: The recommendation is being adhered to.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MOI UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 1991

238.0 FINANCIAL POSITION

The Committee recommends that the Vice Chancellor should liaise with the parent Ministry and the Treasury with a view to ensuring that the University gets adequate funds. The Committee further recommends that the Vice Chancellor and the parent Ministry should explore other avenues such as the use of the farms to generate revenue to fund the University.

STATUS: ***The Higher Education loans fund is in operation and other avenues for more funding are being sought to be as self sufficient as possible.***

239.0 CHEPKOILEL CAMPUS

The Committee recommends that the Vice Chancellor should ensure that formal handing over procedures are completed by 3rd November, 1994. The Committee further recommends that the Vice Chancellor should include the assets and liabilities in the accounts of the University immediately thereafter.

STATUS: ***The handing over has not been completed and the matter is being followed up.***

240.0 DEVELOPMENT GRANTS

The Committee recommends that the parent Ministry must refund the University the sum of Kshs.48,700,000.00 during the 1994/95 financial year. The Committee further recommends that the parent Ministry should submit to Moi University all the details of the expenditure relating to the amount of Kshs.48,700,000.00 utilised to pay the 14 creditors for onward submission to the Auditor-General (Corporations) by 15th December, 1994 for verification.

STATUS: ***The refund has not been completed and the matter is still being pursued.***

EGERTON UNIVERSITY

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF EGERTON UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 1990

241.0 FIXED ASSETS

The Committee recommends that the Vice Chancellor should complete the exercise of up dating the fixed assets register by 30th June, 1995. The Committee further recommends that the Vice Chancellor should ensure that the University maintains a correct and an up to date fixed assets register.

STATUS: ***The fixed assets register has been completed and updated before 30th June, 1995.***

242.0 DEBTORS AND PREPAYMENTS

The Committee recommends that the Vice Chancellor should follow up the claim with the Kenya National Assurance Company with a view to getting a reimbursement of the petty cash amounting to Kshs.249,000.00. The Committee further recommends that the Vice Chancellor should make a follow up with the Official Receiver with a view to recovering the debt amounting to Kshs.205,000,00 owing from the Uplands Bacon Factory. The Committee also recommends that the Vice Chancellor should make a provision for this bad debt in the University's books of account.

STATUS: ***The money has not been recovered but provision for bad debts has been made.***

243.0 HOTEL LOSSES

The Committee recommends that the Vice Chancellor should endeavour to make the Centre commercially viable. The Committee further recommends that the Vice Chancellor should closely monitor the operations of the Centre in order to avoid such operating losses.

STATUS: ***The Hotel is now commercially viable and 1994/95 unaudited figures show a profit of Kshs. 2,550,689.00 thus moving from loss making to profit making.***

EGERTON UNIVERSITY STUDENTS ACCOMMODATION AND CATERING SERVICES

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF EGERTON UNIVERSITY STUDENTS ACCOMMODATION AND CATERING SERVICES FOR THE YEAR ENDED 30 JUNE, 1990

244.0 FIXED ASSETS

The Committee recommends that the Vice Chancellor should always maintain a correct and up to date fixed assets register.

STATUS: *An upto date fixed assets register is now being maintained.*

245.0 SERVICE CHARGE

The Committee recommends that the Vice Chancellor should continue paying the service charge while at the same time, seek exemption from the provisions of the Service Charge Act where necessary for those employees who are eligible as required by the law.

STATUS: *The Vice-Chancellor continues payment of the service charge and at the same time exemption is being sought.*

EGERTON UNIVERSITY NGONGOGERI FARM

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NGONGOGERI FARM FOR THE YEAR ENDED 30 JUNE, 1989

246.0 CASH AND BANK BALANCES

The Committee recommends that the Vice Chancellor should ensure that the University Council institutes proper rules and regulations to govern the operations of the Farm and all the other income-generating projects of the University by 31st December, 1994 to ensure that funds generated from these projects are not misappropriated.

STATUS: *The University has now instituted proper rules and regulations to govern the operations of the Farm and all other income-generating projects.*

247.0 STOCK

The Committee recommends that the Vice Chancellor should reprimand the officer(s) directly responsible for the submission of the stock sheets during the audit exercise and that in future, more severe disciplinary action should be taken against any officer who fails to present stock sheets for inspection.

STATUS: *The Vice-Chancellor has reprimanded the officers as recommended.*

248.0 DEBTORS AND PREPAYMENTS

The Committee recommends that the Vice Chancellor should ensure that the University Council institutes proper rules and regulations to govern the operations of the Farm and all the other income-generating projects of the University by 31st December, 1994. The Committee further recommends that there should be a clear distinction between the operations of the Farm and the other income-generating projects of the University by 31st December, 1994. The Committee further recommends that there should be a clear distinction between the operations of the Farm and the normal University activities and that the figure of K£555,935 should be analysed by 31st December, 1994, and the necessary details submitted to the Auditor-General (Corporations) for verification.

STATUS: *The figure of K£ 555,935 has now been analysed and submitted for verification and proper rules and regulations to govern the operations of the farm are now in place.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF NGONGOGERI FARM FOR THE YEAR ENDED 30 JUNE, 1990

249.0 DEBTORS AND PREPAYMENTS

The Committee reiterates its earlier recommendation under paragraph 3 of 1988/89 accounts that the Vice Chancellor should ensure that the University Council institutes proper rules and regulations to govern the operations of the Farm and all the other income-generating projects of the University by 31st December, 1994. The Committee further recommends that there should be a clear distinction between the operations of the Farm and the normal University activities and that the figure of Kshs.12,006,820.00 should be analysed by 31st December, 1994 and the necessary details submitted to the Auditor-General (Corporations) for verification. The Committee also recommends that the Vice Chancellor should recover the outstanding balance of Kshs.713,840.00 by 30th June, 1995.

STATUS: *Proper rules and regulations have been formulated. The figure of Kshs. 12,006,820.00 has been analysed and the process of recovery of Kshs. 713,840.00 has been instituted.*

250.0 CASH AT BANK

The Committee reiterates its earlier recommendation under paragraph 1 of 1988/89 accounts that the Vice Chancellor should ensure that the University Council institutes proper rules and regulations to govern the operations of the Farm and all the other income-generating projects of the University by 31st December, 1994 to ensure that funds generated from these projects are not misappropriated.

STATUS: *The recommendation has been implemented.*

251.0 CREDITORS AND ACCRUALS

The Committee reiterates its earlier recommendation under paragraph 3 of 1988/89 accounts that the Vice Chancellor should ensure that the University Council institutes proper rules and regulations to govern the operations of the Farm and all the other income-generating projects of the University by 31st December, 1994. The Committee further recommends that there should be a clear distinction between the operations of the Farm and the normal University activities and that the figure of Kshs.2,000,000.00 should be analysed by 31st December, 1994 and the necessary details submitted to the Auditor-General (Corporations) for verification.

STATUS: *The figure of Kshs. 2,000,000.00 has now been analysed and submitted and proper rules and regulations have been instituted.*

252.0 DEBTORS AND PREPAYMENTS

The Committee reiterates its earlier recommendation under paragraph 1 of 1989/90 accounts that the Vice Chancellor should ensure that the University Council has proper rules and regulations to govern the operations of the Farm and all the other income-generating projects of the University by 31st December, 1994. The Committee further recommends that there should be a clear distinction between the operations of the Farm and the normal University activities and that the figure of Kshs.13,605,240.00 should be analysed by 31st December, 1994 and the necessary details submitted to the Auditor-General (Corporations) for verification. The Committee also recommends that the Vice Chancellor should ensure that the debtor's figure of Kshs.28,560.00 is correctly reflected in the accounts.

STATUS: ***The debtors figure of Kshs. 28,560.00 is correctly reflected in the accounts and the figure of kshs. 13,605,240.00 has been analysed and submitted. The University Council now has proper rules and regulations to govern the operations of the Farm and other income generating projects.***

253.0 CURRENT LIABILITIES

The Committee reiterates its earlier recommendation under paragraph 3 of 1989/90 accounts that the Vice Chancellor should ensure that the University Council has proper rules and regulations to govern the operations of the Farm and all the other income-generating projects of the University by 31st December, 1994. The Committee further recommends that there should be a clear distinction between the operations of the Farm and the normal University activities and that the figure of Kshs.2,000,000.00 should be analysed by 31st December 1994 and the necessary details submitted to the Auditor-General (Corporations) for verification.

STATUS: ***The figure of Kshs. 2,000,000.00 has been analysed and details submitted. Proper rules and regulations have been instituted.***

253.1

The Committee recommends that the Vice Chancellor should always seek prior approval from the University Council before operating an over draft as required by the regulations.

STATUS: ***Prior approval is now being sought before operating an overdraft.***

253.2

The Committee reiterates its earlier recommendation under paragraph 2 of 1989/90 accounts that the Vice Chancellor should ensure that the University Council institutes proper rules and regulations to govern the operations of the Farm and all other income-generating projects of the University by 31st December, 1994 to ensure that funds generated from these projects are not misappropriated.

STATUS: ***The recommendation has been implemented.***

253.3

The Committee recommends that the Vice Chancellor should always maintain a correct and up to date creditors ledger.

STATUS: ***A correct and up to date creditors ledger is being maintained.***

AFRICAN TOURS AND HOTELS

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE AFRICAN TOURS AND HOTELS FOR THE YEAR ENDED 30 JUNE, 1990

254.0 PURCHASE OF SECOND HAND VEHICLES

The Committee recommends that the Chief Executive should submit the Board's approval to the Auditor-General (Corporations) by 30th September, 1994 for verification. The Committee further recommends that the Chief Executive should strictly adhere to the financial regulations with regard to procurement procedures.

STATUS: *The Board's approval was submitted for verification. The Chief Executive now adheres to the financial regulations with regard to procurement procedures.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE AFRICAN TOURS AND HOTELS FOR THE YEAR ENDED 30 JUNE, 1991

255.0 PURCHASE OF LAND

The Committee recommends that the Chief Executive should liaise with the parent Ministry and the Treasury in order to formalise the anomaly by 31st December, 1994. The Committee further recommends that the Chief Executive should include the expenditure of Kshs.4,377,433.00 in the Company's fixed assets balance.

STATUS: *The recommendation has been implemented.*

256.0 DEBTORS

The Committee recommends that the Chief Executive should recover all the outstanding staff advances, imprests and loans, and submit the details of the recoveries made thereof to the Auditor-General (Corporations) by 30th June, 1995 for verification.

The Committee further recommends that the Chief Executive should strictly adhere to the financial regulations with regard to issuance and surrender of imprests, and regulations governing staff advances and loans. The Committee further recommends that in future, the Chief Executive should take stern action, including surcharge, against any officer(s) who violate(s) the laid down financial regulations.

STATUS: *The Company has instituted strict recovery procedures including action and financial regulations are being adhered to. Details were submitted to the Auditor General (Corporations).*

257.0 UNIFORMS

The Committee recommends that the Chief Executive should submit the terms and conditions of service which provide for the acquisition of uniforms to senior staff of the Company to the Auditor-General (Corporations) by 30th September, 1994 for verification. The Committee further recommends that the Chief Executive should always provide the necessary documents for audit as required under Section 29 of the Exchequer and Audit Act (Cap.412).

STATUS: ***The terms and conditions were submitted on 30th September,1994. The Chief Executive is complying with section 29 of the Exchequer and Audit Act (Cap. 412)***

MERU MULIKA LODGE LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MERU MULIKA LODGE LIMITED FOR THE YEAR ENDED 30TH JUNE, 1989

258.0 GOING CONCERN

The Committee noted that the Lodge had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, recommends that the privatisation of the Lodge should be expedited to avoid further losses to the Company.

STATUS: The recommendation is being actively followed up.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MERU MULIKA LODGE LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

259.0 GOING CONCERN

The Committee noted that the Lodge had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, reiterates its earlier recommendation under paragraph 1 of 1988/89 accounts that the privatisation of the Lodge should be expedited to avoid further losses to the Company.

STATUS: The same as reported above in the previous year.

260.0 STATUTORY DEDUCTIONS

The Committee recommends that the Chief Executive should expedite the negotiations and ensure that the statutory deductions totalling Kshs.4,089,980.00 are remitted to the various institutions without any further delay.

STATUS: The matter of the Statutory deductions has been resolved by making the remittances as recommended.

TEA HOTEL LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF TEA HOTEL LIMITED FOR THE YEAR ENDED 30TH JUNE, 1987

261.0 GOING CONCERN

The Committee, therefore, strongly recommends that the recommendations contained in the Fourth Report of the Public Investments Committee pertaining to the sale of the Kenya Tourist Development Corporation (KTDC) shares should be implemented forthwith. These recommendations were:-

(i) That the sale of the Kenya Tourist Development Corporation shares in this Hotel should be nullified.

(ii) That the Attorney General should investigate this case with a view to instituting criminal proceedings against the person(s) involved in any fraudulent activities during the sale of the shares in the Hotel.

STATUS: *The matter could not be resolved as the sale had already been finalised. The Attorney General is pursuing the matter.*

262.0 FIXED ASSETS

The Committee recommends that the Chief Executive should personally make a follow-up with the Commissioner of Lands and ensure that the five parcels of land are registered in the Company's name by 31st December, 1994.

STATUS: *This was followed up but the registration has not been completed.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF TEA HOTEL LIMITED FOR THE YEAR 30TH JUNE, 1988

263.0 GOING CONCERN

The Committee, therefore, reiterates its earlier recommendation under paragraph 1 of 1986/87 accounts that the recommendations contained in the Fourth Report of the Public Investments Committee pertaining to the sale of the Kenya Tourist Development Corporation shares in the Hotel should be implemented forthwith. These recommendations were:-

(i) That the sale of the Kenya Tourist Development Corporation shares in this Hotel should be nullified.

(ii) That the Attorney General should investigate this case with a view to instituting criminal proceedings against the person(s) involved in any fraudulent activities during the sale of the shares in the Hotel.

STATUS: *The matter had reached a no return point and therefore could not be nullified. The Attorney General is pursuing the matter of preferring criminal proceedings.*

264.0 FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 2 of 1986/87 accounts that the Chief Executive should personally make a follow-up with the Commissioner of Lands and ensure that the five parcels of land are registered in the Company's name by 31st December, 1994.

STATUS: *The matter is as reported above in the previous year.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF TEA HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1989

265.0 GOING CONCERN

The Committee, therefore, reiterates its earlier recommendation under paragraph 1 of 1987/88 accounts that the recommendations contained in the Fourth Report of the Public Investments Committee pertaining to the sale of the Kenya Tourist Development Corporation (KTDC) shares in the Hotel should be implemented forthwith. These recommendations were:-

(i) **That the sale of the Kenya Tourist Development Corporation shares in this Hotel should be nullified.**

(ii) **That the Attorney General should investigate this case with a view to instituting criminal proceedings against the person(s) involved in any fraudulent activities during the sale of the shares in the Hotel.**

STATUS: *The matter is as reported in the year ending 30th June, 1988.*

266.0 FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 2 of 1987/88 accounts that the Chief Executive should personally make a follow-up with the Commissioner of Lands and ensure that the five parcels of land are registered in the Company's name by 31st December, 1994.

STATUS: *The matter is as reported in the year ending 30th June, 1988.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF TEA HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

267.0 GOING CONCERN

The Committee, therefore, reiterates its earlier recommendation under paragraph 1 of 1988/89 accounts that the recommendations contained in the Fourth Report of the Public Investments Committee pertaining to the sale of the Kenya Tourist Development Corporation (KTDC) shares in the Hotel should be implemented forthwith. These recommendations were:-

(i) That the sale of the Kenya Tourist Development Corporation shares in this Hotel should be nullified.

(ii) That the Attorney General should investigate this case with a view to instituting criminal proceedings against the person(s) involved in any fraudulent activities during the sale of the shares in the Hotel.

STATUS: The matter is as reported in the year ending 30th June, 1988.

268.0 FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 2 of 1988/89 accounts that the Chief Executive should personally make a follow-up with the Commissioner of Lands and ensure that the five parcels of land are registered in the Company's name by 31st December, 1994.

STATUS: The matter is as reported in the year ending 30th June, 1988.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF TEA HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1991

269.0 GOING CONCERN

The Committee, therefore, reiterates its earlier recommendation under paragraph 1 of 1989/90 accounts that the recommendations contained in the Fourth Report of the Public Investments Committee pertaining to the sale of the Kenya Tourist Development Corporation (KTDC) shares in the Hotel should be implemented forthwith. These recommendations were:-

(i) That the sale of the Kenya Tourist Development Corporation shares in this Hotel should be nullified.

(ii) That the Attorney General should investigate this case with a view to instituting criminal proceedings against the person(s) involved in any fraudulent activities during the sale of the shares in the Hotel.

STATUS: The matter is as reported in the year ending 30th June, 1988.

270.0 FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 2 of 1989/90 accounts that the Chief Executive should personally make a follow-up with the Commissioner of Lands and ensure that the five parcels of land are registered in the Company's name by 31st December, 1994.

STATUS: ***The matter is as reported in the year ending 30th June, 1988.***

SIRIKWA HOTEL LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF SIRIKWA HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1987

271.0 GOING CONCERN

The Committee noted that the Hotel had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, recommends that the sale of the Hotel should be expedited to avoid further losses to the Company.

STATUS: The sale has been made and hence privatised.

272.0 PRIOR YEAR ADJUSTMENTS

The Committee recommends that the Chief Executive should streamline and strengthen the accounts section to avoid such accounting errors, omissions and loss of cash.

The Committee further recommends that the Chief Executive should ensure that the amount of Kshs.88,725.00 is recovered in full.

STATUS: Privatisation was completed before the amount had been recovered.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF ELDORET SIRIKWA HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1988

273.0 GOING CONCERN

The Committee noted that the Hotel had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, reiterates its earlier recommendation under paragraph 1 of 1986/87 accounts that the sale of the Hotel should be expedited to avoid further losses to the Company.

STATUS: The sale has since been done.

274.0 FIXED ASSETS

The Committee recommends that the Chief Executive should submit the fixed assets register to the Auditor-General (Corporations) by 30th October, 1994 for verification. The Committee further recommends that the Chief Executive should always maintain an up to date fixed assets register.

STATUS: The fixed assets register was not maintained as the Hotel was privatised.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF ELDORET SIRIKWA HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1989

275.0 GOING CONCERN

The Committee noted that the Hotel had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, reiterates its earlier recommendation under paragraph 1 of 1987/88 accounts that the sale of the Hotel should be expedited to avoid further losses to the Company.

STATUS: The sale has since been done.

275.0 FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 2 of 1987/88 accounts that the Chief Executive should submit the fixed assets register to the Auditor-General (Corporations) by 30th October, 1994 for verification. The Committee further recommends that the Chief Executive should always maintain an up to date fixed assets register.

STATUS: This was not done as the Hotel was privatised.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF ELDORET SIRIKWA HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

276.0 GOING CONCERN

The Committee noted that the Hotel had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, reiterates its earlier recommendation under paragraph 1 of 1988/89 accounts that the sale of the Hotel should be expedited to avoid further losses to the Company.

STATUS: The Hotel has already been privatised.

MARA LODGE LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MARA LODGE LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

277.0 FINANCIAL STATEMENT

The Committee recommends that the Chief Executive should submit the necessary details to the Auditor-General (Corporations) by 30th October, 1994 for verification. The Committee further recommends that the Chief Executive should always adhere to the law under which the Company operates.

STATUS: Adherence to the law is being observed and the necessary details were submitted.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MARA LODGE LIMITED FOR THE YEAR ENDED 30 JUNE, 1991

278.0 FINANCIAL STATEMENT

The Committee reiterates its earlier recommendation under paragraph 1 of 1989/90 accounts that the Chief Executive should submit the necessary details to the Auditor-General (Corporations) by 30th October, 1994 for verification.

The Committee further recommends that the Chief Executive should always adhere to the law under which the Company operates.

STATUS: The same as reported above for the year ended 30th June,1990.

GOLF HOTEL LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF GOLF HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1988

279.0 GOING CONCERN

The Committee noted that the Hotel had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, recommends that the sale of the Hotel should be expedited to avoid further losses to the Company.

STATUS: *The Hotel has now been privatised.*

280.0 BANK OVERDRAFT

The Committee recommends that the Chief Executive should strictly monitor the accounts section and ensure that such differences do not recur.

STATUS: *The Chief executive has been strictly monitoring the accounts section.*

281.0 DEBTORS

The Committee recommends that the Chief Executive should liaise with the Attorney-General with a view to expediting the court case and report the progress to the Auditor-General (Corporations) by 31st December, 1994.

STATUS: *The Chief Executive is liaising with the Attorney General to expedite the case.*

282.0 SUSPENSE ACCOUNT

The Committee recommends that the Chief Executive should liaise with the Attorney-General with a view to expediting the court case and report the progress to the Auditor-General (Corporations) by 31st December, 1994.

STATUS: *The Chief Executive is liaising with the Attorney General to expedite the case.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF GOLF HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1989

283.0 GOING CONCERN

The Committee noted that the Hotel had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, reiterates its earlier recommendation under paragraph 1 of 1987/88 accounts that the sale of the Hotel should be expedited to avoid further losses to the Company.

The Committee further recommends that the Chief Executive should ensure that all the statutory deductions are remitted to the various organisations without any further delay. The Committee also recommends that the Company should repay the Kenya Tourist Development Corporation loan in full.

STATUS: ***The Hotel has now been sold. All Statutory deductions had been remitted and the loan has been repaid.***

284.0 BANK OVERDRAFT

The Committee reiterates its earlier recommendation under paragraph 2 of 1987/88 accounts that the Chief Executive should strictly monitor the accounts section and ensure that such differences do not recur.

STATUS: ***The Chief Executive has been strictly monitoring the accounts section.***

285. DEBTORS

The Committee reiterates its earlier recommendation under paragraph 3 of 1987/88 accounts that the Chief Executive should liaise with the Attorney-General with a view to expediting the court case and report the progress to the Auditor-General (Corporations) by 31st December, 1994.

STATUS: ***The matter is being followed up as recommended.***

286.0 SUSPENSE ACCOUNT

The Committee reiterates its earlier recommendation under paragraph 4 of 1987/88 accounts that the Chief Executive should liaise with the Attorney-General with a view to expediting the court case and report the progress to the Auditor-General (Corporations) by 31st December, 1994.

STATUS: ***The matter is being followed up as recommended.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF GOLF HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

287.0 GOING CONCERN

The Committee noted that the Hotel had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, reiterates its earlier recommendation under paragraph 1 of 1988/89 accounts that the sale of the Hotel should be expedited in order to avoid further losses to the Company. The Committee further recommends that the Chief Executive should ensure that all the statutory deductions are remitted to the various organisations without any further delay. The Committee also recommends that the Company should repay the Kenya Tourist Development Corporation loan in full.

STATUS: *The Hotel has been privatised. All Statutory deductions have been remitted and the loan repaid.*

288.0 DEBTORS

The Committee reiterates its earlier recommendation under paragraph 3 of 1988/89 accounts that the Chief Executive should liaise with the Attorney-General with a view to expediting the court case and report the progress to the Auditor-General (Corporations) by 31st December, 1994.

STATUS: *The Chief Executive is liaising with the Attorney General to finalise the case.*

289.0 SUSPENSE ACCOUNT

The Committee reiterates its earlier recommendation under paragraph 4 of 1988/89 accounts that the Chief Executive should liaise with the Attorney-General with a view to expediting the court case and report the progress to the Auditor-General (Corporations) by 31st December, 1994.

STATUS: *The matter is as reported above for the year ended 30th June 1990.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF GOLF HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1991

290.0 GOING CONCERN

The Committee noted that the Hotel had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, reiterates its earlier recommendation under paragraph 1 of 1989/90 accounts that the sale of the Hotel should be expedited to avoid further losses to the Company.

STATUS: *The sale has been done.*

291.0 FIXED ASSETS

The Committee recommends that the Chief Executive should submit the fixed assets register to the Auditor-General (Corporations) by 30th October, 1994 for verification. The Committee further recommends that the Chief Executive should always maintain an up to date fixed assets register.

STATUS: *The register was submitted for verification and proper register is being maintained.*

292.0 DEBTORS

The Committee reiterates its earlier recommendation under paragraph 3 of 1989/90 accounts that the Chief Executive should liaise with the Attorney-General with a view to expediting the court case and report the progress to the Auditor-General (Corporations) by 31st December, 1994.

STATUS: ***The Corporation is complying with the recommendation.***

293.0 SUSPENSE ACCOUNT

The Committee reiterates its earlier recommendation under paragraph 3 of 1989/90 accounts that the Chief Executive should liaise with the Attorney-General with a view to expediting the court case and report the progress to the Auditor-General (Corporations) by 31st December, 1994.

STATUS: ***The matter is being followed up.***

294.0 STOCKS AND STORES

The Committee recommends that the Chief Executive should ensure that such discrepancies do not recur.

STATUS: ***The Chief Executive is adhering to the recommendation.***

MARSABIT LODGE (KENYA) LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MARSABIT LODGE (KENYA) LIMITED FOR THE YEAR ENDED 30 JUNE, 1987

295.0 GOING CONCERN

The Committee noted that the Lodge had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, recommends that the sale of the Lodge should be expedited to avoid further losses to the Company.

STATUS: The recommendation is being followed up for privatisation.

296.0 LEASE AGREEMENT

The Committee recommends that the Chief Executive should ensure that the Kenya Wildlife Service and the Marsabit County Council resolve the stalemate by 31st December, 1994 to enable the signing of the lease agreement immediately thereafter.

STATUS: The matter has since been resolved.

297.0 FIXED ASSETS REGISTER

The Committee recommends that the Chief Executive should submit the fixed assets register to the Auditor-General (Corporations) by 30th October, 1994 for verification. The Committee further recommends that the Chief Executive should always maintain an up to date fixed assets register.

STATUS: A fixed assets register is being maintained and details were submitted for verification as recommended.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MARSABIT LODGE (KENYA) LIMITED FOR THE YEAR ENDED 30 JUNE, 1988

298.0 GOING CONCERN

The Committee noted that the Lodge had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, reiterates its earlier recommendation under paragraph 1 of 1986/87 accounts that the sale of the Lodge should be expedited to avoid further losses to the Company.

STATUS: The matter of privatisation is still being pursued.

299.0 LEASE AGREEMENT

The Committee reiterates its earlier recommendation under paragraph 2 of 1986/87 accounts that the Chief Executive should ensure that the Kenya Wildlife Service and the Marsabit County Council resolve the stalemate by 31st December, 1994 to enable the signing of the lease agreement immediately thereafter. The Committee further recommends that the Chief Executive should always maintain an up to date fixed assets register.

STATUS: The matter has been resolved and an up to date fixed assets register is being maintained.

300.0 STATUTORY RECORDS

The Committee recommends that the Chief Executive should file the returns promptly in accordance with the Companies Act by 30th June, 1995. The Committee further recommends that the Chief Executive should reprimand the officer(s) directly involved in the maintenance of the statutory records and the submission of the Company's annual returns.

STATUS: The recommendation has been implemented.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MARSABIT LODGE (KENYA) LIMITED FOR THE YEAR ENDED 30 JUNE, 1989

301.0 GOING CONCERN

The Committee noted that the Lodge had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, reiterates its earlier recommendation under paragraph 1 of 1987/88 accounts that the sale of the Lodge should be expedited to avoid further losses to the Company.

STATUS: The matter is being followed up for privatisation.

302.0 LEASE AGREEMENT

The Committee reiterates its earlier recommendation under paragraph 2 of 1987/88 accounts that the Chief Executive should ensure that the Kenya Wildlife Service and the Marsabit County Council resolve the stalemate by 31st December, 1994 to enable the signing of the lease agreement immediately thereafter.

STATUS: The recommendation has been implemented.

301.0 STATUTORY DEDUCTIONS

The Committee recommends that the Chief Executive must remit all the statutory deductions due to the various organisations by 30th June, 1995.

STATUS: The recommendation has been implemented.

302.0 DEBTORS' AND CREDITORS' BALANCES

The Committee recommends that the Chief Executive should reflect the true position in the subsequent years of account. The Committee further recommends that the Chief Executive should ensure that such differences do not recur.

STATUS: The recommendation is being adhered to.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MARSABIT LODGE (KENYA) LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

303.0 GOING CONCERN

The Committee noted that the Lodge had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, reiterates its earlier recommendation under paragraph 1 of 1988/89 accounts that the sale of the Lodge should be expedited to avoid further losses to the Company.

STATUS: The matter is actively being pursued for privatisation.

304.0 LEASE AGREEMENT

The Committee reiterates its earlier recommendation under paragraph 2 of 1988/89 accounts that the Chief Executive should ensure that the Kenya Wildlife Service and the Marsabit County Council resolve the stalemate by 31st December, 1994 to enable the signing of the lease agreement immediately thereafter.

STATUS: The matter has been resolved.

305.0 STATUTORY DEDUCTIONS

The Committee reiterates its earlier recommendation under paragraph 3 of 1988/89 accounts that the Chief Executive must remit all the statutory deductions due to the various organisations by 30th June, 1995.

STATUS: The remittances were effected.

306.0 ACCOUNTABLE DOCUMENTS

The Committee recommends that the officer(s) responsible for the maintenance of the register of the accountable documents should be severely reprimanded.

STATUS: The recommendation has been implemented.

SUNSET HOTEL LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF SUNSET HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1988

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: ***Clean report hence no further action required.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF SUNSET HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1989

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: ***Clean report hence no further action required.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF SUNSET HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: ***Clean report hence no further action required.***

BUFFALO SPRINGS LODGE LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF BUFFALO SPRINGS LODGE LIMITED FOR THE YEAR ENDED 30 JUNE, 1989

307.0 GOING CONCERN

The Committee noted that the Lodge had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, recommends that the sale of the Lodge should be expedited to avoid further losses to the Company.

STATUS: The matter is being followed up for privatisation.

308. MANAGEMENT FEE

The Committee recommends that the Chief Executive should liaise with the African Tours and Hotels Ltd. and finalise the management agreement by 30th October, 1994.

STATUS: The Management agreement was finalised.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF BUFFALO SPRINGS LODGE LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

309.0 GOING CONCERN

The Committee noted that the Lodge had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, reiterates its earlier recommendation under paragraph 1 of 1988/89 accounts that the sale of the Lodge should be expedited to avoid further losses to the Company.

STATUS: The matter is being followed up for privatisation.

310.0 MANAGEMENT FEE

The Committee reiterates its earlier recommendation under paragraph 2 of 1988/89 accounts that the Chief Executive should liaise with the African Tours and Hotels Ltd. and finalise the management agreement by 30th October, 1994.

STATUS: The recommendation has been implemented.

KABARNET HOTEL LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KABARNET HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1987

311. GOING CONCERN

The Committee noted that the Lodge had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, recommends that the sale of the Lodge should be expedited to avoid further losses to the Company.

STATUS: ***Privatisation has been delayed due to land issues which are being addressed for sale in 1996.***

312.0 LOANS

The Committee recommends that the Chief Executive should expedite the signing of the deeds by 30th October, 1994 and submit the necessary details to the Auditor-General (Corporations) for verification.

STATUS: ***This has been submitted.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KABARNET HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1988

313.0 GOING CONCERN

The Committee noted that the Lodge had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, reiterates its earlier recommendation under paragraph 1 of 1986/87 accounts that the sale of the Lodge should be expedited to avoid further losses to the Company.

STATUS: ***The land issues have delayed the privatisation which is now planned for 1996.***

MOUNT ELGON LODGE LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MOUNT ELGON LODGE LIMITED FOR THE YEAR ENDED 30 JUNE, 1987

314.0 GOING CONCERN

The Committee noted that the Lodge had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, recommends that the sale of the Lodge should be expedited to avoid further losses to the Company. The Committee further recommends that the Chief Executive should ensure that the loan of Kshs.503,065.00 from the Kenya Tourist Development Corporation (KTDC) is repaid as per the terms of the loan agreement.

STATUS: *The lodge is earmarked for privatisation in 1996. Efforts are still being made to repay the loan of Kshs. 503,065.00.*

315.0 DEBTORS

The Committee recommends that the Chief Executive should submit the details of the recoveries made thereof of the amount of Kshs.256,446.00 to the Auditor-General (Corporations) by 30th October, 1994 for verification. The Committee further recommends that the Chief Executive should ensure that debts are promptly collected.

STATUS: *The recommendation has been implemented.*

316.0 CREDITORS AND ACCRUALS

The Committee recommends that the Chief Executive should reconcile the difference of Kshs.383,922.00 by 30th October, 1994 and submit the necessary details to the Auditor-General (Corporations) for verification. The Committee further recommends that the Chief Executive should reprimand the officer(s) responsible for the submission of the documents for audit and that in future, all documents should be availed for audit as required under Section 29 of the Exchequer and Audit Act (Cap.412).

STATUS: *The reconciliation was done and submitted for verification. A reprimand of the officers has been done.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MOUNT ELGON LODGE LIMITED FOR THE YEAR ENDED 30 JUNE, 1988

317.0 FINANCIAL POSITION

The Committee noted that the Lodge had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, reiterates its earlier recommendation under paragraph 1 of 1986/87 accounts that the sale of the Lodge should be expedited to avoid further losses to the Company.

The Committee also recommends that the Chief Executive should ensure that the loan of Kshs.644,065.00 from the Kenya Tourist Development Corporation (KTDC) is repaid as per the terms of the loan agreement.

STATUS: ***The privatisation is now planned for 1996 and efforts are still being made to repay the loan.***

318.0 DEBTORS AND PREPAYMENTS

The Committee reiterates its earlier recommendation under paragraph 2 of 1986/87 accounts that the Chief Executive should submit the details of the recoveries made thereof of the amount of Kshs.256,446.00 to the Auditor-General (Corporations) by 30th October, 1994 for verification. The Committee further recommends that the Chief Executive should ensure that debts are promptly collected.

STATUS: ***The details were submitted as recommended and debts are being collected promptly.***

319.0 CREDITORS AND ACCRUALS

The Committee reiterates its earlier recommendation under paragraph 3 of 1986/87 accounts that the Chief Executive should reconcile the difference of Kshs.383,922.00 by 30th October, 1994 and submit the necessary details to the Auditor-General (Corporations) for verification. The Committee further recommends that the Chief Executive should reprimand the officer(s) responsible for the submission of documents for audit and that in future, all documents should be availed for audit as required under Section 29 of the Exchequer and Audit Act (Cap.412).

STATUS: ***The reconciliation has been done and submitted for verification while officers responsible have been reprimanded. All documents are being availed in accordance with the Exchequer and Audit Act(Cap. 412).***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MOUNT ELGON LODGE LIMITED FOR THE YEAR ENDED 30 JUNE, 1989

320.0 GOING CONCERN

The Committee noted that the Lodge had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, reiterates its earlier recommendation under paragraph 1 of 1987/88 accounts that the sale of the Lodge should be expedited to avoid further losses to the Company. The Committee further recommends that the Chief Executive should ensure that the loan of Kshs.1,221,432.00 from the Kenya Tourist Development Corporation (KTDC) is repaid as per the terms of the loan agreement.

STATUS: ***The Lodge is planned to be privatised in 1996. In the meantime efforts are being made to clear the loan.***

321.0 DEBTORS AND PREPAYMENTS

The Committee reiterates its earlier recommendation under paragraph 2 of 1987/88 accounts that the Chief Executive should submit the details of the recoveries made thereof of the amount of Kshs.256,446.00 to the Auditor-General (Corporations) by 30th October, 1994 for verification. The Committee further recommends that the Chief Executive should ensure that debts are promptly collected.

STATUS: ***The details were submitted for verification and debts are being promptly collected.***

322.0 CREDITORS AND ACCRUALS

The Committee reiterates its earlier recommendation under paragraph 3 of 1987/88 accounts that the Chief Executive should reconcile the difference of Kshs.383,922.00 by 30th October, 1994 and submit the necessary details to the Auditor-General (Corporations) for verification. The Committee further recommends that the Chief Executive should reprimand the officer(s) responsible for the submission of documents for audit and that in future, all documents should be availed for audit as required under Section 29 of the Exchequer and Audit Act (Cap.412).

STATUS: ***The reconciliation was done and details submitted as recommended. The Chief Executive is now complying with section 29 and the officers have been reprimanded.***

HOMA BAY HOTEL LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF HOMA BAY HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE, 1987

323.0 GOING CONCERN

The Committee noted that the Hotel had been earmarked for privatisation under the Parastatals Reform Programme and, therefore, recommends that the sale of the Hotel should be expedited to avoid further losses to the Company. The Committee further recommends that the Chief Executive should settle the Company's creditors and ensure that the loan of Kshs.1,763,302.00 from the Kenya Tourist Development Corporation is repaid as per the terms of the loan agreement.

STATUS: *The loan has been settled and the Hotel sold to M/s Samvir Management Services Ltd.*

HOTEL INVESTORS LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF HOTEL INVESTORS LIMITED FOR THE YEAR ENDED 30 JUNE, 1986

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: Clean report hence no further action required.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF HOTEL INVESTORS LIMITED FOR THE YEAR ENDED 30 JUNE, 1987

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: Clean report hence no further action required.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF HOTEL INVESTORS LIMITED FOR THE YEAR ENDED 30 JUNE, 1988

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: Clean report hence no further action required.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF HOTEL INVESTORS LIMITED FOR THE YEAR ENDED 30 JUNE, 1989

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: Clean report hence no further action required.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF HOTEL INVESTORS LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

324.0 SALE OF MOTOR VEHICLE

The Committee recommends that this gesture should be regularised in the driver's terms and conditions of service. The Committee further recommends that the Chief Executive should strictly adhere to the existing financial regulations with regard to the acquisition and disposal of Company property.

STATUS: The matter has been regularised and existing financial regulations are being adhered to.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF HOTEL INVESTORS LIMITED FOR THE YEAR ENDED 30 JUNE, 1991

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: ***Clean report hence no further action required.***

KENYA POWER AND LIGHTING COMPANY LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA POWER AND LIGHTING COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1989

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: Clean report hence no further action required.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA POWER AND LIGHTING COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

The Committee noted that this was clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: Clean report hence no further action required.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA POWER AND LIGHTING COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1991

325.0 LOAN CAPITAL

The Committee recommends that the Chief Executive should always ensure that documents are availed for audit in accordance with Section 29 of the Exchequer and Audit Act (Cap.412). The Committee further recommends that the officer(s) responsible for the non-submission of the documents to the Auditor-General (Corporations) should be reprimanded for this omission. The Committee further recommends that the parent Ministry and the Treasury should expedite separation of the generating and distributing organs of the power companies by 31st December, 1994.

STATUS: Compliance to section 29 is being adhered to. The responsible officers have been reprimanded while the separation of the generating and distribution organs of the power companies is about to be finalised.

325.1

The Committee finally recommends that the Chief Executive should ensure that any qualifications by the Auditor-General (Corporations) are incorporated in the published report in accordance with Section 156 of the Companies Act (Cap.486).

STATUS: The recommendation is being adhered to.

326.0 CREDITORS

The Committee recommends that the Chief Executive should ensure that the Company meets its loan obligations on time to avoid escalation of costs due to increased interest. The Committee further recommends that the said agreement between the Kenya Government and the International Monetary Fund (IMF) should be strictly adhered to and that the loans in question should be settled by 30th June, 1995 as agreed. The Committee also recommends that the Chief Executive should take all the necessary action, including disconnection of power, to ensure that ministries pay their debts promptly.

STATUS: ***The Company now meets its loan obligations to avoid increased interest. The loan of Kshs. 125,640,000.00 has been settled. The Company is taking all measures to collect the debts.***

326.1

The Committee strongly recommends that since the directive by the Government was on an interim basis, albeit irregular, the Chief Executive, in liaison with the parent Ministry and the Treasury, should revert to the original lease terms and conditions of the agreement by 30th June, 1995. The Committee further recommends that the Chief Executive should ensure that the Company meets all its financial obligations on time.

STATUS: ***The Chief Executives now ensures that the company meets all its financial obligations on time and revision to the original agreement is still awaiting the Energy Sector Study and rationalisation.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA POWER AND LIGHTING COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1992

327.0 PURCHASE OF HYDRO-ELECTRIC BULK POWER FROM TANA AND ATHI RIVERS DEVELOPMENT AUTHORITY

The Committee recommends that since the directive by the Government was on an interim basis, albeit irregular, the Chief Executive, in liaison with the parent Ministry, should adhere to the legal opinion given by the Attorney General and revert to the original lease terms and conditions of the agreement by 30th June, 1995. The Committee further recommends that the Chief Executive should reconcile the difference of Kshs.984,738,852.28 and submit the details to the Auditor-General (Corporations) by 30th June, 1995 for verification. The Committee also recommends that the parent Ministry and the Treasury should expedite the separation of the generation and distribution organs of the power companies by 30th June, 1995.

The Committee further recommends that the said agreement between the Kenya Government and the International Monetary Fund (IMF) should be strictly adhered to and that the loans in question should be settled by 30th June, 1995 as agreed.

The Committee also recommends that the Chief Executive should take all necessary steps, including disconnection of power, to ensure that ministries pay their debts promptly.

STATUS: *Adherence to the legal opinion of the Attorney-General is awaiting the whole Energy Study and rationalisation which is about to be finalised reconciliation of the figure was done and submitted. All measures are being taken to collect the debts.*

328.0 OUTSTANDING LOAN REPAYMENT

The Committee recommends that the Chief Executive should ensure that the Company meets its loan obligations on time to avoid escalation of costs due to increased interest. The Committee further recommends that the said agreement between the Kenya Government and the International Monetary Fund (IMF) should be strictly adhered to and that the loans in question should be settled by 30th June, 1995 as agreed. The Committee also recommends that the Chief Executive should take all necessary steps, including disconnection of power, to ensure that ministries pay their debts promptly.

STATUS: *The Company now meets its loan obligations on time as separation of generation and distribution awaits Government approval. The company debts are being collected promptly.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA POWER AND LIGHTING COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1993

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: *Clean report hence no further action required.*

THE KENYA POWER COMPANY LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA POWER COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE 1989

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: ***Clean report hence no further action required.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA POWER COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE 1990

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: ***Clean report hence no further action required.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA POWER COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE 1991

329.0 DEFERRED CREDIT

The Committee recommends that the Chief Executive should always ensure that documents are availed for audit in accordance with Section 29 of the Exchequer and Audit Act (Cap.412). The Committee further recommends that the officer(s) responsible for the non-submission of the documents to the Auditor-General (Corporations) should be reprimanded for this omission. The Committee also recommends that the parent Ministry and the Treasury should expedite the separation of the generating and distributing organs of the power companies by 30th June, 1995.

STATUS: ***The Chief Executive currently ensures that all the required documents are availed to the Auditors. The officers have been reprimanded and the separation of generation and distribution is being actively followed up by the Government.***

330.0 EWASO NGIRO MULTIPURPOSE DEVELOPMENT PROJECT

The Committee recommends that the Chief Executive should apportion and capitalise the expenditure of Kshs.709,189,452.00 in the Company's books of account. The Committee further recommends that the Chief Executive should submit all documents relating to this payment to the Auditor-General (Corporations), who should then carry out an audit in accordance with Section 31 (3) of the Exchequer and Audit Act (Cap.412) on the Project and the report thereof be submitted by 30th June, 1995.

STATUS: *All documents related to the payment of Kshs. 709,189,452.00 were submitted. However the apportioning has not been done and the company will find it possible to do so at the commitment and implementation stage.*

331.0 DEBTORS

The Committee recommends that the Chief Executive should ensure that the amount of Kshs.86,455,000.00 is recovered in full by 30th June, 1995 as agreed between the Government and the International Monetary Fund (IMF) and the details of the recovery made thereon submitted to the Auditor-General (Corporations) for verification.

STATUS: *The amount of Kshs. 86,455,000.00 is awaiting the wash transaction in the on-going Government cross debt study.*

332.0 OTHER CREDITORS

The Committee recommends that the Chief Executive should ensure that the Company pays the Government the amount of Kshs.125,640,000.00 as per the new repayment schedule.

STATUS: *The amount of Kshs. 125,640,000.00 has been paid and settled.*

332.1

The Committee recommends that the Chief Executive should reflect the true position of the loan of Kshs.48,005,000.00 by re-adjusting the figure in the Kenya Power and Lighting books of account.

STATUS: *The amount of Kshs. 48,005,000 has now been adjusted following the execution of the on-lending agreement of the affected loans between KPC and KPLC.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA POWER COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE, 1992

333.0 DEBTORS

The Committee recommends that the Chief Executive should ensure that the amount of Kshs.78,941,183.30 is recovered in full by 30th June, 1995 as agreed between the Government and the International Monetary Fund (IMF) and the details of the recovery made thereon submitted to the Auditor-General (Corporations) for verification.

STATUS: *The amount is being addressed in the cross debt study by the Government. The consultancy study is completed and is awaiting implementation.*

334. LOAN REPAYMENT

The Committee recommends that the Chief Executive should ensure that the Company pays the Government the amount of Kshs.127,092,399.00 as per the new repayment schedule.

STATUS: The amount of Kshs. 127,092,399.00 has been settled as recommended.

335.0 EWASO NGIRO MULTIPURPOSE DEVELOPMENT PROJECT

The Committee reiterates its earlier recommendation under paragraph 2 of 1990/91 accounts that the Chief Executive should apportion and capitalise the expenditure in the Company's books of account. The Committee further recommends that the Chief Executive should submit all documents relating to this payment to the Auditor-General (Corporations), who should then carry out an audit in accordance with Section 31 (3) of the Exchequer and Audit Act (Cap.446) on the Project and the report thereof be submitted by 30th June, 1995.

STATUS: The matter is as reported above under paragraph 2 of 1990/91.

THE RURAL ELECTRIFICATION SCHEMES

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE RURAL ELECTRIFICATION SCHEMES FOR THE YEAR ENDED 30 JUNE, 1990

336.0 FINANCIAL POSITION

In view of the importance of the Rural Electrification Programme, the Committee recommends that the parent Ministry and the Treasury should ensure that the funds allocated to the programme and appropriated by Parliament should be utilised for the expansion of this scheme which should be effectively implemented in all rural areas. The Committee further recommends that the Treasury should expeditiously release funds allocated for this programme to ensure that projects under this scheme do not stall.

STATUS: ***The Parent Ministry and Treasury do ensure that the voted amounts are released for the effective implementation of the Programme.***

MOUNT KENYA TEXTILES LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE MOUNT KENYA TEXTILES LIMITED FOR THE YEAR ENDED 30 JUNE, 1991

337.0 GOING CONCERN

The Committee recommends that the Chief Executive should ensure that the Company operates viably. The Committee further recommends that the Chief Executive should strictly adhere to the restructuring measures proposed by the Government. The Committee also recommends that the parent Ministry and the Treasury should closely monitor the rehabilitation performance of the Company.

STATUS: ***The Company is now operating viably and the restructuring is being adhered to. The Government is closely monitoring the rehabilitation performance.***

338.0 CONTINGENT LIABILITY

Although the previous Committee recommended in the Fourth Report of the Public Investments Committee that the balance of the taxes should be written off, the Committee was informed that this was not possible following the enactment of the Finance Bill of 1992.

The Committee recommends that the Chief Executive should liaise with the parent Ministry and the Treasury with a view to settling the issue by 30th June, 1995. The Committee further recommends that the Chief Executive should adhere to the restructuring agreement of the Company.

STATUS: ***The tax issue still remains a problem and it is hoped that the matter will be solved during the nearly completed sale of the company which is now under receivership.***

INDUSTRIAL DEVELOPMENT BANK LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF INDUSTRIAL DEVELOPMENT BANK LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

339.0 FINANCIAL POSITION

The Committee recommends that the Chief Executive should always ensure that the Bank collects its debts promptly. The Committee also recommends that before the Bank makes any financial commitments, the Chief Executive should ensure that there are adequate appraisals and analyses of such projects in order to avoid the recurring poor financial position the Bank is facing.

STATUS: ***The recommendation is being adhered to.***

340.0 PROJECT DEBTORS

The Committee recommends that the Chief Executive should use all means, including legal action, and collect the outstanding debts in full. The Committee further recommends that the debt collection committees should be strengthened to ensure that all the debts are recovered as and when due.

STATUS: ***The two debt collection portfolio terms have been strengthened and a large proportion of the areas has been collected.***

341.0 INVESTMENT ON EQUITY

The Committee recommends that the Chief Executive should institute a clear policy on investment of equity to enable the Bank have optimum profit on its investments.

STATUS: ***The recommendation is being adhered to.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF INDUSTRIAL DEVELOPMENT BANK LIMITED FOR THE YEAR ENDED 30 JUNE, 1991

342.0 EQUITY INVESTMENT

The Committee reiterates its earlier recommendation under paragraph 3 of 1989/90 accounts that the Chief Executive should institute a clear policy on investment of equity to enable the Bank have optimum profit on its investments.

STATUS: ***A clear policy on investment of equity has been instituted to enable the bank to have optimum profit on its investments.***

343.0 DEBT SERVICE

The Committee recommends that the Chief Executive should ensure that the Bank services all its loans on time to avoid accrued interest charges.

STATUS: The bank is now servicing its loans as they fall due.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF INDUSTRIAL DEVELOPMENT BANK LIMITED FOR THE YEAR ENDED 30 JUNE, 1992

344.0 FINANCIAL POSITION

The Committee reiterates its earlier recommendation under paragraph 1 of 1989/90 accounts that the Chief Executive should always ensure that the Bank collects its debts promptly. The Committee also recommends that before the Bank makes any financial commitments, the Chief Executive should ensure that there are adequate appraisals and analyses of such projects in order to avoid the recurring poor financial position the Bank is facing.

STATUS: The recommendation is being adhered to.

345.0 EQUITY INVESTMENT

The Committee reiterates its earlier recommendation under paragraph 1 of 1990/91 accounts that the Chief Executive should institute a clear policy on investment of equity to enable the Bank have optimum profit on its investments.

STATUS: A clear policy on investment of equity has been instituted to enable the bank have optimum profit on its investments.

346.0 DEBT SERVICE

The Committee reiterates its earlier recommendation under paragraph 2 of 1990/91 accounts that the Chief Executive should ensure that the Bank services all its loans on time to avoid accrued interest charges.

STATUS: The bank now services its loans on time.

KERIO VALLEY DEVELOPMENT AUTHORITY

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KERIO VALLEY DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 1992

347.0 TURKWEL GORGE MULTI-PURPOSE PROJECT

The Committee recommends that the Chief Executive should always produce all necessary documents and information during the audit exercise as required under Section 29 (3) of the Exchequer and Audit Act (Cap.412). The Committee further recommends that the Chief Executive should maintain correct and up to date books of account. The Committee also recommends that the Chief Executive should submit the details of the identification of the contractor and award of the tender to the Auditor-General (Corporations) by 20th September, 1994 for verification.

STATUS: The Company complies with section 20(3) of the Exchequer and Audit Act (Cap 412). Correct and up to date books of account are being maintained. Matters relating to identification and award of tender have not been done and KVDA denies having been responsible. The issues is still being followed up.

347.1

The Committee recommends that the Chief Executive should prepare and maintain proper records of expenditure of the project. The Committee further recommends that the Chief Executive should liaise with the parent Ministry and reconcile the difference of SF.52,917,857; FF.484,523,400 and Stg.3 between the two sets of records by 30th June, 1995.

STATUS: The Chief Executive confirms that proper records of expenditure of the project have been prepared. The differences in the figures have been reconciled.

348.0 NEGATIVE WORKING CAPITAL

The Committee recommends that the Chief Executive should liaise with Kenya Power and Lighting Company and the parent Ministry with a view to ensuring that a formal management agreement between Kerio Valley Development Authority (KVDA) and Kenya Power and Lighting Company (KPCL) concerning the generation and sale of power at Turkwel Multi-purpose Project is prepared and signed by 30th June, 1995. The Committee further recommends that the revenue accrued from the sale of power generated from Turkwel Gorge Project should be remitted to Kerio Valley Development Authority (KVDA) as and when it becomes due. The Committee underscores the importance of an on-lending agreement between the Treasury and the Kerio Valley Development Authority as the basis of ensuring that revenue is collected and properly appropriated, and that loans are timely serviced by the Authority.

The Committee draws the attention of the Treasury to the fact that it is an unnecessary burden on the Kenyan taxpayer for the Treasury to service the loan from revenues other than those received from the Turkwel Project. The Committee recommends this practice should stop forthwith. The Committee finally recommends that the ownership of assets of Turkwel Gorge Project should be determined by 30th June, 1995.

STATUS: *Formal management agreements have not yet been signed as the whole issue is awaiting finalisation and approval of Energy sector Study and rationalisation. The matter of the revenue generated will be agreed upon and settled.*

KENYA TAITEX MILLS LIMITED

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA TAITEX MILLS LIMITED FOR THE YEAR ENDED 30 JUNE, 1989

349.0 SALES TAX

The Committee recommends that the Chief Executive should expeditiously settle the negotiations between the Company and the holding Company with a view to ensuring that there are no further penalties due to non-remittance of the taxes.

STATUS: The matter has been settled and the company sold to M/s Kifaru Mills Ltd.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYA TAITEX MILLS LIMITED FOR THE YEAR ENDED 30 JUNE, 1990

350.0 SALES TAX

The Committee recommends that the Chief Executive should effect the exemption in the Company's books of account with immediate effect.

STATUS: The matter has been settled and the company sold.

351.0 ALTERATION OF COMPARATIVE FIGURES

The Committee recommends that the Chief Executive should liaise with the holding Company, Industrial and Commercial Development Corporation (ICDC) and analyse the figures afresh to reflect the correct position by 30th October, 1994 and submit the necessary details to the Auditor-General (Corporations) by the same date for verification.

The Committee further recommends that the Chief Executive should maintain proper and up to date books of account. The Committee also recommends that the Permanent Secretary of the parent Ministry should take disciplinary action, including reprimand, against Mr. Muthui for altering official records and giving false information to the Auditor-General (Corporations).

STATUS: The recommendation has been implemented.

KENYATTA NATIONAL HOSPITAL BOARD

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYATTA NATIONAL HOSPITAL BOARD FOR THE YEAR ENDED 30 JUNE, 1988

352. ACCURACY OF THE ACCOUNTS

The Committee recommends that the Chief Executive should complete the analysis of the debit difference and reflect the correct position in the 1994/95 books of account. The Committee further recommends that the Chief Executive should minimise the use of suspense accounts.

STATUS: ***The Chief Executive completed the analysis of the debit difference. The use of the suspense account has been minimised.***

353. FIXED ASSETS

The Committee recommends that the Chief Executive should ensure that all the fixed assets of the Board are valued and their value included in the accounts by 30th June, 1995. The Committee further recommends that the Chief Executive should always maintain an up to date fixed assets register. The Committee also recommends that the Chief Executive, in liaison with the former officials of the Board, should retrieve the documents in support of the fixed assets worth Kshs.6,624,792.00 and submit the same to the Auditor-General (Corporations) by 30th November, 1994 for verification, failure to which the former officers of the Board who were directly involved in the production of the documents for audit should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446).

STATUS: ***The fixed assets were valued by M/s Tysons Ltd in 1991 and included in the accounts. The fixed assets register is now up to date and maintained and the documents relating to Kshs. 6,624,742.00 were retrieved and submitted to the Auditor General (Corporations) for verification.***

354. STOCK BALANCES

The Committee recommends that the Chief Executive should ensure that the stock sheets are recovered and the value of the stock included in the accounts by 30th November, 1994. The Committee further recommends that the Chief Executive should submit the relevant documentary evidence to the Auditor-General (Corporations) by the same date for verification. The Committee also recommends that the former Supplies and Procurement Manager, Mr. S.W. Ndegwa, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446).

STATUS: *No stock sheets were recovered as no stock taking was done hence there were no relevant documentary evidence to be submitted. Mr Ndegwa left the Board and took all his money and surcharge is being followed up by the Inspectorate of State Corporations and the Attorney General.*

355. LACK OF EFFECTIVE CONTROLS OVER PAYROLL

The Committee recommends that the former Chief Executive, Dr. Naftally Agata, who authorised and paid salaries and allowances to the officers who had ceased to be employees of the Board, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446). The Committee further recommends that the Chief Executive should recover all the overpayments made to the former officers of the Board and submit the necessary details to the Auditor-General (Corporations) by 30th November, 1994 for verification. The Committee also recommends that the parent Ministry should remit to the Board all the money it had received from the University of Nairobi by 30th March, 1994.

STATUS: *Dr. Naftally Agata retired and the surcharge has not been effected. All the money has been recovered except for the balance of Kshs. 1,555,270.00 with the balance from the University of Nairobi reduced to Kshs. 62,000.00*

356. IMPRESTS

The Committee recommends that the Chief Executive should streamline and strengthen the accounts section with a view to making it effective. The Committee further recommends that the Chief Executive should strictly adhere to the financial regulations with regard to the issuance and surrender of imprests.

STATUS: *The recommendation has been fully implemented.*

357. CASH AND BANK BALANCES

The Committee recommends that the Chief Executive should fully reconcile the differences and submit the necessary details to the Auditor-General (Corporations) by 30th November, 1994 for verification. The Committee further recommends that the former Chief Accountant, Mr. Enos Wafula, should be reprimanded for not maintaining proper accounts records during the year under review.

STATUS: *The Chief Executive has fully reconciled the difference and submitted the necessary details to the Auditor-General Corporations for verification. The former Chief Accountant has been reprimanded.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYATTA NATIONAL HOSPITAL BOARD FOR THE YEAR ENDED 30 JUNE, 1989

358. FINANCIAL POSITION

The Committee recommends that the Chief Executive should liaise with the parent Ministry and the Treasury with a view to ensuring that money approved in the printed estimates is remitted in full to the Board in the year of budget. The Committee further recommends that the Chief Executive should closely monitor the expenditure controls of the Hospital. The Committee also recommends that the parent Ministry should remit the amount of Kshs.3,672,340.00 to the Board by 30th June, 1995.

STATUS: ***All monies voted in 1993/94 and 1994/95 were received. Expenditure of the Hospital is being closely maintained and remittance of Kshs. 3,672,340.00 is being awaited after the request of the 4th August, 1995.***

359. ACCURACY OF THE ACCOUNTS

The Committee reiterates its earlier recommendation under paragraph 1 of 1987/88 accounts that the Chief Executive should complete the analysis of the debit difference and reflect the correct position in the 1994/95 books of account. The Committee further recommends that the Chief Executive should minimise the use of suspense accounts.

STATUS: ***The recommendation has been implemented.***

360. FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 2 of 1987/88 accounts that the Chief Executive should ensure that all the fixed assets of the Board are valued and their value included in the accounts by 30th June, 1995. The Committee further recommends that the Chief Executive should always maintain an up to date Fixed Assets Register. The Committee also recommends that the Chief Executive, in liaison with the former officials of the Board, should retrieve the documents in support of the fixed assets worth Kshs.6,624,792.00 and submit the same to the Auditor-General (Corporations) by 31st December, 1994 for verification, failure to which the former officers of the Board who were directly involved in the production of the documents for audit should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446).

STATUS: ***The recommendation has been implemented.***

361. STOCK BALANCES

The Committee reiterates its earlier recommendation under paragraph 4 of 1987/88 accounts that the Chief Executive should ensure that the stock sheets are recovered and the value of the stock included in the accounts by 30th November, 1994.

The Committee further recommends that the Chief Executive should submit the relevant documentary evidence to the Auditor-General (Corporations) by the same date for verification. The Committee also recommends that the former Supplies and Procurement Manager, Mr. S.W. Ndegwa, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446).

STATUS: ***The recovery was not made as there was no stock taking and Mr. Ndegwa's issue is being followed up after he retired from the Board's employment.***

362. LACK OF EFFECTIVE CONTROLS OVER PAYROLL

The Committee reiterates its earlier recommendation under paragraph 4 of 1987/88 accounts that the former Chief Executive, Dr. Naftally Agata, who authorised and paid salaries and allowances to the officers who had ceased to be employees of the Board, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446). The Committee further recommends that the Chief Executive should recover all the over-payments made to the former officers of the Board and submit the necessary details to the Auditor-General (Corporations by 30th November, 1994 for verification. The Committee also recommends that the parent Ministry should remit to the Board all the money it had received from the University of Nairobi by 30th March, 1995

STATUS: ***The matter is as explained above under paragraph 4 to the previous years' accounts.***

363. CASH AND BANK BALANCES

The Committee recommends that the Chief Executive should fully reconcile the differences and submit the necessary details to the Auditor-General (Corporations) by 30th September, 1994 for verification. The Committee further recommends that the Chief Executive should closely monitor and strengthen the accounts section in order to avoid such unexplained differences.

STATUS: ***The accounting unit has been strengthened with the employment of qualified accountants. The reconciliation was done and the necessary details submitted to the Auditor General (Corporations).***

364. GRANTS

The Committee recommends that the Chief Executive should closely monitor and strengthen the accounts section in order to avoid such unexplained differences. The Committee further recommends that the Chief Executive should complete the reconciliation exercise by 30th September, 1994 and submit the details to the Auditor-General (Corporations) for verification.

STATUS: ***The recommendation has been implemented.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYATTA NATIONAL HOSPITAL BOARD FOR THE YEAR ENDED 30 JUNE, 1990

365. FINANCIAL POSITION

The Committee reiterates its earlier recommendation under paragraph 1 of 1988/89 accounts that the Chief Executive should liaise with the parent Ministry and the Treasury with a view to ensuring that money approved in the printed estimates is remitted in full to the Board in the year of the budget. The Committee further recommends that the Chief Executive should closely monitor the expenditure controls of the Hospital. The Committee also recommends that the parent Ministry should remit the amount of Kshs.37,616,506.00 to the Board by 30th June, 1995.

STATUS: ***The monies voted is being received by the Hospital and the expenditures are closely monitored. The remittance of Kshs. 37,616,506.00 has not been made and the Hospital is still following up the matter.***

367. ACCURACY OF THE ACCOUNTS

The Committee reiterates its earlier recommendation under paragraph 2 of 1988/89 accounts that the Chief Executive should complete the reconciliation exercise by 30th September, 1994 and submit the necessary details to the Auditor-General (Corporations) for verification. The Committee further recommends that the Chief Executive should minimise the use of suspense accounts.

STATUS: ***The recommendation has been implemented and the use of the suspense account is being minimised.***

368. FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 3 of 1988/89 accounts that the Chief Executive should ensure that all the fixed assets of the Board are valued and their value included in the accounts. The Committee further recommends that the Chief Executive should always maintain an up to date fixed assets register. The Committee also recommends that the Chief Executive, in liaison with the former officers of the Board, should retrieve the documents in support of the fixed assets worth Kshs.6,624,792.00 and submit the same to the Auditor-General (Corporations) by 31st December, 1994 for verification, failure to which the former officers of the Board who were directly involved in the production of the documents for audit should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446).

STATUS: ***The recommendation has been implemented.***

369. STOCK BALANCES

The Committee reiterates its earlier recommendation under paragraph 4 of 1988/89 accounts that the Chief Executive should ensure that the stock sheets are recovered and the value of the stock included in the accounts by 30th September, 1994. The Committee further recommends that the Chief Executive should submit the relevant documentary evidence to the Auditor-General (Corporations) by the same date for verification. The Committee also recommends that the former Supplies and Procurement Manager, Mr. S.W. Ndegwa, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap. 446).

STATUS: The matter is as reported above under the said paragraph 4.

370. NON-RECOVERY OF IRREGULAR PAYMENTS

The Committee reiterates its earlier recommendation under paragraph 5 of 1988/89 accounts that the former Chief Executive, Dr. Naftally Agata, who authorised and paid salaries and allowances to the officers who had ceased to be employees of the Board, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446). The Committee further recommends that the Chief Executive should recover all the over-payments made to the former officers of the Board and submit the necessary details to the Auditor-General (Corporations) by 30th September, 1994 for verification. The Committee also recommends that the parent Ministry should remit to the Board all the money it had received from the University of Nairobi by 30th September, 1994.

STATUS: The matter is as reported under paragraph 5 and in addition it is now confirmed that Kshs. 9,979,419.45 has been recovered.

371. CASH AND BANK BALANCES

The Committee reiterates its earlier recommendation under paragraph 6 of 1988/89 accounts that the Chief Executive should fully reconcile the differences and submit the necessary details to the Auditor-General (Corporations) by 30th September, 1994 for verification. The Committee further recommends that the Chief Executive should closely monitor and strengthen the accounts section in order to avoid such unexplained differences.

STATUS: The accounts department has since been strengthened. The reconciliation has been done and submitted for verification. The bank balances have been reduced from Kshs. 104,786.60 to only Kshs. 1,414.25 as at 30th April,1995.

372. IRREGULAR AWARD OF CONTRACTS FOR SUPPLY OF DRUGS AND DRESSINGS

The Committee recommends that the former Chief Executive, Dr. Naftally Agata, and the then Supplies and Procurement Manager, Mr. S.W. Ndegwa, who were directly involved in the submission of these accounts for audit should be surcharged in accordance with Section 19 of the State Corporations Act (Cap. 446). The Committee further recommends that the Attorney General should launch investigations into this matter with a view to initiating criminal proceedings against the said officer(s) and any other officers if found to be involved in fraud during the award of this tender.

STATUS: ***The former Chief Executive and former supplies and procurement manager have since left the Hospital Board and the Attorney General and Inspectorate of State Corporation are following up the matter.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYATTA NATIONAL HOSPITAL BOARD FOR THE YEAR ENDED 30 JUNE, 1991

373. ACCURACY OF THE ACCOUNTS

The Committee reiterates its earlier recommendation under paragraph 2 of 1989/90 accounts that the Chief Executive should complete the analysis of the debit difference and reflect the correct position in the 1994/95 books of account. The Committee further recommends that the Chief Executive should minimise the use of suspense accounts.

STATUS: ***The recommendation has been implemented.***

374. FINANCIAL POSITION

The Committee reiterates its earlier recommendation under paragraph 1 of 1989/90 accounts that the Chief Executive should liaise with the parent Ministry and the Treasury with a view to ensuring that money approved in the printed estimates is remitted in full to the Board in the year of budget.

The Committee further recommends that the Chief Executive should closely monitor the expenditure control of the Hospital. The Committee also recommends that the parent Ministry should remit the amount of Kshs.179,782,740.00 to the Board by 30th June, 1995.

STATUS: ***The matter is as reported above under paragraph 1.***

375. CASH AND BANK BALANCES

The Committee reiterates its earlier recommendation under paragraph 6 of 1989/90 accounts that the Chief Executive should fully reconcile the difference and submit the necessary details to the Auditor-General (Corporations) by 31st December, 1994 for verification. The Committee further recommends that the Chief Executive should closely monitor and strengthen the accounts section in order to avoid such unexplained differences.

STATUS: The reconciliation was done and details submitted as recommended. The Chief Executive is closely monitoring the accounts section which has been strengthened.

376. FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 3 of 1989/90 accounts that the Chief Executive should ensure that all the fixed assets of the Board are valued and their value included in the accounts. The Committee further recommends that the Chief Executive, in liaison with the former officers of the Board, should retrieve the documents in support of the fixed assets and submit the same to the Auditor-General (Corporations) by 31st December, 1994 for verification, failure to which the former officers of the Board who were directly involved in the production of the documents should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446).

STATUS: The matter is as reported under paragraph 3.

377. IRREGULAR AWARD OF CONTRACTS FOR CONSULTANCY

While noting the gravity of the matter and the amount involved, the Committee recommends that the Chief Executive should immediately submit all the relevant documents pertaining to the irregular award of this contract to the Attorney-General to enable him launch further investigations with a view to taking legal action against the officers involved.

The Committee further recommends that the Chief Executive should strictly adhere to the laid down financial regulations when awarding contracts for goods and services.

STATUS: The matter is now being followed up by the Attorney General.

378. NON-RECOVERY OF IRREGULAR PAYMENTS

The Committee reiterates its earlier recommendation under paragraph 5 of 1989/90 accounts that the former Chief Executive, Dr. Naftally Agata, who authorised and paid salaries and allowances to the officers who had ceased to be employees of the Board, should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446).

The Committee further recommends that the Chief Executive should recover all the over-payments made to the former officers of the Board and submit the necessary details to the Auditor-General (Corporations) by 30th June, 1995 for verification.

STATUS: ***The matter is as reported above under paragraph 5.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYATTA NATIONAL HOSPITAL BOARD FOR THE YEAR ENDED 30 JUNE, 1992

379. ACCURACY OF THE ACCOUNTS

The Committee reiterates its earlier recommendation under paragraph 1 of 1990/91 accounts that the Chief Executive should complete the analysis of the credit difference and reflect the correct position in the 1994/95 books of account. The Committee further recommends that the Chief Executive should minimise the use of suspense accounts.

STATUS: ***The recommendation has been implemented.***

380. FINANCIAL POSITION

The Committee decried this poor financial position of the Board.
The Committee reiterates its earlier recommendation under paragraph 2 of 1990/91 accounts that the Chief Executive should liaise with the parent Ministry and the Treasury with a view to ensuring that money approved in the printed estimates is remitted in full to the Board in the year of budget. The Committee further recommends that the Chief Executive should closely monitor the expenditure control of the Hospital.

STATUS: ***The recommendation has been implemented.***

381. FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 4 of 1990/91 accounts that the Chief Executive should ensure that all the fixed assets of the Board are valued and their value included in the accounts. The Committee further recommends that the Chief Executive, in liaison with the former officers of the Board, should retrieve the documents in support of the fixed assets and submit the same to the Auditor-General (Corporations) by 31st December, 1994 for verification, failure to which the former officers of the Board who were directly involved in the production of the documents should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446).

STATUS: ***The matter is as reported above under paragraph 4.***

382. MANAGEMENT OF VEHICLES

The Committee recommends that the former Chief Executive, Dr. Naftally Agata, should be surcharged for the misuse of the official vehicle in accordance with Section 19 of the State Corporations Act (Cap.446). The Committee further recommends that the officer(s) who did not act on the Government Check Unit surcharge notices should be severely disciplined. The Committee also recommends that Mr. Enos Wafula, the then Chief Accountant, should also be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446) for the irregular refund of petrol expenses for unofficial journeys.

STATUS: The Inspectorate of State Corporation is following up the matter as recommended.

383. IRREGULAR AWARD OF CONTRACTS FOR DRUGS AND DRESSING

The Committee recommends that the Chief Executive should strictly adhere to the laid down financial regulations when procuring stock.

The Committee further recommends that the former Chief Executive, Dr. Naftally Agata and the then Supplies and Procurement Manager, Mr. S.W. Ndegwa, who were directly involved in the irregular award of tender should be surcharged in accordance with Section 19 of the State Corporations Act (Cap.446).

STATUS: The matter is being followed up by the Inspectorate of State Corporations.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF KENYATTA NATIONAL HOSPITAL BOARD FOR THE YEAR ENDED 30 JUNE, 1993

384. ACCURACY OF THE ACCOUNTS

The Committee reiterates its earlier recommendation under paragraph 1 of 1991/92 accounts that the Chief Executive should complete the analysis of the credit difference and reflect the correct position in the 1994/95 books of account. The Committee further recommends that the Chief Executive should minimise the use of suspense accounts.

STATUS: The matter is as reported under paragraph 1 above.

385. FINANCIAL POSITION

The Committee reiterates its earlier recommendation under paragraph 2 of 1991/92 accounts that the Chief Executive should liaise with the parent Ministry and the Treasury with a view to ensuring that the money approved in the printed estimates is remitted in full to the Board in the year of budget. The Committee further recommends that the parent Ministry should remit to the Board the amount of Kshs.80,571,225.00 by 30th June, 1995.

The Committee also recommends that the Chief Executive should closely monitor the expenditure control of the Hospital.

STATUS: *The matter is as reported above under paragraph 2.*

386. FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 3 of 1991/92 accounts that the Chief Executive should ensure that all the fixed assets of the Board are valued and their value included in the accounts. The Committee further recommends that the Chief Executive should retrieve the documents in support of the fixed assets and submit the same to the Auditor-General (Corporations) by 31st December, 1994 for verification.

STATUS: *The matter is as reported above under paragraph 3.*

INDUSTRIAL AND COMMERCIAL DEVELOPMENT CORPORATION

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF INDUSTRIAL AND COMMERCIAL DEVELOPMENT CORPORATION FOR THE YEAR ENDED 30 JUNE, 1991

387. GOVERNMENT GRANTS AND LOANS

The Committee recommends that the Chief Executive should liaise with the parent Ministry and the Treasury with a view to finalising the capitalisation of the funds by 31st December, 1994 and submit the necessary documents to the Auditor-General (Corporations) for verification.

STATUS: The matter is awaiting Cabinet approval.

388. MANAGED FUNDS

The Committee recommends that the Chief Executive should liaise with the parent Ministry and the Treasury with a view to signing an agreement on the status of the investments and loans managed by the Corporation on behalf of the Government by 31st December, 1994 and submit the necessary documents to the Auditor-General (Corporations) for verification.

STATUS: The matter is awaiting for the approval of the restructured balance sheet as submitted to the Cabinet.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF INDUSTRIAL AND COMMERCIAL DEVELOPMENT CORPORATION FOR THE YEAR ENDED 30 JUNE, 1992

389. GOVERNMENT GRANTS AND LOANS

The Committee reiterates its earlier recommendation under paragraph 1 of 1990/91 accounts that the Chief Executive should finalise the capitalisation of the funds by 31st December, 1994 and submit the necessary details to the Auditor-General (Corporations) for verification.

STATUS: The matter is now awaiting Cabinet approval.

390. MANAGED FUNDS

The Committee reiterates its earlier recommendation under paragraph 2 of 1990/91 accounts that the Chief Executive should liaise with the Treasury and the parent Ministry with a view to signing an agreement on the status of the investments and loans managed by the Corporation on behalf of the Government by 31st December, 1994 and submit the necessary documents to the Auditor-General (Corporations) for verification.

STATUS: ***The matter is awaiting for the approval of the restructured balance sheet as submitted to the Cabinet.***

KENYA WILDLIFE SERVICE

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA WILDLIFE SERVICE FOR THE YEAR ENDED 30 JUNE, 1990

391. ASSETS AND LIABILITIES

The Committee recommends that the Chief Executive should ensure that the Corporation completes the exercise of compiling the inventory of the assets and liabilities by 30th June, 1995 and submit the details to the Auditor-General (Corporations) for verification.

STATUS: ***The recommendation has been implemented.***

392. DISPOSAL OF FIXED ASSETS

The Committee recommends that the Chief Executive should take disciplinary measures, including surcharge, against the officer(s) directly involved in this irregular sale of the aircraft. The Committee further recommends that the Chief Executive should submit all the necessary details to the Attorney-General regarding the irregular sale of the aircraft to enable the Attorney General institute legal proceedings against the officer(s) involved in any fraudulent activities.

STATUS: ***The Chief Executive states that the sale was approved by the Board of Trustees, KWS Director and Chairman and has not been able to proceed any further. The matter is therefore being followed up.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA WILDLIFE SERVICE FOR THE YEAR ENDED 30 JUNE, 1991

393. FINANCIAL POSITION

The Committee recommends that the Chief Executive should ensure that there are proper financial controls to avoid such deficits. The Committee further recommends that the Chief Executive should give an analysis of the deficit of Kshs.16,074,402.00 incurred during the year under review and submit the details to the Auditor-General (Corporations) by 30th October, 1994 for verification.

STATUS: ***The recommendation has been implemented.***

394. FIXED ASSETS

The Committee recommends that the Chief Executive should ensure that the valuation exercise of the assets of the Corporation is completed by 30th June, 1995. The Committee further recommends that the Chief Executive should always maintain an up to date fixed assets register.

STATUS: *The recommendation has been implemented and an up date fixed assets register is being maintained.*

395. DEBTORS

The Committee recommends that the Chief Executive should recover all the outstanding debts by 30th June, 1995 and submit the details of the recoveries made thereof to the Auditor-General (Corporations) by the same date for verification. The Committee further recommends that the Chief Executive should strengthen the debt recovery system in the Corporation to avoid outstanding debts.

STATUS: *The debt recovery system has been strengthened. Most of the outstanding debts have been recovered including kshs. 5,536,036.00 for imprest leaving a balance of Kshs. 246,190.55 which is in the process of being recovered.*

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE KENYA WILDLIFE SERVICE FOR THE YEAR ENDED 30 JUNE 1992

The Committee noted that this was a clean report and commends the Chief Executive for the efforts made during the year under review.

STATUS: *Clean report hence no further action required.*

NATIONAL WATER CONSERVATION AND PIPELINE CORPORATION

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE NATIONAL WATER CONSERVATION AND PIPELINE CORPORATION FOR THE YEAR ENDED 30 JUNE, 1989

396. FIXED ASSETS

The Committee recommends that the Chief Executive should complete the valuation exercise by 30th June, 1995 and include the value of the assets in the Corporation's books of account. The Committee further recommends that the Chief Executive should always maintain an up to date fixed assets register.

STATUS: ***The Corporation is now maintaining an up to date register of fixed assets as from 1991/92 and the valuation exercise has been completed.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE NATIONAL WATER CONSERVATION AND PIPELINE CORPORATION FOR THE YEAR ENDED 30 JUNE, 1990

397. FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 1 of 1988/89 accounts that the Chief Executive should complete the valuation exercise by 30th June, 1995 and include the value of the assets in the Corporation's books of account. The Committee further recommends that the Chief Executive should always maintain an up to date fixed assets register.

STATUS: ***The recommendation has been implemented.***

398. BUDGETARY CONTROL

The Committee recommends that the Chief Executive should closely monitor the Corporation's expenditure pattern and have budgetary controls in place. The Committee further recommends that the Chief Executive should strictly adhere to the laid down financial regulations.

STATUS: ***Budgetary controls have been strengthened and the laid down financial regulations are being adhered to.***

399. WATER DEBTORS

The Committee recommends that the Chief Executive should finalise the reconciliation of the difference of Kshs.229,627,977.00 by 30th June, 1995 and submit the necessary details to the Auditor-General (Corporations) by the same date for verification.

The Committee further recommends that the Chief Executive should take all measures, including litigation, with a view to recovering all the debts. The Committee also recommends that the Chief Executive should strengthen the accounts section of the Corporation with a view to controlling the huge debts the Corporation is incurring.

STATUS: ***The reconciliation has not been finalised due to the large numbers involved and due to the records being kept manually. All attempts are being made to recover the debts and the accounts section of the Corporation has been strengthened.***

400. IMPRESTS

The Committee recommends that the Chief Executive should account for the imprest totalling Kshs.6,527,457.65 in full by 31st December, 1994 and submit the necessary details to the Auditor-General (Corporations) by the same date for verification. The Committee further recommends that the Chief Executive should strictly adhere to the financial regulations with regard to the issuance and surrender of imprests.

STATUS: ***The exercise was completed after 31st December 1994 and details submitted to the Auditor General (Corporations). The financial regulations regarding issuance and surrender of imprest are being adhered to.***

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE NATIONAL WATER CONSERVATION AND PIPELINE CORPORATION FOR THE YEAR ENDED 30 JUNE, 1991

401. FIXED ASSETS

The Committee reiterates its earlier recommendation under paragraph 1 of 1989/90 accounts that the Chief Executive should complete the valuation exercise by 30th June, 1995 and include the value of the assets in the Corporation's books of account. The Committee further recommends that the Chief Executive should always maintain an up to date fixed assets register.

STATUS: ***The matter is as reported above under paragraph 1 of 1989/90.***

THE SUAM RIVER CATCHMENT REHABILITATION PROJECT

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE SUAM RIVER CATCHMENT REHABILITATION PROJECT FOR THE YEAR ENDED 30 JUNE, 1992

402. FINANCIAL POSITION

The Committee recommends that the Chief Executive should strictly adhere to the terms of agreement between the Government and the International Development Association with regard to the rehabilitation of the Suam River Catchment Area.

STATUS: The recommendation is being adhered to.