

REPUBLIC OF KENYA

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THE NATIONAL ASSEMBLY


THIRTEENTH PARLIAMENT – FOURTH SESSION

THE PUBLIC ACCOUNTS COMMITTEE

THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-
GENERAL ON THE FINANCIAL STATEMENTS FOR THE NATIONAL
GOVERNMENT MINISTRIES, DEPARTMENTS AND AGENCIES

FOR THE FINANCIAL YEAR 2021/2022

VOLUME II - MINUTES OF PROCEEDINGS

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 14 MAR 2025	DAY. Friday
TABLED BY:	Hon. Tindi Muate (Chairperson, Public Accounts Committee)
CLERK-AT THE-TABLE:	Irene Nduku

DIRECTORATE OF AUDIT, APPROPRIATIONS
& GENERAL PURPOSE COMMITTEES
THE NATIONAL ASSEMBLY
PARLIAMENT BUILDINGS
NAIROBI

MARCH, 2025

**MINUTES OF THE 233RD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 13TH MARCH 2025, IN COMMITTEE ROOM 23, BUNGE
TOWER, AT 11.30 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP - **Chairperson**
2. The Hon. Amina Udgoon Siyad, MP - **Vice-chairperson**
3. The Hon. Junet Sheikh Nuh, EGH, MP
4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Emathe Joseph Namuar, MP
7. The Hon. Mohamed Aden Adow, MP
8. The Hon. Nabwera Daraja Nabii, MP
9. The Hon. Ruku Geoffrey Kariuki Kiringa, MP
10. The Hon. Victor Kipng'etich Koech, MP
11. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. Lesuuda Josephine Naisula, OGW, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Kitany Marianne Jebet, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|------------------------|
| 1. Mr. Victor Weke Imbo | - | Senior Clerk Assistant |
| 2. Mr. Mohamed Jelle | - | Clerk Assistant III |
| 3. Ms. Lilian Mwikali Mutiso | - | Clerk Assistant III |
| 4. CPA. Cyrill Mutali | - | Fiscal Analyst III |
| 5. Ms. Lydia Shallom | - | Research officer |
| 6. Mr. Mark Mbuthia | - | Audio Officer III |

MIN.NO. NA/DAAOSC/PAC/2025/48 PRELIMINARIES

The Chairperson called the meeting to order at 11.45 am followed by a prayer and introductions by all present.

**MIN.NO.NA/DAAOSC/PAC/2025/49 CONFIRMATION OF MINUTES OF
PREVIOUS SITTINGS**

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2025/50 ADOPTION OF REPORT OF FY 2021/22

The report of the Committee on its examination of the Auditor General's report for National Government, financial year 2021/22 was unanimously adopted on the proposal of Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and secondment of Hon. (Dr.) Edwin Mugo Gichuki, MP.

MIN.NO.NA/DAAOSC/PAC/2025/51 ADJOURNMENT

There being no other business, the meeting was adjourned at 11.50 a.m. The next meeting will be held on notice.

Signed.....

Date

The Hon. Nicholas Tindi S. Mwale, MP

Chairperson

*Approved for circulation.
To be confirmed in next sitting.*

N. T. Mwale

**MINUTES OF THE 222ND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 3RD FEBRUARY 2025, IN COMMITTEE ROOM 23, BUNGE TOWER,
AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Victor Kipng'etich Koech, MP
9. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. Eckomas Mwengi Mutuse, OGW, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
2. Mr. Jacknorine A. Buleemi – Clerk Assistant III
3. Mr. Mohamed Jelle Abdi – Clerk Assistant III
4. Mr. Lenny Muchangi – Legal Counsel II
5. Ms. Lydia Shalom Migare – Research Officer III
6. Ms. Yvonne Kendi – Hansard Officer III
7. Mr. Hillary Mageka – Media Relations Officer
8. Mr. Mark Mbuthia – Audio Recording Officer

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Wilson Maiyo – Director of Audit
2. Mr. Daniel Kuria – Principal Auditor
3. Mr. Paul Kagwanja – Deputy Director, Parliamentary Liaison
4. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

WATER AND SANITATION

1. Mr. Julius K. Korir, CBS – Principal Secretary
2. Dr. Jennifer Owino – Ag. Head of Accounting Officer
3. CPA Humphrey Masai – Principal Accountant

MIN.NO.NA/DAAOSC/PAC/2025/01 PRELIMINARIES

The Chairperson called the meeting to order twenty-five minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2025/02 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2025/03 EVIDENCE: MINISTRY OF WATER, SANITATION AND IRRIGATION VOTE 1109

Mr. Julius K. Korir, CBS, the Principal Secretary /Accounting Officer for the State Department for Water and Sanitation appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

The Committee marked the following queries as resolved;

- i. 1140. Failure to Close the Project
- ii. 1144. Budgetary Control and Performance
- iii. 1145. Failure to Open and Operate a Separate Project Bank Account
- iv. 1150. Acquisition of Land - Lack of Ownership Documents
- v. 1151. Unresolved Prior Year Matter
- vi. 1152. Delay in Projects Implementation
- vii. 1155. Unsupported Purchase of Goods and Services

Outstanding Queries

1135. Unconfirmed Acquisition of Non-financial Assets

A review of asset documentation and audit verification revealed that the assets were not tagged and could not be distinguished from other assets.

The Committee directed the Accounting Officer to provide a complete asset list and confirm that all assets have been tagged.

1136. Delayed Project Completion and Performance

The Accounting Officer submitted that the project was delayed due to the effects of COVID-19 travel restrictions, which prevented experts from the Denmark-based consultant COWI/AS from traveling, leading to an extension of the technical assistance contract.

The Committee directed the Accounting Officer to provide the document showing approval of the contract extension.

1146. Stalled Projects

1146.1 Chagamwe Re-pooling Sewer Network

The Accounting Officer explained that the project stalled due to the contractor's non-performance, prompting AWWDA to initiate contract termination. However, the contractor obtained a court injunction preventing eviction and the recall of guarantees until the case was resolved.

The Committee instructed the Accounting Officer to submit supporting documents clarifying the Kshs 15,748,345 variance.

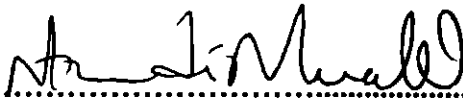
1157. Unsupported Bank Balance

The statement of financial assets reflected a bank balance of Kshs 111,689,296. However, the programme lacked a designated bank account.

The Committee deemed the Accounting Officer's response unsatisfactory and directed them to submit a detailed explanation for the failure to open a separate bank account for the project.

MIN.NO.NA/DAAOSC/PAC/2025/04 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.08 p.m. The next meeting will be held on Tuesday, 4th February 2025 at 2.30 p.m.

Signed.....

Date04/02/2025.....

**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

1146.2 Construction of Mwala Cluster Water Supply Project

The project had stalled with no clear completion plan.

The Accounting Officer submitted that at the time of the audit, the Mwala contract had been terminated due to non-performance, and AWWDA was processing the final account certificate to discharge the contractor. The project was re-advertised, and a new contractor was engaged for the period from 14th December 2023 to 14th December 2025.

1147. Delayed Project Implementation

1147.1 Slow Implementation of Machakos Water Supply Project

The Accounting Officer submitted that the project faced delays due to court cases over land acquisition.

The Committee emphasized that the Accounting Officer should ensure full land acquisition before commencing any project.

1147.2 Slow Implementation of Machakos Sewerage Project

The Accounting Officer submitted that the project contract had been extended and that the project would be completed within the extended time.

The Committee directed the Accounting Officer to provide the document showing approval of the contract extension and its duration.

1147.3 Slow Implementation of Kitui Matuu Last Mile Project

The Accounting Officer submitted that the slow implementation of the project was due to cash flow challenges, which led to inadequate mobilization of materials and equipment.

The Accounting Officer further confirmed that both the implementing and beneficiary agencies had jointly held several management meetings with the contractor to resolve the challenges, aiming to ensure the timely completion of the remaining works.

1147.4 Slow Implementation for Construction Works for Water Distribution for Malindi/Watamu Project

The Accounting Officer submitted that the slow implementation of the project was due to delays in the approval of the master list and specific tax exemptions, which slowed down the acquisition of materials for the works.

1156. Unexplained Variance in Acquisition of Assets

The statement of receipts and payments reflected asset acquisition expenditure amounting to Kshs. 2,976,134,403, with an unexplained variance of Kshs. 15,748,345.

**MINUTES OF THE 220TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY 2ND DECEMBER, 2024 AT COMMITTEE ROOM 23, BUNGE
TOWER AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. Victor Kipng'etich Koech, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Yakub Adow Kuno, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Eckomas Mwengi Mutuse, OGW, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Gabriel Gathuka Kagombe, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|-------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali | – | Clerk Assistant III |
| 4. Mr. Mohamed Jelle | – | Clerk Assistant III |
| 5. Ms. Lydia Migare | – | Researcher III |
| 6. Mr. Henry Mageka | – | Media Relations Officer |
| 7. Ms. Yvonne Kendi | – | Hansard Officer III |
| 8. Ms. Lilian Aluga | – | Protocol Officer |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|--------------------------|
| 1. Mr. Njoroge Waithima | – | Director of Audit |
| 2. Mr. Paul Kagwanja | – | Deputy Director of Audit |
| 3. Mr. Samwel Muchiri | – | Principal Auditor |
| 4. Mr. Sammy Githinji | – | Principal Auditor |
| 5. Mr. Ezekiel Omoro | – | Audit Associate |

THE NATIONAL TREASURY

- | | | |
|---------------------------------|---|----------------------------------|
| 1. Ms Edith Kainda Nkanata | – | Senior Deputy Accountant General |
| 2. Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |

THE NATIONAL TREASURY

- | | | |
|---------------------------|---|----------------------------------|
| 1. Dr. Chris Kiptoo, CBS | – | Principal Secretary |
| 2. Mr. George Gichuru | – | Head of Accounting |
| 3. Mr. Waka Jonah | – | Director A/S |
| 4. Ms Lucy Mugwe | – | Deputy Internal Auditor General |
| 5. Mr. Faisal Mohamed | – | Head Global Fund |
| 6. Mr. Saman Wangusi | – | Principal Accountant |
| 7. Mr. Francis Amuyunzi | – | Senior Deputy Accountant General |
| 8. Mr. Samwel Onyango | – | Head of Finance - PPPD |
| 9. Mr. Daniel Mwangi | – | Deputy Accountant General |
| 10. Mr. Maurice Pedo | – | Programme Manager FLLOCA |
| 11. Ms. Damaris Onsumo | – | Senior Principal Finance Officer |
| 12. Ms. Christine Dambija | – | Assistant Accountant General |
| 13. Ms. Christine Chimayi | – | Senior Accountant |

MIN.NO. NA/DAAGPC/PAC/2024/403 PRELIMINARIES

The Chairperson called the meeting to order at nineteen minutes past ten, said a word of prayer followed by a round of introductions.

MIN.NO.NA/DAAGPC/PAC/2024/404 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/405 EVIDENCE: THE NATIONAL TREASURY. VOTE 1071.

Dr. Chris Kiptoo, CBS, the Principal Secretary/Accounting Officer for the National Treasury appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved;

1. 78. Budgetary Control and Performance
2. 79. Irregular Termination of Technical Assistant's Contract
3. 82. Dormant Project Bank Account
4. 95. Unsupported Expenditure-Counterpart Funding
5. 99. Unsupported Expenditure-Counterpart Funding
6. 103. Irregular Recruitment of an Advisor

7. 104. Budgetary Control and Performance
8. 106. Lack of Internal Audit Services
9. 109. Budgetary Control and Performance
10. 118. Unsupported Counterpart Funding Balances
11. 119. Budgetary Control and Performance
12. 123. Unsupported Counterpart Funding Balances
13. 124. Budgetary Control and Performance
14. 129. Budgetary Control and Performance
15. 133. Omitted and Unsupported Expenditure-Extraneous Allowances
16. 134. Budgetary Control and Performance
17. 138. Unsupported Counterpart Funding Balances
18. 139. Budgetary Control and Performance
19. 144. Slow Absorption of Project Funds
20. 145. Budgetary Control and Performance
21. 150. Budgetary Control and Performance

The following issues were discussed;

87. Amount Withdrawn but Unclaimed

The Government made available through subsidiary agreements a loan facility to three wholesalers for lending to 2nd Tier SACCOs and MFIs. The 2nd Tier Institutions (SACCOs and MFIs) were expected to extend credit to final beneficiaries who were the non-banking population, thus enhancing credit delivery and access in Kenya. The loans have since been repaid and the project closed.

88. Failure to Close the Project

The project closure is progressing well as the consultant has prepared the final audit report that has been approved by Agence Francaise De Developpement (AFD) and other stakeholders. Subsequently, the National Treasury wrote to AFD for No Objection to transfer the surplus project funds to Rural Kenya Financial Inclusion Facility (RK-FINFA). AFD has granted a No objection and forwarded to the National Treasury a draft Amendment Letter to the Credit Facility Agreement dated 25th May 2005 for purposes of reallocating funds from the Microfinance Sector Support Credit Project to the RK-FINFA.

The Office of the Attorney General confirmed that the draft Amendment letter was in order and granted the parties to proceed and execute the same. Agence Francaise De Developpement (AFD) submitted a signed Amendment letter to the Management and which was executed.

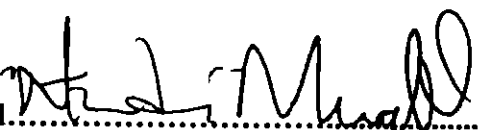
A budget allocation will be made this Financial Year 2024/2025 through Supplementary Budget two to enable transfer of funds from Microfinance Sector Support Credit Project to Rural Financial Inclusion Facility Project.

114. Budgetary Control and Performance

The project had unsuccessfully planned to procure computers and other ICT equipment during the year, to the tune of Kshs.31,272,024 or 30% of the budget.

MIN.NO.NA/DAAGPC/PAC/2024/406 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.07 p.m. The next meeting will be held on Tuesday, 3rd December, 2024 at 10.00 a.m.

Signed.....

Date 04/01/2025...

**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

**MINUTES OF THE 216TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON SATURDAY 23RD NOVEMBER, 2024 AT THE MENENGAI PHASE 1 PROJECT,
MENENGAI, NAKURU COUNTY AT 3.00 P.M.**

PRESENT

1. The Hon. Nicholas Tindi S Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Yakub Adow Kuno, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Victor Kipng'etich Koech, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|----------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms Lilian Mwikali | – | Clerk Assistant III |
| 4. Mr. Mohamed Jelle | – | Clerk Assistant III |
| 5. Mr. Josphat Bundotich | – | Principal Sergeant-At-Arms |
| 6. CPA Cyril Mutali | – | Fiscal Analyst III |
| 7. Ms Lydia Migare | – | Research Officer III |
| 8. Ms. Yvonne Kendi | – | Hansard Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|--------------------------|
| 1. Mr. Fredrick Oluoch | – | Deputy Director Audit |
| 2. Mr. Paul Kagwanja | – | Deputy Director of Audit |
| 3. Mr. Walter Owele | – | Principal Auditor |
| 4. Mr. Ezekiel Omore | – | Audit Associate |

THE NATIONAL TREASURY

- | | | |
|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |
|------------------------------|---|-------------------|

STATE DEPARTMENT FOR ENERGY

1. Hon. Walter Nyambati	–	Chairman GDC
2. Mr. Paul Ngugi	–	Managing Director GDC
3. Ms. Rose Barasa	–	Head of Accounting
4. Mr. Reuben Ngui	–	Ag General Manager GDC Infrastructure
5. Mr. Godfrey Shitsaha	–	Ag. General Manager GDC Installations
6. Ms Martha Mburu	–	General Manager Business development GDC

MIN.NO. NA/DAAGPC/PAC/2024/387 PRELIMINARIES

The Chairperson called the meeting to order at Twenty-five minutes past Three O'clock said a word of prayer followed by a round of introductions.

MIN.NO.NA/DAAGPC/PAC/2024/388 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/389 EVIDENCE: MINISTRY OF ENERGY. VOTE 1152

Mr. Paul Ngugi, the Managing Director, Geothermal Development Company submitted as follows in response to query no. 1423 of the report of the Auditor General FY 2021/22;

1423. Delay in Power Plants Development Under Menengai Phase 1 Project

The Project Implementation and Steam Supply Agreements (PISSA) were signed on 1st November 2014. The IPPs and GDC were required to fulfil conditions precedent to Effectiveness of the PISSA key among them the GoK Letter of Support and the African Development Fund Partial Risk Guaranteed (ADF-PRG). Following negotiations between the IPP's and the National Treasury the Letter of Support (LoS) was issued to two IPPs QPEA GT Menengai Limited (QPEA) now Globeleq Menengai Geothermal Limited (GMGL/Globeleq) and Sosian Menengai Geothermal Power Limited (SMGPL/Sosian) in 2017 The third IPP Orpower Twenty-Two Limited (Orpower) did not reach an agreement with the National Treasury at that time and was not issued with the Letter of Support.

In 2018 negotiations on the ADF-PRG agreements were concluded and the ADF sent the documents to the National Treasury for approval and signing of the Indemnity Agreement (an agreement between ADF and the National Treasury)

The National Treasury was not able to commit to signing the Indemnity Agreement because it would result in an increase in the government's Contingent Liabilities. Later in 2023 the National Treasury guided that GoK is no longer issuing Partial Risk Guarantees (PRG's) and that a new instrument the Regional Liquidity Support Facility (RLSF) offered by Africa Trade and Investment Development Insurance (ATIDI) shall be used as a replacement for ADF-PRG instrument. The IPPs were unable to reach financial closure due to lack of this instrument.

In 2020 SMGPL changed their EPC contractor and financing model. The new EPC provided the financing for construction. SGMPL were able to convert the ADF-PRG from a condition precedent to

a condition subsequent to financial closure enabling them to attain PISSA effectiveness. Construction commenced in 2021 and was completed in 2023. The plant is operational.

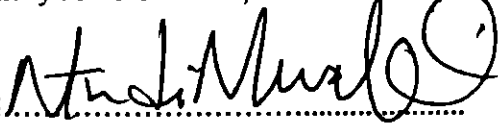
Following replacement of the ADF-PRG with the RLSF Globeleq agreed to waive the requirement for issuance of ADF PRG on the condition that the GoK uses its best effort to secure RLSF before the Commercial Operation Date (COD). Globeleq attained financial closure and commenced construction in January 2024. Construction is ongoing (40% complete)

In 2024, OrPower 22 agreed to the replacement of the ADF-PRG with the RLSF and conversion of RLSF from a condition precedent to a condition subsequent to PISSA effectiveness. PISSA effectiveness was attained in October 2024 and construction commenced on 1st November 2024. Construction is ongoing.

The Committee took a tour of the site of the two power plants; being the Sosian Menengai Geothermal Power Limited and the Quantum Power East Africa to ascertain the level of works done.

MIN.NO.NA/DAAGPC/PAC/2024/390 ADJOURNMENT

There being no other business, the meeting was adjourned at 6 45 p.m. The next meeting will be held on Monday 25th November, 2024 at 10.00 a.m.

Signed 

Date 31/12/2024

**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

**MINUTES OF THE 215TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON SATURDAY 23RD NOVEMBER, 2024 AT THE LAKE NAIVASHA RESORT,
NAIVASHA AT 10.00 A.M.**

PRESENT

1. The Hon Nicholas Tindi S Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon Mohamed Aden Adow, MP
5. The Hon. Yakub Adow Kuno, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon David Kiplagat, MP
6. The Hon. Victor Kipng'etich Koech, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|----------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms Lilian Mwikali | – | Clerk Assistant III |
| 4. Mr. Mohamed Jelle | – | Clerk Assistant III |
| 5. Mr. Josphat Bundotich | – | Principal Sergeant-At-Arms |
| 6. CPA Cyril Mutali | – | Fiscal Analyst III |
| 7. Ms Lydia Migare | – | Research Officer III |
| 8. Ms. Yvonne Kendi | – | Hansard Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|--------------------------|
| 1. Mr. Fredrick Oluoch | – | Deputy Director Audit |
| 2. Mr. Paul Kagwanja | – | Deputy Director of Audit |
| 3. Mr. Walter Owele | – | Principal Auditor |
| 4. Mr. Ezekiel Omore | – | Audit Associate |

THE NATIONAL TREASURY

- | | | |
|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |
|------------------------------|---|-------------------|

STATE DEPARTMENT FOR ENERGY

1. Mr. Alex Wachira	–	Principal Secretary
2. Ms. Rose Barasa	–	Head of Accounting
3. Mr. Paul Ngugi	–	Managing Director GDC
4. Dr. John Mativo	-	Managing Director KETRACO
5. Henry Choge	–	MPA KETRACO
6. Mr. Tom Imbo	–	GM Finance, KETRACO
7. Ms Margaret Kigano	–	Communication PS Office

MIN.NO. NA/DAAGPC/PAC/2024/383 **PRELIMINARIES**

The Chairperson called the meeting to order at five minutes past ten o'clock said a word of prayer followed by a round of introductions.

MIN.NO.NA/DAAGPC/PAC/2024/384 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/385 **EVIDENCE: MINISTRY OF ENERGY. VOTE 1152**

Mr. Alex Wachira, the Principal Secretary/Accounting Officer for the Ministry of Energy appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1394. Pending Bills - Goods and Services

The pending bills amounting to 494M were outstanding due to the contractor's inability to pay Withholding tax within the stipulated time. Subsequently the withholding tax was paid in the financial year 2022/2023 and invoices have been fully settled.

1395. Low Absorption of Funds

The funding under the supplementary is financing two projects being; Mariakani substation undertaken by China Camc Engineering Co. Ltd and the underground cable undertaken by Ms Dec-Hanhe Consortium.

The draw down for Mariakani substation had been fully utilized under the supplementary loan as of 30 June 2023. The proportion utilized under the Main Loan for Mariakani was Euros 14,310,601 which represents 99.97% of its allocation while the balance will be utilized by the underground cable project which is expected to be completed by June 2025.

1396. Project Commitment Without Funding

The Mariakani project is financed by two AfDB funds which were signed at different times. The main loan 2100150027845 was signed on 19th September 2012 while the Supplementary loan

2000200003502 was signed on 19th June 2019. The procurement was based on the main loan signed in 2012.

1397. Automation of the Financial Reporting Process

The company is in the process of fully automating the projects reporting system (Project services module in SAP) and integrating SAP with Integrated Location Intelligence System (ILIS). This will ensure end to end processing of the project financial information in the system and reporting. Subsequently, KETRACO has engaged BI experts who are helping in full automation of the projects module in the SAP.

1403. Idle Bank Balances

The funds which represent Revenue from AFD, was drawn to KETRACO accounts as the financing was coming to an end. The funds were scheduled to be spend within three years to the completion of the project in Financial Year 2023/2024. The amount of Kshs. 606,672,598 was spent during the financial year 2021/2022.

KETRACO will give an account of the remaining funds as they are utilized pending the contract completion and payment of retention fee.

1404. Long Outstanding Wayleave Compensation

The correct balance is ksh. 122,908,136. The major challenge with outstanding wayleaves compensation is lack of budgetary allocation. Management has included the balance in the pending bills and requested for budgetary support in the FY 2022-2023 supplementary budget and the FY 2023/2024 budget.

1405. Delay in Project Implementation

Delays in completion of Malaa substation were due to delayed site hand over for the substation in June 2018. In addition implementation delayed due to procurement challenges because of the COVID-19 pandemic. This has been majorly due to the shortage of containers globally delaying supply of equipment and material to the substations.

Management has ensured that the project is adequately funded and the escalation of project costs is less probable. This included the advance drawdown of funds to ensure adequate financing is available for project completion. Kimuka Sustation has since been completed and commission in July 2024. The substation has strengthened power supply in Kajiado, Nairobi and Parts of Kiambu Counties.

1406. Budgetary Control and Performance

Based on reviewed financial statements the actual final receipt is KShs 10,230,537 against final receipts budget of KShs 1,387,000,000 resulting to financing deficit of KShs 1,376,769,463.

Further, actual budgeted receipts of KShs 10,230,537 against the actual expenditure of KShs 616,903,135 equivalent to 44% of the budget resulting to expenditure of KShs 606,672,598.

The expenditure of KShs 606,672,598 is not an overpayment but relates to payments made from an advance drawdown of AFD financing amounting to KShs 3,100,000,000 to the project account in the FY 2020/2021 which had been budgeted for during the said period.

The advance drawdown to the project account was as a result of the risk of expiry of the loan in FY 2020/2021 without actual draw down.

1407. Pending Bills - Goods and Services

The pending bills amounting to KShs. 130,332,550 were as a result of the 30th June 2022 cut-off date. These were settled in July & August 2022 of the subsequent year. The balance of KShs 58,363,937 relate to Jyoti for the completed Transmission Line, however Jyoti Structures Limited was declared bankrupt. The legal proceedings to determine the case is yet to be finalized.

1409. Lack of Automation of the Financial Reporting Process

The company is in the process of fully automating the projects reporting system (Project services module in SAP) and integrating SAP with Integrated Location Intelligence System (ILIS). This will ensure end to end processing of the project financial information in the system and reporting. Subsequently, KETRACO has engaged BI experts who are helping in full automation of the projects module in the SAP.

1411. Delay in Project Implementation

The initial contractor for Transmission lines M/S Jyoti Structures Limited was terminated on 19TH September 2018 due to bankruptcy (Annex 80: Termination letter). Anew contractor M/S China CAMCE ltd was engaged.

The delay in the completion of the project has been caused by insufficient exchequer budgetary allocation to finance contractual works and wayleaves acquisition. The management requested additional financing in FY2022/2023 and FY 2023/2024 and FY 2024/2025 budget. However, the budgetary allocation has been inadequate and continues to hamper the completion of the project.

1412. Budgetary Control and Performance

The excess receipts of Ksh Kshs. 46,792,701 disbursements for the last financial year (FY2020/2021) received in July of (FY 2021/2022). The expenditure of Ksh 447,805,244 reflects payments to the contractor based on accrual basis, this accrued expenditure had been budgeted and funds received for in the previous financial years. The difference is as a result of cash and accrual basis of report of project financial statements as per the requirement of IPSAS.

Cabinet approval for Public Sector to move to accrual accounting as per Kenya Gazette Vol. CXXVI-No. 135 will help clear the differences in budgetary control and performance.

1413. Pending Accounts Payable

The amount of Ksh 306,174,079 is amount due to Jyoti Structures Limited. The contractor was declared bankrupt in 2017. They have not finalized their bankruptcy issues and therefore the amount has remained pending since then which included certified works at the time of termination and retention amount.

1414. Other Pending Payables

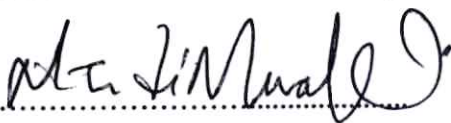
The amount of Kshs. 67,256,878 being pending wayleave compensation is occasioned by insufficient budget allocation to settle pending bills. KETRACO has continuously made requests for budgetary allocation to The National Treasury through the budgeting process.

1416. Manual Intervention in the Financial Reporting Process

The company is in the process of fully automating the projects reporting system (Project services module in SAP) and integrating SAP with Integrated Location Intelligence System (ILIS). This will ensure end to end processing of the project financial information in the system and reporting. Subsequently, KETRACO has engaged BI experts who are helping in full automation of the projects module in the SAP.

MIN.NO.NA/DAAGPC/PAC/2024/386 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.17 p.m. The next meeting will be held in the afternoon on a site visit at the Menengai Phase 1 project in Menengai, Nakuru County.

Signed.....

Date 31/12/2024.

The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson

**MINUTES OF THE 214TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON FRIDAY 22ND NOVEMBER, 2024 AT THE LAKE NAIVASHA RESORT,
NAIVASHA AT 2.00 P.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Yakub Adow Kuno, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Victor Kipng'etich Koech, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|----------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms Lilian Mwikali | – | Clerk Assistant III |
| 4. Mr. Mohamed Jelle | – | Clerk Assistant III |
| 5. Mr. Josphat Bundotich | – | Principal Sergeant-At-Arms |
| 6. CPA Cyril Mutali | – | Fiscal Analyst III |
| 7. Ms Lydia Migare | – | Research Officer III |
| 8. Ms. Yvonne Kendi | – | Hansard Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|--------------------------|
| 1. Mr. Fredrick Oluoch | – | Deputy Director Audit |
| 2. Mr. Paul Kagwanja | – | Deputy Director of Audit |
| 3. Mr. Walter Owele | – | Principal Auditor |
| 4. Mr. Ezekiel Omoro | – | Audit Associate |

THE NATIONAL TREASURY

- | | | |
|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |
|------------------------------|---|-------------------|

STATE DEPARTMENT FOR ENERGY

1. Mr. Alex Wachira	—	Principal Secretary
2. Ms. Rose Barasa	—	Head of Accounting
3. Mr. Paul Ngugi	—	Managing Director GDC
4. Eng. John Mativo	-	Managing Director, KETRACO
5. Henry Choge	—	MPA KETRACO
6. Mr. Tom Imbo	—	GM Finance, KETRACO
7. Ms Margaret Kigano	—	Communication PS Office

MIN.NO. NA/DAAGPC/PAC/2024/379 **PRELIMINARIES**

The Chairperson called the meeting to order at twelve minutes past two o'clock.

MIN.NO.NA/DAAGPC/PAC/2024/380 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/381 **EVIDENCE: MINISTRY OF ENERGY. VOTE 1152**

Mr. Alex Wachira, the Principal Secretary/Accounting Officer for the Ministry of Energy appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1366. Non-Automation of the Financial Reporting Process

The company is in the process of fully automating the projects reporting system (Project services module in SAP) and integrating SAP with Integrated Location Intelligence System (ILIS). This will ensure end to end processing of the project financial information in the system and reporting. Subsequently, KETRACO has engaged BI experts who are helping in full automation of the projects module in the SAP.

1375. Budgetary Control and Performance

The excess vote of 206,536,296 on total receipts is attributed to the final disbursement from exchequer of Ksh 300Million for FY 2020/2021 received in FY 2021/2022.

Whereas the additional expenditure of Kshs 41,137,918 was occasioned by Supplementary II budget cuts that was done after expenditure had been incurred. Cabinet approval for Public Sector to move to accrual accounting as per Kenya Gazette Vol. CXXVI-No. 135 will help clear the differences in budgetary control and performance.

1376. Pending Bills

The balances outstanding as at 30th June 2021 was attributable to outstanding invoices for services rendered. The invoices were not settled because they were delivered at the end of the financial year. The invoices were settled in the subsequent financial year.

However, a balance of Ksh 668,587,903 is still outstanding. KETRACO has made a request for funding through the budgetary process.

1377. Long Outstanding Wayleave Compensation

The major challenge with outstanding wayleaves compensation is lack of budgetary allocation. Management has included the balance in the pending bills and requested for budgetary from the National Treasury.

The project was completed and energised in June 2021. The transmission line is supplying power to the Western region of Kenya and has enhanced power supply stability and connection of more households in the region.

1379. Lack of Automation in the Financial Reporting Process

The company is in the process of fully automating the projects reporting system (Project services module in SAP) and integrating SAP with Integrated Location Intelligence System (ILIS). This will ensure end to end processing of the project financial information in the system and reporting. Subsequently, KETRACO has engaged BI experts who are helping in full automation of the projects module in the SAP.

1382. Liquidation of Contractor

The initial contract awarded to Jyoti Structures Limited was terminated in 17th September 2018. KETRACO procured a new contractor to complete the Ortum and Kitale substations. The contractor, Shyama Power Limited of India whose contract became effective on 2nd June 2022 is currently carrying out civil works and equipment installation at Kitale and Ortum Substations. The Ortum substation was completed in 30th April 2024. The Kitale substation is expected to be completed and commissioned in September 2024.

1383. Delay in Project Completion

LOT 1A

The contract faced delays due to termination of the initial contract by Jyoti structures. KETRACO procured a new contractor M/S Shyama Power Limited of India to complete the Ortum and Kitale substations.

The Ortum substation was completed in 30th April 2024. The Kitale substation is expected to be completed and commissioned in September 2024. The Turkwel substation was descope.

LOT 3A (Machakos Konza, Kajiado Namanga Transmission Line)

The project was completed and energised on 14th February 2024. The transmission Lines have strengthened power supply in Machakos, Konza Isinya and Namanga and its environs.

1384. Pending Accounts Payable

The pending bills amounting to KSh. 133,882,114 relates to payments due to M/S Shyama Power as a result of the 30th June 2022 cut-off date. These were settled in the subsequent years. The balance of KSh 13,450,260 relates to Jyoti Structures limited that was declared bankrupt. The legal proceedings to determine the case is yet to be finalized.

1385. Other Pending Payables

The major challenge with outstanding wayleaves compensation is lack of adequate budgetary allocation. Management has included the balance in the pending bills and in the subsequent years, continued to request for budgetary support from the National Treasury through the budgeting process.

The committee directed that the management provide a list of all pending bills with their age analysis in the next seven days

1386. Budgetary Control and Performance

The excess receipts of Kshs. 110,848,172 was occasioned by Quarter 4 disbursement of Ksh 238,875,000 for FY 2020/2021 that was received on 6th July 2021, against exchequer budgeted receipts of Ksh 100 Million. A draw down of Ksh 235,973,173 was made against a budgeted receipt of Ksh 364 Million therefore resulting Ksh 128,026,827 of undrawn funds, the net effect resulted to a excess receipts of Ksh 110,848,172

The under expenditure of KShs. 33,772,229 was occasioned by delay in project implementation activities by the contractor. Cabinet approval for Public Sector to move to accrual accounting as per Kenya Gazette Vol. CXXVI-No. 135 will help clear the differences in budgetary control and performance.

1387. Purchase of Goods and Services

Two projects are funded by the Exim Bank of India: -

- Turkwel – Ortum – Kitale Transmission Line and substations
- Machakos – Konza – Kajiado – Namanga Transmission Line and substations.

In 2021/2022, Transmission Equipment was procured as follows: -

	FY 2021/22		
	Turkwel-Ortum-Kitale	Machakos-Konza-Kajiado-Namanga	Total
	KShs	KShs	KShs
Professional fees	-	6,110,000.00	6,110,000.00
Other operating expenses	36,500.00	-	36,500.00
Site travel	2,756,824.00	-	2,756,824.00
Total	<u>2,793,324.00</u>	<u>6,110,000.00</u>	<u>8,903,324.00</u>

The professional fees were incurred in the Machakos-Konza-Kajiado-Namanga TL. Was being implemented by Shyama Power and not MS. Jyoti Structures Limited, being the bankrupt entity as indicated on the issue above. The contractor had a valid active contract, and the consultancy was based on progress of works being undertaken.

In the 2021/2022 financial year, a new contractor had been engaged to complete the Ortum-Kitale Substation and preliminary costs were incurred to allow for commencement of completion works.

The Committee directed that the management to provide the status report of the project in the next seven days.

1388. Transfers to Olkaria – Lessos - Kisumu Transmission Line

In 2020/2021, Kshs 128,315,126 was transferred from the Machakos-Konza-Kajiado-Namanga TL (as per note 11.7 of the financial statements) to the Olkaria-Lessos-Kisumu TL. In the Olkaria-Lessos-Kisumu TL accounts, the receipt was shown under Note 11.2

1389. Purchase of Transmission Equipment

The two projects are funded by the Exim Bank of India -

- Turkwel – Ortum – Kitale Transmission Line and Substations
- Machakos – Konza – Kajiado – Namanga Transmission Line and Substations

In 2021/2022, Transmission Equipment was procured as follows: -

	FY 2021/22		
	Payments	Payments made by	Total payments
	made by the entity in cash	third parties	
	KShs	KShs	KShs
Turkwel-Ortum-Kitale	78,732,338.00	165,124,037.88	243,856,375.88
Machakos-Konza-Kajiado-Namanga	-	70,849,134.53	70,849,134.53
Total	78,732,338.00	235,973,172.41	314,705,510.41

The Kshs 243,856,375 incurred on Turkwel-Ortum-Kitale was payment for 2 invoices for contractual works done by M/s KEC International Ltd for Ksh 60,841,336.28 for the transmission line which was completed on 30th March 2020. The balance of Ksh 183,015,039.60 was advance payment to M/s Shyama Power India Limited for the completion of Ortum and Kitale Substations.

Kshs 70,849,134.53 was made in the Machako-Konza-Kajiado-Namanga TL to M/s Shyama Power India Limited which is an active line and for which the contractor has a valid contract.

1390. Manual Intervention in the Financial Reporting Process

The company is in the process of fully automating the projects reporting system (Project services module in SAP) and integrating SAP with Integrated Location Intelligence System (ILIS). This will ensure end to end processing of the project financial information in the system and reporting. Subsequently, KETRACO has engaged BI experts who are helping in full automation of the projects module in the SAP.

1392. Delay in Project Deliverables

There was a global delay in the shipment of critical items such as the Shunt Reactor due to the COVID-19 Pandemic. There has since been an ease in shipments and materials have been delivered to site. The Project is at 99% completion rate and is due to be commissioned in December 2024.

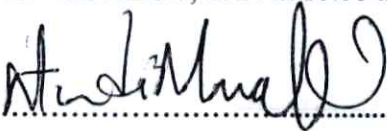
1393. Budgetary Control and Performance

The implementation of the project was delayed due to procurement challenges because of the COVID-19 pandemic. This has been majorly due to the delay in manufacturing and shipment of the Shunt Reactor which is critical to the project completion. The enumerated factors caused the under expenditure/drawdown during the financial year. The shunt reactor has since been delivered to site and installed.

Management put in place contingent measures to monitor the project milestones and ensure completion of the project by December 2024.

MIN.NO.NA/DAAGPC/PAC/2024/382 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.06 p.m. The next meeting will be held Saturday 23rd November, 2024 at 10.00 a.m.

Signed.....

Date 3/12/2024

**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

**MINUTES OF THE 213TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON FRIDAY 22ND NOVEMBER, 2024 AT THE LAKE NAIVASHA RESORT,
NAIVASHA AT 10.00 A.M.**

PRESENT

1. The Hon Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. The Hon Samuel Kinuthia Gachobe, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Yakub Adow Kuno, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Victor Kipng'etich Koech, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|----------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms Lilian Mwikali | – | Clerk Assistant III |
| 4. Mr. Mohamed Jelle | – | Clerk Assistant III |
| 5. Mr. Josphat Bundotich | – | Principal Sergeant-At-Arms |
| 6. CPA Cyril Mutali | – | Fiscal Analyst III |
| 7. Ms Lydia Migare | – | Research Officer III |
| 8. Ms. Yvonne Kendi | – | Hansard Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|--------------------------|
| 1. Mr. Fredrick Oluoch | – | Deputy Director of Audit |
| 2. Mr. Paul Kagwanja | – | Deputy Director of Audit |
| 3. Mr. Walter Owele | – | Principal Auditor |
| 4. Mr. Ezekiel Omoro | – | Audit Associate |

THE NATIONAL TREASURY

- | | | |
|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |
|------------------------------|---|-------------------|

STATE DEPARTMENT FOR ENERGY

1. Mr. Alex Wachira	-	Principal Secretary
2. Ms. Rose Barasa	-	Head of Accounting
3. Mr. Paul Ngugi	-	Managing Director' GDC
4. Dr. John Mativo	-	Managing Director, KETRACO
5. Mr. Henry Choge	-	MPA KETRACO
6. Mr. Tom Imbo	-	GM Finance, KETRACO
7. Ms Margaret Kigano	-	Communication, PS Office

MIN.NO. NA/DAAGPC/PAC/2024/375 PRELIMINARIES

~~The Chairperson called the meeting to order at twenty-two minutes past ten o'clock, said a word of prayer followed by a round of introductions.~~

MIN.NO.NA/DAAGPC/PAC/2024/376 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/377 EVIDENCE: MINISTRY OF ENERGY. VOTE 1152

Mr. Alex Wachira, the Principal Secretary/Accounting Officer for the Ministry of Energy appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1333. Expiry of the Loan Agreement

The African Development Bank financing agreement expired and was cancelled/closed in December 2017. At the time of loan expiry, the undrawn balances amounted to Kes equivalent 2,720,466,827. The financing agreement was not to be extended. KETRACO has engaged The National Treasury through Ministry of Energy to seek alternative financing for completion of the project. This will allow for the completion of the project hence realization of the investment.

However, the project site cannot be accessed until the arbitral award has been settled. The National Treasury advised Kenya Electricity Transmission Company Limited to seek alternative funding to settle the arbitration award to the contractor, and therefore be able to engage another contractor to finalize the project.

1334. Outstanding Arbitration on Terminated Contract

The contracts with the main contractor (Inabensa) for the project were terminated in April 2016 due to non-performance. An arbitration tribunal was instituted in 2019. The arbitration case was delivered in July 2019 in favour of the contractor. KETRACO appealed to the High Court for setting aside of the arbitral award to Inabensa. The High Court delivered their ruling in February 2021 upholding the arbitral award. KETRACO appealed the case in the Court of Appeal. The Court of appeal on 19th November 2021 delivered their ruling upholding The High Court ruling. The Court of appeal ruling

was subjected to an appeal petition at The Supreme Court. The Supreme Court delivered their ruling upholding the Court of Appeal ruling.

The legal cost has been included in as contingent liability and pending bills in the financial statements for financial year 2021/2022.

Management has engaged The National Treasury through Ministry of Energy to finance completion of the project. KETRACO is also seeking alternative means of raising the arbitration settlement funds, this will allow for completion of the project hence realization of service delivery to the intended beneficiaries. A multisectoral committee has been set up whose role is to find how to settle the arbitral award.

1335. Budgetary Control and Performance

The funds received had been approved in the budget for FY 2020/2021, but the funds were received after the financial year closing date of 30th June 2021. During the FY 2021/2022, the project did not receive any approved budget during the year under consideration. The funds had been budgeted for settling the wayleave compensation.

The expenditure of Ksh 197,540,810 are payments made from accruals from the previous year FY 2020/2021, but paid in the FY 2021/2022, since the Projects financial statements are prepared in cash basis, the KETRACO corporate accounts are prepared on accrual basis, therefore the difference.

Cabinet approval for Public Sector to move to accrual accounting as per Kenya Gazette Vol. CXXVI-No. 135 will help clear the differences in budgetary control and performance.

1336. Pending Bills - Goods and Services

The amounts of pending bills of Kshs. 29,546,374 concern payment to the project Consultant M/S. Aecom. The payment could not be processed due to an ongoing court case between KETRACO and the Consultant Aecom. The case is still not resolved.

1337. Long Outstanding Wayleave Compensation

The project has been adequately funded to facilitate acquisition of right of way. However, the project has suffered from absence of certified landowners. KETRACO through its team of Land economists and the legal officers have engaged with the persons affected with the project to expedite the requisite land documentation to facilitate settlement of wayleave compensation. Subsequently, Kenya Electricity Transmission Company Limited has settled majority of the wayleave compensation along the project wayleave trace.

1338. Legal Costs on Termination of Contract and Loan Interest Costs

The contracts with the main contractor (Inabensa) for the project were terminated in April 2016 due to non-performance. An arbitration tribunal was instituted in 2019. The arbitration case was delivered in July 2019 in favour of the contractor. KETRACO appealed to the High Court for setting aside of the arbitral award to Inabensa. The High Court delivered their ruling in February 2021 upholding the arbitral award. KETRACO appealed the case in the Court of Appeal. The Court of appeal on 19th November 2021 delivered their ruling upholding The High Court ruling. The Court of appeal ruling was subjected to an appeal petition at The Supreme Court. The Supreme Court delivered their ruling upholding the The Court of Appeal ruling.

KETRACO has engaged The National Treasury through Ministry of Energy to seek alternative financing for completion of the project. This will allow for the completion of the project hence realization of the investment.

However, the project site cannot be accessed until the arbitral award has been settled. The National Treasury advised Kenya Electricity Transmission Company Limited to seek alternative funding to settle the arbitration award to the contractor, and therefore be able to engage another contractor to finalize the project.

1339. Manual Interventions in the Financial Reporting Process

The company is in the process of fully automating the projects reporting system (Project services module in SAP) and integrating SAP with Integrated Location Intelligence System (ILIS). This will ensure end to end processing of the project financial information in the system and reporting. Subsequently, KETRACO has engaged BI experts who are helping in full automation of the projects module in the SAP.

1342. Budgetary Control and Performance

The reduction in the printed estimates was done after commitments being incurred in the project. In addition, Kes. 50M for FY 2020/2021 was disbursed in July 2021 and recognized in 2022 being the difference between accrual and cash basis accounting.

The over expenditure of Ksh 450,771,158 were payments made from accruals from the previous year FY 2020/2021, but paid in the FY 2021/2022, the funds had been budgeted and received in the previous financial year 2020/2021. The financial statements are prepared in cash basis, hence the difference.

1343. Delay in Project Implementation

The project delay was as a result of inadequate budget allocation from the National Treasury to cater for wayleave compensation for the project affected persons. This contributed to challenges in acquiring the right of way for the contractor to work. Management requested additional funding in the new FY 2023/2024 budget (Kes. 676M AIA and Kes. 559M Counterpart) to finance wayleave and contractual works.

The project is currently complete, and it is expected to be commissioned in FY 2024/2025.

1344. Pending Bills - Goods and Services

The balance of KShs 44,585,190 is as a result of invoices received at the end of the FY and had already been processed and forwarded to the Ministry of Energy in June 2022 for submission to Treasury and ADB.

These payments were settled in September 2022.

1346. Automation of the Financial Reporting Process

The company is in the process of fully automating the projects reporting system (Project services module in SAP) and integrating SAP with Integrated Location Intelligence System (ILIS). This will ensure end to end processing of the project financial information in the system and reporting. Subsequently, KETRACO has engaged BI experts who are helping in full automation of the projects module in the SAP.

1360. Pending Bills

These were invoices in progress that had not been paid as at the cutoff date of 30.6.2022. Out of the Ksh 297,893,743, invoices amounting to Ksh 292,367,289.62 have been processed in the FY 2022/23 and have now been settled.

Kshs. 375,078 relates to a PAP (Projected Affected Persons) who is serving custodial sentence and those not paid due to incomplete documentation. Compensation will be settled when advised by the PAPs and all supporting documents have been provided.

1361. Undrawn Fund Balance

The IDA financing structure has been revised and USD 97,628,476.4 was cancelled and redirected to finance the Green Phase II/STATCOM project. Additional loan utilisation has since occurred and the current undrawn balance is zero.

The African Development Bank financing savings of UAC 17,760,000 is financing construction of Mariakani substation and the Nanyuki Rumuruti underground cable projects. The current ADB undrawn balance is zero due to additional utilisation and cancellation of the savings.

AFD EUR 13,500,000 is financing the completion of Nairobi Ring Project.

1362. Budgetary Control and Performance

The under absorption of Lot 6 was affected by delay in wayleave acquisition due to limited exchequer funding, lack of proper documentation and further the converter substation was delayed because of non-fulfilment of contractual obligations by the contractor. However, the project was completed in December 2022 and is operating on Monopolar configuration awaiting commissioning of ground electrode.

1363. Long Outstanding Wayleave Compensation

Kshs. 375,078 relates to a PAP who is serving custodial sentence and those not paid due to incomplete documentation. Compensation will be settled when advised by the PAPs and all supporting documents have been provided

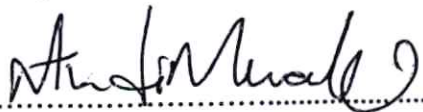
1364. Delay in Project Deliverables

The delay in project completion was as a result of right of way issues and COVID 19 pandemic.

The project was completed and commissioned in December 2022 to operate on Monopolar configuration awaiting commissioning of ground electrode, draw down of funding from financier was done in good time and is at 100% and the relevant invoices settled.

MIN.NO.NA/DAAGPC/PAC/2024/378 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.15 p.m. The next meeting will be held today at 2.00 p.m.

Signed.....

Date 31/12/2024

The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson

**MINUTES OF THE 212TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 21ST NOVEMBER 2024, AT 10.00 A.M IN COMMITTEE ROOM
23, BUNGE TOWER**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. The Hon. David Kiplagat, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Nabwera Daraja Nabii, MP
6. The Hon. Samuel Kinuthia Gachobe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. Amina Udgoon Siyad, MP
5. The Hon. Gabriel Gathuka Kagombe, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|------------------------|
| 1. Mr. Victor Weke Imbo | – | Senior Clerk Assistant |
| 2. Mr. Mohamed Jelle Abdi | – | Clerk Assistant III |
| 3. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 4. Ms. Lilian Mwikali | – | Clerk Assistant III |
| 5. Ms. Lydia Shalom | – | Research Officer III |
| 6. Ms. Yvonne Kendi | – | Hansard Officer III |
| 7. Mr. Mark Mbuthia | – | Audio Officer |
| 8. Mr. Hillary Mageka | – | Media Relations |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|--------------------------|---|-------------------|
| 1. Mr. Daniel M. Ndung'u | – | Director of Audit |
| 2. Mr. James Ngure | – | Principal Auditor |
| 3. Mr. Ezekiel O. Omoro | – | Audit Associate |

NATIONAL TREASURY

Rev. CPA Lawrence K. Kwiriga

STATE DEPARTMENT FOR IMMIGRATION AND CITIZEN SERVICES

- | | | |
|-----------------------|---|--------------------------|
| 1. Amb. Julius Bitok | – | Principal Secretary |
| 2. Amb. Issac Ochieng | – | Director General Citizen |

3. Ms. Everline Cheluget	—	Director General Immigration
4. Mr. Nixon Nganga	—	Director of Communication
5. Mr. Joseph Muraya	—	Senior Chief Finance Officer
6. Mr. Loise Kibicho	—	Senior Deputy Accountant General
7. Mr. Samuel R Lukoru	—	Director Civil Registration
8. Ms. Bancy Wamyu	—	Deputy Director of Protocol
9. Mr. Jack Okula	—	Advisor to Principal Secretary
10. Daniel Maiyo	—	PA. Principal Secretary
11. Mr J.K. Kianda	—	Secretary
12. Mr. Christopher Wanjau	—	Secretary
13. Leonard Nangoke	—	Secretary

STATE DEPARTMENT FOR DIASPORA AFFAIRS

1. Ms. Roseline Kathure Njogu	—	Principal Secretary
2. Ms. Polly Njeru Maingi	—	Senior Deputy Accountant General
3. Mr. Henry Mutiso	—	Assistant Accountant General
4. Mr. obiero Mekuri	—	Head of Supply Chain Management.
5. Mr. Isaiah Kabira	—	Secretary

MIN.NO. NA/DAAOSC/PAC/2024/370 PRELIMINARIES

The Chairperson called the meeting to order at 10:15 p.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/371 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

1. **Minutes of the 204th sitting** were confirmed having been proposed by The Hon. Samuel Kinuthia Gachobe, MP, and seconded by The Hon. Yakub Adow Kuno, MP.
2. **Minutes of the 205th sitting** were confirmed as having been proposed by The Hon. Samuel Kinuthia Gachobe, MP, and seconded by The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. **Minutes of the 206th sitting** were confirmed as having been proposed by The Hon. (Dr.) Edwin Mugo Gichuki, MP, and seconded and seconded by The Hon. Samuel Kinuthia Gachobe, MP.
4. **Minutes of the 207th sitting** were confirmed as having been proposed by The Hon. Samuel Kinuthia Gachobe, MP, and seconded and seconded by The Hon. (Dr.) Edwin Mugo Gichuki, MP.
5. **Minutes of the 208th sitting** were confirmed as having been proposed by The Hon. (Dr.) Edwin Mugo Gichuki, MP, and seconded and seconded by The Hon. Samuel Kinuthia Gachobe, MP.
6. **Minutes of the 209th sitting** were confirmed as having been proposed by The Hon. Samuel Kinuthia Gachobe, MP, and seconded and seconded by The Hon. (Dr.) Edwin Mugo Gichuki, MP.

7. **Minutes of the 210th sitting** were confirmed as having been proposed by The Hon. (Dr.) Edwin Mugo Gichuki, MP, and seconded and seconded by The Hon. Samuel Kinuthia Gachobe, MP.
8. **Minutes of the 211th sitting** were confirmed as having been proposed by The Hon. (Dr.) Edwin Mugo Gichuki, MP, and seconded and seconded by The Hon. Samuel Kinuthia Gachobe, MP.

There were no matters arising.

MIN.NO.NA/DAAOSC/PAC/2024/372 STATE DEPARTMENT FOR IMMIGRATION AND CITIZEN SERVICES; VOTE 2024

Amb. Julius Bitok, the Principal Secretary/Accounting Officer for the State Department for Immigration and Citizen Services appeared before the Committee accompanied by other officers and submitted the following in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved;

1. 233. Pending Bills
2. 234. Delay in Delivery of E-passport Booklets
3. 235. Inefficiencies in Digitization and Storage of Birth and Death Records

MIN.NO.NA/DAAOSC/PAC/2024/373 STATE DEPARTMENT FOR DIASPORA AFFAIRS; VOTE 1054

Ms. Roseline Kathure Njogu, the Principal Secretary/Accounting Officer for State Department for Diaspora Affairs appeared before the Committee accompanied by other officers and submitted the following in response to audit queries for the financial year 2021/2022;

*The Committee marked resolved the audit query on **Pending Bills (No. 308)** after the Committee noted the State Department had paid all the pending bills.*

MIN.NO.NA/DAAOSC/PAC/2024/374 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.30 p.m. The next meeting will be held on 22nd November, 2024 at Naivasha.

Signed.....

Date 31/12/2024.....

The Hon. Nicholas Tindi S. Mwale, MP

Vice Chairperson

**MINUTES OF THE 210TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 18TH NOVEMBER 2024 IN COMMITTEE ROOM 23, BUNGE
TOWER AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Nabwera Daraja Nabii, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. David Kiplagat, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Samuel Kinuthia Gachobe, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|----------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms Lilian Mwikali | – | Clerk Assistant III |
| 4. Mr. Mohamed Jelle | – | Clerk Assistant III |
| 5. Mr. Josphat Bundotich | – | Principal Sergeant-At-Arms |
| 6. Mr. Lenny Muchangi | – | Legal Counsel II |
| 7. Mr. Cyrille Mutali | – | Fiscal Analyst III |
| 8. Ms Lydia Migare | – | Researcher III |
| 9. Mr. Henry Mageka | – | Media Relations Officer |
| 10. Ms. Yvonne Kendi | – | Hansard Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|----------------------|---|--------------------------|
| 1. Mr. Wilson Kamula | – | Director of Audit |
| 2. Mr. Paul Kagwanja | – | Deputy Director of Audit |
| 3. Mr. Ezekiel Omoro | – | Audit Associate |

THE NATIONAL TREASURY

- | | | |
|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |
|------------------------------|---|-------------------|

NATIONAL LAND COMMISSION

1. Ms. Kabale Tache	–	CEO/Commission Secretary
2. Mr. Bernard Cherutich	–	Director Finance
3. Mr. Walter Menya	–	Head of Corporate Communication
4. Mr. Ben Bett	–	Director Human Resource & Administration
5. Mr. Brian Ikal	–	Director Legal Affairs
6. Mr. Mohamed Farah	–	Head of Procurement
7. Mr. Daniel Mwakio	–	Deputy Director Finance
8. Mr. Abdullahi Dandin	–	Principal Accountant
9. Mr. Ken Mutai	–	Accountant

MIN.NO. NA/DAAGPC/PAC/2024/362 PRELIMINARIES

The Chairperson called the meeting to order at twenty minutes past ten o'clock, said a word of prayer followed by a round of introductions.

MIN.NO.NA/DAAGPC/PAC/2024/363 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/364 EVIDENCE: NATIONAL LAND COMMISSION. VOTE 2021.

Ms. Kabale Tache, the CEO/Secretary to the Commission/Accounting Officer for the Commission appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1962. Misclassification of Expenditure

Misclassification of Kshs. 5,592,044 in respect to compensation of employees, use of goods and services and acquisition of assets was as a result of budget cuts during the year under review. They however failed to obtain a re-allocation authorization from National Treasury.

1963. Failure to Refund Expenses through the Compensation Fund

Kshs. 100,000,000 was paid to Prof. Tom Ojienda and Company advocates through the compensation account as a result of court of appeal ruling /Garnishee order to National Land Commission GOK-CBK Recurrent Account.

The Commission has since refunded Kshs. 700,000 to the Compensation Fund account.

1964. Budgetary Control and Performance

The Commission utilized its budget within the allocated ceiling after supplementary estimates. Further, the Commission does not budget for funds to be paid to Persons Affected by the projects (PAPs) nor does the Commission budget for the administration expenses paid during the year from the Compensation account and receipts/interest earned from the unpaid project affected persons taking into account the funds received by the Commission are supposed to be paid promptly to the affected

persons. Compulsory land acquisition is demand driven hence the Commission is not in a position to budget for the funds.

1965. Pending Bills

The Commission was unable to settle staff claims of Kshs. 51,148,398.78 due to inadequate budgetary allocations from National Treasury and Parliament and subsequent austerity measures. However, the Commission partly settled 25 million as first charge in the FY 2023/24. NLC continues to engage the National Treasury for additional budgetary support.

1966. Unresolved Prior Year Matters

The Committee directed that management gives a status report within the next fourteen days detailing on the status of implementation of the Committee's recommendations in the report.

1967. Unsatisfactory Partitioning Works at the National Land Commission Offices

The Contractor did not actually revise the Bill of quantities but presented an invoice to claim an additional Ksh 16 Million as extra works done in the Commissioners' offices and claim that they were not covered in the initial specifications/Bill of quantities. The Commission refuted the claim.

The partitioning work was done to standard however, there is structural challenge in the building that affects some offices when it rains. These are unforeseen /emerging issues which are handled during defect/snag liability period. There have been several inspection tours done by Public Works, Contractor and NLC Team to correct the snags/defects. This challenge has been noted and the 316 Upper Hill Management has been notified to correct the anomaly which they are in the process of addressing it.

1968. Failure to Comply with the Approved Staff Establishment

As per the Commission Strategic Plan, there are clear plans to continuously recruit staff to the approved level of staff establishment. There have also been cases of staff retirements, natural attrition, resignations etc. These among also Government directive on the freeze of recruitment in all public entities has made NLC not to achieve the optimal staff level requirements. However, the Commission is progressively filling up the vacant positions subject to availability of funds/Budget by the Treasury.

1969. Non-Compliance With One Third Rule on Basic Pay

Management stated that this was occasioned by implementation of Finance Act 2022 and 2023 where there was introduction of new PAYE rates, NSSF rates and housing levy rates. However, staff have been advised to regularize the same by reducing voluntary deductions in their pay slips.

1970 Officers on Acting Capacity Beyond Stipulated Time

Twenty-five (25) employees continued to serve in acting capacities beyond the stipulated six (6) months period, occasioned by failure to get approval from National Treasury to recruit/fill the positions in time for the staff affected. Currently 23 positions out of 25 have substantively been filled safe for 2 positions still pending. The pending 2 positions will be addressed in the FY 2024/25.

1971. Long Outstanding Third-Party Deposits and Retention Balances

The long outstanding non payable/Compensation funds was as a result of Long outstanding court cases and unresolved succession family cases, missing ownership documents, Family disputes, The

Commission engages other Government agencies/project affected persons with aim of resolving and fast tracking Compensation payments.

1972. Management of Grounded Motor Vehicles

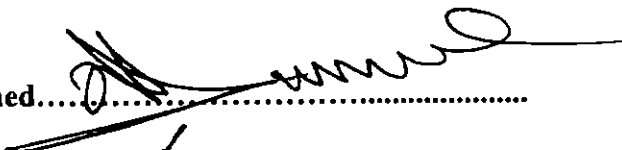
Management stated that all the 13 vehicles were not grounded but not in use due to lack of budget to cater for motor vehicle repairs and services as per the attached defect report and duration of the defects. Only two vehicles; GKB 499D and GKB 651S were grounded and were in disposal process and has since been disposed in the subsequent FY 2023/24. The vehicles are bearing private registration number plates because the vehicles were donated to the Commission by development partners which have also been disposed.

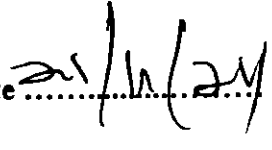
1973. Lack of Commission Evaluation

The Commission did not carry out evaluation of the Commissions performance of its committees and that of the Secretary/CEO during the year under review. However the same has since been done in the subsequent financial year 2023/24 and going forward.

MIN.NO.NA/DAAGPC/PAC/2024/365 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.07 p.m. The next meeting will be held on Tuesday, 19th November, 2024 at 10.00 a.m.

Signed.....

Date.....

**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

**MINUTES OF THE 208TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON SATURDAY, 9TH NOVEMBER 2024, AT SOVEREIGN HOTEL, KISUMU
COUNTY, AT 2.00 P.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Eckomas Mwengi Mutuse, OGW, MP
8. The Hon. Gabriel Gathuka Kagombe, MP
9. The Hon. Nabwera Daraja Nabii, MP
10. The Hon. Victor Kipng'etich Koech, MP
11. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. Yakub Adow Kuno, MP
2. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mrs. Florence Atenyo- Abonyo – Director
2. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Mr. Jacknorine A. Buleemi – Clerk Assistant III
5. Mr. Mohamed Jelle Abdi – Clerk Assistant III
6. Mr. Lenny Muchangi – Legal Counsel II
7. Mr. Cyrille Mutali – Fiscal Analyst III
8. Ms. Lydia Shallom – Research Officer III
9. Ms. Yvonne Kendi – Hansard Officer III
10. Ms. Lilian Aluga – Protocol Officer
11. Mr. Josphat Bundotich – Principal Sergeant at Arms
12. Mr. Hillary Mageka – Media Relations Officer
13. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

- Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- 1. Mrs. Edith Nkanata Kithinji – Senior Deputy Accountant General
- 2. Rev. CPA Kimathi Kwiriga – Senior Accountant

MIN.NO. NA/DAAOSC/PAC/2024/354 PRELIMINARIES

The Chairperson called the meeting to order at twenty minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/355 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/356 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2021/2022

Members deliberated on the Committee's draft report on the examination of the Auditor-General's report on the financial statements for the year 2021/2022, with regard to the accounts of the following state departments:

- i. Ministry of Petroleum and Mining; and
- ii. State Department for Early Learning and Basic Education.

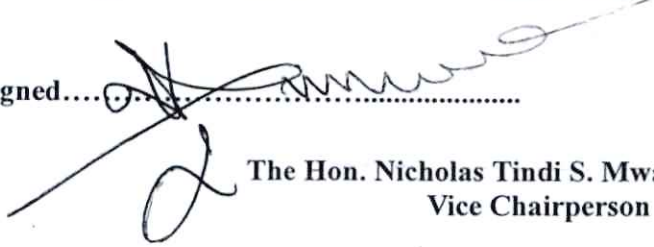
Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2024/357 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.30 p.m. The next meeting will be held on Tuesday, 12th November 2024 at 10.00 a.m, in Parliament Buildings.

Signed.....

Date


The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson

MINUTES OF THE 207TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON SATURDAY, 9TH NOVEMBER 2024, AT SOVEREIGN HOTEL, KISUMU COUNTY, AT 9.30 A.M.

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Eckomas Mwengi Mutuse, OGW, MP
8. The Hon. Gabriel Gathuka Kagombe, MP
9. The Hon. Nabwera Daraja Nabii, MP
10. The Hon. Victor Kipng'etich Koech, MP
11. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. Yakub Adow Kuno, MP
2. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mrs. Florence Atenyo- Abonyo – Director
2. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Mr. Jacknorine A. Buleemi – Clerk Assistant III
5. Mr. Mohamed Jelle Abdi – Clerk Assistant III
6. Mr. Lenny Muchangi – Legal Counsel II
7. Mr. Cyrille Mutali – Fiscal Analyst III
8. Ms. Lydia Shallom – Research Officer III
9. Ms. Yvonne Kendi – Hansard Officer III
10. Ms. Lilian Aluga – Protocol Officer
11. Mr. Josphat Bundotich – Principal Sergeant at Arms
12. Mr. Hillary Mageka – Media Relations Officer
13. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

- Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

- 1. Mrs. Edith Nkanata Kithinji – Senior Deputy Accountant General
- 2. Rev. CPA Kimathi Kwiriga – Senior Accountant

MIN.NO. NA/DAAOSC/PAC/2024/350 PRELIMINARIES

The Chairperson called the meeting to order at forty-five minutes past nine o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/351 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/352 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2021/2022

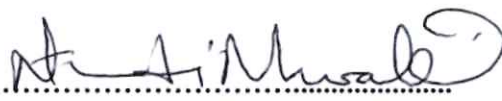
Members deliberated on the Committee's draft report on the examination of the Auditor-General's report on the financial statements for the year 2021/2022, with regard to the accounts of the following state departments:

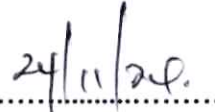
- i. State Department for University Education and Research; and
- ii. State Department for Fisheries, Aquaculture and the Blue Economy.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2024/353 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.10 p.m. The next meeting will be held at 2.00 pm in the same venue.

Signed.....

Date

**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

**MINUTES OF THE 206TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON FRIDAY, 8TH NOVEMBER 2024, AT SOVEREIGN HOTEL, KISUMU COUNTY,
AT 2.00 P.M.**

PRESENT

1. The Hon Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Eckomas Mwengi Mutuse, OGW, MP
8. The Hon. Gabriel Gathuka Kagombe, MP
9. The Hon. Nabwera Daraja Nabii, MP
10. The Hon. Victor Kipng'etich Koech, MP
11. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. Yakub Adow Kuno, MP
2. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mrs. Florence Atenyo- Abonyo – Director
2. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Mr. Jacknorine A. Buleemi – Clerk Assistant III
5. Mr. Mohamed Jelle Abdi – Clerk Assistant III
6. Mr. Lenny Muchangi – Legal Counsel II
7. Mr. Cyrille Mutali – Fiscal Analyst III
8. Ms. Lydia Shallom – Research Officer III
9. Ms. Yvonne Kendi – Hansard Officer III
10. Ms. Lilian Aluga – Protocol Officer
11. Mr. Josphat Bundotich – Principal Sergeant at Arms
12. Mr. Hillary Mageka – Media Relations Officer
13. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

- Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- 1. Mrs. Edith Nkanata Kithinji – Senior Deputy Accountant General
- 2. Rev. CPA Kimathi Kwiriga – Senior Accountant

MIN.NO. NA/DAAOSC/PAC/2024/346 PRELIMINARIES

The Chairperson called the meeting to order at fifteen minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/347 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/348 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2021/2022

Members deliberated on the Committee's draft report on the examination of the Auditor-General's report on the financial statements for the year 2021/2022, with regard to the accounts of the following state departments:

- i. State Department for Shipping and Maritime;
- ii. State Law Office and Department of Justice;
- iii. State Department for Regional and Northern Corridor Development;
- iv. State Department for Public Works;
- v. Independent Electoral and Boundaries Commission; and
- vi. State Department for Devolution.

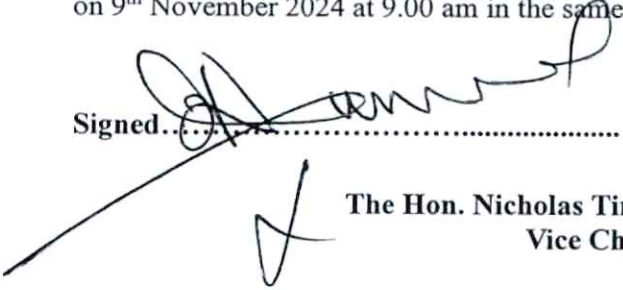
Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2024/349 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.10 p.m. The next meeting will be held on 9th November 2024 at 9.00 am in the same venue.

Signed.....

Date 29/11/24


The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson

**MINUTES OF THE 205TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON FRIDAY, 8TH NOVEMBER 2024, AT SOVEREIGN HOTEL, KISUMU COUNTY,
AT 9.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Eckomas Mwengi Mutuse, OGW, MP
8. The Hon. Gabriel Gathuka Kagombe, MP
9. The Hon. Nabwera Daraja Nabii, MP
10. The Hon. Victor Kipng'etich Koech, MP
11. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. Yakub Adow Kuno, MP
2. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mrs. Florence Atenyo- Abonyo – Director
2. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Mr. Jacknorine A. Buleemi – Clerk Assistant III
5. Mr. Mohamed Jelle Abdi – Clerk Assistant III
6. Mr. Lenny Muchangi – Legal Counsel II
7. Mr. Cyrille Mutali – Fiscal Analyst III
8. Ms. Lydia Shallom – Research Officer III
9. Ms. Yvonne Kendi – Hansard Officer III
10. Ms. Lilian Aluga – Protocol Officer
11. Mr. Josphat Bundotich – Principal Sergeant at Arms
12. Mr. Hillary Mageka – Media Relations Officer
13. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

- Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

- 1. Mrs. Edith Nkanata Kithinji – Senior Deputy Accountant General
- 2. Rev. CPA Kimathi Kwiriga – Senior Accountant

MIN.NO. NA/DAAOSC/PAC/2024/342 PRELIMINARIES

The Chairperson called the meeting to order at twenty-five minutes past nine o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/343 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/344 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2021/2022

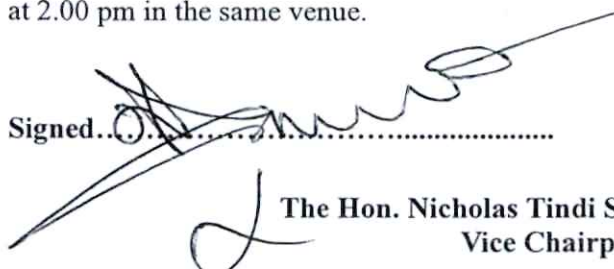
Members deliberated on the Committee's draft report on the examination of the Auditor-General's report on the financial statements for the year 2021/2022, with regard to the accounts of the following state departments:

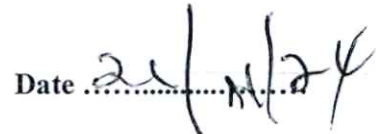
- i. The National Assembly;
- ii. Parliamentary Service Commission;
- iii. Parliamentary Joint Services;
- iv. Public Service Commission;
- v. State Department for Public Service;
- vi. State Department for Information Communication Technology and Innovation; and
- vii. State Department for Broadcasting and Telecommunications.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2024/345 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.35 p.m. The next meeting will be held at 2.00 pm in the same venue.

Signed.....


Date


**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

**MINUTES OF THE 204TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY 4TH NOVEMBER, 2024 AT COMMITTEE ROOM 23, BUNGE TOWER
AT 2.30 P.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Victor Kipng'etich Koech, MP
5. The Hon. Gabriel Gathuka Kagombe, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Yakub Adow Kuno, MP
8. The Hon. Samuel Kinuthia Gachobe, MP

ABSENT WITH APOLOGY

1. The Hon. Eckomas Mwengi Mutuse, OGW, MP
2. The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. The Hon. Nabwera Daraja Nabii, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|----------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali | – | Clerk Assistant III |
| 4. Mr. Mohamed Jelle | – | Clerk Assistant III |
| 5. Mr. Josphat Bundotich | – | Principal Sergeant-At-Arms |
| 6. Mr. Lenny Muchangi | – | Legal Counsel II |
| 7. Mr. Cyrille Mutali | – | Fiscal Analyst III |
| 8. Ms. Lydia Migare | – | Researcher III |
| 9. Mr. Henry Mageka | – | Media Relations Officer |
| 10. Ms. Yvonne Kendi | – | Hansard Officer III |
| 11. Ms. Lilian Aluga | – | Protocol Officer |
| 12. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|--------------------------|
| 1. Mr. Njoroge Waithima | – | Director of Audit |
| 2. Mr. Samwel Muchiri | – | Principal Auditor |
| 3. Mr. Paul Kagwanja | – | Deputy Director of Audit |
| 4. Mr. Ezekiel Omore | – | Audit Associate |

THE NATIONAL TREASURY

- | | | |
|---------------------------------|---|----------------------------------|
| 1. Ms Edith Kainda Nkanata | — | Senior Deputy Accountant General |
| 2. Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |

STATE DEPARTMENT FOR THE NATIONAL TREASURY

- | | | |
|--------------------------|---|--------------------------------------|
| 1. Dr. Chris Kiptoo, CBS | — | Principal Secretary |
| 2. Mr. Bernard Ndung'u | — | Director General Accounting Services |
| 3. Mr. George Gichuru | — | Head of Accounting |
| 4. Mr. Saman Wangusi | — | Principal Accountant NT |
| 5. Mr. Francis Amuyunzi | — | Senior Deputy Accountant General |
| 6. Mr. Daniel Kagira | — | Deputy Commissioner - KRA |
| 7. Mr. James Letaro | — | Ag. Director Finance - KRA |
| 8. Mr. Samwel Onyango | — | Head of Finance - PPPD |
| 9. Mr. Daniel Mwangi | — | Deputy Accountant General |
| 10. Ms Damaris Onsumo | — | Senior Principal Finance Officer TNT |
| 11. Mr. Patrick Kiamba | — | Parliament Liaison - KRA |

MIN.NO. NA/DAAGPC/PAC/2024/338 PRELIMINARIES

The Chairperson called the meeting to order at thirty-nine minutes past two o'clock, said a word of prayer followed by a round of introductions.

MIN.NO.NA/DAAGPC/PAC/2024/339 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/340 EVIDENCE: STATE DEPARTMENT FOR TREASURY. VOTE 1071.

Dr. Chris Kiptoo, CBS, the Principal Secretary/Accounting Officer for the State Department for Treasury appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

25. Budgetary Control and Performance

Management stated that projects are funded by Development Partners under respective Ministries, Departments and Agencies (MDA's) who request for funds (Exchequer Requisitions) based on approved work plans.

The difference of Kshs. 35,524,515,786 is comprised of funds due to County Government under Conditional Grants of Kshs. 19,830,759,346 and Kshs. 15,419,287,931 under MDAs. The funding under Conditional Grants was approved on 29th April 2022 thereby leaving only 2 months for activities to be undertaken as per Special Issue Gazette No.17 and Acts no.17.

Further, the un-utilised balance of Kshs. 15,419,287,931 relates to thirty-six (36) MDAs implementing projects with development partner funding, which was affected also by the approval of Supplementary budget in June 2022.

Strict budgetary control provisions shall be observed and measures put in place to improve the budget absorption.

28. Unreconciled Outstanding Loans Balances

Management stated that to confirm the accuracy of the outstanding loan balances, the National Treasury circularized and requested Entities with outstanding Loan balances to confirm directly to the Auditor General, the Principal Loan amounts owed to the National Government as at 30th June, 2022. Some of those loan balances confirmed did not agree with the balances in the National Treasury records.

The reconciliation of the variances between the National Treasury and the Eighteen (18) Entities reported by Audit on various loans amounting to Kshs 268,87,962,951 has been done and variances explained.

Further, the National Treasury rolled out Government Investment Management Information System (GIMIS) which has a module for Loan Portfolio Management. The module is currently operational and entities with Government loans have uploaded and updated various loan information that are required from them.

Circularization of debtors is an annual exercise, where the National Treasury request the entities with loan balances to confirm directly to the Office of the Auditor General. Follow up is made for entities who did not confirm on time through reminder letters. Of the Twelve (12) entities that had not confirmed their loan balances, six (6) Entities have confirmed while the other six are defunct/not operating hence could not be reached for confirmation purposes.

29. Dormant Loans

Management acknowledged that there are entities that were advanced loans several years ago, but currently they are not servicing their loans leading to arrears of revenue and loans being categorized as dormant.

Further, as reported by the Auditor, there are Twelve (12) entities with outstanding loans amounting to Kshs 13,151,255,401/-who have not been honoring their loan obligations over years. Appendix 31 From this, four (4) entities with loan balance of Kshs 204,930,435 relates to some of the Government owned Sugar Companies which following the approval from Cabinet and National Assembly, have been written off.

The main reasons for non-repayment by entities is mainly attributed to:

- i) Historical Loans.
- ii) Lack of Fixed Assets Register.

34. Lack of Annual Audit Services

The management stated that Article 9 of Memorandum of Understanding (MOU) section 9.4 stipulates that the sharing of collections shall be done on mutual trust and respect. However, an annual joint verification exercise shall be carried out by select committee from key implementing institutions after consultations through diplomatic channels of the partner states.

Diplomatic consultations between the Ministry of Foreign Affairs and Ministry in charge of Norther Corridor Integration project and partner states were ongoing at the time of audit.

However, in August,2023 the National verification committee carried out a national audit covering financi years 2019/2020 to 2022/2023

35. Unsupported Balance

The management stated that the account balances of Ksh 152,317,825 was historical relating to a defunct Cereals and Sugar Finance Corporation. Documents to support this amount are not available. This prompted the National Treasury to form a taskforce to address all issues arising from the defunct corporation. The winding up process is ongoing.

36. Undisclosed Balances

The Consolidated National Government Investment Report for the year 2021/2022, prepared by The National Treasury in accordance with Section 89 of the Public Finance Management Act, 2012 and the Summary Statement of Public Debt for the year 2021/2022 reflects guaranteed debts/undischarged guarantee from four (4) entities totaling Kshs. 145,357,000,000 which have been omitted from the statement of obligations guaranteed by Government of Kenya as indicated below:

Entity	Lender	Guaranteed Debt
Kenya Electricity Generating	Government of Japan and Federal	24,513,000,000
Kenya Ports Authority	Government of Japan	33,077,000,000
Kenya Airways	Exim Bank USA	77,824,000,000
Kenya Power and Lighting Company	Government of Japan	9,943,000,000
Total		145,357,000,000

40. Multiple Laws Guiding Operations of the Fund

As previously reported, prior to 2017, the Government through The National Treasury had been paying subscriptions to international organizations through Vote R53-Consolidated Fund Services - Subscriptions to International Organizations under various pieces of legislation namely: International Finance Corporation Act, Cap 466, International Development Association Act, Cap 465, Bretton Woods Agreements Act, Cap 464, the African Development Bank Act, Cap 492 and the Multilateral Investment Guarantee Agency Convention, 1988 (Revised 2010). Other Ministries, Departments and Agencies, MDAs have been remitting such subscriptions through their voted provisions within the budgets.

However, the Public Finance Management (African Union and Other International Organizations Subscription Fund) Regulations, 2017 established the African Union and Other International Organizations Subscription Fund through which Kenya's contributions to African Union and Other International Organizations across all Government agencies were to be paid. This in effect rendered all other individual voted provisions to be consolidated and budgeted under one umbrella body, the African Union and Other International Organizations Subscription Fund.

41. Budgetary Control and Performance

Management stated that there was no payment made through this vote during the year under review because there was no invoice presented for payment. However, this led to the under absorption. The National Treasury has since stopped providing budgetary allocation under this item.

45. Budgetary Control and Performance

The management stated that the allocation under this budget is used to process for the salaries of constitutional office holders, service gratuities for those retiring from the service, transfer allowances for the Judges and other allowances like commutation of leave for cash.

The salaries are usually covered on monthly payrolls while other relevant allowances are paid upon requests from the constitutional office holders during the budget implementation. The budget underutilization was caused by;

- i) Delay in the appointment of Judges.; and
- ii) The non-occurrence of the anticipated activities like commutation of leave for cash and salary review for judicial officers.

48. Long Outstanding Bank Reconciliation Items

The statement of financial assets and liabilities reflects a bank balance of Kshs. 1,991,824,419 which, as disclosed in Note 9 to the financial statements, includes an amount of Kshs. 1,324,694,712 in respect of funds held in the recurrent bank account at the Central Bank of Kenya. However, an examination of the bank reconciliation statement for the month of June, 2022 revealed payments in cash book not in bank amounting to Kshs.145,813,004 with some transactions dating back September,2019. Further, the reconciliation statement reflects payments in bank not in cash book of Kshs.17,545,255 with some transactions having remained outstanding since 2008. In addition, the bank reconciliation statement reflects receipts in bank not in cash book amounting to Kshs.30,858,908 while receipts in cash book not in bank amounted to Kshs.15,499,065 with some transactions having remained outstanding since 2010. No explanation was provided for failure to clear the long outstanding reconciling items.

50. Incomplete Pension Records

Management stated that the highlighted concerns regarding the pensioner's data and the mechanisms employed for pension processing. It is imperative to clarify that several comprehensive strategies have been implemented to ensure the accuracy and credibility of pensioner records and payments:

Confirmation of Pensioner liveness: b) Data Integrity Enhancement:

c) Age Verification:

For the Ksh. 350,736,433.00 paid to pensioners with dummy and unconventional identification numbers:

(i) The dummy numbers were in the fields of ID numbers, first appointment date and date of birth. The process of updating these details into the PMIS is done manually and cumbersome. This would have taken a lot of time leading to delayed monthly pension payment. The management then decided to use dummy numbers in those fields for purpose of processing the pension;

(ii) The pension was paid using pension numbers allocated in the pensioners files and not the dummy numbers; and

(iii) Currently the Pensions Department is doing pension payroll cleansing which involves updating the fields with dummy, unconventional identification numbers and removing deceased pensioners from the system.

The amount of Kshs. 242,936,971/- that relates to pension payments of pensioners perceived to be below the age of 18 years are pensioners whose files migration date in PMIS of 2009 was erroneously captured in the field as date of birth.

52. Budgetary Control and Performance

The management acknowledged the observations regarding the over-collection compared to the budgeted amount, and wished to state that over-collection was due to;

- i) Revised TSC Claims:
- ii) Delayed Funding Impact: Revenue collection totaling Kshs. 78,308,891.70, comprising Abatement Kshs. 14,194,896.10, Government Liability Deduction through the Chief Accountant Pension Kshs. 10,136,117.50, and WCPS deductions Kshs. 53,977,878.05, was intended for the previous Financial Year 2020/2021. Due to a delay in exchequer funding, these funds were received in the financial year 2021/2022.

56. Uncertainty in Sustainability of Services

Management stated that the Contracts of staff of Project Implementation Unit (PIU) were ratified by the National Treasury for the period beginning 1st May 2022 to 28th February 2023. Compensation for the staff for the period was subsequently made by the project during the financial year 2022/2023. The project has since been closed and the Financial Statements prepared as at 30th June, 2023. Extension of staff contracts will in future be considered prior to the lapse of the contact to enable continuation of services and project activities

57. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs. 1,816,346,218 and Kshs. 267,192,000 respectively resulting to an underfunding of Kshs. 1,549,154,218 or 85% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs. 1,816,346,220 and Kshs. 271,002,735 respectively resulting to an under expenditure of Kshs. 1,545,343,486 or 85% of the budget.

58. Pending Bills

Management stated that the pending bill of Kshs. 3,930,401 was due to the late submission of vendor's invoice for goods delivered towards the end of the financial year and there was inadequate time to process the payments. The IFMIS procurement module mandate had been closed by the time the invoice was presented for payment and could therefore not be received in the IFMIS system. However, the pending bill was settled as the first charge in F/Y 2022/2023.

62. Failure to Analyze Counterpart Funding

Management stated that the statement of receipts and payments reflected a Nil balance under Transfers from Government (counterpart funding) and a comparative balance of Kshs. 387,459,444/- for the financial year ended 30 June, 2021 bringing the cumulative to date balance from inception to Kshs. 637,459,444. During the financial year 2020/2021 and prior years, the counter funding was not being included in the project's financial statements. This was an oversight. The same was being incorporated in the main National Treasury's financial statements.

Further, they stated that at the time of audit, the Management did not provide an analysis to indicate how the balance of Kshs. 637,459,444/- was built up since the inception of the Program.

The amount was being analyzed and the analysis had not been concluded. However, the same was completed and forwarded for audit review.

The expenditure since inception of the program is composed of;

a) F/Y 2019/2020 Kshs. 250,000,000.00

b) F/Y 2020/2021 Kshs. 387,459,444.00

67. Budgetary Control and Performance

The under-expenditure was majorly caused by;

- i) The delays in procurement processes which took longer than expected due to their unique nature and lengthy consultative requirements amongst the key stakeholders including Contracting Authorities World Bank and The Government;
- ii) Some operations required some specialized kind of expertise that are rare to find thus leading to delays in execution of the project; and
- iii) A substantial amount in the budget was to be expended in engagement of PPP Transaction Advisor (TAs).

In order to avoid such under expenditures in future;

- i) The Directorate has embarked on the re-evaluation of the PPP pipeline to ensure there is bankable and viable projects, before engaging the transaction advisors;
- ii) The re-screening process has now been conducted and concluded which has led improvement is the engagement of transaction advisors;
- iii) Restructuring process with the aim of improving in its capacity to deliver on its mandate; and
- iv) Staff capacity to be addressed by engaging a number of key staff and is still working on further improvement of the same to strengthen its capacity.

68. Advance to Infrastructure Finance and Public Private Partnerships Project-Additional Financing Cr.6121-KE

The statement of receipts and payments reflects advance to Infrastructure Finance and Public Private Partnerships Project-Additional Financing Cr.6121-KE of Kshs.20,682,665. Although Management has explained in Note 9 to the financial statements that the amount relates to salary payments for November, 2021, May,2022 and June, 2022 and was reimbursed from Cr.6121-KE in July, 2022, it was not in the annual program of activities furnished to the Association and proposed for implementation as required under Section E I of schedule 2 of the Project financing agreement between the Republic of Kenya and the International Development Association dated 5 December, 2012.

69. Lack of Internal Audit Services

During the year under review, there was no evidence of the Project having been reviewed by The National Treasury's internal audit function contrary to Section 73(1) of the Public Finance Management Act, 2012 requires all government entities to make appropriate arrangements for internal audit function. Further, paragraph 3.2.8 of Infrastructure Finance and Public Private Partnerships Project Implementation Manual provides for Internal Audit and the Audit Committee of The National Treasury to provide internal audit services and oversee the adequacy of internal control mechanisms over the Project.

72. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflected receipts budget and actual receipts on comparable basis of Kshs. 757,639,703 and Kshs. 339,166,280 respectively, resulting in a receipts shortfall of Kshs. 418,473,423 or 56% of the budget. Similarly, the statement reflects expenditure budget and actual payments on a comparable basis of Kshs. 757,639,703 and Kshs. 556,803,181 respectively, resulting in under-absorption of Kshs. 200,836,522 or 27% of the approved budget.

74. Lack of a Risk Management Policy and Internal Audits

During the year under review, it was revealed that the Program's audit services were to be offered by the internal audit of The National Treasury. However, no reports by the Internal Auditor-General on the Program were provided for audit review. As a result, the Program lacks appropriate arrangements for conducting internal audit services as provided in the guidelines by the Accounting Standards Board. Further, review of the internal control processes revealed that Management had not developed risk management strategies to fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

75. Failure to Fill Vacant Positions

Management was in agreement with the Auditors' observation that during the year under audit there was a serious gap in Human Resource Personnel at the PFMR Secretariat. This was occasioned by expiry of Contracts for most of the staff who had been on secondment. Upon approval of a new structure, management will ensure the Secretariat operates in full capacity

MIN.NO.NA/DAAGPC/PAC/2024/341 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.07 p.m. The next meeting will be held on Friday, 8th November, 2024 at 9.00 a.m in Kisumu County.

Signed.....

Date

25/11/2024

The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson

**MINUTES OF THE 203RD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 31ST OCTOBER 2024, IN COMMITTEE ROOM 23, BUNGE
TOWER, AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Victor Kipng'etich Koech, MP
9. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. Eckomas Mwangi Mutuse, OGW, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Mohamed Jelle Abdi – Clerk Assistant III
4. Mr. Cyrille Mutali – Fiscal Analyst III
5. Ms. Lydia Shalom Migare – Research Officer III
6. Mr. Hillary Mageka – Media Relations Assistant
7. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Fredrick Oluoch – Deputy Director of Audit
2. Mr. Walter Owele – Principal Auditor
3. Mr. Ezekiel Omoro – Audit Associate

THE NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR ENERGY

1. Mr. Alex K. Wachira, CBS – Principal Secretary
2. Mr. Paul Ngugi – MD, Geothermal Development Company
3. Mr. Stephen Vikiru – GM Finance, KPLC
4. Dr. John Ngemo – GM Supply Chain, KPLC
5. Mr. Tom Imbo – GM Finance, KETRACO
6. Mr. Jared Biwott – Ag. GM Infrastructure Development, KPLC
7. Ms. Rose Baraza – Head of Accounts

8. Mr. Henry Choge – Manager Project Accounts, KETRACO
 9. Mr. Simon Tirop – CA, Projects

MIN.NO. NA/DAAOSC/PAC/2024/334 PRELIMINARIES

The Chairperson called the meeting to order twenty-five minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/335 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/336 EVIDENCE: STATE DEPARTMENT FOR ENERGY - VOTE 1152

Mr. Alex K. Wachira, CBS, the Principal Secretary/Accounting Officer for the State Department for Energy appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;
The Committee marked the following queries as resolved;

- i. 1418. Cash and Cash Equivalents
- ii. 1420. Unsupported Expenditure
- iii. 1351. Delays in Payment Processing
- iv. 1355. Pending Bills
- v. 1357. Delays in Payment Processing

Outstanding Queries

1419. Long Outstanding Imprest

A review of the financial statements showed an imprest and advances balance of Kshs. 1,176,000, with Kshs. 469,000 outstanding for over five years and the remaining amount not surrendered for more than two years. The Management reported that the outstanding imprest related to separated staff who had not cleared with the company to facilitate offset of the outstanding imprest from their dues.

The Committee directed the Management to revise the policy to address gaps regarding actions to be taken when a staff member fails to complete the clearance process.

1421. Unsupported Expenditure on Acquisition of Non-Financial Assets

The statement of receipts and payments reflected expenditures on exploration and evaluation activities related to land leases, rent and rates, security expenses, and Geothermal Advisory Board consultancies. However, supporting documents for this expenditure had not been provided.

The Committee directed the Accounting Officer to submit the lease agreements and inspection and acceptance committee reports by 1st November 2024.

1422. Unauthorised Expenditure

A review of the comparative budget and actual amounts identified unapproved overspending.

The Management explained that the over-expenditure resulted from invoice payments that had accrued from the previous year and were not included in the current year's budget.

1423. Delay in Power Plants Development Under Menengai Phase I Project

A Project Implementation and Steam Supply Agreement (PISSA) signed in 2014 with three Independent Power Producers (IPPs) aimed to develop a 35 MW geothermal power plant in Menengai. However, by June 30, 2022, none of the IPPs had fulfilled their obligations due to delayed responses from relevant authorities.

The Committee resolved to visit the Menengai power plant to ascertain the status.

1424. Long Outstanding Pending Bills

The financial statements reflected pending bills totalling Kshs. 480,653,000, which were outstanding as of the end of the financial year.

The Committee directed the Accounting Officer to provide a comprehensive list of the pending bills, clearly indicating which ones are pending bills and which ones are contingent liabilities.

1425. Commingling of Funds

A review of bank records and cash books for the Project indicated that funds for the Bogoria Silali Geothermal Project and the Company were held in the Menengai Geothermal Project account, contrary to Regulation 76(1) of the Public Finance Management (National Government), 2015.

The Management submitted that the company received all steam charge receipts from KENGEN through co-operative account in line with the assignment of steam charge receipts.

The Committee directed the Accounting Officer to submit the steam charge agreement and the garnishee order.

1350. Failure to Open and Operate a Project Bank Account

A review of project receipts and expenditure records revealed that management did not open and operate project bank accounts, and the project's funds were commingled with the company's funds.

Management submitted that, according to the fund flow arrangements for the project, the direct disbursement method was adopted. Under this method, KPLC prepares the payment documents and submits them to the Ministry of Energy for further processing, which then forwards the approved documents to the National Treasury.

1352. Delay in Project Delivery

The statement of performance against the project's predetermined objectives reflected slow progress in achieving the set targets under Lots 2 and 4.

Management submitted that the contracts for Lots 2 and 4 were terminated due to poor performance that affected implementation progress. Following the termination, M/s AEE Power referred the dispute to the Chartered Institute of Arbitrators in London for resolution.

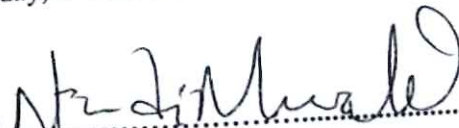
1356. Meter Tampering and Illegally Bypassed Connections

Field visits to Kirinyaga and Kisii Counties identified at least eleven instances of meter tampering. This tampering included direct connections to poles from the Last Mile Connectivity Project and alterations of live and neutral wires to distort electricity flow.

Management submitted that they conduct regular system and meter inspections as part of their operations and maintenance (O&M) efforts. When violations are identified, appropriate actions are taken, including prosecuting offenders and recovering lost income.

MIN.NO.NA/DAAOSC/PAC/2024/337 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.15 p.m. The next meeting will be held on Monday, 4th November 2024 at 2.30 p.m.

Signed.....

Date 12/11/2024

**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

**MINUTES OF THE 202ND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON WEDNESDAY, 30TH OCTOBER 2024, AT 11.00 A.M IN COMMITTEE ROOM
23, BUNGE TOWER**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Victor Kipng'etich Koech, MP
9. The Hon. Samuel Kinuthia Gachobe, MP
10. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. Eckomas Mwengi Mutuse, OGW, MP
2. The Hon. Amina Udgoon Siyad, MP
3. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|------------------------|
| 1. Mr. Victor Weke Imbo | – | Senior Clerk Assistant |
| 2. Mr. Mohamed Jelle Abdi | – | Clerk Assistant III |
| 3. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 4. Ms. Yvonne Kendi | – | Hansard Officer III |
| 5. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|-------------------|
| 1. Mr. Njoroge Waithima | – | Director, Audit |
| 2. Mr. Samuel M Muchiri | – | Director, Audit |
| 3. Mr. Sammy Githinji | – | Principal Auditor |
| 4. Mr. Ezekiel O. Omoro | – | Audit Associate |

NATIONAL TREASURY

- | | | |
|---------------------------------|---|----------------------------------|
| 1. Ms. Edith Nkanata | – | Senior Deputy Accountant General |
| 2. Rev. CPA Lawrence K. Kwiriga | - | Liaison Officer |

THE NATIONAL TREASURY

- | | | |
|----------------------------|---|------------------------------|
| 1. Dr. Chris Kiptoo | – | Principal Secretary |
| 2. Ms. Lilia W. Dishon | – | Deputy Accountant General |
| 3. Mr. Ambrose R.M. Ogango | – | Senior Chief Finance Officer |

- | | | |
|-------------------------|---|----------------------------------|
| 4. Mr. Rispah Simiyu | — | Commissioner Domestic Taxes, KRA |
| 5. Mr. Michael A Kagika | — | Director Pensions |
| 6. Mr. Fredrick Kiamba | — | Parliamentary Liaison |

MIN.NO. NA/DAAOSC/PAC/2024/330 PRELIMINARIES

The Chairperson called the meeting to order at 11:20 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/331 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/332 THE NATIONAL TREASURY; VOTE 1071

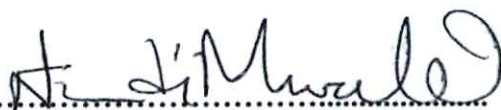
Dr Chris Kiptoo the Principal Secretary/Accounting Officer for The National Treasury appeared before the Committee accompanied by other officers and adduced evidence to the following audit queries for the financial year 2021/2022;

The Committee marked the issues as resolved;

1. 23. Long Outstanding Arrears of Revenue
2. 144. Slow Absorption of Project Funds
3. 145. Budgetary Control and Performance
4. 150. Budgetary Control and Performance

MIN.NO.NA/DAAOSC/PAC/2024/333 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.20 p.m. The next meeting will be held on Thursday, 31st October, 2024.

Signed. 

Date 18/11/2024

The Hon. Nicholas Tindi S. Mwale, MP

Vice Chairperson

**MINUTES OF THE 201ST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 17TH OCTOBER 2024, IN COMMITTEE ROOM 23, BUNGE
TOWER, AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Eckomas Mwangi Mutuse, OGW, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Cyrille Mutali – Fiscal Analyst III
4. Ms. Lydia Shalom Migare – Research Officer III
5. Mr. Hillary Mageka – Media Relations Assistant
6. Mr. Mark Mbutia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

- Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

NIGERIAN DELEGATES

1. Hon. Salam Bamidele – Chairman
2. Hon. Umaru Jeremiah – Deputy Chairman
3. Hon. Mohammed Audu – Member
4. Hon. Mansur Musa – Member
5. Hon. Onobun Marcus – Member
6. Hon. Bamisile Olufemi Richard – Member
7. Hon. Sani Lawal – Member
8. Hon. Isiaka Nasiru Adegboyega – Member
9. Hon. Gana Joshua Audu – Member

10. Hon. Jesse Okey-Joe Onuakalusi	–	Member
11. Hon. Adewale Morufu Adebayo	–	Member
12. Hon. Francis Waive	–	Member
13. Hon. Anderson Allison Igbiks	–	Member
14. Hon. Obordor Mitema	–	Member
15. Hon. Ajiya Abdulrahman	–	Member
16. Hon. Amadu Kabir	–	Member
17. Hon. Onwusibe Ginger	–	Member
18. Hon. Midala Usman Balami	–	Member
19. Hon. Jakduwa Hassan Kaikuka	–	Member
20. Hon. Esin Martins Etim	–	Member
21. Hon. Zakaria Nyampa Dauda	–	Member
22. Hon. Jonathan Gaza Gbefwi	–	Member
23. Mr. Ogunsanya Olufemi Titus	–	Director/Clerk
24. Mr. Oyeleke Rasheed Ayinla	–	SAO
25. Mr. Olu Samuel Godwin	–	OAUGF
26. Mr. Jimoh Akintayo Ismail	–	SLA Chairman
27. Mr. Bello Adeyemi Richard	–	Technical Staff
28. Mr. Abdullahi Mohammed Sani	–	Technical Staff
29. Mr. Fatoyinbo Omotayo Emmanuel	–	Technical Staff
30. Prof Salisu Abubakar	–	Resource Person
31. Mr. Apoti Salawu	–	Resource Person
32. Mr. Aragbaye Folakunle	–	Consultant
33. Mr. Idonije Lawrence Jimi	–	Consultant
34. Mr. Nunu Oluwaseun Daniel	–	Consultant

MIN.NO. NA/DAAOSC/PAC/2024/326 PRELIMINARIES

The Chairperson called the meeting to order twenty-five minutes past ten o'clock and said a word of prayer, followed by introductions by all present. He welcomed the delegation of Honorable Members from the Public Accounts Committee of the House of Representatives, National Assembly of Nigeria, to the meeting.

MIN.NO.NA/DAAOSC/PAC/2024/327 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/328 VISIT BY NIGERIAN DELEGATES

Members extended a warm welcome to the delegation of Honorable Members from the House of Representatives, Public Accounts Committee (PAC), National Assembly of Nigeria.

Members present gave the visiting delegation a synopsis of the Kenyan governance structure and parliamentary practise and procedures.

The guests in turn informed the hosts that the Parliament of Nigeria is a bicameral legislature composed of two chambers: the Senate and the House of Representatives, collectively known as the National Assembly. It consists of 109 Senators and 360 Members of the House of Representatives.

The Public Accounts Committee (PAC) in Nigeria is a key legislative body tasked with overseeing government financial management and ensuring accountability in the use of public funds, much like the PAC in Kenya. It plays a crucial role in maintaining transparency by reviewing government spending and auditing the financial records of ministries, departments, and agencies (MDAs).

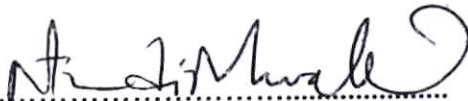
A notable difference between the two countries is the PAC's leadership structure. In Nigeria, the Chairperson is appointed from the opposition party, while the Vice Chairperson is appointed from the party forming the government. Both positions are appointed by the Speaker of the House of Representatives. In contrast, in Kenya, both the Chairperson and Vice Chairperson are appointed from the opposition party and elected by the members of the PAC.

The Nigerian delegation shared that they are in the process of creating an Implementation Committee to ensure that PAC recommendations are followed by government MDAs. This mirrors the Implementation Committee in Kenya, which bridges the gap between parliamentary oversight and corrective action by tracking whether government institutions implement PAC recommendations to improve financial accountability.

In conclusion, members from the respective countries urged each other to remain proactive and diligent in overseeing the use of public funds. They emphasized the importance of fostering a culture of accountability and transparency in public financial management to prevent misappropriation, ensure Value for money, and promote good governance.

MIN.NO.NA/DAAOSC/PAC/2024/329 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.10 p.m. The next meeting will be held on Tuesday, 29th October 2024 at 10.00 a.m.

Signed.....

Date12/11/2024.....

**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

**MINUTES OF THE 200TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY 15TH SEPTEMBER, 2024 AT COMMITTEE ROOM 23, BUNGE
TOWER AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Eckomas Mwangi Mutuse, OGW, MP
2. The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Amina Udgoon Siyad, MP
6. The Hon. Gabriel Gathuka Kagombe, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|-------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali | – | Clerk Assistant III |
| 4. CPA Cyril Mutali | – | Fiscal Analyst III |
| 5. Ms. Lydia Migare | – | Research Officer III |
| 6. Mr. Hillary Mageka | – | Media Relations Officer |
| 7. Ms. Yvonne Kendi | – | Hansard Officer III |
| 8. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|--------------------------|
| 1. Mr. Fredrick Oluoch | – | Deputy Director Audit |
| 2. Mr. Paul Kagwanja | – | Deputy Director of Audit |
| 3. Mr. Walter Owele | – | Principal Auditor |
| 4. Mr. Ezekiel Omore | – | Audit Associate |

THE NATIONAL TREASURY

- | | | |
|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |
|------------------------------|---|-------------------|

STATE DEPARTMENT FOR ENERGY

1. Mr. Alex Wachira	–	Principal Secretary
2. Ms. Rose Barasa	–	Head of Accounting Unit
3. Eng. Joseph Siror	–	MD & CEO Kenya Power & Lighting Company
4. Mr. Kennedy Owino	–	GM Infrastructure Development, KPLC
5. Mr. Stephen Vikiru	–	GM Finance, KPLC
6. Mr. Henry Choge	–	Manager Project Accounts
7. Ms Jackline Wakhungu	–	Ag. Manager Finance GDC
8. Mr. Stephen Busyenei	–	GM Finance, GDC
9. Mr. Tom Imbo	–	GM Finance, KETRACO
10. Ms Margaret Kigano	–	Communication PS Office

MIN.NO. NA/DAAGPC/PAC/2024/322 PRELIMINARIES

The Chairperson called the meeting to order at twenty-nine minutes past Ten O'clock, said a word of prayer followed by a round of introductions.

MIN.NO.NA/DAAGPC/PAC/2024/323 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/324 EVIDENCE: MINISTRY OF ENERGY. VOTE 1152

Mr. Alex Wachira, the Principal Secretary/Accounting Officer for the Ministry of Energy appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1325. Unreconciled bank balances

Included in the balance is an amount of Kshs. 17,997,000 held in an escrow account in respect of land compensation. However, review of the bank reconciliation statement and the certificate of balance for the account revealed a bank balance of Kshs. 96,220 resulting in unreconciled variance of Kshs. 17,900,780. Further, the financial statements reflected a balance of Kshs. 151,819,000 in respect of Co-operative current account (A/c. No.01136160857600) while the bank reconciliation statement reflects a cash book balance of Kshs. 46,458,182 resulting in unreconciled variance of Kshs. 105,360,818.

Management stated that as a condition for disbursement of the second financing tranche KfW insisted on the finalization of land compensation, which could not be done because the land adjudication was not complete. The parties subsequently agreed that the Company shall open an escrow account and deposit the funds for land compensation for the respective communities.

The land adjudication process took longer than expected. Management, to preserve the funds, placed the funds in a call account while awaiting conclusion of the adjudication process.

1326. Under Absorption of Capital Budget

Management stated that funding for the project in the year was Ksh 2.725 billion from the below funding sources:

Source	Amount
KfW	1,380,000
GRMF	495,000
Exchequer/A-I-A	850,000
TOTAL	2,725,000

The under absorption of Kshs 588,026,000 or 41% under acquisition of non-financial assets was a result of the following factors:

- i) Delay in disbursement of KfW funding
The request for release of Eur.7.1 million was made to the National Treasury on 05 April 2022 and funds were received in GDC project account on 23 May 2022. The delay impacted on the absorption of funds (Request and release letters are attached as Annex IV).
- ii) Delay in disbursement of GRMF Funds.
Disbursement of the balance of Kshs 112 million out of the allocated budget of Kshs 495 million could not be made because of the funding conditions which included
 - a) a requirement on bank rating which could not be met by any of the local banks.
 - b) No objection by KfW regarding the fulfillment of all E&S requirements especially with regards to land acquisition.
- iii) Garnishee order on GDC bank accounts
A garnishee order was placed on the KfW Steam Field Development Bogoria-Silali Project Bank Account in favour of Lantech Africa impacting transactions in the project account.

1327. Irregular Investment of Project Funds

Management stated that KfW was providing the main funding for the project in the year. A condition from them for further disbursement was compensation to landowners for land taken for use by the project. Due to the long period of time required to finalize adjudication and acquisition of the land by the National Land Commission, a compromise was agreed that the Company opens an escrow account and deposits funds adequate for land compensation.

Management obtained the approval of the Board and the National Treasury to open an account at KCB Bank for the purpose of keeping the funds earmarked for compensation of landowners in the Bogoria-Silali project area.

The land adjudication process that would have paved the way for compensation took longer due to the need for extensive engagement between the stakeholders.

To preserve the funds, Management requested the bank to place the funds on call to earn interest while awaiting conclusion of the adjudication process. The adjudication process concluded in 2024, and the Company has transferred the funds to the National Land Commission for purposes of compensating the landowners.

1328. Failure to Open and Maintain a Separate Project Bank Account

Management stated that the project is funded by the exchequer, A-I-A (company contributions) and funds from Development partners.

For Bogoria project, the company had designated the bank accounts upon the National Treasury approval below for its activities:

The company contributions (Steam Charge receipts) are received through the Co-operative Bank Account in line with the assignment agreement. Transfers are then made to the respective accounts for Bogoria and Head office. However, payment of staff payroll costs (project and recurrent) is done centrally from the co-operative account.

1329. Stalled Geothermal Development at Silali Prospective Site

Management stated that the delay in commencement of drilling activities in the Silali was due to delay in obtaining consent from the Turkana County, which was a condition placed by the project financier. Following various engagements with the county government of Turkana, management had now commenced drilling activities and completed one well.

1330. Failure to Prioritize Payments of Pending Bills

In line with the National Treasury Circular No 10/2020 dated 16 June 2020 management had given priority to settlement of pending bills that don't have queries.

The pending bills were not paid due to the following reasons:

Reason for non-payment	Amount	Current status
Under litigation (Tamani construction)	10,011,966	Resolved and paid
Under reconciliation (Various)	2,022,886	Resolved and paid
Awaiting approval from treasury	303,921	
Held due to scrapping of ESIA licenses (NEMA)	21,600,000	To be written off
TOTAL	33,938,773	

Of the pending bills of Ksh 33,938,773, Ksh 21,600,000 to M/s National Environmental Management Authority (NEMA) was not settled in the year due to the suspension of the requirement for the ESIA license for the project by the government.

MIN.NO.NA/DAAGPC/PAC/2024/314 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.12 p.m. The next meeting will be held on Thursday, 16th September, 2024 at 10.00 a.m.

Signed.......... Date 12/11/2024

The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson

**MINUTES OF THE 199TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 1ST OCTOBER 2024, IN COMMITTEE ROOM 23, BUNGE TOWER,
AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Victor Kipng'etich Koech, MP
9. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. Eckomas Mwangi Mutuse, OGW, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Jacknorine A. Buleemi – Clerk Assistant III
4. Mr. Cyrille Mutali – Fiscal Analyst III
5. Ms. Lydia Shalom Migare – Research Officer III
6. Mr. Hillary Mageka – Media Relations Assistant
7. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Ms. Khadija Alugongo – Deputy Director of Audit
2. Mr. Daniel Kuria – Principal Auditor

STATE DEPARTMENT FOR WATER AND SANITATION

1. Mr. Julius Korir, CBS – Principal Secretary
2. Eng. Samuel Alima – Secretary Water and Sanitation
3. Mr. James Karori – Deputy Accountant General
4. Mr. Humphrey Masai – Senior Accountant
5. Dr. Jennifer Owino – Ag. Head of Accounting Unit
6. Eng. Paul Agwanda – SMWWS – LVWWDA
7. Eng. David Onyango – Program Coordinator
8. Eng. Joseph Kamau – CEO, Athi WWDA
9. Eng. Martin Tsuma – Ag. CEO CWWDA

10. Ms. Margaret Irungu – Horn of Africa Ground Water for Resilience Project
11. Mr. John Francis Adongo – Senior Manager Finance

MIN.NO. NA/DAAOSC/PAC/2024/318 PRELIMINARIES

The Chairperson called the meeting to order twenty-five minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/319 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/320 EVIDENCE: STATE DEPARTMENT FOR WATER AND SANITATION

Mr. Julius Korir, CBS, the Principal Secretary/Accounting Officer for the State Department for Water and Sanitation appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved;

- i. 1101. Unresolved Prior Year Audit Matters
- ii. 1106. Lack of Internal Audit Reports on the Program
- iii. 1111. Lack of an Approved Procurement Plan
- iv. 1112. Delay in Project Implementation - Manooni Water Project
- v. 1115. Unresolved Prior Year Audit Matters
- vi. 1121. Budget Utilization
- vii. 1122. Implementation of Procurement Work Plan
- viii. 1123. Lack of Register of Bank Accounts
- ix. 1126. Unsupported Transfers and Disposal of Project Assets
- x. 1127. Pending Bills to Contractors
- xi. 1129. Presentation of the Financial Statements
- xii. 1130. Inaccuracy of the Statement of Comparison of Budget and Actual Amounts
- xiii. 1131. Nugatory Costs on the Delayed Settlement of Pending Bills

1102. Budgetary Control and Performance

The statement comparing the budget and actual amounts reflected a shortfall and under-expenditure of 8%.

The Accounting Officer submitted that the under-expenditure was attributed to the contractor's failure to raise sufficient certificates to claim the full amount provided for in the budget.

The Committee directed the Accounting Officer to submit a copy of the minutes which the contractor was reprimanded for the work delay.

1103. Pending Bills

The financial statements reflected pending bills of Kshs. 444,026,590 as of 30 June 2022.

The Accounting Officer submitted that the pending bills were not settled due to insufficient budgetary allocation during the year under review.

The Committee directed the Accounting Officer to provide an ageing list of the pending bills within a week.

1104. Delayed Completion of Works

A company was contracted to construct an 80.5-meter high dam with a capacity of 688 cubic meters for Kshs. 36.97 billion. However, as of 30 June 2022, physical progress was only 70.5%, despite 96% of the contract time (1,556 out of 1,683 days) having elapsed.

The Accounting Officer submitted that the delay in construction was caused by:

- i. The COVID-19 outbreak, which led to temporary stoppages and reduced manpower due to health guidelines.
- ii. A shortage of critical materials, such as explosives needed for rock blasting.
- iii. Unexpected geological conditions at the dam foundation that required additional treatment.

1105. Incomplete Corporate Social Responsibility Projects

The Thwake Multi-Purpose Water Development Program aimed to drill and equip six community boreholes at Kshs. 4.5 million each in Kitui Rural, Makueni, and Mbooni Constituencies as part of CSR projects. However, as of October 2022, five of the six boreholes remained incomplete.

The Committee directed the Accounting Officer to provide a status report on all projects under the Thwake Multi-Purpose Water Development Program, indicating the percentage of completion.

1109. Budgetary Control and Performance

The statement comparing the budget and actual amounts reflected an underfunding of 94% and an under-expenditure of 2.4% of the budget.

The Accounting Officer submitted that the under-expenditure was due to delays by the contractor in implementing the project as a result of delays in obtaining approvals for railway and road crossings.

1110. Long Outstanding Advance.

The Public Accounts Committee had reprimanded the Accounting Officer for failing to ensure that the advance funds were used for their intended purposes five years later, thus failing to comply with the provisions of Section 71(4) of the PFM Act 2012, as noted in its report for the FY 2020/2021.

1113. Inventory Management Control Weakness

The inventory management review identified the following shortcomings:

- i. No physical store for goods storage was evident;
- ii. Requisition documents (S11 forms) for items like toners were missing;
- iii. Inventory tracking tools, such as store ledger cards, were absent; and
- iv. There was no proper inventory management system in place.

The Committee deemed the management's response unsatisfactory and directed the Accounting Officer to revise and submit a comprehensive report with supporting documents.

1116. Budgetary Control and Performance

The query was assigned to the State Department for Irrigation

1117. Failure to Remit Statutory Dues

The query was assigned to the State Department for Irrigation

1128. Project Performance and Timelines

The project was planned to run from April 15, 2011, to December 31, 2019, but no activities took place in the final two years, except for clearing pending bills from earlier phases.

Management confirmed that the implementation of the actual works under the project were complete, and the assets had been handed over to WSPs for operation and maintenance.

The Committee directed the Accounting Officer to submit a completion report for the project.

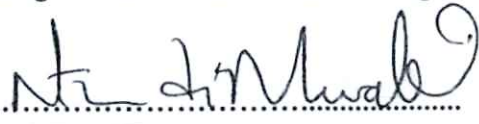
1134. Irregular Expenditure

The statement of receipts and payments showed travel expenses of Kshs. 231,500 for air tickets to Nairobi for staff attending tax management training. However, this training was already included in the Kshs. 1,654,910 allocated for capacity building, and both activities were unrelated to the project.

Management clarified that tax management training was part of the project's Capacity Building and Training Plan, conducted by the Kenya Revenue Authority Training Institute.

MIN.NO.NA/DAAOSC/PAC/2024/321 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.58 p.m.

Signed.....

Date12/11/2024.....

**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

*** MINUTES OF THE 198TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 30TH SEPTEMBER 2024, AT 2.30 P.M IN COMMITTEE ROOM
23, BUNGE TOWER**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. Samuel Kinuthia Gachobe, MP

ABSENT WITH APOLOGY

1. The Hon. Eckomas Mwangi Mutuse, OGW, MP
2. The Hon. Amina Udgoon Siyad, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Nabwera Daraja Nabii, MP
6. The Hon. Yakub Adow Kuno, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|------------------------|
| 1. Mr. Victor Weke Imbo | – | Senior Clerk Assistant |
| 2. Mr. Mohamed Jelle Abdi | – | Clerk Assistant III |
| 3. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 4. Ms. Yvonne Kendi | – | Hansard Officer III |
| 5. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-----------------------------|---|--|
| 1. Mr. Tumuno M. Nywambingu | – | Deputy Director, Audit |
| 2. Mr. Paul Kagwanja | – | Deputy Director, Parliamentary Liaison |
| 3. Mr. Linus Mugiria | – | Principal Auditor |

NATIONAL TREASURY

Rev. CPA Lawrence K. Kwiriga

STATE LAW OFFICE AND DEPARTMENT OF JUSTICE

- | | | |
|-------------------------|---|---|
| 1. Mr. Shadrack J. Mose | – | Solicitor General |
| 2. Mr. Samuel Mugambi | – | Senior Chief Finance Officer |
| 3. Mr. Erastus Mbahi | – | Deputy Director, Finance And Accounting |
| 4. Mr. Keneth Gathuma | – | Director General Business Registration
Service |

5. Ms. Marry Mutaaru

Registrar of Marriages

MIN.NO. NA/DAAOSC/PAC/2024/314 PRELIMINARIES

The Chairperson called the meeting to order at 2:20 p.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/315 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/316 STATE LAW OFFICE AND DEPARTMENT OF JUSTICE; VOTE 1252

Mr Shadrack J. Mose the solicitor general/Accounting Officer for the State Law Office and Department of Justice appeared before the Committee accompanied by other officers and submitted the following in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved;

1. **1779. Presentation and Disclosure of the Financial Statements**
2. **1781. Unsupported Counter Funding Receipts**
3. **1794. Non-Provision of Service Providers' Contracts**
4. **1799. Cash and Cash Equivalents**
5. **1804. Understaffing of Key Staff Positions**

1780. Unsupported Cash and Cash Equivalents Balance

All balances in the financial statements was supported with payment vouchers and relevant documentation for each activity. The bank balance as at 30th June 2022 was Kshs. 43,396,845.90 and the differences related to the reporting time differences since the programme year was different from the Gok financial year.

The Committee directed the Accounting Officer to provide the certificate of the board of survey report that confirms the balance as at end the financial year.

1782. Irregularities in the Compensation to Employees

According to project financing the agreement, purchase of toner, petty cash disbursement and purchase of staff airtime are classified under one budget item.

The Committee directed the Accounting Officer to provide the financing agreement of the project within one week.

1783. Late Remittance and Non-remittance of Statutory Deductions

There was a delay on the side of NHIF in assigning registration numbers to PLEAD, allowing the programme to remit the deductions; there were also delays in approving account signatories by the EU, resulting in a delay in payment of their salaries and deductions. All NSSF deductions were remitted in one single payment upon receipt of registration from the NSSF.

Staff members had been in place since December 2020, but KRA delayed in giving PIN Number due to the internal procedure of the PLEAD programme. Later, the cumulative payee deductions was paid without penalty.

The Committee directed the Accounting Officer to provide the evidence of remittance of the statutory deduction within one week.

1784. Failure to Prepare and Submit Monthly Bank Reconciliations

The Accounting Officer prepared financial statement that were submitted to the Auditor General, Nation Treasury and Controller of Budget and Commission for Revenue Allocation.

The Committee directed the Accounting Officer to provide the monthly reconciliation within one week.

1785. Failure to Maintain a Project Asset Register

The PLEAD programme had an approved asset register that included all the assets the project had bought since its inception. In year 1 the programme had no assets since the procurement process was underway.

The Committee directed the Accounting Officer to update its asset register and show which asset is assigned to which person.

1786. Lack of Internal Audit Review

The programme had no internal staff tasked with auditing as the governance structure did not foresee that.

1787. Delayed Project Implementation

The resignation of the team leader in August 2021 with a replacement not appointed until April 2022 caused a leadership vacuum. The finance manager resignation in January 2022 led to delays in critical financial operations. There were also delays in disbursement of funds which obstructed the full operation of the programme estimate with only 10% of the committed funds disbursed on June 2022. The first tranche of the project was sent in Kenya shillings which was transferred in euro account contradicting CBK rules leading to a further delay till February 2022 until Kenya shillings account was opened.

The Committee directed Accounting Officer to provide the financing agreement for the project.

1789. Failure to Open County Offices

Management acknowledged the audit finding that operational branches are currently located in Kisumu and Mombasa Counties, and that the strategic plan for 2021-2026 did not include provisions for opening regional offices in other counties. This was due to resource constraints or budgetary limitations that have affected the implementation of the requirement.

Currently, the BRS draft strategic plan is under way for the year 2023-2027, which will incorporate the opening of the regional offices in other counties.

1790. Failure to Submit Compliance Reports to State Corporations Advisory Committee (SCAC)

The service did not submit to SCAC Human Resource Compliance Reports in the year under review. The Management took note on the oversight in implementation of the OP circular for annual filing of payroll returns by 31st July and has filed the returns for the year ended 30th June 2022 and will endeavor complying to the same requirement.

1791. Non-Compliance with Laws and Guidelines by the Board

The service did not comply with laws and guidelines under the State Corporation Circular due to the fall in board membership from 8 to 6 because of retirement of two members.

The Chairpersons of Committees were encouraged to be independent Board members and the Board only had 3 independent Board members and 4 Committees. The skills and expertise of each Board member are important considerations in the appointment of Board members to various Board Committees.

During the Board meeting held on 10th February 2022, the term of service for the Chairpersons of the Compliance and Risk, as well as Technical and Strategy Committees was set to expire on 2nd May 2022. After careful deliberations, it was deemed necessary to retain certain Board members in specific Committees due to their invaluable contributions.

The Committee directed the Accounting Officer to provide the list of members who served on more than one board and the allowances they received during that period.

1792. Non-Compliance with the Current Approved Staff Establishment

BRS has not achieved its maximum capacity of staff establishment. Due to the budgetary constraints,

***1793. Unsupported Transfer of Collected Revenue**

Business Registration Service board in its meeting of 13th September 2016 resolved to open and operate Business Registration Service at Central Bank of Kenya Account Nairobi .The Service sought authority from National Authority to open and operate Central Bank account No. 1000319739 under Account title - Business Registration Services Account- E-Citizen Revenue.

The Service has since provided to the Audit team the bank statement for the account under Central Bank of Kenya (Account No. 10003197739 - Business Registration Service E-Citizen Revenue) for the period from 1st July 2021 to 20th June 2022 as attached.

It is true BRS did not produce an official receipt from the National Treasury to acknowledge the receipt of revenue which used to be a practice on the manual revenue collection before the government went digital in the revenue collection.

1797. Irregular Operation of Bank Accounts

The Official Receiver had not established in the Central Bank of Kenya an Insolvency Services Account. The Official Receiver had prepared the Insolvency Amendment bill, which deletes section 708-sub section (1, 2 and 3) since the section as it is, and is not practical in the official receiver's day-to-day management of its operations.

1800. Deposits

KDIC on 7th July 2021 confirmed that they had transferred a sum of Kshs. 4,072,732.10 to KCB Bank Ltd as at 20th June 2020 for payment to the Public Trustee. However, as at the time of the audit, the amount had not been forwarded to the Public Trustee.

On 4th August 2021, representatives from Public Trustee held a meeting with the appointed Receiver Manager of Imperial Bank at IPS Building to follow up on the outstanding payments.

Out of a sum of Kshs. 4,072,732.00 KCB had deposited a sum of Kshs. 1,018,183.00 to the Public Trustee Bank Account.

On 8th May 2023, KCB wrote to the Office indicating that the 3rd tranche payable to depositor's equivalent to 25% had been held in abeyance due to shortfall of assets available for onboarding from Imperial Bank Ltd to match the outstanding liabilities. The Office will continue to engage KCB Bank and KDIC to recover the outstanding balance of Kshs. 3,054,549.00 as confirmed by Imperial Bank Receiver Manager and the entire outstanding balance of the deposits.

1801. Investments

This matter was before this Parliamentary Accounts Committee on 24th May 2023 where it had recommended that the Office request for write off of the unrecoverable deposits from the National Treasury.

A formal request had been made to the Cabinet Secretary, National Treasury, to grant authority for write off. The Office is following up the matter with the National Treasury.

1803. Failure to Automate Beneficiaries Financial Records

Public Trustee services are not automated. The Office of the Attorney General and Department of Justice had undertaken a comprehensive digitization and automation to enhance efficiency in service delivery.

ICT Department and the ICT Strategy Committees had completed re -engineering of Public Trustee processes, appraising manual records and process mapping. The Office of Attorney General and Department of Justice requested Ministry of ICT to deploy ICT officers with digitization expertise to provide technical support on automation of processes. Three (3) ICT officers had been deployed to this office and they have embarked on the automation process.

The administration of estate payment process is complete. The team is currently working on the Trust payment module.

The Department is also working with the State Department for Immigration and E-Citizen Services to automate the front-end and backend processes. The System is at the user-testing phase and can be accessed at publictrustee.ecitizen.go.ke.

1805. Lack of an Operational and Approved Enterprise Risk Management Strategy

The Office did not have an approved Enterprise Risk Management Strategy at the time of audit. The Office has established the Enterprise Risk Management Committee which has started formulating the Enterprise Risk Management Policy. Heads of Departments had been sensitized on risk management and Risk Champions had been nominated from the Departments to steer the process. The Office had undertaken a risk assessment survey. A draft Enterprise Risk Management Policy has been prepared and it is awaiting validation to complete the process.

MIN.NO.NA/DAAOSC/PAC/2024/317 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.53 p.m. The next meeting will be held on Tuesday, 1st October 2024.

Signed.....

Date 12/11/2024.

The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson

**MINUTES OF THE 197TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY 26TH SEPTEMBER, 2024 AT COMMITTEE ROOM 23, BUNGE
TOWER AT 10.00 AM.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Samuel Kinuthia Gachobe, MP
7. The Hon. David Kiplagat, MP
8. The Hon. Victor Kipng'etich Koech, MP
9. The Hon. Yakub Adow Kuno, MP
10. The Hon. Mohamed Aden Adow, MP
11. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. Nabwera Daraja Nabii, MP
2. The Hon. Gabriel Gathuka Kagombe, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|-------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali | – | Clerk Assistant III |
| 4. CPA Cyril Mutali | – | Fiscal Analyst III |
| 5. Ms. Lydia Migare | – | Research Officer III |
| 6. Mr. Hillary Mageka | – | Media Relations Officer |
| 7. Ms. Yvonne Kendi | – | Hansard Officer III |
| 8. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|--------------------------|
| 1. Mr. Fredrick Oluoch | – | Deputy Director of Audit |
| 2. Mr. Paul Kagwanja | – | Deputy Director of Audit |
| 3. Mr. Benson Wanjau | – | Principal Auditor |
| 4. Mr. Ezekiel Omore | – | Audit Associate |

THE NATIONAL TREASURY

- | | | |
|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |
|------------------------------|---|-------------------|

STATE DEPARTMENT FOR ENERGY

1. Mr. Alex Wachira	–	Principal Secretary
2. Mr. Stephen Njue	–	Snr Chief Finance Officer
3. Ms. Rose Barasa	–	Head of Accounting
4. Mr. Rodney Sultani	–	Project Coordinator KOSAP
5. Mr. John Mativo	–	MD & CEO KETRACO
6. Mr. Paul Ngugi	–	CEO GDC
7. Mr. Davis Cheruiyot	–	GM ICT, REREC
8. Mr. Stephen Busyenei	–	GM Finance, GDC
9. Mr. Tom Imbo	–	GM Finance, REREC

MIN.NO. NA/DAAGPC/PAC/2024/311 PRELIMINARIES

The Chairperson called the meeting to order at fifteen minutes past ten o'clock, said a word of prayer followed by a round of introductions.

MIN.NO.NA/DAAGPC/PAC/2024/312 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/313 EVIDENCE: MINISTRY OF ENERGY. VOTE 1152

Mr. Alex Wachira, the Principal Secretary/Accounting Officer for the Ministry of Energy appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1399. Delay in Project Implementation

The management stated that the Kenya Electricity Modernization Project aims to support the government's goal of achieving universal access to electricity. Its primary objective is to enhance electrification in areas unlikely to be connected to the national grid in the short or medium term. The project involves developing seven (7) solar hybrid mini-grid projects to provide electricity to households and public facilities in the selected regions.

The seven (7) solar hybrid mini-grid project sites are located in the following counties:

- i) Takawiri and Ngodhe in Homa Bay County
- ii) Mageta in Siaya County
- iii) Wasini and Mkwiro in Kwale County
- iv) Kerio in Turkana County
- v) Dabel in Marsabit County

The Kenya Electricity Modernization Project (KEMP), funded by the World Bank, commenced in October 2019. The project has experienced several delays, primarily due to COVID-19 Pandemic - The pandemic significantly impacted material manufacturing and delivery. Lockdowns and restrictions led to the temporary closure or scaling down of operations in major manufacturing hubs, particularly in China. This disruption delayed the procurement and delivery of essential materials required for the project.

1400. Irregular Payment of Supply of Solar Power Generation Plants

Management stated as follows;

- i) The original contract was signed on October 9, 2019, for a duration of 12 months. Therefore, the addendum dated July 15, 2021, was for the extension of the contract and not for the fulfilment of its effectiveness.
- ii) Advance Payment Error: It's true that an advance payment of Kshs.5,163,253.00 made on June 30, 2022, was based on 10% of the contract price instead of the total carriage and insurance paid (CIP), this was fully secured through an advance payment guarantee/security which was valid until January 15, 2023. Full recovery of the advance payment has since been completed.
- iii) Tax Exemption: The project benefits from a tax exemption on the importation of solar materials and equipment. The government provides tax exemptions on the importation of solar materials and equipment to promote the adoption of renewable energy solutions. This exemption applies to components such as solar panels, batteries, inverters, and other essential equipment. The tax exemption reduces the overall cost of importing these materials, making solar energy projects more financially viable. For the KEMP, this policy significantly lowers procurement expenses, allowing more funds to be directed towards project implementation and expansion, thereby enhancing access to clean and sustainable energy in underserved regions. This was approved through a KRA letter ref no. KRA/5/1002/5(6013).

1428. Disputed Ownership of Land for the Solar Power Plant

Review of financial records for the Project revealed that Kshs. 13,385,625,939 was incurred in the construction of a 50 MW Solar Power Plant during the financial year 2019/2020. However, the land on which the power plant is located was claimed by a Community Trust Group. Further, the group had instituted a legal suit against Rural Electrification and Renewable Energy Corporation (REREC) seeking to be compensated for the 220 acres of land. In addition, the amount claimed by the Trust Group was not quantified.

The management stated that the court record revealed that the plaintiffs failed to appear on two occasions when the suit was scheduled for hearing, implying that the plaintiffs have lost interest in the suit. The court in the premises dismissed the plaintiff's action for non-attendance and lack of prosecution and gave the defendants the expenses of the suit.

1429. Failure to Pay Pending Bills

Management stated that the 50MW Solar Power Plant in Garissa was financed through a concessional loan from the EXIM Bank of China. In the FY 2021/22, there was a pending bill related to certificates no.13 and 14, which pertained to final technical services. The credit period for the EXIM Bank of China lapsed before these certificates could be issued, making it impossible to include the pending bill as a first charge in the FY 2021/22 budget submitted to the National Treasury in January 2022. Subsequently, while preparing the FY 2022/23 budget, the Corporation included a pending bill of Kshs. 16,826,400 as a first charge.

1432. Project Performance

Review of the Project Financing Agreement and the Project supporting documentation revealed that Kenya Off-Grid Solar Access Project for the Underserved Counties had a total funding of Kshs. 3,500,000,000 and was to be implemented within six (6) years from July, 2017 to 30 June, 2022. As at the end of the financial year 2021/2022, the total amount drawn was Kshs. 110,868,972 which remained unspent. The amount drawn as at 30 June, 2022 represents 3.17% of the total funds committed for the project under the financing agreement while the project period lapsed on 30 June, 2022. Management did not provide evidence of extension of the Project period. Further, the Management did not provide an approved work plan for audit review.

1433. Non-Implementation of Project Activities

Management stated that the Kenya Off-Grid Solar Access Project (KOSAP) received an allocation of Kshs. 110,868,972 in the financial year 2020/2021 to enhance access to electricity and clean cooking solutions in underserved regions. However, the disbursement of these funds was impacted by unforeseen procedural and logistical challenges, including delays in land acquisition, tendering processes, and Environmental Impact Assessment (EIA) approvals. These delays have significantly impeded our ability to utilize the allocated funds as initially planned.

The funds for the project are held in a dedicated project account designated for preparatory activities. According to the World Bank's regulations, these funds cannot be placed into call or fixed deposit accounts where they might accrue interest. This restriction ensures that the funds remain readily available for immediate project-related expenditures and helps to prevent potential conflicts of interest or misuse of the funds. This approach upholds the funds' intended use for the project and ensures compliance with the financial management standards established by the World Bank.

1436. Low Budget Absorption

The Donor had made commitment of USD 15,000,000 equivalent to Kshs. 1,500,000,000. However, with the Project targeted completion date set for 31 December, 2022, actual drawdowns amounted to USD 5,459,208 equivalent to Kshs. 643,271,589 leaving Kshs. 856,728,411 or 57% of Donor commitment undrawn. With over 95% of the Project duration passed, the credit is set to lapse without being fully utilized and the Project's planned deliverables earmarked for completion using the funding may not be realized.

Management stated that low absorption of project funds and delay in project implementation was due to:

- i) The COVID-19 pandemic caused significant delays in the project by disrupting material manufacturing, supply chains, and logistics, and by complicating inspections and testing;
- ii) Lack of budgetary allocation; and
- iii) Insecurity in the Turkana, Samburu, and Mandera regions has significantly hindered project implementation, causing delays and disruptions.

1437. Delay in Implementation of the Project

The statement of receipts and payments reflects cumulative payments amounting to Kshs. 643,271,589 in respect of acquisition of non-financial assets, representing approximately 49% of the total contracted value of works totaling Kshs. 1,304,225,859 for the three (3) lots under the Project. The contracts were signed in June, 2020 and were expected to be completed by June, 2022. In addition,


the Project was set to close on 31 December, 2022 with over 52% of the contract not executed despite contract period having lapsed.

Management stated that the delay of the project implementation was due to:

- i) The COVID-19 pandemic caused significant delays in the project by disrupting material manufacturing, supply chains, and logistics, and by complicating inspections and testing;
- ii) Lack of budgetary allocation; and
- iii) Insecurity in the Turkana, Samburu, and Mandera regions has significantly hindered project implementation, causing delays and disruptions.

MIN.NO.NA/DAAGPC/PAC/2024/314 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.10 p.m. The next meeting will be held on Monday, 30th September, 2024 at 2.30 p.m.

Signed 

Date 12/11/2024

The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson

**MINUTES OF THE 196TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 24TH SEPTEMBER 2024, IN COMMITTEE ROOM 23, BUNGE
TOWER, AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. The Hon. David Kiplagat, MP
8. The Hon. Nabwera Daraja Nabii, MP
9. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. Gabriel Gathuka Kagombe, MP
2. The Hon. Victor Kipng'etich Koech, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 3. Mr. Jacknorine A. Buleemi | – | Clerk Assistant III |
| 4. Mr. Lenny Muchangi | – | Legal Counsel II |
| 5. Mr. Cyrille Mutali | – | Fiscal Analyst III |
| 6. Ms. Lydia Shalom Migare | – | Research Officer III |
| 7. Ms. Yvonne Kendi | – | Hansard Officer III |
| 8. Mr. Hillary Mageka | – | Media Relations Assistant |
| 9. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|--------------------------|
| 1. Ms. Sophia Wadulo | – | Deputy Director of Audit |
| 2. Mr. Fredrick Oluoch | – | Deputy Director of Audit |
| 3. Mr. Paul Kagwanja | – | Deputy Director, LPO |
| 4. Mr. Walter Owele | – | Principal Auditor |
| 5. Mr. Samuel Mathenge | – | Principal Auditor |
| 6. Ms. Debra Ngugi | – | Principal Auditor |
| 7. Mr. Ezekiel Omoro | – | Audit Associate |

PARLIAMENTARY JOINT SERVICES

- | | | |
|----------------------------------|---|--|
| 1. Mr. Clement M. Nyandiere, MBS | – | Director General |
| 2. Mr. Irungu Kigundu | – | Director of Finance & Accounting Services |
| 3. Eng. John K. Nguru | – | Director of Engineering & Maintenance Services |
| 4. Ms. Joan Awinja | – | Ag. Director of Human Capital & Administration |
| 5. Shem Obaigwa | – | Ag. Chief Accountant |

STATE DEPARTMENT SHIPPING AND MARITIME

- | | | |
|-------------------------|---|---------------------|
| 1. Mr. Geoffrey Kaituko | – | Principal Secretary |
| 2. Mr. Julius Seger | – | Director |
| 3. Mr. Isaiah Nakoru | – | Senior Accountant |
| 4. Mr. Edwin Odero | – | Accountant |
| 5. Mr. Jamleck Mulalya | – | Planning Officer |
| 6. Mr. Simon Mungai | – | Principal Economist |

MIN.NO. NA/DAAOSC/PAC/2024/306 PRELIMINARIES

The Chairperson called the meeting to order twenty-five minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/307 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/308 EVIDENCE: PARLIAMENTARY JOINT SERVICES - VOTE 2043

Mr. Clement M. Nyandiere, MBS, the Director General /Accounting Officer for the Parliamentary Joint Services appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

The Committee marked paragraph 1918 on Pending Bills as resolved since all bills had been settled as first charge in the subsequent financial year.

1919. Incomplete Assets Register

The Accounting Officer submitted that the management had prepared a draft Fixed Asset Management Policy, outlining how the assets of the Parliamentary Service Commission will be acquired and managed across its four votes.

The Commission reviewed the policy and resolved that it would incorporate an inventory with full details of all fixed assets currently owned by the Parliamentary Service Commission, taking into account the four existing votes.

1920. Construction of the Proposed Multi-Storey Office Block

The Multi-Storey Office Block project faced significant delays, with completion deadlines extended thrice. A dispute also arose between the contractor and the client over delayed payments, leading to arbitration, a development that threatens to inflate the overall project cost.

The Accounting Officer attributed the delays to several factors, including:

- i. The need for underpinning works on Continental House to reinforce the structure, which had been compromised during excavation;
- ii. Delays in procuring materials for interior works;
- iii. A setback in completing the tunnel access connection;
- iv. The impact of the Covid-19 pandemic;
- v. Delays caused by the kitchen equipment sub-contractor; and
- vi. Delays in electrical installations by the sub-contractor.

Furthermore, the Accounting Officer reported that the Commission has filed a counterclaim against the main contractor, which was currently being litigated at the Nairobi Centre for International Arbitration.

MIN.NO.NA/DAAOSC/PAC/2024/309 EVIDENCE: STATE DEPARTMENT FOR SHIPPING AND MARITIME - VOTE 1093

Mr. Geoffrey Kaituko, the Principal Secretary/Accounting Officer for the State Department for Shipping and Maritime appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved;

- i. **882. Non-Compliance with One-Third (1/3) Basic Pay Rule**
- ii. **863. Cash and Cash Equivalents - Unrepresented Cheques**
- iii. **864. Budgetary Control and Performance**
- iv. **865. Unresolved Prior Year Matters**
- v. **867. Failure to Channel Funds as per the Project Financing Structure**

879. Pending Accounts Payables

The Accounting Officer explained that the pending bills remained unpaid due to budget cuts and insufficient exchequer funding.

880. Long Outstanding Third-Party Deposits and Retentions

The management had explained that the retention monies had all since been paid.

The Committee directed the Accounting Officer to submit copies of the completion certificates.

881. Budgetary Control and Performance

The statement comparing the budget and actual amounts reflected an underfunding of 14% and an under-expenditure of 14% of the approved budget.

The Accounting Officer submitted that the underfunding was related to donor-funded project money, which was not received due to delays caused by technical design gaps during the year under review, thus affecting the procurement of goods and services. The Accounting Officer further stated that the project has officially been closed.

The Committee directed the Accounting Officer to provide a closure report of the project within a day.

883. Audit Committee

The Accounting Officer submitted that the State Department was currently domiciled under the Ministry of Mining, Blue Economy, and Maritime Affairs. The Ministry had concluded the appointment of the Audit Committee Members with effect from 2nd April 2024.

862. Undisclosed and Unaccounted-for Domestic Travel Expenses

The financial statements reflected domestic travel expenses of Kshs. 502,750, while payment vouchers indicated a total of Kshs. 1,022,760, resulting in an unexplained variance of Kshs. 529,200.

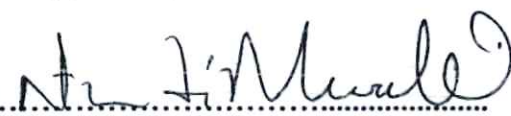
The Accounting Officer explained that this variance related to payments made through the Kenya Maritime Authority's current account.

866. Cancellation of Undisbursed/Undrawn Loan Balance

The African Development Bank issued a loan cancellation notice due to the Project's failure to meet strategic goals, which could hinder the achievement of the Project's objectives. However, the Accounting Officer submitted that the loan cancellation had not negatively impacted the project's objectives, as Kenya had committed during the mid-term review to implement its component of the project with minimal funding required from the AFDB.

MIN.NO.NA/DAAOSC/PAC/2024/310 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.55 p.m. The next meeting will be held on Thursday, 26th September 2024 at 10.00 a.m.

Signed.....

Date 12/11/2024.....

The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson

**MINUTES OF THE 195TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 23RD SEPTEMBER 2024, AT 2.00 P.M IN COMMITTEE ROOM
23, BUNGE TOWER**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP -- Vice Chairperson
2. The Hon. Eckomas Mwengi Mutuse, OGW, MP
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Samuel Kinuthia Gachobe, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Amina Udgoon Siyad, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Nabwera Daraja Nabii, MP
5. The Hon. Yakub Adow Kuno, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|--------------------------|
| 1. Mr. Victor Weke Imbo | — | Senior Clerk Assistant |
| 2. Mr. Mohamed Jelle Abdi | — | Clerk Assistant III |
| 3. Ms. Lilian Mwikali | — | Clerk Assistant III |
| 4. Ms. Yvonne Kendi | — | Hansard Officer III |
| 5. Mr. Mark Mbuthia | — | Audio Officer III |
| 6. Mr. Henry Gichana | — | Research Officer III |
| 7. Ms. Lilian Aluga | — | Public Relations Officer |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|--|
| 1. Ms. Sophia Wadulo | — | Deputy Director, Audit |
| 2. Mr. Paul Kagwanja | — | Deputy Director, Parliamentary Liaison |
| 3. Mr. Samuel Mathenge | — | Principal Auditor |
| 4. Mr. Ezekiel Omoro | — | Audit Associate |

NATIONAL TREASURY

Rev CPA Lawrence K. Kwinga

PARLIAMENTARY SERVICE COMMISSION(PSC)

1. Mr. Jeremiah M Nyengenyne, CBS Clerk of the Senate/ Secretary, PSC

- | | | |
|----------------------------|---|---------------------------------------|
| 2. Mr. Antony Njoroge | — | Director, Litigation and Compliance |
| 3. Mr. Daniel Ngumbao | — | Deputy Director, Finance & Accounting |
| 4. Mr. Ndubi Antony | — | Senior Accountant |
| 5. Mr. Stephen Tayari Meri | — | Procurement Officer II |

NATIONAL ASSEMBLY

- | | | |
|----------------------------|---|---|
| 1. Mr. Samuel Njoroge, CBS | — | Clerk National Assembly |
| 2. Mr. Irungu Kigundu | — | Director, Finance and Accounting |
| 3. Mr. Ankaine P. Meikoki | — | Deputy Director, Finance and Accounting |
| 4. Ms. Susan Maritim | — | Principal Clerk Assistant |

MIN.NO. NA/DAAOSC/PAC/2024/301 PRELIMINARIES

The Chairperson called the meeting to order at 2:50 p.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/302 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/303 PARLIAMENTARY SERVICE COMMISSION; VOTE 2041

Mr. Jeremiah M. Nyengenyne, CBS the Clerk/Accounting Officer for the Parliamentary Service Commission appeared before the Committee accompanied by other officers and submitted the following in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved;

1. **1900. Pending Bills**
2. **1901. Irregular Procurement of Office Supplies and Services, Accommodation and Transport Service at County Offices**

1902. Lack of Assets Register and Ownership Documents

There had been a series of changes with respect to the Accounting Officers for the Parliamentary Service Commission with, firstly in 2015 the clerk of the National Assembly was made the Accounting Officer for the National Assembly matters and in 2019 the Director General was made the Accounting Officer for Joint Services affairs. A New vote 2044 was also created in the last financial year to provide for the Parliamentary Service Commission as an independent commission as required by the constitution. The Commission had undergone considerable transition with regards to the issue of its Accounting Officers and is still in transition with regards to the division of assets between the Accounting Officers.

Mr. Samuel Njoroge CBS, the Clerk/Accounting Officer for the National Assembly appeared before the Committee accompanied by other officers and submitted the following in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved;

1. 1912. Compensation of Employees
2. 1913. Procurement of Officer Supplies and Services, Accommodation and Transport Services at Constituency Offices
3. 1914. Accounts Receivables - Outstanding Imprest

1911. Pending Bills

The amounts were pending bills for goods and services supplied and rendered but remained unpaid at the close of the financial year. The amount included Kshs. 51,548,074 incurred in the previous years dating back to 2016. While Kshs. 239,117,226 was incurred during 2021/2022. The outstanding amount were goods supplied amounting to Kshs. 78,719,893 and services rendered amounting to Kshs. 211, 945,407.70.

The pending bills were occasioned by poor connectivity of IFMIS towards the end of the financial year leading to inability to process payments and late exchequer receipts towards the end of the financial year.

1915. Lack of Asset Register

The National Assembly purchased fixed assets worth Kshs. 95,706,425 during the financial year 2021/2022. The cumulative figure of Kshs. 543,736,778 comprises of all assets acquired since 2015/2016 financial year when the National Assembly vote was created. The Parliamentary Service Commission is in the process of developing an asset management policy which will help in tracking all assets owned by the National Assembly.

The management had constituted Assets and Liabilities Management Committee in line with paragraph 4.8 of the National Assembly policy on Asset and Liability Management in the public sector (June 2020). The National Assembly has procured a solution for asset tagging in the 2024/2025 financial year for all assets purchased since 2015/2016.

MIN.NO.NA/DAAOSC/PAC/2024/305 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.00 p.m. The next meeting will be held on Tuesday, 24th September 2024.

Signed.....


Date
12/11/2024

The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson

**MINUTES OF THE 194TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY 19TH SEPTEMBER, 2024 AT COMMITTEE ROOM 23, BUNGE
TOWER AT 10.00 A.M.**

PRESENT

1. **The Hon. Nicholas Tindi S. Mwale, MP** – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Yakub Adow Kuno, MP
8. The Hon. Mohamed Aden Adow, MP
9. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. Victor Kipng'etich Koech, MP
4. The Hon. Gabriel Gathuka Kagombe, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms Lilian Mwikali | – | Clerk Assistant III |
| 4. Mr. Mohamed Jelle | – | Clerk Assistant III |
| 5. Ms Lydia Migare | – | Researcher III |
| 6. Ms. Yvonne Kendi | – | Hansard Officer III |
| 7. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|----------------------|
| 1. Mr. Njoroge Waithima | – | Director Audit |
| 2. Mr. Samwel Muchiri | – | Dep. Director Audit |
| 3. Mr. Sammy Githinji | – | Principal Accountant |
| 4. Ms Carolyn Warui | – | Senior Accountant |
| 5. Mr. Paul Kagwanja | – | Dep. Director Audit |
| 6. Mr. Ezekiel Omoro | – | Audit Associate |

NATIONAL TREASURY LIAISON OFFICE

- | | | |
|---------------------------------|---|---------------------------|
| 1. Ms. Edith Nkanata | – | Deputy Accountant General |
| 2. Rev. CPA Lawrence K. Kwiriga | – | Senior Accountant |

THE NATIONAL TREASURY

1. Dr. Chris Kiptoo, CBS	--	Principal Secretary
2. Mr. Bernard Ndung'u	--	Director General, Accounting Services
3. Mr. George Gichuru	--	Head of Accounting
4. Mr. Saman Wangusi	--	Principal Admin. Secretary
5. Mr. Francis Amuyunzi	--	Snr. Dep. Acct. General
6. Mr. Daniel Kagira	--	Director Corporate Services - KRA
7. Mr. James Letaro	--	Ag. Director Finance - KRA
8. Mr. Samwel Onyango	--	HFA - PPPD
9. Mr. Daniel Mwangi	--	Dep. Acct General
10. Ms Damaris Onsumo	--	SPFO
11. Mr. Patrick Kiamba	--	Parliamentary Liaison - KRA

MIN.NO. NA/DAAGPC/PAC/2024/297 PRELIMINARIES

The Chairperson called the meeting to order at nineteen minutes past ten o'clock, said a word of prayer followed by a round of introductions.

MIN.NO.NA/DAAGPC/PAC/2024/298 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/299 EVIDENCE: NATIONAL TREASURY. VOTE-1072

Dr. Chris Kiptoo, CBS, the Principal Secretary/Accounting Officer for the National Treasury appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1. Unconfirmed Expenditure Balances

The accuracy of the expenditure of Kshs. 9,847,738 incurred on purchase of office furniture and general equipment and the expenditure of Kshs. 13,063,400 incurred on fuel, oil and lubricants could not be confirmed.

Management stated that this amount of Kshs. 13,063,400 was at variance with the computed amount of fuel of Kshs. 50,091,990 by Kshs. 37,028,590. The variance of Kshs. 37,028,590 were fuel payments that were charged to security operations item 0-0001-11-2211313 which was also a relevant item to pay fuel.

2. Long Outstanding Bank Reconciling Items.

A review of the bank reconciliation statement for the development bank account for the month of June, 2022, revealed that a number of reconciling items had been outstanding for a long period. The bank reconciliation statement reflected receipts of Kshs. 4,839,939,398 recorded in the bank statement on

26 May, 2022 but not in the cash book. Further, the bank reconciliation statement reflected receipts in the cash book not yet recorded in the bank statement totaling Kshs. 2,716,155,626 out of which receipts totalling Kshs. 623,593,984 were dated between 13 May, 2020 and 02 December, 2021.

3. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final receipts budget and actual on comparable basis of Kshs. 167,894,349,737 and Kshs. 126,414,837,692 respectively resulting to an underfunding of Kshs. 42,782,675,278 or 25% of the budget.

Similarly, The National Treasury spent a total of Kshs. 125,778,027,665 against an approved budget of Kshs. 167,894,349,737 resulting to an under-expenditure of Kshs. 42,116,322,072 or 26% of the budget.

Management stated that the under-utilization of the budget and under collection of revenue was due to;

- (i) Some activities including procurement were suspended due to the Covid-19 pandemic;
- (ii) Exchequer under issue during the financial year; and
- (iii) Low business activities during the year due to covid-19 led to under collection of revenue.

4. Lack of Fixed Assets Register.

The management did not provide an Assets' Register to support the assets valued at Kshs. 6,570,539,354 as required by Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

5. Over-Commitment of Salary.

Review of the payroll data revealed that, during the year under review, one hundred and twenty-five (125) employees earned a net salary less than one-third (1/3) of their basic salary. This was against Section C.1(3) of the Human Resource Policies and Procedures Manual for the Public Service, 2016.

6. Non-Operational Vehicle Scanning Machines.

Management awarded a contract to install modern vehicle scanning machines at the Treasury Building and Bima House to a local contractor at a cost of Kshs. 164,510,341. The contract entailed the supply of three (3) handheld advanced, explosive, trace, particulate and vapor detectors at a cost of Kshs. 16,882,502. However, none of the scanners or detectors were in operation at the time of the audit.

7. Failure to Implement the Public E-Procurement System.

Review of procurement processes in government corporations and other public procuring entities revealed that, by the time of their respective audits, the entities' procurement processes had not been linked with the Integrated Financial Management Information System (IFMIS) as per Executive Order No. 2 of 2018. The Order had directed that by 01 January, 2019, The National Treasury was to facilitate seamless integration of all public procurement entities to the Integrated Financial Management Information System (IFMIS) and that by that same date, all Public Procuring entities undertake all their procurement through the e-procurement module. Most of the non-complying procuring entities have blamed The National Treasury for failing to create the integration platform.

8. Unauthorized Staff Establishment.

Review of The National Treasury staff establishment revealed that thirty-nine (39) positions with ninety-two (92) members of staff in-post were not authorized. Similarly, forty-five (45) positions with an authorized establishment of four hundred and sixty-six (466) members of staff had one thousand and sixty-one (1,061) staff members in-post, exceeding the approved establishment by five hundred and ninety-five (595) staff members.

Management stated that the over establishment was also occasioned by;

- i) Succession Management programme by the Public Service Commission that promoted mass staff against the limited approved establishment;
- ii) Recruitment and posting of staff by State Department for Public Service and the Public Service Commission;
- iii) Transfer of officers in various cadres from State Department for Public Service and other Scheme administrators. Delayed release of officers due to the handing over process which include; induction of the incoming officers for the smooth running of the office; and
- iv) Narrow staff establishment for Support Service cadres. This is mostly occasioned by lack of enough support staff in the technical departments which makes them request for additional support staff hence creating an over establishment to the particular department.

11. Non-Compliance with Article 260 of the Constitution-Late Exchequer Releases.

Examination of records at the National Treasury indicated that the amount relates to Exchequer releases to Ministries, Departments and Agencies, Public Debt and County Governments that were disbursed after the end of the financial year. This was contrary to Article 260 of the Constitution and Regulation 97(4) of the Public Finance Management (National Government) Regulations, 2015.

Management stated that:

- a) As per the fiscal framework and Budget Estimates for Financial Year 2021/2022, all the revenue and loans received as at 30th June, 2022 were budgeted to fund expenditures relating to that financial year and it was therefore imperative that these funds are released to the MDAs and Public Debt. Otherwise, the unfunded Exchequer requests would have translated to pending bills;
- b) The National Treasury did not encroach on the revenue for the consequent year;
- c) The above receipts and issues were properly recorded and accounted for in our books of accounts for the year 2021/2022; and
- d) The National Treasury sort the authority of Controller of Budget to release the funds and the same was granted in compliance with Article 206 (2) of the Constitution and Section 17 (5) of the PFM Act 2012.

14. Payment of Commitment Fees on Undrawn Amounts.

The management stated that the commitment fees are paid on loans that become effective and to become effective the conditions precedent should be met by both the borrower and the lender. Further, not all loans that become effective have commitment fee charges.

Currently, five (5) of the Twenty loans which had no draw down as at 30th June 2022 have fully been disbursed and Fifteen (15) are at various stages of disbursement.

The National Treasury has put several mitigating measures to ensure that programmes and projects are ready for execution before committing the government to bear the loans. These are;

- i) Provision of Public Investment Management Regulations, 2022 whose purpose is to provide a legal framework for efficient and effective public investment management. This includes;
 - a) Project identification and Planning;
 - b) Pre-feasibility and Feasibility;
 - c) Selection for Budgeting;
 - d) Implementation, Monitoring, Evaluation and Reporting; and
 - e) Closure and impact assessment to ensure value for money and optimal use of public resources.
- ii) Development of a project information Management system which will provide a dash-board view of project implementation status;
- iii) Ensuring counter funding is available to MDAs during the project implementation period;and
- iv) Ensuring that Ministries and MDAs absorb funds during the implementation period by providing the exchequer requested on timely basis.

15. Guaranteed Debts.

The summary statement of public debt reflects total outstanding debt stock balance of Kshs. 8,478,949,965,757 as at 30 June, 2022. Review of the debt stock records provided revealed that the balance includes guaranteed loans amounting to Kshs. 145,356,697,726as at 30 June, 2022. As reported in the previous year, these are loans advanced to State Agencies for which The National Treasury is the guarantor. Although the guaranteed loans are serviced by the recipient entities and would only be charged to the Consolidated Fund in cases of default, the guaranteed loans constitute contingent liabilities and form part of public debt as guaranteed debts. However, the balance did not include loans and overdrafts, if any, held by other National and County Governments entities.

16. Default on Debt Repayment.

Management stated that following ongoing investigations by the Directorate of Criminal Investigations (DCI), the transaction files containing credit agreements for the Arror, Kimwarer, and Itare dam projects were taken by the DCI and to date remain in their custody. The National Treasury suspended debt service payment obligations under the Itare, Arror, and Kimwarer facilities Agreements in January 2020.

However, copies of the credit agreements of the three loans were provided to the auditors on 31st October,2023 and to confirm the termination of the credit, letters communicating that the creditor Intesa San Paolo cancelled the remaining amount were also provided.

17. Increase in Domestic Borrowings.

Management stated that borrowing is as a result of a budget deficit as approved by parliament. The Government borrows from domestic and external debt sources. The main objective of debt management is to raise government resources at minimal cost with some prudent degree risk to finance the budget.

The borrowings during the year are subject to the market conditions and thus the Government tries as much as possible to diversify its funding sources and optimize the best options available through External concessional and semi concessional sources. External commercial borrowing is a last resort.

21. Budgetary Control and Performance.


Management stated that the under collection of revenue was due to;

- (i) Fees and Licenses under the Traffic Act recorded an underperformance due to decline in imports.
- (ii) Petroleum Development Levy under performance is attributed to high international oil prices.

The Government is developing a Medium-Term Revenue strategy that will undertake a comprehensive tax review with aim of improving revenue performance.

MIN.NO.NA/DAAGPC/PAC/2024/300 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.07 p.m. The next meeting will be held on Monday, 23rd September, 2024 at 2.30 p.m.

Signed.....

Date 12/11/2024

The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson

**MINUTES OF THE 193RD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON WEDNESDAY, 28TH AUGUST 2024, IN COMMITTEE ROOM 23, BUNGE
TOWER, AT 2.30 P.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. Nabwera Daraja Nabii, MP
2. The Hon. Eckomas Mwengi Mutuse, OGW, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Victor Kipng'etich Koech, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 3. Mr. Jacknorine A. Buleemi | – | Clerk Assistant III |
| 4. Mr. Cyrille Mutali | – | Fiscal Analyst III |
| 5. Mr. Henry Gichana | – | Research Officer III |
| 6. Ms. Yvonne Kendi | – | Hansard Officer III |
| 7. Mr. Hillary Mageka | – | Media Relations Assistant |
| 8. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|--------------------------|
| 1. Mr. Jared Nyasani | – | Deputy Director of Audit |
| 2. Mr. Fredrick Oluoch | – | Deputy Director of Audit |
| 3. Mr. Paul Kagwanja | – | Deputy Director, LPO |
| 4. Ms. Debra Ngugi | – | Principal Auditor |
| 5. Mr. Ezekiel Omoro | – | Audit Associate |

NATIONAL TREASURY

- | | | |
|--------------------------|---|-------------------|
| Rev. CPA Kimathi Kwiriga | – | Senior Accountant |
|--------------------------|---|-------------------|

STATE DEPARTMENT FOR FISHERIES

- | | | |
|----------------------------|---|------------------------------|
| 1. Ms. Betsy Muthoni Njagi | – | Principal Secretary |
| 2. Ms. Jane Macharia | – | Director, HRMDevelopment |
| 3. Mr. Martin Wamwea | – | Senior Chief Finance Officer |
| 4. Mr. Simon Kiriiba | – | Head of Accounting Unit |
| 5. Mr. Sammy Ochonyi | – | Dep. Dir., SCM |
| 6. Ms. Ruth Achola | – | Accountant I |
| 7. Mr. Kelvin Barasa | – | Accountant I |
| 8. Ms. Beryl Odhiambo | – | Programme Accountant |

MIN.NO. NA/DAAOSC/PAC/2024/293 PRELIMINARIES

The Chairperson called the meeting to order forty-five minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/294 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/295 EVIDENCE: STATE DEPARTMENT FOR FISHERIES - VOTE 1166

Ms. Betsy Muthoni Njagi, the Principal Secretary/Accounting Officer for the State Department for Fisheries appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1476. Irregular Stocking of Fingerlings in Kisumu Region

The criteria used to select the dams or the schools for this activity could not be verified because there was no documentation to support the selection exercise.

The Accounting Officer submitted that the selection criteria were based on community requests and site assessments. Kamura Dam was selected after a request from the Kakumu Fish and Farmers Self-Help Group. Sironga Girls' School was selected following a request from the school, with the regional office verifying the site and overseeing the delivery and stocking of fingerlings.

1477. Irregular Procurement for Supply and Delivery of Fingerlings

Procurement records revealed that two tenders for supplying 2,295,000 fingerlings to dams across various counties were awarded. However, there was no assessment of the dams' capacity to confirm they could handle the allocated number of fingerlings.

The Committee directed the office of Auditor General to examine the assessment report and supportive documents provided by the Accounting Officer and report back to the Committee on their findings.

1478. Unsupported Over-Expenditure

The Kenya Marine and Fisheries Research Institute (KMFRI) issued an imprest amounting to Kshs. 414,400 for the flagship of vessels in Mombasa, which was not budgeted for under the vote. Additionally, there was an unexplained funding gap of Kshs. 1,110,299.

The Accounting Officer submitted that KMFRI processed a Kshs. 100 million exchequer requisition to cover the remaining balance of invoices from Pweza Fisheries Limited. The Kshs. 1,110,299 difference was then refunded to the Institute after receiving the AIE from the parent Ministry (SDFA&BE).

The Committee directed the Office of the Auditor General to examine the supporting documents submitted by the Accounting Officer and report back to the Committee on their findings.

1479. Failure to Account for all the Fishermen Trained Under a Presidential Directive

The Accounting Officer submitted that 853 fishers had completed both the training and accreditation.

The Committee instructed the Accounting Officer to submit fee structures from Bandari Maritime Academy, showing the number of students trained and admitted

1480. Construction and Civil Works

- i. **1480.1 Construction of Lwanda K'Otieno Fish Landing Site in Siaya**
- ii. **1480.2 Construction of Fish Landing Site at Sori Beach in Migori County**
- iii. **1480.3 Renovations and Rehabilitation Works at Fish Quality Control Laboratory Kisumu**
- iv. **1480.4 Renovations and Rehabilitation Works at the Gazi Fish Landing Site, Kwale County**
- v. **1480.5 Renovation and Rehabilitation Works at Ngomeni Fish Landing Site, Kilifi County**
- vi. **1480.6 Rehabilitation at the Kichwa Cha Kati Fish Landing Site, Kilifi County**
- vii. **1480.7 Proposed Construction of National Mariculture Resource Centre at Shimoni, Kwale**

The issues were extensively discussed by the Committee during the examination of the Auditor's report for the financial year 2020/2021, where the Accounting Officer was directed to provide a status report on the project.

The Committee resolved to conduct a site visit to ascertain the status of the projects, time allowing.

1481. Irregularities in Procurement of Supplies

A review of the payment vouchers and procurement correspondences revealed that firms that were not in the list of registered suppliers were awarded contracts. Further, LPOs were issued to firms before user requisitions were made.

The Accounting Officer submitted that at the time of the audit, the suppliers' register had not been updated, resulting in some names being omitted.

The Committee directed the Accounting Officer to provide a complete list of all suppliers, LPOs, requisitions, and AGPO certificates.

1482. Issuance of Overlapping Imprest

The Committee observed that the management acted contrary to Regulation 93(4) of the Public Finance Management (National Government) Regulations, 2015, by issuing overlapping imprest.

1483. Unsupported Contract Termination at Liwatoni Complex

The Accounting Officer submitted that the winding-up process was mutually agreed upon and followed the procedure outlined in the contract.

The Committee directed the Accounting Officer to provide documents showing the mutual agreement with the contractors within twenty-four (24) hours.

1484. Non-Compliance with the One-Third of Basic Salary Rule

The Accounting Officer submitted that non-compliance with the One-Third Basic Salary Rule was due to the implementation of the mandatory Superannuation Pension Scheme, as well as internal and external transfers that affected house allowance.

1485. Lack of Assets Ownership Documents

Ownership documents for all acquired parcels of land and thirty (30) logbooks were not provided for audit review.

The Committee directed the Accounting Officer to provide a list of all parcels of land, indicating which ones have title deeds. The Committee further directed the Office of the Auditor General to examine the logbooks provided by the State Department and report back to the Committee.

1487. Revenue Management

1487.1 Delay in Banking of Revenue

A review of revenue records held by the training department of NADC in Sagana revealed that revenue amounting to Kshs. 51,400 was banked at least three days after the date of collection.

The Accounting Officer explained that this delay was due to collections made over the weekend, resulting in the banking being postponed until the following Monday.

1487.2 Delay in Remitting Revenue to the Receiver of Revenue

An audit of the Liwatoni fishing port revealed that USD 6,321 was credited to KFIC's USD bank account on June 17, 2022, for electricity charges by a shipping agent, but had not been surrendered to the State Department by June 30, 2022.

The Accounting Officer submitted that the Kenya Fishing Industries Corporation (KFIC) collected revenue on behalf of the State Department from security and electricity charges at Liwatoni fishing port. These collections were initially treated as revenue, and a request for approval was made to the National Treasury.

The Committee directed the Accounting Officer to provide evidence of the request for approval from the National Treasury, along with the banking slip and statements, within two (2) days.

1488. Lack of a Tenancy Agreement

A private company manufacturing water buses was operating on land owned by the State Department for Fisheries in Kisumu. The company claimed to have leased the land since 2014 for Kshs. 30,000 per month.

The Committee directed the Accounting Officer to provide the valuation report and lease agreement to the Committee.

1489. Controls Over Collection of Revenue

1489.1 Under-Collection of Revenue in Kenya Fishing Industry Corporation

The audit review revealed that there were seventy-seven fish landing sites along the coastline of Kenya from which the Corporation did not collect revenue from fishermen.

The Accounting Officer submitted that KFIC had not been collecting revenue from these seventy-seven sites, as they are under the management of the County government.

1489.2 Delay in Collection of Revenue

The audit review revealed that the Kenya Fishing Industry Corporation had outstanding revenue debtors amounting to USD 119,282.

The Accounting Officer submitted that the Corporation had been following up with the vessel owner to make the payment. It was noted that the vessel owner was experiencing financial constraints, was not responding to the demand letters and that the case is being pursued for consultation with the Office of the Attorney General.

The Committee directed the Accounting Officer to provide the communication with the Attorney General within a week.

MIN.NO.NA/DAAOSC/PAC/2024/296 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.10 p.m.

Signed.. N. S. Mwale

Date 12/11/2024

**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

**MINUTES OF THE 192ND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 28TH AUGUST 2024, AT 10.00 A.M IN COMMITTEE ROOM 23,
BUNGE TOWER**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP
 2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
 3. The Hon. Eckomas Mwangi Mutuse, OGW, MP
 4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
 5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
 6. The Hon. David Kiplagat, MP
 7. The Hon. Victor Kipng'etich Koech, MP
 8. The Hon. Yakub Adow Kuno, MP
- Vice Chairperson

ABSENT WITH APOLOGY

1. The Hon. Amina Udgoon Siyad, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Nabwera Daraja Nabii, MP
5. The Hon. Samuel Kinuthia Gachobe, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|------------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/ Lead Clerk |
| 2. Mr. Mohamed Jelle Abdi | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali | – | Clerk Assistant III |
| 4. Mr. Mark Mbuthia | – | Audio Officer III |
| 5. Mr. Henry Gichana | – | Research Officer III |
| 6. Mr. Cyril Mutali | – | Fiscal Analyst III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|-----------------------|
| 1. Mr. Jared Nyasami | – | Deputy Director Audit |
| 2. Mr. Fredrick Oluoch | – | Deputy Director Audit |
| 3. Ms. Debra Ngugi | – | Principal Auditor |

NATIONAL TREASURY

Rev. CPA Lawrence K. Kwiriga

STATE DEPARTMENT FOR BLUE ECONOMY AND FISHERIES

- | | | |
|-------------------------|---|--|
| 1. Ms. Betsy M Njagi | – | Principal Secretary |
| 2. Ms. Jane W. Machira | – | Director Human Resource and Management |
| 3. Mr. Martin K. Wamwea | – | Senior Chief Finance Officer |
| 4. Mr. Simon K. Kimika | – | Head of Accounting Unit |

5. Mr. Sammy Ochonji	–	Deputy Director Supply Chain Management
6. Mr. Mathew Ouko	–	Deputy Director Accounting Unit
7. Ms. Ruth Achola	–	Accountant I
8. Mr. Barasa Kelvin	–	Accountant I
9. Ms. Beryl Othiambo	–	Programme Accountant

MIN.NO. NA/DAAOSC/PAC/2024/289 PRELIMINARIES

The Chairperson called the meeting to order at 10:20 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/290 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/291 EVIDENCE: STATE DEPARTMENT FOR BLUE ECONOMY AND FISHERIES VOTE 1023

Ms. Betsy M Njagi, the Principal Secretary/Accounting Officer for Blue Economy and Fisheries appeared before the Committee accompanied by other officers and submitted the following in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved after auditors confirmed that the State Department had since availed relevant documentation;

1. 1467. Inaccurate Retention and Withholding Tax Amounts
2. 1468. Inaccuracy of Expenditure on Purchase of Certified Seeds, Breeding Stock

1465. Variances Between Financial Statements and Supporting Schedules

The variance of Kshs.102,382,548 was due to the reconciliation process at the time of audit., they were later availed for audit verification. The variance of Kshs.54,600 was as a result of an erroneous charge which were later reversed.

The Committee directed the Auditor General to review the document provided by the Accounting Officer and to report to the committee.

1466. Misclassification of Expenditure

The misclassification of the expenditure of Kshs.153,187,487 and Kshs.34,076,557 under the use of goods and acquisition of assets respectively was occasioned by budget cuts of 2 billion implemented after the commitments were made.

The Committee directed the Auditor General to review the document provided by the Accounting Officer and to report to the committee. Further, the Committee directed the Accounting officer to avail the approvals of reallocations for their budgets from the National Treasury within one week.

1469. Unsupported Payments Outside Integrated Personnel and Payroll Database (IPPD)

The payments of Kshs. 10,639,674 done outside payroll were for the commutation of leave paid to the staff and service gratuity of our officer on a local contract with the state department.

The committee directed the Accounting Officer to provide additional information on the payments which includes internal memos showing the transitional period, circulars for commutation of leave allowance for each cadre, and the budget line showing if the leave allowance was budgeted for during the transition period.

1470. Unsupported Expenditure

Documentary evidence and payment vouchers related to payment of goods and services totaling to Ksh.121,831,349 and Kshs. 5,031,738 had been availed for Audit verification.

The Committee directed the Auditor General to review the document provided by the Accounting Officer and to report to the committee.

1471. Unsupported Prior Year Adjustments

The statement of assets and liabilities reflected prior year adjustments of Kshs. 30,974,337. Prior Year Adjustments comprised of Bank Account Balances of Kshs. 569,027 and Receivables (District Suspense) of Kshs.30,405,350 and was cleared during the End of Year Adjustment Period.

The budget cuts were implemented after the initial District AIEs were issued in the previous financial years hence resulted in balances carried forward. Therefore, the adjustment was made to avoid carrying over the implications caused by the budget cuts in the subsequent financial years.

The Committee directed the Auditor General to review the documents provided by the Accounting Officer, interrogate the nature of the adjustment, and report to the committee.

1472. Unsupported Pending Bills

At the time of the audit, the pending bills were still being reviewed by the internal audit. However, they were verified by an internal auditor and submitted for external audit for review.

The Committee directed the Accounting Officer to provide the list of pending bills.

1473. Delay in Operationalization of Two Agencies

Kenya Fishing Industries Corporation (KFIC) had a board but the Kenya Fisheries Advisory Council (KFAC) did not have a substantive board of directors in place. Therefore, they did not prepare their own Financial Statements of Kshs.14,959,311.

The KFIC board of directors was later constituted on dates 04th October and 28th October 2021 through Gazette Notice NO. 10598 & 11494. The Corporation will therefore prepare their own Financial Statements and will be audited independently in the financial year 2022/2023.

1474. Irregular Expenditure on Initiation and Construction of Ultra-Modern Tuna Fish Hub at Liwatoni Complex

The State Department had initiated the procurement of construction of the Ultra-Modern Tuna Fish Hub at Liwatoni Complex to enable the processing of tuna fish and other species from Kenya's exclusive economic zones, create employment opportunities, and boost our fish exports.

The Committee directed the Accounting Officer to furnish the committee with the appropriate documents for the project, including the project's extended time, mutual consent to terminate the project by the first contractor, and payment terms for the 45% paid to the first contractor. The committee resolved to carry out an inspection visit to assess the project, time allowing.

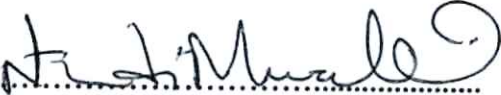
1475. Stocking of Unspecified Dams, Ponds and Aquaponics Units with Fingerlings

The two payments for Kshs.796,800 for 1,600 fingerlings and Kshs.996,000 for 20,000 catfish fingerlings totaling to Kshs.1,738,500 had been supported with all the procurement documents.

The Committee directed the Accounting Officer to provide the contract and the criteria used to choose the Aquaponics.

MIN.NO.NA/DAAOSC/PAC/2024/292 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.10 p.m. The next meeting will be held at 2.30 p.m.

Signed. 

Date 12/11/2024.

The Hon. Nicholas Tindi S. Mwale, MP

Vice Chairperson

**MINUTES OF THE 191ST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY 27TH AUGUST, 2024 AT COMMITTEE ROOM 23, BUNGE TOWER
AT 2.30 PM.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Samuel Kinuthia Gachobe, MP
7. The Hon. David Kiplagat, MP
8. The Hon. Victor Kipng'etich Koech, MP
9. The Hon. Yakub Adow Kuno, MP
10. The Hon. Mohamed Aden Adow, MP
11. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. Nabwera Daraja Nabii, MP
2. The Hon. Gabriel Gathuka Kagombe, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|-------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali | – | Clerk Assistant III |
| 4. CPA Cyril Mutali | – | Fiscal Analyst III |
| 5. Ms. Lydia Migare | – | Research Officer III |
| 6. Mr. Hillary Mageka | – | Media Relations Officer |
| 7. Ms. Yvonne Kendi | – | Hansard Officer III |
| 8. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|--------------------------|
| 1. Mr. Fredrick Oluoch | – | Deputy Director of Audit |
| 2. Mr. Paul Kagwanja | – | Deputy Director of Audit |
| 3. Mr. Benson Wanjau | – | Principal Auditor |
| 4. Mr. Ezekiel Omore | – | Audit Associate |

THE NATIONAL TREASURY

- | | | |
|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |
|------------------------------|---|-------------------|

STATE DEPARTMENT FOR ENERGY

1. Mr. Alex Wachira	–	Principal Secretary
2. Mr. Stephen Njue	–	Snr Chief Finance Officer
3. Ms. Rose Barasa	–	Head of Accounting
4. Mr. Rodney Sultani	–	Project Coordinator KOSAP
5. Mr. John Mativo	–	MD & CEO KETRACO
6. Mr. Paul Ngugi	–	CEO GDC
7. Mr. Davis Cheruiyot	–	GM ICT, REREC
8. Mr. Stephen Busyenei	–	GM Finance, GDC
9. Mr. Tom Imbo	–	GM Finance, REREC

MIN.NO. NA/DAAGPC/PAC/2024/311 PRELIMINARIES

The Chairperson called the meeting to order at fifteen minutes past ten o'clock, said a word of prayer followed by a round of introductions.

MIN.NO.NA/DAAGPC/PAC/2024/312 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/313 EVIDENCE: MINISTRY OF ENERGY. VOTE 1152

Mr. Alex Wachira, the Principal Secretary/Accounting Officer for the Ministry of Energy appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1399. Delay in Project Implementation

The management stated that the Kenya Electricity Modernization Project aims to support the government's goal of achieving universal access to electricity. Its primary objective is to enhance electrification in areas unlikely to be connected to the national grid in the short or medium term. The project involves developing seven (7) solar hybrid mini-grid projects to provide electricity to households and public facilities in the selected regions.

The seven (7) solar hybrid mini-grid project sites are located in the following counties:

- i) Takawiri and Ngodhe in Homa Bay County
- ii) Mageta in Siaya County
- iii) Wasini and Mkwiro in Kwale County
- iv) Kerio in Turkana County
- v) Dabel in Marsabit County

The Kenya Electricity Modernization Project (KEMP), funded by the World Bank, commenced in October 2019. The project has experienced several delays, primarily due to COVID-19 Pandemic - The pandemic significantly impacted material manufacturing and delivery. Lockdowns and restrictions led to the temporary closure or scaling down of operations in major manufacturing hubs, particularly in China. This disruption delayed the procurement and delivery of essential materials required for the project.

1400. Irregular Payment of Supply of Solar Power Generation Plants

Management stated as follows;

- i) The original contract was signed on October 9, 2019, for a duration of 12 months. Therefore, the addendum dated July 15, 2021, was for the extension of the contract and not for the fulfilment of its effectiveness.
- ii) Advance Payment Error: It's true that an advance payment of Kshs.5,163,253.00 made on June 30, 2022, was based on 10% of the contract price instead of the total carriage and insurance paid (CIP), this was fully secured through an advance payment guarantee/security which was valid until January 15, 2023. Full recovery of the advance payment has since been completed.
- iii) Tax Exemption: The project benefits from a tax exemption on the importation of solar materials and equipment. The government provides tax exemptions on the importation of solar materials and equipment to promote the adoption of renewable energy solutions. This exemption applies to components such as solar panels, batteries, inverters, and other essential equipment. The tax exemption reduces the overall cost of importing these materials, making solar energy projects more financially viable. For the KEMP, this policy significantly lowers procurement expenses, allowing more funds to be directed towards project implementation and expansion, thereby enhancing access to clean and sustainable energy in underserved regions. This was approved through a KRA letter ref no. KRA/5/1002/5(6013).

1428. Disputed Ownership of Land for the Solar Power Plant

Review of financial records for the Project revealed that Kshs. 13,385,625,939 was incurred in the construction of a 50 MW Solar Power Plant during the financial year 2019/2020. However, the land on which the power plant is located was claimed by a Community Trust Group. Further, the group had instituted a legal suit against Rural Electrification and Renewable Energy Corporation (REREC) seeking to be compensated for the 220 acres of land. In addition, the amount claimed by the Trust Group was not quantified.

The management stated that the court record revealed that the plaintiffs failed to appear on two occasions when the suit was scheduled for hearing, implying that the plaintiffs have lost interest in the suit. The court in the premises dismissed the plaintiff's action for non-attendance and lack of prosecution and gave the defendants the expenses of the suit.

1429. Failure to Pay Pending Bills

Management stated that the 50MW Solar Power Plant in Garissa was financed through a concessional loan from the EXIM Bank of China. In the FY 2021/22, there was a pending bill related to certificates no.13 and 14, which pertained to final technical services. The credit period for the EXIM Bank of China lapsed before these certificates could be issued, making it impossible to include the pending bill as a first charge in the FY 2021/22 budget submitted to the National Treasury in January 2022. Subsequently, while preparing the FY 2022/23 budget, the Corporation included a pending bill of Kshs. 16,826,400 as a first charge.

1432. Project Performance

Review of the Project Financing Agreement and the Project supporting documentation revealed that Kenya Off-Grid Solar Access Project for the Underserved Counties had a total funding of Kshs. 3,500,000,000 and was to be implemented within six (6) years from July, 2017 to 30 June, 2022. As at the end of the financial year 2021/2022, the total amount drawn was Kshs. 110,868,972 which remained unspent. The amount drawn as at 30 June, 2022 represents 3.17% of the total funds committed for the project under the financing agreement while the project period lapsed on 30 June, 2022. Management did not provide evidence of extension of the Project period. Further, the Management did not provide an approved work plan for audit review.

1433. Non-Implementation of Project Activities

Management stated that the Kenya Off-Grid Solar Access Project (KOSAP) received an allocation of Kshs. 110,868,972 in the financial year 2020/2021 to enhance access to electricity and clean cooking solutions in underserved regions. However, the disbursement of these funds was impacted by unforeseen procedural and logistical challenges, including delays in land acquisition, tendering processes, and Environmental Impact Assessment (EIA) approvals. These delays have significantly impeded our ability to utilize the allocated funds as initially planned.

The funds for the project are held in a dedicated project account designated for preparatory activities. According to the World Bank's regulations, these funds cannot be placed into call or fixed deposit accounts where they might accrue interest. This restriction ensures that the funds remain readily available for immediate project-related expenditures and helps to prevent potential conflicts of interest or misuse of the funds. This approach upholds the funds' intended use for the project and ensures compliance with the financial management standards established by the World Bank.

1436. Low Budget Absorption

The Donor had made commitment of USD 15,000,000 equivalent to Kshs. 1,500,000,000. However, with the Project targeted completion date set for 31 December, 2022, actual drawdowns amounted to USD 5,459,208 equivalent to Kshs. 643,271,589 leaving Kshs. 856,728,411 or 57% of Donor commitment undrawn. With over 95% of the Project duration passed, the credit is set to lapse without being fully utilized and the Project's planned deliverables earmarked for completion using the funding may not be realized.

Management stated that low absorption of project funds and delay in project implementation was due to:

- i) The COVID-19 pandemic caused significant delays in the project by disrupting material manufacturing, supply chains, and logistics, and by complicating inspections and testing;
- ii) Lack of budgetary allocation; and
- iii) Insecurity in the Turkana, Samburu, and Mandera regions has significantly hindered project implementation, causing delays and disruptions.

1437. Delay in Implementation of the Project

The statement of receipts and payments reflects cumulative payments amounting to Kshs. 643,271,589 in respect of acquisition of non-financial assets, representing approximately 49% of the total contracted value of works totaling Kshs. 1,304,225,859 for the three (3) lots under the Project. The contracts were signed in June, 2020 and were expected to be completed by June, 2022. In addition,

the Project was set to close on 31 December, 2022 with over 52% of the contract not executed despite contract period having lapsed.

Management stated that the delay of the project implementation was due to:

- i) The COVID-19 pandemic caused significant delays in the project by disrupting material manufacturing, supply chains, and logistics, and by complicating inspections and testing;
- ii) Lack of budgetary allocation; and
- iii) Insecurity in the Turkana, Samburu, and Mandera regions has significantly hindered project implementation, causing delays and disruptions.

MIN.NO.NA/DAAGPC/PAC/2024/314 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.10 p.m. The next meeting will be held on Monday, 30th September, 2024 at 2.30 p.m.

Signed Nicholas Tindi S. Mwale.....

Date 12/11/2024.....

**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

**MINUTES OF THE 190TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 27TH AUGUST 2024, IN COMMITTEE ROOM 23, BUNGE TOWER,
AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Nabwera Daraja Nabii, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Jacknorine A. Buleemi – Clerk Assistant III
4. Ms. Yvonne Kendi – Hansard Officer III
5. Mr. Hillary Mageka – Media Relations Assistant
6. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. David Mungaka – Director of Audit
2. Mr. Paul Kagwanja – Deputy Director Audit
3. Ms. Anna Obudho – Principal Auditor
4. Mr. Ezekie Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR ICT

1. Mr. John Tanui, MBS – Principal Secretary
2. Mr. Francis Odera – Head of Accounts

3. Mr. Stanely Ramanganya – CEO – ICT Authority
4. Ms. Esther Maina – Secretary Administration
5. Mr. Loyford Murithi – Director ICT

MIN.NO. NA/DAAOSC/PAC/2024/281 PRELIMINARIES

The Chairperson called the meeting to order twenty minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/282 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/283 EVIDENCE: INFORMATION COMMUNICATION TECHNOLOGY AND INNOVATION - VOTE 1122

Mr. John Tanui, MBS, the Principal Secretary/Accounting Officer for the State Department for ICT appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1261. Pending Bills

The financial statements reflect pending accounts payable totalling Kshs.178,918,663 (2021 - Kshs.196,103,992.68) as at 30 June, 2022.

The Accounting Officer explained that the bills arose due to budget cuts and lack of exchequer funding from the National Treasury and had been cleared apart from historical pending bills totaling Kshs. 677,500 which were before the pending bills verification committee.

1262. Unresolved Prior Year Issues

The Committee noted that the issues were discussed by Public Accounts Committee and recommendations made by the Committee had been implemented.

1263. Budgetary Control and Performance

Accounting Officer explained that the underfunding and under-expenditure was a result of budget cuts and a lack of exchequer funding.

The Committee found the response satisfactory, and the matter was marked as resolved.

1267. Slow Project Funds Absorption

The project, which began in November 2015 and was scheduled to run until December 2021, faced significant underfunding issues. The Accounting Officer submitted that this was occasioned by delay in release of exchequer. The Accounting Officer further reported that the project was completed as at 30th June 2024.

The Committee directed the Accounting Officer to provide evidence showing that the project was completed, along with proof of the exchequer request.

1268. Budgetary Control and Performance

The Accounting Officer reported that underfunding and under expenditure was occasioned by budget cuts.

The Committee directed the Accounting Officer to provide the percentages of funding from GOK and the one from donors.

1273. Budgetary Control and Performance

Regarding the shortfall of Kshs. 61,251,521 (35%) and the under-absorption of Kshs. 133,962,889 (77%) of the budget, the Accounting Officer explained that this resulted from a change in approach adopted by the World Bank, which required the ICT Authority to install ducts and carry out civil works.

The Committee found the response provided by the Accounting Officer satisfactory, and the matter was marked as resolved

1274. Outstanding Imprest


The financial statements reflected imprests and advances amounting to Kshs. 403,200.

The Accounting Officer reported that the imprests had now been surrendered and the advances recovered.

The Committee noted that the Management was in breach of Regulation 93(5) and (6) of the Public Finance Management (National Government) Regulations, 2015, for not surrendering imprests on time.

MIN.NO.NA/DAAOSC/PAC/2024/284 ADJOURNMENT

There being no other business, the meeting was adjourned at 11.45 a.m. The next meeting will be held on Wednesday, 28th August 2024 at 10.00 a.m.

Signed.....

Date14/11/2024.....

**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

**MINUTES OF THE 189TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 26TH AUGUST 2024, AT 2.30 P.M IN COMMITTEE ROOM 23,
BUNGE TOWER.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Eckomas Mwangi Mutuse, OGW, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Eckomas Mwangi Mutuse, OGW, MP
3. The Hon. Amina Udgoon Siyad, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Samuel Kinuthia Gachobe, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Mohamed Jelle Abdi – Clerk Assistant III
2. Ms. Lilian Mwikali – Clerk Assistant III
3. Mr. Jacknorine Buleemi – Clerk Assistant III
4. Ms. Yvonne Kendi – Hansard Officer III
5. Mr. Mark Mbuthia – Audio Officer III
6. Mr. Henry Gichana – Research Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Ms. Sophia Wadulo – Deputy Director Audit
2. Mr. Paul Kagwanja – Deputy Director, Parliamentary Liaison
3. Ms. Florence A. Amollo – Principal Auditor
4. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

Rev. CPA Lawrence K. Kwiriga

INDEPENDENT ELECTORAL AND BOUNDARIES COMMISSION

1. Mr. Marjan Hussein Marjan – Chief Executive Officer

2. Ms. Ruth K. Kulundu	–	Deputy Chief Executive Officer
3. Mr. Obadiah Keitany	–	Deputy Chief Executive Officer
4. Mr. Patrick Nyakira	–	Ag. Manager Financial Accounting
5. Mr. Osman Hassan Ibrahim	–	Director Finance
6. Mr. Michael Ouma	–	Deputy ICT

MIN.NO. NA/DAAOSC/PAC/2024/277 PRELIMINARIES

The Chairperson called the meeting to order at 2:55 p.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/278 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/279 INDEPENDENT ELECTORAL AND BOUNDARIES COMMISSION; VOTE 2031

Mr. Marjan Hussein Marjan, the Chief Executive Officer/Accounting Officer for the Independent Electoral and Boundaries Commission appeared before the Committee accompanied by other officers and submitted the following in response to audit queries for the financial year 2021/2022;

1888. Failure to Carry out County Accounting Functions in IFMIS

The Commission in collaboration with the National Treasury had initiated the process of rolling out IFMIS to all the counties.

The National Treasury had appointed two technical officers to work with the IEBC team to explore the possibility of installation and operationalization of IFMIS in all the counties. This was after the Commission had requested the installation of IFMIS and e-procurement in the 47 IEBC Counties. The Accounting Officer had since appointed a Technical Working Group to operationalize IFMIS and e-procurement in the IEBC County offices.

1889. Failure to Use E-Procurement System

The Commission in collaboration with the National Treasury had initiated the process of rolling out IFMIS to all the counties, as per the above.

1890. Outstanding Court Awards

The Commission appeared before PAC on 13th March 2023 and comprehensively responded to this matter during the deliberations on the examination of the Report of the Auditor General on the accounts of IEBC for the year ended 30th June 2021.

The Committee recommended the Accounting Officer to submit a status report to the Committee within three (3) months after the adoption of this report on the long outstanding amounts for review and reporting in subsequent audits.

1891. Status of Construction of the County Warehouses

The delays in the completion of the warehouses were occasioned by budgetary constraints and delays in the release of the exchequer by the National Treasury. Further, it was not practically possible to complete the projects within the contract period since the budgetary allocations were spread across two financial years which was not envisaged during contracting. This was beyond the control of the Commission.

1892. Lack of Career Progression Guidelines

The Commission embarked on the development of the Commission's Career progression guidelines but could not carry out the task to completion since the existing structure was being reviewed. The Commission's organizational structure has since been reviewed and approved in July 2021 and the process of developing a career progression guideline initiated.

The scheme of service has also been developed currently at zero-draft stage. The zero draft will be subjected to stakeholder participation, consultation, and approval by the commission before implementation.

The Committee directed the accounting officer to provide the scheme of service and career progression guidelines.

1893. Lack of a Comprehensive Asset Register

The Commission had an asset register save for the land ownership titles and valuation processes to determine the book value to be included in the financial statements and register of land and buildings.

1894. KIEMS Kit Status

The committee directed the Auditor General to audit again on the missing KIEMS kits and to report back to the committee with their final findings within one month.

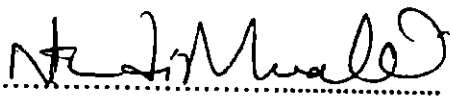
1895. Failure to Fill Existing Vacancies

The Commission initiated the process of filling the vacant positions in January 2022. However, due to competing election activities, the process was temporarily halted to give way to election-related activities. The recruitment process will resume once the Commission is fully constituted.

The Committee directed the Accounting Officer to furnish the committee with documents showing the initiated process of recruitment and how it stopped.

MIN.NO.NA/DAAOSC/PAC/2024/280 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.15 p.m. The next meeting will be held on Tuesday, 27th August 2024.

Signed.....

Date.....12/11/2024.

The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson

**MINUTES OF THE 188TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY 22ND AUGUST, 2024 AT COMMITTEE ROOM 23, BUNGE TOWER
AT 2.30 PM.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Samuel Kinuthia Gachobe, MP
7. The Hon. David Kiplagat, MP
8. The Hon. Victor Kipng'etich Koech, MP

ABSENT WITH APOLOGY

1. The Hon. Nabwera Daraja Nabii, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 4. Ms. Yvonne Kendi | – | Hansard Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-----------------------|---|--------------------------|
| 1. Ms Corazon Wanjiku | – | Principal Auditor |
| 2. Mr. Paul Kikuvi | – | Senior Auditor |
| 3. Mr. Paul Kagwanja | – | Deputy Director of Audit |
| 4. Mr. Ezekiel Omoro | – | Audit Associate |

THE NATIONAL TREASURY

- | | | |
|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |
|------------------------------|---|-------------------|

STATE DEPARTMENT FOR DEVOLUTION

1. Ms. Teresia Mbaika	–	Principal Secretary
2. Ms Kimwiti Mary	–	CEO CoG
3. Mr. Stanley Mwaura	–	Head of Accounting
4. Ms. Osilli Margaret	–	P.A to P.S
5. Ms Emmy Mmbwanga	–	Ex-PC IDEAS
6. Mr. Paul Masinde	–	CFO
7. Mr. Kagali Lumasai	–	D/CFO
8. Mr. Daniel Mutua	–	Principal Accountant
9. Mr. Nichodemus Mbaika	–	Principal Planner

MIN.NO. NA/DAAGPC/PAC/2024/273 PRELIMINARIES

The Chairperson called the meeting to order at forty-two minutes past two o'clock and said a word of prayer.

MIN.NO.NA/DAAGPC/PAC/2024/274 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/275 EVIDENCE: STATE DEPARTMENT FOR DEVOLUTION. VOTE 1032.

Ms Teresia Mbaika, the Principal Secretary/Accounting Officer for the State Department for Devolution appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

231. Irregular Procurement of Laptops and Printers.

The technical evaluation carried out on the procurement of laptops and printers had an error of omission in the technical evaluation matrix where the marking of Yes/No entries was missing on one of the criterion (Warranty item) for all the bidders. Further, one of the bidders was marked no (N) instead of yes (Y) under specification item 10th Gen Intel Core i7 but the brochure the vendor had indicated the correct specification as requested by the user unit. Also, the subject error of omission was highlighted as an observation by the Head of procurement in the professional opinion report.

232.1 Irregular Procurement of Consultancy Services.

Review of the contract documents revealed that Kshs.199, 800 was paid in respect of consultancy services for Environmental and Social Impact Assessment (ESIA) for the proposed Butere Multi-purpose Eco Park in Kakamega County. However, the procurement was undertaken through request for quotation instead of request for proposal method.

232.2 Inconsistencies in Procurement of Metal Containers for Market Stalls.

A review of the contract documents revealed that an amount of Kshs. 18,543,319 was paid for procurement of metal containers in Mbita - Homabay County. However, the approved budget for the works was Kshs. 10,256,701 while the actual expenditure was Kshs. 10,678,892 leading to an over expenditure of Kshs. 422,191 of the approved budget.

Management stated that the County Government of Homabay wrote to the Project Manager requesting for variation of the procurement plan. The variation request included variation of supply, modification and installation of metal containers of initial total budget of Kshs. 10,256,704 to proposed varied amount of Kshs. 10,678,892. This request was considered and approved and the approval reflected in the procurement plan for the year under review.

232.3 Unprocedural Procurement of Air Tickets.

Included in domestic travel and subsistence expenditure of Kshs. 6,272,730 was an Amount of Kshs. 541,030 which was paid for purchase of air tickets for various officers.

However, the award was skewed in favour of a single service provider since there was no rotation of service providers despite the project having prequalified a total of twenty-nine (29) firms for the provision of air ticketing services.

Management stated that during the year under review, the procurement of air tickets under the programme were sourced competitively with the best evaluated bidder awarded for provision of services and the criterion used was the lowest quoted price.

232.4 Irregular Purchase of Fuels and Lubricants.

Review of the expenditure documents revealed that an amount of Kshs. 375,000 was paid for purchase of fuels and lubricants. The fuel and lubricants were drawn from National Oil Corporation Kenya (NOCK) through fuel cards and payments were made in advance. However, the contract agreement between the National Oil Corporation of Kenya and the Council of Governors was not provided for audit.

232.5 Construction of Modern Mixed-Use Integrated Market.

The statement of receipts and payments reflects purchase of goods and services expenditure of Kshs. 97,466,233 which includes an amount of Kshs. 77,541,491 in respect to Change Project-Consultancy which further includes an amount of Kshs. 20,843,743 which was paid in respect of proposed construction of a modern mixed -use integrated market in Ontulili Town, Meru County (Phase 1). However, review of tender documents revealed that the Contractor had provided performance bond of Kshs. 2,045,671 dated 7th October, 2021 which was four (4) months after the receipt of letter of acceptance and over one (1) month after the signing of the contract.

232.6 Construction of Drainage Works at Jewathu Settlement.

The management stated that the Kenya Symbiocity program had a multiyear procurement plan from 2019-2020- 2020-2021. The initial procurement plan had a budget of Kshs. 12,404,682, however, there was a budget revision for the programme as per the engineer's estimate and this resulted in variation of the procurement plan for the period under review. The approval was granted and the revised budget

for the procurement of drainage construction works was adjusted to Kshs. 15,263,000. Under this circumstance the procurement undertaken was within the approved budget for the year under review.

213. Delay in Completion of the Proposed AFRICITIES Convention Centre.

The management stated that the State Department received a Cabinet approval to undertake the construction of Kisumu convention Centre for use during the Africities Conference. The contract for the construction was awarded to M/S China Janggix for a period of 38 weeks at a total cost of Kshs. 890,829,345. The State Department requested for a budget from the National Treasury to finance the project but was only allocated Kshs. 250,000,000 which was not sufficient to complete the project. The project has since stalled due to lack of funding in the subsequent financial years. The Department is currently engaging the National Treasury for funding to complete the project.

The committee resolved to engage with the Principal secretary for the National Treasury to shed more light on the matter.

214. Lack of Audit Committee and Public Finance Management Committee.

The management stated that the State Department for Devolution did not have an active Audit Committee during the time of Audit since the term of the previous Audit Committee had come to an end. However, Gazette Notice No. 40 dated 15th April, 2016 (page 1406 paragraph 4.2.1) guides that Audit Committees can only be appointed at a Ministerial level. The State Department is under the Executive office of the Deputy President and the Accounting Officer cannot appoint an Audit Committee for the Department. They are therefore awaiting the establishment of a new Audit Committee under the Executive of the Deputy President which was in progress.

215. Lack of Approved Information Technology Security Policy.

The management stated that during the year under review, the State Department was using the National Information Communications and technology (ICT) Policy from Ministry of Information Communication and Technology. However, the Department had since developed a draft ICT Policy which is awaiting Stakeholder validation to be operationalized. Further, the State Department has also constituted and operationalized an ICT steering Committee to spearhead ICT agenda wholesomely.

The committee directed that the State Department to validate the draft ICT policy within the next 3 months.

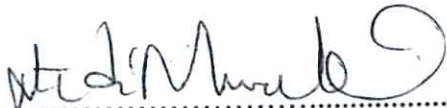
216. Double Payments for Supplies.

The statement of receipts and payments reflected transfers to other Government entities expenditure of Kshs. 100,438,873 which includes an amount of Kshs. 31,676,176 transferred to Kisumu County. However, a review of contract documents revealed anomalies of double payments for the same supply and the withholding tax that was deducted was not remitted to the relevant authority.

MIN.NO.NA/DAAGPC/PAC/2024/276 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.00 p.m. The next meeting will be held

on Monday, 26th August, 2024 at 2.30 p.m.

Signed.....

Date12/11/2024

The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson

**MINUTES OF THE 187TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 22ND AUGUST 2024, IN COMMITTEE ROOM 23, BUNGE TOWER,
AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. The Hon. Victor Kipng'etich Koech, MP

ABSENT WITH APOLOGY

1. The Hon. Samuel Kinuthia Gachobe, MP
2. The Hon. Nabwera Daraja Nabii, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Jacknorine A. Buleemi – Clerk Assistant III
4. Mr. Henry Gichana – Research Officer III
5. Ms. Yvonne Kendi – Hansard Officer III
6. Mr. Hillary Mageka – Media Relations Assistant

OFFICE OF THE AUDITOR-GENERAL

1. Mr. David Munyaka – Director of Audit
2. Mr. Samwel Nyamamba – Principal Auditor
3. Ms. Corazon Wanjiku – Principal Auditor
4. Mr. Paul Kikuvi – Senior Auditor
5. Mr. Benson Wanjau – Deputy Director of Audit
6. Mr. Paul Kagwanja – Principal Auditor
7. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

PUBLIC SERVICE COMMISSION

- | | | |
|-------------------------|---|--|
| 1. Mr. Paul Famba, MBS | - | Chief Executive Officer |
| 2. Amb. Anthony Muchiri | - | Chairperson |
| 3. Mr. Joseph Njoroge | - | Deputy Director |
| 4. Mr. Remmy Mulati | - | DCS/CS |
| 5. Mr. Maina Njoroge | - | D/FP&RM |
| 6. Mr. Simiyu Njalale | - | Deputy Director, Finance |
| 7. Ms. Caroline Kiget | - | Deputy Director, Human Resource management |
| 8. Mr. Mustapha Ibrahim | - | Deputy Director |

STATE DEPARTMENT FOR DEVOLUTION

- | | | |
|---------------------------|---|------------------------------|
| 1. Ms. Teresia M. Malokwe | - | Principal Secretary |
| 2. Ms. Mary Mwiti | - | CEO, Council of Governors |
| 3. Mr. Stanely Mwaura | - | Head of Accounts |
| 4. Mr. Nyambati Kennedy | - | D/CBS |
| 5. Ms. Emmy Mabwanga | - | IDEAS - DEV |
| 6. Ms. Joyce Chepkoech | - | Head of Finance & Accounts |
| 7. Mr. Paul Masinde | - | Chief Finance Office |
| 8. Mr. Alfonso Munyali | - | Ag. Secretary Devolution |
| 9. Mr. Kagali lumasei | - | Deputy Chief Finance Officer |
| 10. Mr. Nicodemus Mbwika | - | Principal Planner |

MIN.NO. NA/DAAOSC/PAC/2024/268 **PRELIMINARIES**

The Chairperson called the meeting to order twenty minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/269 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/270 **EVIDENCE: PUBLIC SERVICE COMMISSION - VOTE 2071**

~~Mr. Paul Famba, MBS, the Chief Executive Officer for the Public Service Commission appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;~~

1935. Unsupported Expenditure on Leave Commutation

An amount of Kshs.8,548,038 was paid as leave commutation for officers who were unable to proceed on leave due to exigencies of service.

The Accounting Officer submitted that annual leave for Commission staff was guided by Section E.3(1) of the Human Resource Policies and Procedures Manual (2016), which stipulates that annual leave shall be granted by the authorized officer, subject to the exigencies of service.

1936. Pending Bills

The Committee noted that pending bills totaling Ksh. 58,733,175 were settled in the subsequent year.

1937. Unresolved Prior Year Matters

The Committee noted that prior year matters on delays in exchequer releases and accounts payable were satisfactorily addressed and resolved.

1938. Non-Submission of Financial Statements for Staff Car Loan and Mortgage Scheme

The matter was under the mandate of Special Funds Accounts Committee. **1939. Compensation of Employees**

1939.1 Irregular Recruitment of Staff

The Commission appointed a Director of Finance, Planning, and Resource Mobilization without advertising the vacant position for fair competition.

The Committee noted that the Commission acted contrary to Article 232(1)(g) of the Constitution of Kenya, 2010, by appointing a Director of Finance, Planning, and Resource Mobilization who had initially applied for a different position.

1939.2 Retention of Retired Officers in Service

The Commission had three officers who were appointed and retained in service beyond the approved retirement age of sixty (60) years.

The Committee noted that the Commission acted contrary to Section 80(1)(a) and (b) of the Public Commission Act, 2017, which states that when a public officer attains the mandatory retirement age as prescribed in regulations, the officer shall retire from service effective from the date of attaining that age.

MIN.NO.NA/DAAOSC/PAC/2024/271

**EVIDENCE: STATE DEPARTMENT FOR
DEVOLUTION - VOTE 1032**

Ms. Teresia M. Malokwe, the Principal Secretary/Accounting Officer for the State Department for Devolution appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

230. Unverified Assets

An analysis of the asset registers revealed that fifteen (15) laptops and seven (7) projectors, with a combined value of Kshs. 1,444,100, held by various County Governments and Project Programme Officers, could not be physically verified during an audit inspection.

The Accounting Officer reported that at the time of the audit, the county coordinators to whom the equipment had been issued were unresponsive. Following a status update on the equipment, four laptops and four projectors from Nakuru, Meru, Kitui, and Kisumu were submitted, all of which are fully depreciated and obsolete. Additionally, three laptops and three projectors from Kakamega, Trans Nzoia, and Homa Bay were reported as lost.

MIN.NO.NA/DAAOSC/PAC/2024/272 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.20 p.m. The next meeting will be held on Monday, 26th August 2024 at 2.30 p.m.

Signed Nt S. Mwale

Date 12/11/2024

The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson

**MINUTES OF THE 186TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON WEDNESDAY 21ST AUGUST, 2024 AT COMMITTEE ROOM 23, BUNGE
TOWER AT 2.30 PM.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Samuel Kinuthia Gachobe, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Victor Kipng'etich Koech, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Nabwera Daraja Nabii, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Yakub Adow Kuno, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant
2. Mr. Jacknorine Buleemi – Clerk Assistant III
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Ms. Yvonne Kendi – Hansard Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Fredrick Oluoch – Director of Audit
2. Mr. Walter Were – Principal Accountant
3. Mr. Paul Kagwanja – Deputy Director of Audit

THE NATIONAL TREASURY

- Rev. CPA Lawrence K. Kwiriga – Senior Accountant

STATE DEPARTMENT FOR SHIPPING AND MARITIME AFFAIRS

1. Mr. Geoffrey Kaituko	–	Principal Secretary
2. Mr. Joel Ngao	–	Chief Finance Officer
3. Mr. Henry Mobegi	–	Head of Accounting
4. Mr. Edwin Odero	–	Ass. Accountant General
5. Mr. Mathias Chishambo	–	Liaison Officer
6. Mr. Guantai Wilfred	–	Ass. Director, Supply Chain
7. Mr. Jamleck Mulalya	–	PPO - KMA
8. Mr. Gideon Mwangi	–	Director Planning
9. Mr. Isaiah Nakoru	–	Senior Accountant

MIN.NO. NA/DAAGPC/PAC/2024/263 PRELIMINARIES

The Chairperson called the meeting to order at fifty-one minutes past two o'clock, said a word of prayer followed by a round of introductions.

MIN.NO.NA/DAAGPC/PAC/2024/264 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/265 EVIDENCE: STATE DEPARTMENT FOR SHIPPING & MARITIME AFFAIRS. VOTE 1093.

Mr. Geoffrey Kaituko, the Principal Secretary/Accounting Officer for the State Department for Shipping & Maritime Affairs appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

877. Unconfirmed other receipts

The financial Statements reflected other receipts of Kshs. 1,818,203,216 described as incidental sales by non-market establishments collected as AIA. However, only an amount of Kshs. 125,175,885 from Bandari Maritime Academy and Kshs. 1,600,261,341 from Kenya Maritime Authority was confirmed from the respective financial statements leaving an unconfirmed balance of Kshs. 92,765,990.

878.1. Payments to staff not captured as outstanding imprest

The statement of financial position reflected imprests and advances balance of Kshs. 260,698 as at 30 June, 2022. However, review of the bank reconciliation statements as at 30 June, 2022 indicates that payments totalling Kss. 4,812,090 were made to staff on 30 June, 2022 but were not reflected as outstanding imprest as at close of the year.

The committee directed the management to re-do the response and provide all the documentary evidence in support of the imprests and advances paid.

878.2. Imprest to staff

Analysis of the payments made during the year for the recurrent cashbook showed imprests paid to staff totalling to Kshs. 28,177,853 in respect of domestic travel and allowances.

The committee directed the management to re-do the response to the query and table it before the committee within the next seven days.

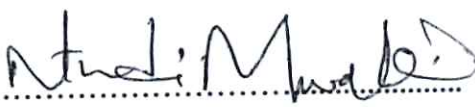
212. Unresolved prior year matters

Various prior year audit issues remained unresolved as at 30 June, 2022. Management had not provided reasons for the delay in resolving prior year audit issues. The amounts paid suggests that officers were in the field for more days than the work schedule could accommodate.

The committee directed the management to re-do the response to the query and table it before the committee within the next seven days.

MIN.NO.NA/DAAGPC/PAC/2024/266 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.47 p.m. The next meeting will be held on Thursday, 22nd August, 2024 at 10.00 a.m.

Signed.....

Date12/11/2024.....

**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

**MINUTES OF THE 185TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 20TH AUGUST 2024, IN COMMITTEE ROOM 23, BUNGE TOWER,
AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Nabwera Daraja Nabii, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Jacknorine A. Buleemi – Clerk Assistant III
4. Mr. Cyrille Mutali – Fiscal Analyst III
5. Mr. Henry Gichana – Research Officer III
6. Ms. Lilian Aluga – Public Communication Officer III
7. Ms. Yvonne Kendi – Hansard Officer III
8. Mr. Hillary Mageka – Media Relations Assistant
9. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Fredrick Oluoch – Deputy Director of Audit
2. Mr. Benson Wanjau – Deputy Director of Audit
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR ENERGY

- | | | |
|-----------------------------|---|---|
| 1. Mr. Alex K. Wachira, CBS | – | Principal Secretary |
| 2. Mr. John Mativo | – | MD KETRACO |
| 3. Mr. Tom Imbo | – | GM Finance, KETRACO |
| 4. Mr. Kennedy Owino | – | Ag. GM Infrastructure Development, KPLC |
| 5. Ms. Rose Baraza | – | Head of Accounts |
| 6. Mr. Rooney Sultani | – | Dep. Head of Accounts |
| 7. Mr. Stephen A. Njue | – | Senior Chief Finance Officer |
| 8. Mr. Edward Gakunju | – | Manager Business Development |
| 9. Mr. Simon Tirop | – | CA, Projects |

MIN.NO. NA/DAAOSC/PAC/2024/258 PRELIMINARIES

The Chairperson called the meeting to order twenty-five minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/259 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/260 EVIDENCE: STATE DEPARTMENT FOR ENERGY - VOTE 1152

Mr. Alex K. Wachira, CBS, the Principal Secretary/Accounting Officer for the State Department for Energy appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1309. Budgetary Control and Performance

On the matter of overfunding of Kshs.288,595,551 or 320%, the Accounting Officer submitted that the overfunding was a result of the project erroneously receiving funds meant for another entity, which were subsequently refunded to the National Treasury.

The Committee instructed the Accounting Officer to provide the financing agreement and proof that the funds were refunded to the National Treasury, indicating the entity for which the funds were intended by 23rd August 2024.

1313. Budgetary Control and Performance

The Accounting Officer submitted that the underfunding of Kshs.328,644,233 was due to implementation challenges.

1314. Project Implementation Status

The Accounting Officer submitted that the project was behind schedule and this was due to;

- i. Challenges in the implementation of the preparatory activities, which were key in the full implementation of the project included delay in the land acquisition process; and

- ii. Effects of Covid-19 and a prolonged drought in the 14 underserved counties that impacted negatively on households' purchasing power which slowed the uptake of solar home systems and clean cooking solutions

1315. Partial Payment of Tax on Undisclosed Pending Bills

The ministry paid Kshs.38,022,541 to the Kenya Revenue Authority (KRA) as a partial settlement of withholding tax due from an International Development Organization consultant. The consultant did not submit invoices, citing a Host Country Agreement allegedly exempting them from income taxes, a claim disputed by The National Treasury, and sought clarification on tax treatment, delaying invoice submission.

The Committee directed the Accounting Officer to provide the contract between the Ministry and the International Development Organization consultant, along with the tax tribunal's ruling on the payment of 5% withholding tax, by 27th August 2024.

1316. Non-Compliance to Loan Disbursement Guidelines

The project began in 2019, but by June 30, 2022, three years later, no subsidiary agreement had been signed between the fund recipient and the implementation entities, which was a requirement of the Financing Agreement. As a result, the management failed to comply with the terms of the financing agreement.

The Committee directed the office of the Auditor General to examine ministry's subsidiary agreement with KPLC and REREC and report back to the Committee on their findings.

1319. Budgetary Control and Performance

On the matter of underfunding of Kshs. 377,571,243 or 73%, the Accounting Officer submitted that this was due to the low uptake of the solar home system.

The Committee directed the Accounting Officer to provide feasibility study report.

1320. Non-Compliance with the Terms for Subsidiary Agreements

The Ministry entered into a management consultancy contract with an International Development Organization for the Kenya Off-Grid Solar Project. The contract stipulated that Solar Service Providers (SSPs) should not have contracts extending beyond the consultancy period. However, four SSPs had their contracts extended beyond the consultancy period due to their inability to meet targets.

The Accounting Officer stated that the initial contract completion date was 23rd July 2023, not 31st May 2022, as indicated by the Office of the Auditor General.

The Committee directed the Accounting Officer to engage with the Office of the Auditor General to confirm the correct completion date and report back to the Committee on their findings.

1321. Non-Compliance the Project's Financing Agreement

The financing agreement required the Ministry to prepare and adopt a Project Implementation Manual (PIM) and Facilities Implementation Manual (FIM) but failed to provide the PIM for audit and did not show evidence that the FIMs were adopted as required.

The Committee directed the office of Auditor general to examine the documents provided by the Accounting Officer and report back to the Committee on their findings.

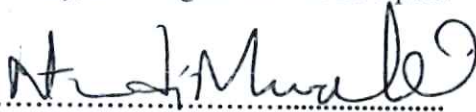
MIN.NO.NA/DAAOSC/PAC/2024/261 AOB

It was noted that the Committee had fallen behind schedule, necessitating increased speed of examination of reports of outstanding MDAs, so as to allow examination of other pending reports, including special audits. The Committee, therefore, resolved to implement a crash program and not approve requests from Accounting Officers to postpone meetings unless a valid reason was provided.

MIN.NO.NA/DAAOSC/PAC/2024/262 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.05 p.m. The next meeting will be held on Wednesday, 21st August 2024 at 2.00 p.m.

Signed.....



Date

12/11/2024

**The Hon. Nicholas Tindi S. Mwale, MP
Vice Chairperson**

**MINUTES OF THE 184TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 8TH AUGUST 2024, AT 11.00 A.M IN COMMITTEE ROOM 23,
BUNGE TOWER.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP (Online)
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Edwin Mugo Gichuki, MP
2. The Hon. Amina Udgoon Siyad, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Victor Kipng'etich Koech, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|------------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/ Lead Clerk |
| 2. Mr. Lenny Muchangi | – | Legal Counsel II |
| 3. Mr. Mohamed Jelle Abdi | – | Clerk Assistant III |
| 4. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 5. Mr. Cyrille Mutali | – | Fiscal Analyst III |
| 6. Mr. Henry Gichana | – | Research Officer III |
| 7. Ms. Yvonne Kendi | – | Hansard Officer III |
| 8. Mr. Mark Mbuthia | – | Audio Officer III |

THE NATIONAL ASSEMBLY

- | | | |
|----------------------------|---|--------------------------------|
| 1. Mr. Samuel Njoroge, CBS | – | Clerk of the National Assembly |
| 2. Mr. Ankaine P. Meikoki | – | Deputy Director of Finance |
| 3. Ms. Susan Maritim | – | Principal Clerk Assistant |
| 4. Mr. Francis Esimit | – | Procurement Officer |

MIN.NO. NA/DAAOSC/PAC/2024/253 PRELIMINARIES

The Chairperson called the meeting to order at 11:20 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/254

CONFIRMATION OF MINUTES OF
PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/255

BRIEF ON THE PROCUREMENT OF
PROVISION OF EXTERNAL AUDIT
SERVICES FOR THE OFFICE OF THE
AUDITOR GENERAL

Mr. Samuel Njoroge, CBS, The Clerk/Accounting Officer for the National Assembly appeared before the Committee accompanied by other officers and briefed the Committee on the procurement of an external auditor to audit the Officer of The Auditor General, as follows;

- 1) Pursuant to Article 226(4) of the Constitution of Kenya, the National Assembly is mandated to ensure that the accounts of the Office of the Auditor-General are audited and reported on by a professionally qualified accountant;
- 2) Article 227 of the Constitution of Kenya states that when a state organ or any other public entity contracts for goods or services, it shall do so in accordance with a system that is fair, equitable, transparent, competitive, and cost-effective;
- 3) In line with the above requirement, the National Assembly advertised for the provision of external audit services for the Office of the Auditor General to audit the financial statements for the years 2022/2023, 2023/2024, and 2024/2025 and the organization's staff mortgage and car loan scheme for the year 2022/2023, 2023/2024 and 2024/2025 through Tender No. NA/RFP/017/2023-2024;
- 4) Two firms, i.e. M/S PKF KENYA LLP and M/S Nelson & Francis LLP Audit, Tax and Advisory bid. The latter was disqualified at the preliminary stage;
- 5) M/S PKF KENYA LLP was successfully taken through subsequent procurement procedures and was awarded at a consultancy cost of Kshs. 25, 565, 235.00 subject to the approval of the National Assembly pursuant to Article 226 (4) of the constitution.

MIN.NO.NA/DAAOSC/PAC/2024/256


CONSIDERATION OF THE REPORT ON
PROCUREMENT OF EXTERNAL AUDIT
SERVICES FOR THE OFFICE OF THE
AUDITOR-GENERAL FOR THE FINANCIAL
YEARS 2022/2023 2023/2024 AND 2024/2025

The Committee considered information availed by the Clerk of the National Assembly and unanimously resolved to recommend to the National Assembly, the award of procurement of

external audit services for the Office of The Auditor-General for the financial years 2022/2023 2023/2024, and 2024/2025 to M/S PKF KENYA LLP on the proposal of The Hon. Nabwera Daraja Nabii, MP, and secondment by The Hon. David Kiplagat, MP.

MIN.NO.NA/DAAOSC/PAC/2024/257 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.00 p.m. The next meeting will be held on Monday, 12th August 2024.

Signed.....

Date 14/11/2024.

The Hon. Nicholas Tindi S. Mwale, MP

Vice Chairperson

**MINUTES OF THE 183RD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY 6TH AUGUST, 2024 AT COMMITTEE ROOM 23, BUNGE TOWER AT
10.00 AM.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Samuel Kinuthia Gachobe, MP
7. The Hon. David Kiplagat, MP
8. The Hon. Victor Kipng'etich Koech, MP
9. The Hon. Nabwera Daraja Nabii, MP
10. The Hon. Gabriel Gathuka Kagombe, MP
11. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Mohamed Aden Adow, MP
3. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant
2. Mr. Jacknorine Buleemi – Clerk Assistant III
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Mr. Lenny Muchangi – Legal Counsel II
5. Ms. Yvonne Kendi – Hansard Officer III
6. CPA Cyril Mutali – Fiscal Analyst III
7. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Daniel Ndung'u – Director of Audit
2. Ms Ruth Kuria – Deputy Director of Audit
3. Mr. Paul Kagwanja – Deputy Director of Audit
4. Mr. Ezekiel Omoro – Audit Associate

THE NATIONAL TREASURY

- Rev. CPA Lawrence K. Kwiriga - Senior Accountant

STATE DEPARTMENT FOR DEVOLUTION

1. Ms. Teresia Mbaika	--	Principal Secretary
2. Ms. Kimwiti Mary	--	CEO CoG
3. Mr. Stanley Mwaura	--	Head of Accounting
4. Ms. Osilli Margaret	--	P.A to P.S
5. Ms Emmy Mmbwanga	--	Ex-PC IDEAS
6. Mr. Paul Masinde	--	CFO
7. Mr. Kagali Lumasai	--	D/CFO
8. Mr. Daniel Mutua	--	Principal Accountant
9. Mr. Nichodemus Mbaika	--	Principal Planner

MIN.NO. NA/DAAGPC/PAC/2024/249 PRELIMINARIES

The Chairperson called the meeting to order at twenty-five minutes past two o'clock, said a word of prayer followed by a round of introductions.

MIN.NO.NA/DAAGPC/PAC/2024/250 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

- 1) Minutes of the 156th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. Nabwera Daraja Nabii, MP and seconded by the Hon. David Kiplagat, MP.
- 2) Minutes of the 158th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and seconded by the Hon. Nabwera Daraja Nabii, MP.
- 3) Minutes of the 159th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. David Kiplagat, MP and seconded by the Hon. Samuel Kinuthia Gachobe, MP.
- 4) Minutes of the 160th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. (Dr.) Edwin Mugo Gichuki, MP and seconded by the Hon. Eckomas Mwengi Mutuse, OGW, MP.
- 5) Minutes of the 161st sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. Samuel Kinuthia Gachobe, MP and seconded by the Hon. Eckomas Mwengi Mutuse, OGW, MP.
- 6) Minutes of the 162nd sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. (Dr.) Edwin Mugo Gichuki, MP and seconded by the Hon. Samuel Kinuthia Gachobe, MP.
- 7) Minutes of the 163rd sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. Nabwera Daraja Nabii, MP and seconded by the Hon. Eckomas Mwengi Mutuse, OGW, MP.
- 8) Minutes of the 164th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. Samuel Kinuthia Gachobe, MP and seconded by the Hon. Nabwera Daraja Nabii, MP.
- 9) Minutes of the 165th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and seconded by the Hon. Samuel Kinuthia Gachobe, MP.

- 10) Minutes of the 166th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. Nabwera Daraja Nabii, MP and seconded by the Hon. (Dr.) Edwin Mugo Gichuki, MP.
- 11) Minutes of the 167th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and seconded by the Hon. Eckomas Mwengi Mutuse, OGW, MP.
- 12) Minutes of the 168th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. Samuel Kinuthia Gachobe, MP and seconded by the Hon. Nabwera Daraja Nabii, MP.
- 13) Minutes of the 169th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. David Kiplagat, MP and seconded by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP.
- 14) Minutes of the 170th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. (Dr.) Edwin Mugo Gichuki, MP and seconded by the Hon. Nabwera Daraja Nabii, MP.
- 15) Minutes of the 171st sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and seconded by the Hon. Samuel Kinuthia Gachobe, MP.
- 16) Minutes of the 172nd sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. David Kiplagat, MP and seconded by the Hon. Nabwera Daraja Nabii, MP.
- 17) Minutes of the 173rd sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. David Kiplagat, MP and seconded by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP.
- 18) Minutes of the 174th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. (Dr.) Otiende Amollo, SC, EBS, MP and seconded by the Hon. (Dr.) Edwin Mugo Gichuki, MP.
- 19) Minutes of the 175th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and seconded by the Hon. Eckomas Mwengi Mutuse, OGW, MP.
- 20) Minutes of the 176th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. (Dr.) Otiende Amollo, SC, EBS, MP and seconded by the Hon. Eckomas Mwengi Mutuse, OGW, MP.
- 21) Minutes of the 177th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. (Dr.) Edwin Mugo Gichuki, MP and seconded by the Hon. Nabwera Daraja Nabii, MP.
- 22) Minutes of the 178th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. Eckomas Mwengi Mutuse, OGW, MP and seconded by the Hon. (Dr.) Otiende Amollo, SC, EBS, MP.
- 23) Minutes of the 179th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. Eckomas Mwengi Mutuse, OGW, MP and seconded by the Hon. (Dr.) Otiende Amollo, SC, EBS, MP.
- 24) Minutes of the 180th sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. (Dr.) Edwin Mugo Gichuki, MP and seconded by the Hon. Nabwera Daraja Nabii, MP.

25) Minutes of the 181st sitting were confirmed as a true reflection of the deliberations as proposed by the Hon. (Dr.) Edwin Mugo Gichuki, MP and seconded by the Hon. David Kiplagat, MP.

MIN.NO.NA/DAAGPC/PAC/2024/251: EVIDENCE; STATE DEPARTMENT FOR DEVOLUTION- VOTE 1032

Ms Teresia Mbaika, the Principal Secretary/Accounting Officer for the State Department for Devolution appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

209. Unaccounted for District Suspense.

The financial Statements reflected accounts receivables outstanding imprest and clearance accounts balance of Kshs. 85,782,292 relating to district suspense.

The management stated that the affected State Departments and Sub-Counties had not submitted expenditure returns during the time of audit.

210. Non-payment of pending bills.

Financial Statements reflects pending bills totalling Kshs. 1,373,260,296 comprising of pending accounts payables of Kshs. 1,034,991,583 and other pending payables of Kshs. 338,268,713 respectively. Management had not explained why the bills were not settled during the year when they occurred.

The management stated that the budget for the State Department for Devolution was rationalized and also exchequer requests to settle suppliers were not funded.

211. Budgetary control and performance.

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs. 4,802,396,610 and Kshs. 4,336,273,421 respectively resulting to an underfunding of Kshs. 466,123,189 or 10% of the approved budget.

The management stated that the State Department's Exchequer requisition to the National Treasury were not funded to the tune of Kshs. 466,123,189.00 hence the difference in the budget and funds received.

212. Unresolved prior year matters.

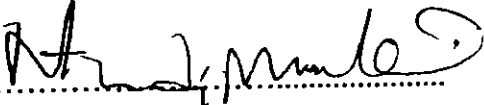
Various prior year audit issues remained unresolved as at 30 June, 2022. Management had not provided reasons for the delay in resolving prior year audit issues.

The committee directed the management to look at the recommendations of the committee of its report for FY 2020/21 that was adopted by the House and subsequently act on them and prepare a report to that effect and table it before the committee within the next seven days.

MIN.NO.NA/DAAGPC/PAC/2024/252 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.23 p.m. The next meeting will be held

on Thursday, 8th August, 2024 at 11.00 a m.

Signed.....

Date12/11/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 182ND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 1ST AUGUST 2024, IN COMMITTEE ROOM 23, BUNGE TOWER,
AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Victor Kipng'etich Koech, MP
9. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Eckomas Mwengi Mutuse, OGW, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
2. Mr. Mohamed Jelle Abdi – Clerk Assistant III
3. Mr. Jacknorine A. Buleemi – Clerk Assistant III
4. Mr. Cyrille Mutali – Fiscal Analyst III
5. Mr. Henry Gichana – Research Officer III
6. Ms. Lilian Aluga – Public Communication Officer III
7. Mr. Hillary Mageka – Media Relations Assistant
8. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. David Munyaka – Director of Audit
2. Ms. Agnes Njeri – Deputy Director of Audit
3. Mr. Francis Mwihoki – Principal Auditor
4. Mr. Paul Kagwanja – Principal Auditor

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR BROADCASTING

- | | |
|---|----------------------------------|
| 1. Prof. Edward Waswa Kisiang'ani, PhD, CBS | – Principal Secretary |
| 2. Mr. Waweru Kimani | – Director Administration |
| 3. Ms. Karanja Priscilla | – Head of Accounts |
| 4. Mr. Fredrick Adeka | – Deputy Director Human Resource |
| 5. Ms. Lilian Kimeto | – CEO, KYEB |
| 6. Mr. Mosiria Martin Machuki | – Chief Finance Officer |
| 7. Ms. Gladys Bwora | – Principal Accountant |
| 8. Mr. George Hinga | – Chief Finance Officer |

MIN.NO.NA/DAAOSC/PAC/2024/245 PRELIMINARIES

The Chairperson called the meeting to order fifteen minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/246 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/247 EVIDENCE: STATE DEPARTMENT FOR BROADCASTING AND TELECOMMUNICATIONS - VOTE 1123

Prof. Edward Waswa Kisiang'ani, PhD, CBS, the Principal Secretary/Accounting Officer for the State Department for Broadcasting and Telecommunications appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1281. Incomplete Fixed Asset Register

The Committee noted that the fixed asset register was still incomplete, despite having granted the accounting officer three months to update and finalize it, in violation of Regulation 143 of the Public Finance Management (National Government) Regulations, 2015.

1282. Irregular Leave Commutation

The management did not provide justification, approval and basis of paying leave commutation to officers who were unable to proceed on leave due to exigencies of service.

The accounting officer reported that the then Cabinet Secretary granted approval for commutation of leave days as per section E.4 of the HRM Manual Resource Procedure and Policy Manual (2026).

The Committee directed the Accounting Officer to provide the following:

- i. *The letter from the Public Service Commission appointing the CS to be the one approving payment for leave commutation;*

- ii. *Proof of exigencies necessitating commutation of leave; and*
- iii. *Any other documents to support the authenticity of proof by the CS.*

1283. Non-Compliance with the One-Third of Basic Salary Rule

Review of payrolls revealed that twenty (20) employees earned a net salary of less than one-third (1/3) of their basic salaries contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies and Procedures Manual, 2016.

The Accounting Officer submitted that this was occasioned by the abrupt stoppage of payment of special duty allowance by the Public Service Commission.

1284. Salaries Paid Outside Integrated Personnel and Payroll Database (IPPD) System

The statement of receipts and payments reflected compensation of employees outside the Integrated Personnel and Payroll (IPPD) system.

The Accounting Officer explained that payments made outside the Integrated Personnel and Payroll (IPPD) system were due to the processing of leave commutation after the payroll had closed, payment of a court award to beneficiaries not listed on the IPPD, and payment of half-salary to the beneficiary of a deceased officer who was also not on the payroll.

MIN.NO.NA/DAAOSC/PAC/2024/248 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.05 p.m. The next meeting will be held on Monday, 5th August 2024 at 2.30 p.m.

Signed.....



Date

12/11/2024.

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

**MINUTES OF THE 180TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY 24TH JUNE, 2024 AT COMMITTEE ROOM 9, MAIN PARLIAMENT
BUILDINGS AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Amina Udgoon Siyad, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Eckomas Mwengi Mutuse, OGW, MP
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Gabriel Gathuka Kagombe, MP
6. The Hon. Yakub Adow Kuno, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Jacknorine Buleemi – Clerk Assistant III
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Lenny Muchangi – Legal Counsel II
4. Ms. Yvonne Kendi – Hansard Officer III
5. Mr. Josphat Bundotich – Sergeant-at-Arms
6. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Justus Okumu – Director of Audit
2. Mr. Philip Ndegwa – Deputy Director of Audit
3. Mr. Ezekiel Omoro – Audit Associate

THE NATIONAL TREASURY

Rev. CPA Lawrence K. Kwiriga – Senior Accountant

STATE DEPARTMENT FOR HIGHER EDUCATION & RESEARCH

1. Dr. Beatrice Inyangalah, PhD – Principal Secretary
2. Mr. Geoffrey Monari – CEO University Fund
3. Mr. Maina Chira – SCFO

4. Ms. Margaret Kariuki	–	Head of Accounting
5. Mr. Stanley Kimani	–	U.F Staff
6. Mr. James Kiburi	–	Director Education
7. Mr. Fahad Muthee	–	Director HRMD
8. Ms Wamitta Hellen	–	PEO & PA to PS
9. Mr. Dan Ipa	–	Finance Officer

MIN.NO. NA/DAAGPC/PAC/2024/236 PRELIMINARIES

The Chairperson called the meeting to order at thirty-five minutes past two o'clock, said a word of prayer followed by a round of introductions.

MIN.NO.NA/DAAGPC/PAC/2024/237 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/238 EVIDENCE: STATE DEPARTMENT FOR HIGHER EDUCATION AND RESEARCH -VOTE 1065.

Dr. Beatrice Inyangalah, PhD, the Principal Secretary/Accounting Officer for the State Department for Higher Education & Research appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

329. Non-Compliance with One-Third Basic Pay Rule

The management stated that a total of 14 officers had committed their salaries over and above the required two thirds of their basic pay at the time of audit. This was occasioned by change of the income tax regime by the government.

330. Lack of Fixed Asset Register

The management did not provide a detailed asset register to support the balance of Kshs. 6,305,853,289 and confirm the existence of the assets.

331. Non-Conformity to the Staff Establishment

The State Department's approved staff establishment revealed that it had a capacity of one hundred and fifteen (115) officers in sixty-one (61) cadres. However, there were variations between the staff in post and the approved establishment. The State Department exceeded the approved staff establishment in various cadres by ninety-eight (98) staff and understaffed other cadres by seventeen (17) staff.

The committee directed that the State Department provides proof of a review that had been done and the timelines to ensure compliance within the next fourteen days.

332. Employees in Biodata but not in Payroll

Review of payroll and the biodata revealed that names of forty-five (45) officers appeared in the biodata but were not in the IPPD payroll system.

333. Inaccuracies in the Financial Statements

The management stated that the exchange rates fluctuated between 131.13 to 137.79 within that period leading to the variance in the Kenya shillings equivalent.

334. Defects and Delays in Delivery of Equipment to Various Universities

The management stated that the matter was discussed by the Public Accounts Committee (PAC) in the 2016/2017 and 2017/2018, 2018/2019, 2019/2020 and 2020/21 financial years.

335. Uncorrected Prior Periods Error on Recall of Performance Securities

Review of records revealed that sums of Kshs.138,568,038 for performance bonds for the project were recovered from several suppliers for breach of contract and were deposited at Central Bank of Kenya in an account owned by the State Department for University Education on 17 September, 2019. These transactions had not been disclosed in the statement of financial assets as at 30 June, 2020, 30 June, 2021 and 30 June, 2022.

336. Undisclosed Pending Accounts Payables

The management stated that the pending accounts payables were erroneously omitted in the financial statements for the year under review. However, they were settled in the year 2022/2023 upon approval by the National Treasury.

337. Late Submission of Financial Statements

The financial statements were submitted to the Auditor General on 29 November, 2022. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

338. Irregular Signing of Contract

Management stated that the contract was signed in accordance with Section 135 (3) of the Public Procurement and Asset Disposal Act 2015 and Section 1 Clause 12.4 of the Request for Proposal (RFP) document.

Due to the requirement by the Donor (African Development Bank) for all documents to be forwarded for prior review (no objection) at every stage of the procurement process, there were delays in concluding the procurement within the initial period of tender validity. Considering that the initial validity period was to lapse on 9th September 2021 with the process still on-going and pursuant to Section 1 Clause 12.4 of the RFP document, the State Department requested for an extension of the tender validity for a period of 60 days beyond 9th September 2021.

339. Failure to Open and Maintain a Separate Project Bank Account

Management stated that the project was designed to allow direct payments by the donor and the expenditure were being journalized and the payment documents submitted to the National Treasury. The Gok counterpart funds were channelled through the State Department development account.

342. Unsupported and Unaccounted for Expenditure on Fuel and Lubricants for Motor Vehicles

An amount of Kshs. 499,999 in respect of fuel and lubricants for motor vehicles was noted. However, the following anomalies were noted during audit,

- a) The fuel was not recorded in the Project's motor vehicle work tickets;
- b) A number of work tickets for vehicles used by the Project were not provided for audit in support of the expenditure; and,
- c) The contract between the Project Management and the service provider was not provided for audit review.

343. Payment for Undelivered Goods and Irregular Charge of Unrelated Expenditure

The Project incurred an expenditure of Kshs. 25,030,000 on the purchase of vehicles and other transport equipment which had not been delivered to the Project. However, available information revealed that the vehicles were being used by Ministry officials for non-project activities.

344. Lack of Fixed Asset Register and Ownership Documents

The statement of receipts and payments reflects the acquisition of non-financial assets cumulative expenditure amounting to Kshs. 1,934,423,523. However, the Management did not provide for audit review a fixed asset register and logbooks for the two vehicles owned by the project.

345. Delayed Construction Works

Management stated that the payments totalling to Kshs 1,897,510,523 related to payments for consultancy services; and an advance payment to the contractor for which the measurements are not required.

Further, the management clarified that as per Article 1 Section 1.02 on general terms and conditions of the loan agreement, the loan repayments shall become due 126 months after the date of the loan agreement, that is 10.5 years after signing of the agreement.

The committee directed that the State Department to provide documents of the contract and documents showing how much the consultants were paid and how much was paid as an advance payment to the contractor. A detail report as well as showing the status of the project within the next Fourteen days.

346. Lack of Internal Audit on the Project

Review of internal audit function revealed that no audit was carried out. Further, the Audit Committee did not sit to deliberate on matters relating to the project.

349. Budgetary Control and Performance

The management stated that this was a performance-based financing arrangement in which the implementing institution was required to achieve certain milestones referred to as disbursement linked

indicators and results. As per the agreement, a verifier was required to ascertain that the results have been achieved for disbursement to be effected. The underutilization of the budget was occasioned by delay in release of the verifier's report on attainment of direct linked results as stipulated in the financing agreement. During the year under review, the three centres of excellence attained direct linked result 2.2 and 2.6 of the financing agreement by which the independent verifier's report was released on 28th June 2022. Given that this date was too close to the end of the financial year, it was not possible to process funding during the year under review.

350. Failure to Open and Maintain a Separate Project Bank Account

Management stated that the financing agreement between the Republic of Kenya and the International Development Association (IDA), counterpart funds for the project were to be deposited in the main State Department's development account at CBK and that availability of counterpart budget was to be adequate confirmation of deposit in the said development account and the said counterpart contribution would be audited annually as part of the Ministry of Education accounts. For this reason, the State Department did not open a separate project bank account for the project.

353. Unsupported Adjustments in the Financial Statements

Management stated that the variance of Kshs. 539,624 was an adjustment arising out of funds that were refunded back to the Project bank account from unutilized travel funds. The funds had initially been expensed but an adjustment was passed in order to correctly state the expenditure. The Project thus amended the financial records and submitted the updated ledger for domestic travel and subsistence amounting to Kshs 28,628,210 that is in agreement with the financial statements before the finalization of the audit.

The committee directed the State Department to provide the bank statements within the next Fourteen days showing the transfer of the refunds.

354. Ineligible Expenditure

The financial statements include amounts of Kshs. 28,628,210, Kshs. 12,173,652 and Kshs. 29,269,897 in respect of domestic travel and subsistence, training expenses and research expenses, respectively. However, examination of records revealed that amounts of Kshs. 10,565,694, Kshs. 6,832,510 and Kshs. 9,783,762 in respect of domestic and subsistence, training expenses and research expenses, respectively which did not directly relate to the Project. The relevance of the expenditure to the Project were not demonstrated and no evidence was provided to indicate that the expenditures were in the annual work plan and had been budgeted for.

355. Non-Compliance with the Public Finance Management Regulations, 2015-Budgetary Control and Performance

The management stated that the project received Kshs 87,051,520 in the last quarter of the financial year. Due to the late receipt of the funds, the Project could not absorb the funds fully within the financial year. The Project also received externally mobilized funds from various donors that were remitted in the current year, hence contributing to the total funds of Kshs 80,877,315 that was received above the budgeted amount. The Project, therefore, put in place plans to absorb the funds fully in FY 2022/2023.

The committee directed the state department to provide a detailed report on the exact dates the monies were received and at what stage did they adjust the budget and submit it within the next Fourteen days.

356. Delays in Project Implementation.

The Project was to run for 83 months from 1 February, 2017 to 31 December, 2023. As at 30 June, 2022, the project had been in existence for 65 months or 78.3% of the set timelines. The Project total commitment amounted to Kshs. 809,504,563. However, Table B on application of funds reflects total utilization balance of Kshs. 399,996,877 implying that the Project had only utilized 49.42% of the committed funds, an indication that it had achieved less than 50% of its intended purpose.

The Committee directed that the state department to provide proof of closure of the project within the next fourteen days.

360. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs. 338,676,806 and Kshs. 176,046,197 respectively resulting to an underfunding of Kshs. 162,630,609 or 48% of the budget. Similarly, the Project expended Kshs. 124,306,288 against an approved budget of Kshs. 338,676,806 resulting to an under expenditure of Kshs. 214,370,518 or 63% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

361. Acquisition of Non-Financial Assets - Renewable Energy Equipment.

The management stated that the asset register and the goods received notes did not capture the serial numbers of equipment bought at the time of the audit. However, the University through the upgrade of its ERP software has incorporated the observations of the auditors in the design of its assets management and purchases module to ensure the critical information in the acquisition of non-financial assets is captured such as the serial numbers both in the delivery notes and the assets register.

362. Imprests and Advances.

A total of Kshs. 1,196,970 held by five (5) payees remained unsurrendered or unaccounted for as at the time of audit in October, 2022. No evidence of recovery action or other appropriate disciplinary action taken on the defaulting officers was provided.

MIN.NO.NA/DAAGPC/PAC/2024/239 ANY OTHER BUSINESS

Clauses 1754 and 1755 of the Auditor General's report for FY 2021/22 were misplaced and are under the purview of the State Department of Higher Education & Research. The Committee directed the Accounting Officer to provide written submissions to the two clauses within the next Fourteen days.

MIN.NO.NA/DAAGPC/PAC/2024/240 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.43 p.m. The next meeting will be held on Thursday, 27th June, 2024 at 10.00 a.m.

Signed.....



Date

06/08/2024

For, The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 179TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON SATURDAY, 8TH JUNE 2024, AT GRAND ROYAL HOTEL, KISUMU COUNTY,
AT 2.00 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. David Kiplagat, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Yakub Adow Kuno, MP
7. The Hon. Mohamed Aden Adow, MP
8. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|--------------------------------|---|-----------------------------------|
| 1. Mrs. Florence Atenyo Abonyo | – | Director |
| 2. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 3. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 4. Mr. Jacknorine A. Buleemi | – | Clerk Assistant III |
| 5. Mr. Mohamed Jelle Abdi | – | Clerk Assistant III |
| 6. Mr. Lenny Muchangi | – | Legal Counsel II |
| 7. Mr. Cyrille Mutali | – | Fiscal Analyst III |
| 8. Mr. Henry Gichana | – | Research Officer III |
| 9. Mr. Josphat Bundotich | – | Principal Sergeant at Arms |
| 10. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|----------------------|---|-----------------|
| 1. Mr. Ezekiel Omore | – | Audit Associate |
|----------------------|---|-----------------|

MIN.NO. NA/DAAOSC/PAC/2024/232 PRELIMINARIES

The Chairperson called the meeting to order at twenty minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/233 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/234 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2021/2022

Members deliberated on the Committee's draft report on the examination of the Auditor-General's report on the financial statements for the year 2021/2022, with regard to the accounts of the following state departments;

- i) Ministry of Health;
- ii) State Department for Vocational and Technical Training.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2024/235 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.30 p.m. The next meeting will be held on Monday, 10th June 2024 at 2.30 p.m.

Signed John Mbadi Ng'ong'o

Date 06/06/2024

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

**MINUTES OF THE 178TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON SATURDAY, 8TH JUNE 2024, AT GRAND ROYAL HOTEL, KISUMU COUNTY,
AT 10.00 A.M.**

PRESENT

1. The Hon CPA John Mbadı Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon David Kiplagat, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Yakub Adow Kuno, MP
7. The Hon. Mohamed Aden Adow, MP
8. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|--------------------------------|---|-----------------------------------|
| 1. Mrs. Florence Atenyo Abonyo | – | Director |
| 2. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 3. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 4. Mr. Jacknorine A Buleemi | – | Clerk Assistant III |
| 5. Mr. Mohamed Jelle Abdi | – | Clerk Assistant III |
| 6. Mr. Lenny Muchangi | – | Legal Counsel II |
| 7. Mr. Cyrille Mutali | – | Fiscal Analyst III |
| 8. Mr. Henry Gichana | – | Research Officer III |
| 9. Mr Josphat Bundotich | – | Principal Sergeant at Arms |
| 10. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|----------------------|---|-----------------|
| 1. Mr. Ezekiel Omoro | – | Audit Associate |
|----------------------|---|-----------------|

MIN.NO.NA/DAAOSC/PAC/2024/228 PRELIMINARIES

The Chairperson called the meeting to order at ten minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/229 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/230 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2021/2022

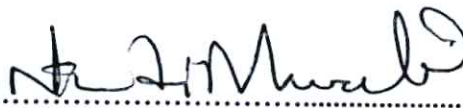
Members deliberated on the Committee's draft report on the examination of the Auditor-General's report on the financial statements for the year 2021/2022, with regard to the accounts of the following state departments;

- i) State Department for Correctional Services;
- ii) Ministry of Petroleum and Mining.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2024/231 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.10 p.m. The next meeting will be held at 2.00 pm in the same venue.

Signed.....

Date ...06/08/2024/

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 176TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON FRIDAY, 7TH JUNE 2024, AT GRAND ROYAL HOTEL, KISUMU COUNTY, AT
10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. David Kiplagat, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Yakub Adow Kuno, MP
7. The Hon. Mohamed Aden Adow, MP
8. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mrs. Florence Atenyo Abonyo – Director
2. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Mr. Jacknorine A. Buleemi – Clerk Assistant III
5. Mr. Mohamed Jelle Abdi – Clerk Assistant III
6. Mr. Lenny Muchangi – Legal Counsel II
7. Mr. Cyrille Mutali – Fiscal Analyst III
8. Mr. Henry Gichana – Research Officer III
9. Mr. Josphat Bundotich – Principal Sergeant at Arms
10. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Ezekiel Omore – Audit Associate

MIN.NO. NA/DAAOSC/PAC/2024/220 PRELIMINARIES

The Chairperson called the meeting to order at fifteen minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/221 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/222 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2021/2022

Members deliberated on the Committee's draft report on the examination of the Auditor-General's report on the financial statements for the year 2021/2022, with regard to the accounts of the following state departments;

- i) The Judiciary;
- ii) State Department for Development of the Arid and Semi-Arid Lands (ASALS);
- iii) State Department for Public Works.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2024/223 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.15 p.m. The next meeting will be held at 2.00 pm in the same venue.

Signed. 

Date 06/08/2024

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

**MINUTES OF THE 177TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON FRIDAY, 7TH JUNE 2024, AT GRAND ROYAL HOTEL, KISUMU COUNTY, AT
2.00 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. David Kiplagat, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Yakub Adow Kuno, MP
7. The Hon. Mohamed Aden Adow, MP
8. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|--------------------------------|---|-----------------------------------|
| 1. Mrs. Florence Atenyo Abonyo | – | Director |
| 2. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 3. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 4. Mr. Jacknorine A. Buleemi | – | Clerk Assistant III |
| 5. Mr. Mohamed Jelle Abdi | – | Clerk Assistant III |
| 6. Mr Lenny Muchangi | – | Legal Counsel II |
| 7. Mr. Cyrille Mutali | – | Fiscal Analyst III |
| 8. Mr. Henry Gichana | – | Research Officer III |
| 9. Mr. Josphat Bundotich | – | Principal Sergeant at Arms |
| 10. Mr Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Ezekiel Omore – Audit Associate

MIN.NO. NA/DAAOSC/PAC/2024/224 PRELIMINARIES

The Chairperson called the meeting to order at ten minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/225 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/226 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2021/2022

Members deliberated on the Committee's draft report on the examination of the Auditor-General's report on the financial statements for the year 2021/2022, with regard to the accounts of the following state departments;

- i) State Department for Interior and Citizen Services;
- ii) Ministry of Environment and Forestry.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2024/227 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.35 p.m. The next meeting will be held on Saturday, 8th June 2024 in the same venue.

Signed 

Date ...06/08/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 174TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY 3RD JUNE, 2024 AT COMMITTEE ROOM 9, MAIN PARLIAMENT
BUILDINGS AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Eckomas Mwangi Mutuse, OGW, MP
5. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
6. The Hon. (Dr.) Edwin Mugo Gichuki, MP
7. The Hon. Samuel Kinuthia Gachobe, MP
8. The Hon. David Kiplagat, MP
9. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. Mohamed Aden Adow, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Victor Kipng'etich Koech, MP
4. The Hon. Yakub Adow Kuno, MP
5. The Hon. Nabwera Daraja Nabii, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Mr Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 4. Mr. Lenny Muchangi | – | Legal Counsel II |
| 5. CPA. Cyrille Mutali | – | Fiscal Analyst III |
| 6. Ms. Yvonne Kendi | – | Hansard Officer III |
| 7. Mr. Josphat Bundotich | – | Sergeant-at-Arms |
| 8. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-----------------------|---|-------------------|
| 1. Ms Josphine warega | – | Director |
| 2. Mr. Linus Mugwire | – | Principal Auditor |

THE NATIONAL TREASURY

- | | | |
|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |
|------------------------------|---|-------------------|

MIN.NO. NA/DAAGPC/PAC/2024/212 PRELIMINARIES

The Chairperson called the meeting to order at fifteen minutes to three o'clock in the afternoon, said a word of prayer followed by a round of introductions.

MIN.NO.NA/DAAGPC/PAC/2024/213 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmations of minutes of previous meetings were deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/214 EVIDENCE: STATE LAW OFFICE AND THE DEPARTMENT OF JUSTICE VOTE 1252

Mr. Shadrack Mose, the Solicitor-General/Accounting Officer for the State Law Office & Department of Justice appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1772. Pending bills.

The management stated that pending bills of Kshs. 53,634,452 was incurred due to lack of adequate exchequer released during the year under review.

The committee directed the department to prepare a schedule of all pending bills and a progress report showing how much has been settled and how much is still with the pending bills committee at the National Treasury, by Thursday 6th June, 2024.

1773.1. Unsupported 3% commission on payroll deductions.

The management recognized a deduction on the payroll amounting to Kshs. 1,754,843.20 in respect of 3% payroll commission charge but did not record the amount in the books of account a revenue or support the same with an official receipt.

The committee directed the department to implement recommendations of the committee contained in the report of FY 2020/21.

1773.2. Non-compliance with one third of basic salary rule.

The management stated that the employees were affected by the change in the monthly pension contribution introduced by the National Government in 2021 that increased from two percent (2%) to five percent (5%) in 2022. This affected their position with regard to the one-third rule.

1774. Lack of an approved enterprise risk management process and information technology strategic committee.

The State Law Office and Department of Justice did not have an approved enterprise wide risk management process and policies in place. Further, there was no Information Technology Strategic Committee or IT Strategic Plan that supports business requirements. In addition, a formally approved IT Security Policy to ensure data confidentiality, integrity and availability, documented and tested emergency procedures, and IT continuity and disaster recovery plan was not in place.

The committee directed the department to provide a status report within two weeks on the progress made.

1775. Asset management.

State Law Office and Department of Justice did not maintain a detailed up to date assets register to keep track of the assets procured and held. Additionally, they did not dispose any assets during the year although fifty-nine (59) motor vehicles were grounded at various locations. Further, logbooks for ten (10) motor vehicles bought and delivered by The National Treasury to the State Law Office and Department of Justice were not provided for audit verification.

The committee directed that the department provides the valuation report that was done by the state department for public works showing the reserve price for each of the disposable vehicles, proof of bidders and the information on the status of the transfer of ownership of the vehicles that were auctioned.

1776. Discrepancies between revenue statements and Integrated Financial Management Information System (IFMIS) amounts.

Discrepancies were noted between amounts in the revenue statements and amounts in the Integrated Financial Management Information System (IFMIS) trial balance.

The committee directed that the department in liaison with the National Treasury does the reconciliation within the next three weeks.

MIN.NO.NA/DAAGPC/PAC/2024/215 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.05 p.m. The next meeting will be held on Tuesday, 4th June, 2024 at 10.00 a.m.

Signed.....



Date ..06/08/2024

For,

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 173RD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON WEDNESDAY 29TH MAY, 2024 AT THE HILTON GARDEN INN, MACHAKOS COUNTY AT 2.30 P.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Yakub Adow Kuno, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Samuel Kinuthia Gachobe, MP
9. The Hon. David Kiplagat, MP
10. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Mohamed Aden Adow, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 4. Mr. Mohamed Jelle | – | Clerk Assistant III |
| 5. Mr. Lenny Muchangi | – | Legal Counsel II |
| 6. CPA. Cyrille Mutali | – | Fiscal Analyst III |
| 7. Mr. Henry Gichana | – | Research Officer III |
| 8. Ms. Yvonne Kendi | – | Hansard Officer III |
| 9. Mr. Josphat Bundotich | – | Sergeant-at-Arms |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|----------------------|---|-------------------|
| 1. Mr. Paul Kagwanja | – | Principal Auditor |
| 2. Mr. Ezekiel Omoro | – | Audit Associate |

THE NATIONAL TREASURY

- | | | |
|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |
|------------------------------|---|-------------------|

MIN.NO. NA/DAAGPC/PAC/2024/208 PRELIMINARIES

The Chairperson called the meeting to order at thirty-five minutes past two o'clock.

MIN.NO.NA/DAAGPC/PAC/2024/209 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmations of the minutes of previous meetings were deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/210 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2021/2022

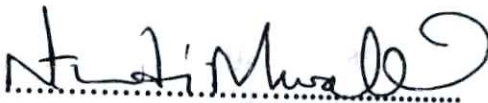
The Members deliberated on the Committee's report on examination of the report of the Auditor-General on the financial statements for the year 2021/2022, with regard to the accounts of the following state departments;

- i) State Department for Labour Vote 1184;
- ii) State Department for Social Security & Protection Vote 1185; and
- iii) State Department for Crop Development & Agricultural Research Vote 1169

Observations and recommendations are contained in the draft report.

MIN.NO.NA/DAAGPC/PAC/2024/211 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.35 p.m. The next meeting will be held on Monday, 3rd June, 2024 at 2.00 p.m.

Signed.....

Date06/08/2024

For
The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 172ND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON WEDNESDAY 29TH MAY, 2024 AT THE HILTON GARDEN INN, MACHAKOS
COUNTY AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Yakub Adow Kuno, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Samuel Kinuthia Gachobe, MP
9. The Hon. David Kiplagat, MP
10. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Mohamed Aden Adow, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Eckomas Mwenji Mutuse, OGW, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 4. Mr. Mohamed Jelle | – | Clerk Assistant III |
| 5. Mr. Lenny Muchangi | – | Legal Counsel II |
| 6. CPA. Cyrille Mutali | – | Fiscal Analyst III |
| 7. Mr. Henry Gichana | – | Research Officer III |
| 8. Ms. Yvonne Kendi | – | Hansard Officer III |
| 9. Mr. Josphat Bundotich | – | Principal Sergeant-at-Arms II |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|----------------------|---|-------------------|
| 1. Mr. Paul Kagwanja | – | Principal Auditor |
| 2. Mr. Ezekiel Omoro | – | Audit Associate |

THE NATIONAL TREASURY

- | | | |
|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |
|------------------------------|---|-------------------|

MIN.NO. NA/DAAGPC/PAC/2024/204 PRELIMINARIES

The Chairperson called the meeting to order at twenty minutes past ten o'clock and said a word of prayer.

MIN.NO.NA/DAAGPC/PAC/2024/205 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmations of the minutes of previous meetings were deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/206 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2021/2022


The Members deliberated on the Committee's report on examination of the report of the Auditor-General on the financial statements for the year 2021/2022, with regard to the accounts of the following state departments/ agencies;

- i) Teachers Service Commission Vote 2091;
- ii) State Department for Transport; and
- iii) State Department for Youth Affairs

Observations and recommendations are contained in the draft report.

MIN.NO.NA/DAAGPC/PAC/2024/207 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.12 p.m. The next meeting will be held at 2.30 p.m. in the same venue.

Signed.....

Date ..06/08/2024..

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP

Jm. Chairperson

**MINUTES OF THE 171ST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 28TH MAY 2023, AT HILTON GARDEN INN, MACHAKOS COUNTY,
AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Eckomas Mwengi Mutuse, OGW, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Victor Kipng'etich Koech, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Jacknorine A. Buleemi – Clerk Assistant III
4. Mr. Mohamed Jelle Abdi – Clerk Assistant III
5. Mr. Lenny Muchangi – Legal Counsel II
6. Mr. Cyrille Mutali – Fiscal Analyst III
7. Mr. Henry Gichana – Research Officer III
8. Ms. Yvonne Kendi – Hansard Officer III
9. Mr. Dennis Kamau – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Paul Kagwanja – Principal Auditor
2. Mr. Ezekiel Omoro – Audit Associate

THE NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

MIN.NO. NA/DAAOSC/PAC/2024/200 PRELIMINARIES

The Chairperson called the meeting to order at forty-five minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/201 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/202 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2021/2022

Members deliberated on the Committee's draft report on the examination of the Auditor-General's report on the financial statements for the year 2021/2022, with regard to the accounts of the following state departments;

- i) State Department for Industrialization;
- ii) Ministry of Foreign Affairs;
- iii) State Department for Tourism;
- iv) State Department for Planning;
- v) Ministry of Lands and Physical Planning;
- vi) State Department for Post Training and Skills Development;
- vii) National Land Commission;
- viii) State Department for Trade and Enterprise Development;
- ix) Office of the Director of Public Prosecutions.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2024/203 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.50 p.m. The next meeting will be held on Wednesday, 29th May 2023, at 10.00 a.m. in the same venue.

Signed.....

Date ..06/05/2024

for,
The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 170TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 28TH MAY 2023, AT HILTON GARDEN INN, MACHAKOS COUNTY,
AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Eckomas Mwengi Mutuse, OGW, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Victor Kipng'etich Koech, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Jacknorine A. Buleemi – Clerk Assistant III
4. Mr. Mohamed Jelle Abdi – Clerk Assistant III
5. Mr. Lenny Muchangi – Legal Counsel II
6. Mr. Cyrille Mutali – Fiscal Analyst III
7. Mr. Henry Gichana – Research Officer III
8. Ms. Yvonne Kendi – Hansard Officer III
9. Mr. Dennis Kamau – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Paul Kagwanja – Principal Auditor
2. Mr. Ezekiel Omore – Audit Associate

THE NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

MIN.NO. NA/DAAOSC/PAC/2024/196 PRELIMINARIES

The Chairperson called the meeting to order at fifteen minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/197 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/198 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2021/2022

Members deliberated on the Committee's draft report on the examination of the Auditor-General's report on the financial statements for the year 2021/2022, with regard to the accounts of the following state departments;

- i) State Department for Infrastructure;
- ii) Commission on Administrative Justice;
- iii) Office of the Registrar of Political Parties;
- iv) Kenya National Commission on Human Rights;
- v) Judicial Service Commission;
- vi) Ministry of Defence;
- vii) State Department for Implementation of Curriculum Reforms;
- viii) Commission on Revenue Allocation;
- ix) Witness Protection Agency.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2024/199 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.15 p.m. The next meeting will be held at 2.00 pm in the same venue.

Signed.....



Date 06/08/2024.

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP

for,

Chairperson

**MINUTES OF THE 169TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT HILTON GARDEN INN, MACHAKOS COUNTY, ON MONDAY, 27TH MAY, 2024,
AT 2:15 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Nabwera Daraja Nabii, MP
6. The Hon. Samuel Kinuthia Gachobe, MP
7. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Amina Udgoon Siyad, MP
7. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Lenny Muchangi – Legal Counsel II
3. Mr. Mohamed Jelle Abdi – Clerk Assistant III
4. Mr. Jacknorine Buleemi – Clerk Assistant III
5. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
6. Mr. Henry Gichana – Research Officer III
7. Ms. Yvonne Kendi – Hansard Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Paul Kagwanja – Principal Auditor
2. Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

Rev. CPA Lawrence K. Kwiriga – Senior Accountant

MIN.NO. NA/DAAOSC/PAC/2023/192 PRELIMINARIES

The Chairperson called the meeting to order twenty minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/193

CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmations of the minutes of previous meetings were deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/194

CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2021/2022

The Members deliberated on the Committee's report on the examination of the report of the Auditor-General on the financial statements for the year 2021/2022, concerning the accounts of the following state departments;

- i) State Department for Cooperatives;
- ii) Ethics and Anti-Corruption Commission;
- iii) State Department for East African Community;
- iv) State Department for Gender;
- v) State Department for Culture and Heritage;
- vi) State Department for Sport
- vii) State Department for Livestock; and
- viii) the Executive Office of The President

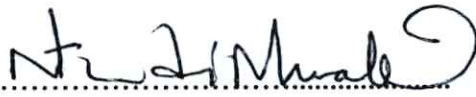
Observations and recommendations are contained in the draft report.

MIN.NO.NA/DAAOSC/PAC/2023/195

ADJOURNMENT

There being no other business, the meeting was adjourned at 5:00 p.m. The next meeting will be held on Tuesday, 28th May 2023 in the same venue.

Signed.....



Date 06/05/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP

For

Chairperson

**MINUTES OF THE 168TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT HILTON GARDEN INN, MACHAKOS COUNTY, ON MONDAY, 27TH MAY 2024,
AT 10.30 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Nabwera Daraja Nabii, MP
6. The Hon. Samuel Kinuthia Gachobe, MP
7. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. The Hon. Eckomas Mwenzi Mutuse, OGW, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Amina Udgoon Siyad, MP
7. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Lenny Muchangi – Legal Counsel II
3. Mr. Mohamed Jelle Abdi – Clerk Assistant III
4. Mr. Jacknorine Buleemi – Clerk Assistant III
5. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
6. Mr. Henry Gichana – Research Officer III
7. Ms. Yvonne Kendi – Hansard Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Paul Kagwanja – Principal Auditor
2. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Lawrence K. Kwiriga – Senior Accountant

MIN.NO. NA/DAAOSC/PAC/2023/188 PRELIMINARIES

The Chairperson called the meeting to order at forty-five minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/189

CONFIRMATION OF MINUTES OF PREVIOUS
SITTINGS

Confirmations of the minutes of previous meetings were deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/190

CONSIDERATION OF THE REPORT ON THE
EXAMINATION OF THE REPORT OF THE
AUDITOR-GENERAL FOR THE YEAR 2021/2022


The Members deliberated on the Committee's report on the examination of the report of the Auditor-General on the financial statements for the year 2021/2022, concerning the accounts of the Ministry of Health.

Observations and recommendations are contained in the draft report.

MIN.NO.NA/DAAOSC/PAC/2023/191

ADJOURNMENT

There being no other business, the meeting was adjourned at 1.00 p.m. The next meeting will be held at 2.15 p.m. in the same venue.

Signed. 

Date 06/08/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP

For, Chairperson

**MINUTES OF THE 167TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 23RD MAY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. Yakub Adow Kuno, MP
8. The Hon. Samuel Kinuthia Gachobe, MP
9. The Hon. David Kiplagat, MP
10. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali | – | Clerk Assistant III |
| 4. Mr. Lenny Muchangi | – | Legal Counsel II |
| 5. Mr. Henry Gichana | – | Research Officer III |
| 6. Ms. Yvonne Kendi | – | Hansard Reporter III |
| 7. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|-----------------------|
| 1. Mr. Jared Nyasomi | – | Deputy Director Audit |
| 2. Mr. Simon Nobosu | – | Director of Audit |
| 3. Mr. Nimrod Nyaga | – | Senior Auditor |
| 4. Mr. Paul Kagwanja | – | Principal Auditor |
| 5. Mr. Ezekiel O. Omoro | – | Audit Associate |

STATE DEPARTMENT FOR PETROLEUM

1. Mr. Mohamed Liban	–	Principal Secretary
2. Mr. Joseph Otieno	–	SPSG Petroleum
3. Ms. Veronica Kamau	–	Snr. Dep. Accountant General
4. CPA Dismas Ogot	–	Chief Finance Officer
5. Mr. Victor Mudachi	–	Ag. CP
6. Ms Lucy Gaithi	–	CE - SDP
7. Ms Joyce Ala	–	DSCMS
8. Mr. Zakaria Jomo	–	Legal Advisor to PS
9. Mr. Eliud Mwaura	–	Director HR
10. Mr. M.B Mohamed	–	Secretary, Administration

MIN.NO. NA/DAAGPC/PAC/2024/184 PRELIMINARIES

The Chairperson called the meeting to order at 2:43 p.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAGPC/PAC/2024/185 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/186 EVIDENCE: STATE DEPARTMENT FOR PETROLEUM VOTE 1194

Mr. Mohamed Liban, the Principal Secretary/Accounting Officer for the State Department for Petroleum appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1655. Misclassification of expenditure.

The management had spent Kshs. 1,097,843 in respect to domestic travel and subsistence allowance though charged under foreign travel and subsistence allowance. Similarly, Kshs. 4,533,266 which was recurrent in nature was used which was supposed to be charged under office and general supplies component. This was due to budget cuts after commitment.

1656. Unsupported transfer of funds to other entities.

The management transferred Kshs. 479,000,000 in respect of grants and transfers to other government entities without stating the basis for the disbursement and the funds were transferred without clear work plans from the entities. The confirmation receipts and workplans were availed.

1657. Pending bills.

The management had accumulated pending bills of Kshs. 132,775,321 and the bills were not settled and did not form first charge, contrary to the PFM Act. The management stated that they had now cleared the pending bills.

1658. Non-compliance with the public sector board in the presentation of the financial statements.

The management stated that during the year under review the state department for mining and the state department for petroleum were two separate entities with different votes hence prepared separate financial statements with different prior year balances. They were later merged and therefore it was not possible to establish which of the two departments' comparative figures were to be used.

1659. Delayed implementation of the mwananchi liquefied petroleum gas enhancement project.
The project had since been varied and inculcated into the new national LPG masterplan.

1660. Irregular payment of special duty allowance.

The management continued paying Kshs. 1,059,482 as special duty allowances to employees after the PSC directive issued in December, 2021.

1661. Delayed compensation of office partitioning works.

The management paid rent totaling to Kshs. 28,453,719 to KASNEB for a leased building that they had not occupied by the time of audit. The state department stated that the partitioning of the building hadn't been completed due to budgetary constraints.

The committee directed the state department to provide a copy of the lease agreement, the tender advert and the notification of award.

1662. Non-compliance with the Data Protection Act, 2019.

The management agreed that during the year under review, the state department didn't have a data protection officer. However, the state department has since been registered as a data controller and subsequently appointed a data protection officer.

1663. Failure to establish a public finance management committee.

The management agreed that the public finance management standing committee envisaged under the PFM (National Government) Regulations, 2015 was yet to be constituted and operationalized by the time of audit. The state department has since established the committee and it has been operationalized.

1664. Lack of a national upstream petroleum advisory committee.

The management stated that the national upstream petroleum advisory committee was operationalized in 2019 and has been performing its functions.

The committee directed that the state department provide evidence and minutes of the committee sitting by Monday 3rd June, 2024.

1665. Lack of a national petroleum policy and plan.

The management stated that the merger of the state department for petroleum and the state department for mining in January 2021 necessitated the review of the strategic plan to align it to the Executive Order. Currently the Ministry has developed the strategic plan 2023-2027 that is in the process of being promulgated.

1681. In-eligible expenditure – unremitted tax and penalties.

The project management unit made payments to non-resident professionals offering training services without deducting withholding taxes and value added tax applicable for imported services totaling to Kshs. 81,824,599.

1682. Long outstanding bank reconciliation items.

The statement of financial assets revealed long outstanding unpresented cheque totaling to Kshs. 159,000 and payments in bank statements not in the cash book amounting to Kshs. 641,815. The reconciling items have been outstanding since FY 2020/21.

The committee directed the state department to liaise with the National Treasury to establish if the account was closed and have the reconciliation done.

1683. Lack of an approved annual work plan.

The management had made payments amounting to Kshs. 344,248,676 in respect of purchase of goods and services. However, no approved work plan in respect of implemented activities was availed for audit review.

1684. Budgetary control and performance.

There was an under expenditure of Kshs. 93,335,539 due to review of performance indicators.

1685. Project implementation and performance.

The project utilized Kshs. 4,533,412,421 against an approved budget of Kshs. 5,100,000,000 thus underutilizing Kshs. 579,048,893, due to reviewed milestones


1687. Lack of asset handing over report.

The management stated that the project cross-cut a number of beneficiary organizations such as NEMA, NOCK, DOSH and KEBS. The assets to these organizations remained with them.

The committee directed that the state department provides a list of all the assets that are with these organizations and the justification as to why they retained them.

MIN.NO.NA/DAAGPC/PAC/2024/187: ADJOURNMENT

There being no other business, the meeting was adjourned at 5.05 p.m. The next sitting will be on Monday 27th May, 2024 at 9.00 a.m, at the Hilton Garden Inn, Machakos County.

Signed.......... Date ...06/08/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 166TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 23RD MAY 2024, IN COMMITTEE ROOM 9, MAIN PARLIAMENT
BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. The Hon. David Kiplagat, MP
8. The Hon. Nabwera Daraja Nabii, MP
9. The Hon. Victor Kipng'etich Koech, MP
10. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 3. Mr. Jacknorine A. Buleemi | – | Clerk Assistant III |
| 4. Mr. Lenny Muchangi | – | Legal Counsel II |
| 5. Mr. Henry Gichana | – | Research Officer III |
| 6. Ms. Yvonne Kendi | – | Hansard Officer III |
| 7. Mr. Dennis Kamau | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|----------------------|---|--------------------------|
| 1. Mr. Simon Nabosu | – | Director of Audit |
| 2. Mr. Jared Nyasoni | – | Deputy Director of Audit |
| 3. Mr. Nimrod Nyaga | – | Senior Auditor |
| 4. Mr. Paul Kagwanja | – | Principal Auditor |
| 5. Mr. Ezekiel Omore | – | Audit Associate |

STATE DEPARTMENT FOR MINING

- | | | |
|----------------------------|---|----------------------------------|
| 1. Mr. Elijah Mwangi | – | Principal Secretary |
| 2. Mr. David Onyancha | – | Director of Administration |
| 3. Mr. Samuel Waithaka | – | Chief Finance Officer |
| 4. Mr. Philip Kirui | – | Chief Inspector of Mines |
| 5. Mr. Henry Siele | – | Senior Deputy Accountant General |
| 6. Mr. Bernard Munia Kagwe | – | Senior Admin Officer |

MIN.NO. NA/DAAOSC/PAC/2024/180 PRELIMINARIES

The Chairperson called the meeting to order twenty-five minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/181 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/182 EVIDENCE: STATE DEPARTMENT FOR MINING - VOTE 1194

Mr. Elijah Mwangi, the Principal Secretary/Accounting Officer for the State Department for Mining appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1666. Long Outstanding Arrears

1666.1 East African Portland Cement PLC

The Committee directed the Accounting Officer to negotiate a payment plan of Kshs.404,759,572 with East African Portland Cement Company Limited (EAPC).

1666.2 Savanna Cement Limited

The Committee noted that the matter was under investigation by the DCI.

1666.3 Tata Chemicals Magadi Limited

The Accounting Officer submitted that the Company had paid the arrears to the tune of Kshs. 751,333,515.95.

1666.4 African Diatomite Factories Ltd

The Accounting Officer submitted that African Diatomite Factories Ltd had paid the arrears to the tune of Kshs. 10,000,000.

1666.5 Carbacid (CO2) Limited

The Accounting Officer reported that the State Department has continued its engagement with the company through meetings with the directors and other enforcement measures. A sum of Kshs. 16,814,900 had already been recovered.

1666.6 ARM Cement Ltd

The Committee directed the Accounting Officer to provide a status report on the recovery of arrears amounting to Kshs. 290,232,493 by the end of June 2024.

1667. Unsupported Non-Tax Receipts

The Accounting Officer submitted that the State Department had awarded a contract for the development of a Royalty Management System that will serve as a Royalties' cadastral register. The system is designed to increase accuracy.

1668. Cement Levy Received from National Cement Limited

1668.1 Irregular Variation of Cement Levy Rates

The Accounting Officer submitted that the ministry had revoked the rate of Kshs. 100 per tonne of cement sold in favour of the rate of Kshs. 140 per tonne and had developed regulations (Royalty Collection and Management Regulation 2023), which were undergoing review by the Attorney General.

The Committee noted that the State Department had recovered arrears amounting to Kshs. 525,646,529 from National Cement Company.

1668.2 Unconfirmed Cement Levy

The response provided by the Accounting Officer was satisfactory, and the matter was marked as resolved.

1669. Un-Authorized Use of Prospecting Fees

The Committee noted that the State Department was no longer using prospecting fees as Appropriations-in-Aid (A-I-A).

1670. Underutilized Gemstone Centre in Voi

The Accounting Officer submitted that the Center was officially commissioned on 25th September 2023, and the management had proceeded to procure laboratory and lapidary equipment in the current financial year. The centre was now operational.

1671. Non-issuance of Mining Permits to Artisanal Miners

The Accounting Officer submitted that there was no issuance of mineral right permits due to a moratorium that was in place.

1672. Failure to Enforce Surrender of Mineral Rights

The Accounting Officer explained that the Cabinet Secretary revoked non-performing mineral rights, prompting outcry from the holders. In response, a committee was formed to assess the existence and status of these non-performing mineral rights. Currently, the Mineral Rights Board is reviewing their findings.

1673. Dealing in Minerals Without Valid Licenses

The Accounting Officer submitted that the ministry had put effort to have Tata Chemical Magadi Limited regularize its operations under the Mining Act 2016. The company had since made applications for three licenses which were being processed.

1674. Lack of Revenue Sharing Framework

The Committee instructed the Accounting Officer to ensure the development of Mineral Royalty Sharing Regulations for the distribution of the 10% to communities.

1675. Unlicensed Mining Operations

The Accounting Officer submitted that several illegal operators had already been arrested and prosecuted. The government had now funded and equipped Regional Mining Offices in order to regulate this activity appropriately.

1676. Non-Adherence to Prospecting Licence Conditions

The Accounting Officer submitted that the Lake Mining Company was served with a stoppage order to suspend the operations until the company acquires requisite documents.

1677. Irregular Issuance of Mineral Exploration Rights

The Committee observed that the former Cabinet Secretary issued the license of Mineral Exploration Rights.

1678. Expired Prospecting License

The Accounting Officer reported that the Ministry through the Migori regional office issued a stop order against Aurum Utalum Mining Company for breach of the prospecting license for engaging in activities beyond what their mineral rights authorize.

1679. Delayed issuance of Prospecting Licenses


The Accounting Officer submitted that Moratorium was lifted in October 2023 and 3 (three) of the company applications had been evaluated and undergoing public participation in preparation for issuance.

1680. Lack of an Updated Cadastre Records

The Accounting Officer submitted that a National Multi-Agency team was tasked to develop Mining Cadaster, which was still a work in progress.

MIN.NO.NA/DAAOSC/PAC/2024/183 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.55 p.m.

Signed.....

Date 06/08/2024.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

For,

**MINUTES OF THE 165TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 21ST MAY 2024, IN COMMITTEE ROOM 9, MAIN PARLIAMENT
BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. Yakub Adow Kuno, MP
8. The Hon. Samuel Kinuthia Gachobe, MP
9. The Hon. David Kiplagat, MP
10. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Mr. Josphat Bundotich | – | Principal Sergeant-At-Arms II |
| 4. Mr. Henry Gichana | – | Research Officer III |
| 5. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|-----------------------|
| 1. Mr. Manasses Kuria | – | Deputy Director Audit |
| 2. Ms. Jackline Omune | – | Principal Auditor |
| 3. Mr. Paul Kagwanja | – | Principal Auditor |
| 4. Mr. Ezekiel O. Omore | – | Audit Associate |

STATE DEPARTMENT FOR PUBLIC WORKS VOTE 1095

- | | | |
|-------------------------|---|-----------------------------|
| 1. Mr. Joel Arumonyang | – | Principal Secretary |
| 2. Mr. Nicholas Mutua | – | Works Secretary |
| 3. Eng. Benjamin Mwangi | – | Chief Engineer |
| 4. Mr. Mbogai Rioba | – | Secretary Administration |
| 5. Mr. Wafula Kuucha | – | Ag. Chief Quantity Surveyor |

- | | | |
|------------------------|---|-------------------------|
| 6. Mr. Michael Ongilo | – | Head of Accounting Unit |
| 7. Mr. Shavanga Calvin | – | SCFO |
| 8. Xx | | |

MIN.NO.NA/DAAGPC/PAC/2024/172 PRELIMINARIES

The Chairperson called the meeting to order at 10:13 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAGPC/PAC/2024/173 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/174 EVIDENCE: STATE DEPARTMENT FOR PUBLIC WORKS VOTE 1095

Mr. Joel Arumonyang, the Principal Secretary/Accounting Officer for the State Department for Public Works appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

962. Irregular payments under use of goods and services.

The Committee noted irregular charging of expenditures in vote heads.

963. Irregular payments under acquisition of assets.

The Committee noted that the vote head was under one-line budget item hence the expenditures were rightly charged.

964. Compensation of employees – payments outside integrated payroll and personnel database (IPPD) system.

The Committee noted that the difference was Kshs.14,565,456.65 paid outside IPPD comprising;

- i. Casual payments Kshs.5,180,285
- ii. Leave commutation Kshs.4,584,864
- iii. Gratuity and baggage allowance Kshs.4,800,307.65

965. Unconfirmed transfers to other government units.

The committee directed that the State Department to provide the bank statements showing the transfer of the 16m to the sports club within the next seven days.

966.1. Payments to Staff not Captured as Outstanding Imprest.

The outstanding amount reflected in recurrent bank statement as at 30th June 2022 were cleared in July 2022.

966.2. Imprest to staff.

The management stated that Ksh.155,55,931 was paid to staff as imprests and other payments. The said imprests were “group imprests” in respect of monitoring and Evaluation and Audit & Inspection of building across the country.

The committee directed the state department to provide a breakdown of the Kshs. 155,555,931 beneficiaries within Seven days.

967.1. Fuel, oil and lubricants pending bills.

The management stated that M/S RH Devani had claimed for unsettled bill of Kshs. 23,650,178.00 but after audit verification only Kshs. 18,073,198 was supported through documentation. A balance of Kshs. 15,079,098.00 has not been paid by the State Department due to lack of budgetary provision.

968. Understatement of pending bills for security services.

The management stated that the amount was confirmed to have included outstanding withholding certificates that have not been issued to the service provided but actually the amount of the taxes was deducted at source.

The committee directed the state department should provide the documentation for the withholding tax.

969. Uncollected rent income.

The management stated that Kshs.4,252,320 remained unpaid by KNEC.

970. Budgetary control and performance.

The management stated that the Kshs.1,004,584,403 as reflected in the statement was a result of non-submission of AIA collection from NCA.

971. Pending bills.

The committee directed that the state department should avail an aging analysis report of all pending bills within Seven days.

972. Staffing levels above approved staff establishment.

The management stated that they acknowledge that in a number of cadres, the in-post exceeded what is provided as the approved establishment. The postings by the Scheme Administrators in the support service cadres does not always align with the approved establishment for respective cadres.

They were currently working on review of the staff establishment with a view of proposing approval of higher numbers in line with the workload which over time will address the variances currently existing in the approved establishment. Notwithstanding the variances in certain cadres, they remain

grossly understaffed especially among the technical cadres. The annual turnover is not marched by replacements.

Queries 973.1, 973.2, 973.3, 973.5, 973.6, 974.1 and 974.2 were dealt with in the last year audit report by the committee. The state department was directed to provide a status report of the projects.

973.4 Interest on delayed payment – completion of Longisa Sub-District hospital.

The bill wasn't paid as there was a misplacement of the voucher and thus the contractor later applied for interest on the principal.

975. Projects behind schedule.

The management stated that the following projects havd so far been completed and were in use;

- i. New Mokowe Jetty
- ii. Kiptabsir – Chebongi footbridge
- iii. Kiangonina footbridge and
- iv. Kitutu Chache footbridge

However, the following were yet to be completed;

- i. Kapkures footbridge
- ii. Tirgamo Ipisikhu footbridge
- iii. Proposed construction of Tharaka Nithi County HQs at Kathwana
- iv. Proposed construction of Tana River County HQs.

The committee directed that the state department should provide the physical location of the Tirgamo Ipisikhu footbridge within Seven days.

976. Incomplete motor vehicle register.

The committee directed that the state department avails a complete motor vehicle register within the next three months.

977. Incomplete fixed asset register.

The committee directed that the complete fixed asset register be availed by end of the financial year.

978. Audit committee and internal audit.

The Committee noted the breach.

MIN.NO.NA/DAAGPC/PAC/2024/175: ADJOURNMENT

There being no other business, the meeting was adjourned at 1.25 p.m. The next sitting will be on Thursday 23rd May, 2024 at 10.00 a.m.

Signed... 

Date 06/08/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 164TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY, 20TH APRIL 2024, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 2.30 P.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Mohamed Jelle Abdi – Clerk Assistant III
4. Mr. Henry Gichana – Research Officer III
5. Ms. Yvonne Kendi – Hansard Officer III
6. Mr. Dennis Kamau – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Kenneth Nduri – Deputy Director of Audit
2. Mr. Christopher Mwinamo – Principal Auditor
3. Mr. Paul Kagwanja – Principal Auditor

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

MINISTRY OF ENVIRONMENT AND FORESTRY

1. Eng. Festus K. Ng'eno – Principal Secretary
2. Dr. David Gikungu – Director, KMD
3. Mr. Kennedy Oduka – NEMA – DG
4. Prof. Julius Tanui – CEO, KWTA
5. Mr. Felab Obanyi – Deputy Head of Account Unit
6. Mr. Waiganjo Waweru – Senior Chief Finance Officer

- | | | |
|--------------------------|---|--|
| 7. Ms. Elizabeth Masaku | – | Supply Chain Management Officer |
| 8. Ms. Penninah Njunguna | – | Senior Deputy Accountant General |
| 9. Ms. Mercy Mwangi | – | Senior Accountant Internal Auditor General |
| 10. Mr. Anthony Kiumbuku | – | Chief Accountant |
| 11. Mr. Charles Minjiue | – | SDAG |

MIN.NO. NA/DAAOSC/PAC/2024/166 PRELIMINARIES

The Chairperson called the meeting to order thirty-five minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/167 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/168 EVIDENCE: MINISTRY OF ENVIRONMENT AND FORESTRY- VOTE 1108

Eng. Festus K. Ng'eno, the Principal Secretary/Accounting Officer for the State Department for Environment and Climate Change appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved after auditors confirmed that the State Department had since availed relevant documentation;

1. 1007. Presentation and Inaccuracies in the Financial Statements
2. 1008. Overstatement of Payments
3. 1009. Budgetary Control and Performance
4. 1010. Undrawn External Assistance
5. 1019. Budgetary Control and Performance
6. 1030. Budgetary Control and Performance
7. 1035. Budgetary Control and Performance
8. 1039. Budgetary Control and Performance
9. 1040. Unresolved Prior Year Matter
10. 1045. Unresolved Prior Year Issues
11. 1050. Unresolved Prior Year Audit Issue
12. 1054. Late Submission of Financial Statements
13. 1055.2 Irregularities in Procurement of Refurbishment of Buildings
14. 1058. Budgetary Control and Performance
15. 1059. Unresolved Prior Year Audit Matters
16. 1060.1 Projects in Laikipia and Kajiado Counties
17. 1060.3 Construction of Flood Protection Dykes along River Asao
18. 1061. Lack of Detailed Breakdown of the Annual Procurement Plan
19. 1062. Lack of Approved Budget
20. 1063. Incomplete Annual Work Plan
21. 1064. Irregular Expenditure on Management Fees
22. 1067. Budgetary Control and Performance

**MINUTES OF THE 163RD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 20TH MAY 2024, IN COMMITTEE ROOM 9, MAIN PARLIAMENT
BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. Eckomas Mwangi Mutuse, OGW, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Samuel Kinuthia Gachobe, MP
8. The Hon. Victor Kipng'etich Koech, MP
9. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Amina Udgoon Siyad, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/ Lead Clerk
2. Mr. Mohamed Jelle Abdi – Clerk Assistant III
3. Ms. Lilian Mwikali – Clerk Assistant III
4. Ms. Yvonne Kendi – Hansard Officer III
5. Mr. Henry Gichana – Research Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Kenneth Ndubi – Deputy Director
2. Mr. Christopher Mwinamo – Principal Auditor
3. Mr. Paul Kagwanja – Principal Auditor

MINISTRY OF ENVIRONMENT AND FORESTRY.

1. Eng. F. K. Ng'eno – Principal Secretary
2. Mr. Waiganjo Waweru – Senior Chief Finance Officer, Forestry
3. Mr. Daniel O. Ochieng – Senior Chief Finance Officer, Environment
4. Ms. Elizabeth Masaku – Supply Chain Management Officer
5. Ms. Peninah Njugunah – Snr. Dep. Accountant General, Environment

6. Dr David Gikungu – Director KMD
7. Mr. Felab Obanyi – Deputy Head of Audit Unit, Environment

MIN.NO. NA/DAAOSC/PAC/2024/167 PRELIMINARIES

The Chairperson called the meeting to order at 10:15 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/168 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/169 EVIDENCE: MINISTRY OF ENVIRONMENT AND FORESTRY. VOTE NO. 1108

Eng. F. K. Ng'eno the Principal Secretary/Accounting Officer for the State Department for Environment and Climate Change appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved after auditors confirmed that the Ministry had since availed relevant documentation;

1. 979. Unsupported Transfers to Other Government Entities
2. 981. Imprests and Advances
3. 982. Irregular Payment of Allowances
4. 983. Budgetary Control and Performance
5. 987. Internal Audit Function
6. 988. Lack of Risk Management Policy
7. 996. Budgetary Control and Performance
8. 998. Lack of Policy on Exchange Rate Used to Pay Salaries
9. 999. Budgetary Control and Performance
10. 1000. Pending Bills
11. 1001. Unfulfilled Project Objectives
12. 1003. Variances Between the Statement of Receipts and Payments and Statement of Comparison of Budget and Actual Amounts
13. 1004. Budgetary Control and Performance

The following matters remained outstanding and were discussed;

980. Use of Goods and Services - National Tree Planting Campaign

**MINUTES OF THE 162ND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 16TH MAY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Amina Udgoon Siyad, MP
7. The Hon. Yakub Adow Kuno, MP
8. The Hon. Samuel Kinuthia Gachobe, MP
9. The Hon. David Kiplagat, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Nabwera Daraja Nabii, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Mr. Josphat Bundotich | – | Principal Sergeant-At-Arms II |
| 4. Mr. Henry Gichana | – | Research Officer III |
| 5. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|-----------------------|
| 1. Mr. Manasses Kuria | – | Deputy Director Audit |
| 2. Mr. Micheni John | – | Senior Auditor |
| 3. Mr. Ezekiel O. Omoro | – | Audit Associate |

THE NATIONAL TREASURY & ECONOMIC PLANNING

- | | | |
|---------------------------|---|-------------------|
| Rev. CPA Lawrence Kwiriga | – | Senior Accountant |
|---------------------------|---|-------------------|

STATE DEPARTMENT FOR CROPS DEVELOPMENT & AGRICULTURAL RESEARCH VOTE 1169

1. Dr. Ronoh Paul Kipronoh	–	Principal Secretary
2. Mr. Douglas Mutemi	–	Head of Accounting Unit
3. Mr. Richard Bii	–	Head of Supply Chain Management
4. Mr. Harun Khetor	–	Secretary Administration
5. Mr. Swamwel K. ndung'u	–	Ag. MD NCPB
6. Mr. Samwel Cuto	–	Project Manager NARIGP
7. Ms. Irene Ndonga	–	AAG – MDA
8. Eng. Richard Karimi	–	AES – MDA
9. Mr. Tobias Osano	–	CFO – MDA
10. Ms. Rosemary Nyamu	–	Director Kenya Sch. Of Agriculture

MIN.NO. NA/DAAGPC/PAC/2024/163 PRELIMINARIES

The Chairperson called the meeting to order at 2.33 p.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAGPC/PAC/2024/164 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/165 EVIDENCE: STATE DEPARTMENT FOR CROP DEVELOPMENT & AGRICULTURAL RESEARCH VOTE 1169

Dr. Ronoh Paul Kipronoh, the Principal Secretary/Accounting Officer for the State Department for Crop Development and Agricultural Research appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1518. Slow rate of funds absorption.

The management stated that as at 30th June 2022, the grant absorption was at 38% while the loan absorption was at 52% as a result of number of challenges such as slow procurement of contracts and associated procurement delays and effects of Covid-19 pandemic through restrictions of movement and Lockdowns resulting in work stoppages. The procurement delays were mainly as a result of projects and irrigation schemes feasibility studies and designs taking too long to be completed. The design challenges and County challenges tied to devolution cumulatively delayed the project by two years before commencement.

1519. Stalled and delayed completion of projects.

The management stated that the cumulative total contract value of Kshs.803,675,951 for the 12 No. Contracts, Kshs,395,191,410 had been paid to the contractors for works done in each of the sites after joint works measurement by the time of the Project Audit. This was because all the contracts funded

The Committee instructed the Accounting Officer to provide correspondence with the National Treasury detailing when the geographical location codes were requested and when they were provided.

1502. Pending Bills

The Committee directed the Accounting Officer to provide an ageing list of all pending bills, indicating which ones have been settled and which ones are still outstanding.

1503. Construction of Buildings

1503.1 Delayed Erection and Completion of Administration Offices/Hostels Block

The Committee instructed the Accounting Officer to provide the completion status of the project within a week.

1503.2 Stalled Construction of Laare Miraa Marketing Shed

The Accounting Officer submitted that the project stalled due to insufficient exchequer allocation and escalating prices of construction materials.

The Accounting Officer further explained that the project was currently at 82% completion and was intended to be completed by 30th June 2024.

1504. Failure to Maintain an Updated Asset Register

The Committee instructed the Accounting Officer to avail an updated asset register to the office of the Auditor General, who will report back to the Committee on their findings.

1511. Unapproved Reallocation of Expenditure

The Committee noted that the State Department was in breach of Section 43(2) of the Public Finance Management Act, 2012, which requires approval for the reallocation of expenditures.

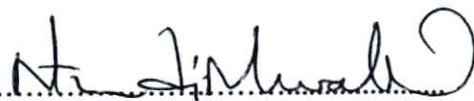
1513. Unsupported Procurement of Contracts

The Committee instructed the Accounting Officer to avail the actual bid documents by 17th May 2024.

MIN.NO.NA/DAAOSC/PAC/2024/157 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.05 p.m. The next meeting will be held at 2.30 pm in the afternoon.

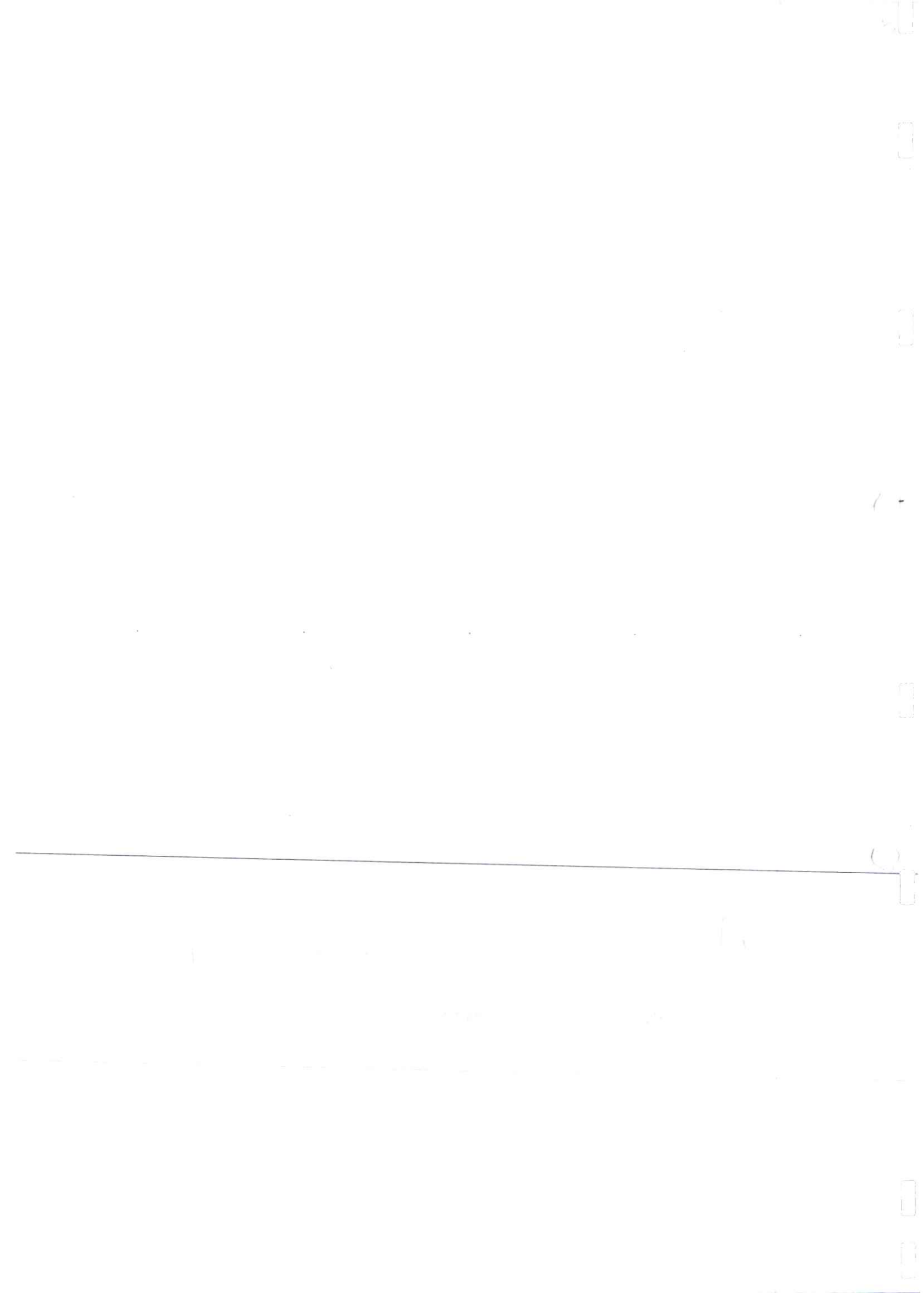
Signed.....



Date ...06/08/2024.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

For,



**MINUTES OF THE 161ST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 16TH APRIL 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Nabwera Daraja Nabii, MP
5. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Jacknorine A. Buleemi – Clerk Assistant III
4. Mr. Henry Gichana – Research Officer III
5. Ms. Yvonne Kendi – Hansard Officer III
6. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Stephen Karani Karanu – Director of Audit
2. Ms. Khadija Alugongo – Deputy Director of Audit
3. Mr. Tom Gaya – Principal Auditor
4. Mr. Paul Kagwanja – Principal Auditor
5. Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

**STATE DEPARTMENT FOR CROP DEVELOPMENT AND AGRICULTURAL
RESEARCH**

1. Dr. Paul Ronoh – Principal Secretary
2. Mr. Samuel Ndungu – Ag. MD NCPB
3. Ms. Rosemary Nyamu – Director Kenya Sch. Of Agriculture
4. Mr. Harun Khetor – Secretary Administration

5. Mr. Douglas Mutemi	–	Senior Deputy Accountant General
6. Mr. Kipkirui Kemboi	–	Ag. Chief Accountant
7. Mr. Samuel Cuto	–	National Project Coordinator
8. Mr. Stanley Ikao	–	Assistant Accountant
9. Mr. Boniface Njugu	–	Office Assistant Accounts
10. Mr. Gregory Munyao	–	Office Assistant Accounts

MIN.NO. NA/DAAOSC/PAC/2024/154 PRELIMINARIES

The Chairperson called the meeting to order twenty-five minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/155 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/156 EVIDENCE: STATE DEPARTMENT FOR CROP DEVELOPMENT AND AGRICULTURAL RESEARCH - VOTE 1169

Dr. Paul Ronoh, the Principal Secretary/Accounting Officer for the State Department for Crop Development and Agricultural Research appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved after auditors confirmed that the State Department had since availed relevant documentation;

1. 1501.3 Unsupported Expenditure on Specialized Materials and Services
2. 1501.4 Variances between State Department's Expenditure and Projects' Expenditure
3. 1506. Non-Compliance with the One-Third of Basic Salary Rule
4. 1509. Unreconciled Expenditure Figures
5. 1510. Unsupported Government Counterpart Funding
6. 1512. Stalled Projects

Outstanding Queries

1501. Irregularities in Use of Goods and Services

1501.1 Payment for Incomplete Works at Kilimo House

The Committee directed the Accounting Officer to provide a copy of the letter sent to Public Works, seeking an explanation for why the ceiling was changed from gypsum to suspended acoustic, instead of installing the suspended acoustic ceiling from the beginning.

1501.2 Domestic Travel and Subsistence

The Committee noted that the State Department did not request geographical location codes from the National Treasury in time, hence the reason for expensing AIEs immediately at the point of payment.

by Loans from AfDB are admeasurement contracts (contracts measured and paid according to value of works done) as per section VII, General Conditions of the Contracts, sub-section 4.1.1 on payments of admeasurement contracts.

Some of the contracts for earth dams and boreholes were incomplete, some had defects as noted by the audit teams in September 2022. The Project Management team instituted measures to fast track the works by bringing on board graduate engineers to assist the resident engineers and the project managers in the day-to-day supervision of the projects. This measure has resulted in the Substantial completion of Six (6 No.) contracts, re-tendering of 4 No. contracts and termination of 2No. contracts. The Noted defects by auditors during inspection were corrected by the contractors and siltation issues addressed in the earth dams through planting of suitable grass in the dam embankments as required to reduce erosion.

The Committee directed the OAG to ascertain the current status of the projects.

1520. Abandoned projects.

The management stated that out of the cumulative total contract value of Kshs,51,063,955 for the 6 No. Contracts, Kshs.16,715,286 had been paid to the contractors for works done in each of the sites after joint works measurement by the time of the project audit. This is because all the contracts funded by loans from AfDB are admeasurement contracts as per section VII, General Conditions of the Contracts, sub-section 4.1 .1 on payments of admeasurement contracts.

Some of the areas where the Boreholes were found to be dry, new hydrogeological studies were conducted afresh and drilling conducted by the same contractors.

1521. Stalled construction of Kabason Irrigation Scheme in Bomet County.

The management stated that the implementation of the project works at Kabason Irrigation scheme in Bomet County started in September 2017 and that the contract has been implemented with occasional lapse of time due to various unforeseen conditions beyond control of the parties.

The Principal Secretary constituted an Inspection and Acceptance committee to audit the works done by the contractor. The committee established that the project was 92% complete as at June 2023 and that additional funds were required to cater for works that were outside the contracted scope which were not envisaged during the tendering process; mainly as result of increased quantities of excavations and on-farm supply pipes due to on-boarding of more farmers to the scheme.

The contract was ongoing and the total disbursement of Kshs.173,740,365 at the time of the Inspection by the Audit team in September 2022 included an advance payment of Kshs. 17,000,000 paid to the contractor.

1522. Omitted works in Makanyanga Irrigation Scheme access roads project.

The management stated that at the time of the audit inspection in September 2022, some defects were noted by the audit team which included culverts not being in place, erosion on road embankments and signboards had not been erected.

The contractor was instructed to rectify the defects has and had since complied.

1526. Budgetary control and performance.

The management stated that during the FY year 2021/2022, JICA (donor) committed to spend Kshs.43,000,000, while GoK approved a budget of Kshs.11,600,000. However, JICA provided Kshs.21,822,897, while GoK disbursed Kshs.5,800,000 to the project. This resulted in underfunding and underspending. The underfunding by JICA was occasioned by the Economic constraints in the donor country of Japan and the weakening of the Japanese currency (Yen). There was also a budgetary revision by the Government and reduced disbursement to the project.

1530. Non-remittance of counterpart funds.

The National and County Governments had not remitted counterpart funds amounting to Kshs.159,606,369 and Kshs.157,634,404 respectively. In the current financial year 2023/24, the project has already received its full year GOK counterpart.

1531. Delay in implementation of component three of the project.

The management stated that the disbursement of NARIGP funds to the counties and the community was through the Conditional Grants Disbursement Framework developed by the Senate every year. In Financial year 2021/2022 the framework was approved in May 2022. The late approval of the Framework negatively affected the disbursement of funds to the counties and consequently the implementation of investments at the counties and especially Multi Community Investments under Component Three. The project funds were released to the counties towards the tail end of financial year 2021/2022. The projects have now been completed and handed over to the community.

1532. Anomalies in the Counties bank accounts.

The management stated that the County Government of Migori had frozen the projects bank accounts. In addition, scrutiny of signatories to the account for County Government of Homa Bay revealed that there were five (5) signatories to the account contrary to Section 2.3.2 Paragraph 5 of NARIGP Finance Manual which required three. To ensure compliance, the management through the Council of Governors had committed itself to sensitizing the new county leadership on the provisions of the project documents. Sanctions which include suspension of further disbursements will also be applied to non-complying counties.

1533. Delayed transfer of funds from County revenue fund.

The management stated that County Governments of Kilifi, Homabay and Kiambu had not transferred amounts of Kshs.136,732,417, Kshs.104,639,790 and Kshs.110,216,401 respectively received during the financial year 2021/2022 from the County revenue fund to the projects special purpose accounts. However, the funds had since been transferred.

1534. Idle assets.

The management stated that in Meru County, the delay in dispatch of the motorcycles to the respective ward officers was caused by the long time taken to process the insurance covers which is a responsibility of the County Government of Meru.

1537. Budgetary control and performance.

The management stated that the project had an under absorption of approximately 20%. This was as a result of late approval of the supplementary budget and the disbursement framework.

1538. Irregular procurement of assorted furniture.

The management stated that the supplier for the furniture queried above was not in the prequalified list of suppliers of the State Department because the Company fell under the category of Women, Youth and people with disabilities.

1539. Rehabilitation and upgrading of Wajir Livestock Institute.

The management stated that the notification of award was signed by the Head of Procurement instead of the accounting officer. The accounting officer had however signed the professional opinion and the contract.

It is also true that the Contract period for the contract had also expired as at the time of audit. The contractor never renewed it leading to termination and later awarded to another contractor. Further, the performance bond was also expired as at the time of audit. The low-level water tank which was bulging as at the time of audit had been corrected by the contractor and inspected by the project implementation committee.

1540. Irregular signatories to the operation bank account in Lamu County.

Irregular signing mandates in the bank accounts of Lamu made operations difficult even as the National Project Coordination Unit tried to intervene through various sensitizations. As a result of this non-compliance which led to slow absorption, the county received the least amount of funds out the 24 counties only receiving Ksh.387 million against the highest which received Ksh.941 million over the six years of implementation. The project officially closed on 30th November 2023.

1541. Construction of Inaya irrigation system on private land.

The management stated that the County Government of Kakamega was in the process of acquiring the title of the said land measuring 0.75 acres out of the parcel LR/No. Marama/Lunza/136. The owner Mr. Saul Lipuku Akala had agreed to donate the land to community at no consideration. The County Government of Kakamega already has an approved Cabinet Memo for this transfer and the survey had also been finalized.

1542. Failure to open a special purpose account in Wajir County.

The management stated that as at the time of audit the County Government of Wajir had not complied with the project requirements of opening and operating a special purpose account.

1543. Failure to remit counterpart funds by select Counties.

The management stated that the listed Counties had not remitted their 20% contribution on sub-projects implementation as at the time of the Audit. This was because the Counties had not yet received

their share of revenue allocation. The sub-projects had since been completed and the project closed on 30th November 2023.

1546. Budgetary control and performance.

The management stated that there was underfunding to the amount of Kshs.828,011,140 which was as a result of the supplementary budget cuts implementation. The under absorptions of funds allocated was as a result almost three-year delay due to delayed project take off in the initial stage and COVID outbreak.

1547.Unsupported transfers to other Government entities.

The main aim of the program was to create gainful employment, generate income for the youth and bridge succession gap in agribusiness and related value chain. In relation to this the program aims to publicize and create awareness to youths across the country through printing and documentation of the success stories of the trained and funded incubates.

Agricultural Information Research Centre (AIRC) is in the State Department which provides documentation and printing and publishing services to the State Department and Programs.

ENABLE Youth Program in collaboration with AIRC documents the success stories printing and publishing of training materials for the youths hence the support through transfer of the KES 20,000,000.


The committee directed that the state department should furnish it with a copy of the workplan of the Enable Youth Kenya Program for the FY 2021/22. In addition, they should provide documents showing the expenditure was incurred on the specific programme by end of business Friday 17th June, 2024.

1548. Slow absorption of project funds.

The management stated that the delayed start was due to the Covid pandemic where by the youths could not be admitted for training because of the restrictions. The program planned activities were consequently affected which led to slow absorption of funds. The program has been granted a no cost extension of two years and new end date of June 2024.

MIN.NO.NA/DAAGPC/PAC/2024/166: ADJOURNMENT

There being no other business, the meeting was adjourned at 4.28 p.m. The next sitting will be on Monday 20th May, 2024 at 10.00 a.m.

Signed.....

Date 06/08/2024.....

For
The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 160TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 14TH MAY 2024, IN COMMITTEE ROOM 9, MAIN PARLIAMENT
BUILDINGS, AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Amina Udgoon Siyad, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Yakub Adow Kuno, MP
6. The Hon. Samuel Kinuthia Gachobe, MP
7. The Hon. David Kiplagat, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Mr. Josphat Bundotich | – | Principal Sergeant-At-Arms II |
| 4. Mr. Henry Gichana | – | Research Officer III |
| 5. Mr. Mark Mbuthia | – | Audio Officer III |
| 6. Mr. Lenny Muchangi | – | Legal Counsel II |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|-----------------------|
| 1. Mr. Manasses Kuria | – | Deputy Director Audit |
| 2. Mr. Micheni John | – | Senior Auditor |
| 3. Mr. Ezekiel O. Omoro | – | Audit Associate |

THE NATIONAL TREASURY & ECONOMIC PLANNING

- | | | |
|---------------------------|---|-------------------|
| Rev. CPA Lawrence Kwiriga | – | Senior Accountant |
|---------------------------|---|-------------------|

STATE DEPARTMENT FOR TRANSPORT

1. Mr. Mohamed Daghar	–	Principal Secretary
2. Mr. James W. Thuita	–	Senior Deputy Accountant General
3. CPA. Odongo Kennedy	–	Deputy Head of Accounting Unit
4. Ms. Anne Maina	–	Accountant
5. Mr. Benard L. Owuor	–	Principal Finance Officer
6. Ms. Priscal Ochanda	–	Principal Accountant
7. Mr. Jacob Sisey	–	Director NTSA

MIN.NO. NA/DAAGPC/PAC/2024/155 **PRELIMINARIES**

The Chairperson called the meeting to order at 2.41 p.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAGPC/PAC/2024/156 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/157 **EVIDENCE: STATE DEPARTMENT FOR TRANSPORT VOTE 1092**

Mr. Mohamed Daghar, the Principal Secretary/Accounting Officer for the State Department for Transport appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

852.Unsupported payments.

The management stated that as per the financing agreement part D3 the mandate of the department included but not limited to provision of technical assistance in enhancing institutional capacity to effectively oversee and monitor the performance of all modes of transport infrastructure within the region.

853. Budgetary control and performance.

The management stated that the statement of comparative budget and actual amounts reflected under receipts and under absorption at 90.7% and 89.0% respectively.

As per the projects work plan, there were various targeted activities for the year under review. However due to slow procurement processes the targeted activities were not achieved by the close of the financial year.

858. Pending accounting payables.

The management stated that the pending bills resulted from costs incurred on consultancy services on the NUTRIP team leader. The amount of Kshs. 3.9 Million remained after defraying the other pending bills. However, this amount was budgeted in the FY 2021/22 to ensure it is fully settled in FY 2021/22.

859. Doubtful achievement of the project goals.

The management stated that the NUTRIP KRC component was majorly comprised of consultancy work/studies on the Nairobi and Mombasa Commuter Master Plan and procurement of a track recording car which was still ongoing by the time of the project closure. It was expected that the project would be extended because the Kenya Railways components took more time to start than envisaged. The tendering for the Track Recording Car which commenced in October 2015 took longer than expected, it was challenged at the Public Procurement and Review Board (PPRB), and the intention to award had to be reviewed. The track recording car was to absorb over 50% of the budget amount- Kes 500 Million. Due to budgetary challenges experienced in the financial year 2018/19, amounts in the account could not be drawn thereby leading to amounts being held until the closure of the credit for KR NUTRIP. The project aide memoire was further released by World Bank on 27/12/2018 therefore the project funding was halted.

The Committee observed that queries Nos. 862, 863, 864, 865, 866, and 867 concerned the State Department for Shipping and Maritime and would be redirected.

869. Undisclosed receipts.

The management stated that the receipt of Kshs. 48,650,000 related to Government of Kenya recurrent grant received from the State Department of Interior inadvertently transferred to the project account as opposed to the Authority's main operations account. The receipt was not related to the Usalama Barabarani project hence the lack of inclusion in the statement of receipts and payments for the project. These funds were accounted for in the Authority's main financial statements.

870. Programme performance and sustainability.

The management stated that the Authority requested for additional counterpart funding in FY 2022/23 and FY 2023/24. The National Treasury allocated a total of Kshs. 20 Million in the FY 2023/24 out of the Kshs. 97 Million that had been requested.

871. Under-utilized funds.

The management stated that the Authority proposed a project addendum that changed the methods of project implementation to ensure efficient delivery of set objectives. The addendum was approved and signed in the last month (March 2022) of quarter 3 and the European Union funding disbursed during the same month.

The delays in the addendum approval and disbursement of funds resulted in late initiation of the procurement process for project consultancies. Majority of procurements had since been concluded and the funds are expected to be fully absorbed within the project implementation period. The consultancies are mostly short-term ranging from 3 to 12 months and are envisaged to be fully completed to meet the planned objectives in time.

872. Use of funds for unintended purpose.

The management stated that the payments related to the erroneously transferred amount of Kshs. 48,650,000 from the State Department of Interior and Citizen Services. The payments made were utilized to net off the transfer from the State Department.

873. Lack of annual audit work plan and internal audits reports.

The management stated that during the audit of the Finance Department and Corporate Research Strategy and Planning Department, the Internal Audit Department undertook a review of the management of Safe Roads/Usalama Barabarani project in the year under review. The Audit did not observe any significant control weakness that would necessitate capturing in their Audit report.

Internal Audits for the donor funded projects in the current year are scheduled for in the approved Internal audit plan for the FY2022/2023. These will be conducted under Finance Department (Qrt 1), Corporate Research, Strategy and Planning Department (Qrt 2) and Road Education and Programmes Departments (Qrt3).

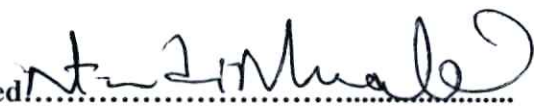
876. Lack of internal audit reports.

The management stated that internal audits for donor funded projects were conducted as per the approved internal audit plan for the FY 2021/2022. The audits were conducted under Finance Department Audit and Corporate Research, Strategy and Planning Department Audit.

Internal Audits for the donor funded projects in the current year were scheduled for in the approved internal audit plan for the FY2022/2023.

MIN.NO.NA/DAAGPC/PAC/2024/158: ADJOURNMENT

There being no other business, the meeting was adjourned at 4.25 p.m. The next sitting will be on Thursday 16th May, 2024 at 10.00 a.m.

Signed 

Date 06/05/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

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**MINUTES OF THE 159TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 14TH MAY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Samuel Kinuthia Gachobe, MP
9. The Hon. Victor Kipng'etich Koech, MP
10. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Amina Udgoon Siyad, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|------------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/ Lead Clerk |
| 2. Mr. Lenny Muchangi | – | Legal Counsel II |
| 3. Mr. Mohamed Jelle Abdi | – | Clerk Assistant III |
| 4. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 5. Ms. Yvonne Kendi | – | Hansard Officer III |
| 6. Mr. Henry Gichana | – | Research Officer III |
| 7. Mr. Josphat Bundotich | – | Principal Sergeant-at-Arms |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|-----------------------|
| 1. Mr. Manasses Kuria | – | Deputy Director Audit |
| 2. Mr. Micheni John | – | Senior Auditor |
| 3. Mr. Ezekiel O. Omore | – | Audit Associate |

NATIONAL TREASURY

- | | | |
|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |
|------------------------------|---|-------------------|

STATE DEPARTMENT FOR TRANSPORT

1. Mr. Mohamed Daghar	–	Principal Secretary
2. Mr. James W. Thuita	–	Senior Deputy Accountant General
3. CPA. Odongo Kennedy	–	Deputy Head of Accounting Unit
4. Ms. Anne Maina	–	Accountant
5. Mr. Benard L. Owuor	–	Principal Finance Officer
6. Ms. Prisca Ochanda	–	Principal Accountant
7. Mr. Jacob Sisey	–	Director NTSA

MIN.NO. NA/DAAOSC/PAC/2024/150 PRELIMINARIES

The Chairperson called the meeting to order at 10:15 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/151 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/152 EVIDENCE: MINISTRY OF TRANSPORT VOTE NO. 1092

Mr. Mohamed Daghar, the Principal Secretary/Accounting Officer for the State Department for Transport appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved after auditors confirmed that the State Department had since availed relevant documentation;

1. 840. Unexplained Variances
2. 843. Unsupported Accounts Payable Balance
3. 844. Budgetary Control and Performance
4. 845. Pending Bills
5. 846. Non-Compliance with the One-Third of Basic Salary Rule
6. 847. Failure to Deduct Pay As You Earn (PAYE) from Employees
7. 848. Allowances Paid Outside the Integrated Payroll and Personnel Database (IPPD)
8. 849. Imprest Paid to Officers
9. 850. Non-Submission of Donor Funded Projects' Financial Statements

The following matters remained outstanding and were discussed;

839. Unsupported Adjustments

Management submitted financial statements on 30 September 2022 and the Financial Statements had been revised and another set was submitted on 14 December 2022. The revision of the financial

statement was advised by the observations of the auditor as captured in the Management Letter on Regularity Audit performed for the year ended 30th June 2022.

841. Expenditure Wrongly Classified as Rentals of Produced Assets

State Department for Transport had charged various items of expenditure such as foreign travel and provision of air tickets worth Kshs. 2,969,040 under the Rentals of Produced Assets component.

The committee directed the state department to charge their expenditures on the right vote and to reallocate funds from one vote to another if the need arose.

842. Unexplained IFMIS Payments

The Payments of Kshs.5, 945,292 were made from the deposit account concerning the Regional Integration Implementation Programme (RIIP) whose funds form part of the balances in the Deposit Account.

The Recurrent Bank Account erroneously received an amount of Kshs 17,000,000 meant for the Regional Integration Implementation Program (RIIP) which ought to have been deposited at the Deposit Bank Account of the State Department.

The committee directed the State Department to present the details of paid staff by the close of business on Friday

845. Pending Bills

The Pending bills of Kshs 23,764,145.80 that related to goods and services were occasioned by lack of exchequer.

The committee directed the state department to present the exchequer requests for the financial year 2021/2022.

851. Delay in Completion of the Transport Data Centre

A Technical Committee had been set up to ascertain the work done to give way forward on the operationalization of the Transport Data Centre (TDC).

The Committee directed the state department to consult with the Attorney General on how to complete the stalled project.

**MINUTES OF THE 158TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 13TH MAY 2024, IN COMMITTEE ROOM 9, MAIN PARLIAMENT
BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
5. The Hon. Samuel Kinuthia Gachobe, MP
6. The Hon. (Dr.) Edwin Mugo Gichuki, MP
7. The Hon. Eckomas Mwenzi Mutuse, OGW, MP
8. The Hon. Nabwera Daraja Nabii, MP
9. The Hon. Victor Kipng'etich Koech, MP
10. The Hon. Yakub Adow Kuno, MP
11. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. David Kiplagat, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

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3. Mr. Mohamed Jelle Abdi – Clerk Assistant III
4. Mr. Lenny Muchangi – Legal Counsel II
5. Mr. Henry Gichana – Research Officer III
6. Ms. Yvonne Kendi – Hansard Officer III
7. Mr. Dennis Kamau – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Justus Okumu – Director of Audit
2. Mr. Paul Kagwanja – Principal Auditor
3. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR UNIVERSITY EDUCATION AND RESEARCH

1. Dr. Beatrice Inyangala – Principal Secretary
2. Ms. Margaret Kariuki – Head of Accounting Unit
3. Mr. Maina Chira – Head of Finance
4. Mr. Geoffrey Monari – CEO, Universities Funding Board
5. Prof. Darius Andika – Centre Leader, World Back Centre of Excellence

- | | | |
|-------------------------|---|--|
| 6. Mr. Cheboriot Julius | - | Accountant, Moi University |
| 7. Prof. Samuel Mwonga | - | Deputy Centre Leader, Egerton University |
| 8. Mr. George Aduda | - | Chief Finance Officer, Jaramogi University |
| 9. Mr. Robert Gicheru | - | Deputy Project manager |

MIN.NO. NA/DAAOSC/PAC/2024/146 PRELIMINARIES

The Chairperson called the meeting to order fifteen minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/ 147 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/148 EVIDENCE: STATE DEPARTMENT FOR UNIVERSITY EDUCATION AND RESEARCH - VOTE 1065

Dr. Beatrice Inyangala, the Principal Secretary/Accounting Officer for the State Department for University Education and Research appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

327.3 Unsupported Transfers to Private Universities

The response provided by the Accounting Officer was not satisfactory.

The Committee instructed the Accounting Officer to provide a comprehensive response during their next appearance before the Committee, addressing all queried issues and detailing the students receiving funding along with the corresponding amounts allocated to each student.

328. Lack of an Audit Committee

The State Department did not provide evidence of an active Audit Committee at the time of Audit.

The Committee noted that the Accounting Officer was inadequately prepared to address the audit queries. Consequently, the Committee directed that the Accounting Officer re-appears with satisfactory answers.

MIN.NO.NA/DAAOSC/PAC/2024/149 ADJOURNMENT

There being no other business, the meeting was adjourned at 11.58 a.m. The next meeting will be held on Tuesday, 14th May 2024 at 10.00 a.m.

Signed.....

Date06/08/2024.....

Ker.
The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 156TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 29TH APRIL 2024, IN COMMITTEE ROOM 9, MAIN PARLIAMENT
BUILDINGS, AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. Yakub Adow Kuno, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Samuel Kinuthia Gachobe, MP
9. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. Amina Udgoon Siyad, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | - | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Jacknorine Buleemi | - | Clerk Assistant III |
| 3. Mr. Mohamed Jelle | - | Clerk Assistant III |
| 4. Mr. Josphat Bundotich | - | Principal Sergeant-At-Arms II |
| 5. Mr. Henry Gichana | - | Research Officer III |
| 6. Mr. Mark Mbuthia | - | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|----------------------|---|-----------------------|
| 1. Ms. Linet Bosire | - | Deputy Director Audit |
| 2. Ms Anna Obudho | - | Principal Auditor |
| 3. Mr. Paul Kagwanja | - | Principal Auditor |

THE NATIONAL TREASURY & ECONOMIC PLANNING

- | | | |
|---------------------------|---|-------------------|
| Rev. CPA Lawrence Kwiriga | - | Senior Accountant |
|---------------------------|---|-------------------|

STATE DEPARTMENT FOR LABOUR & SKILLS DEVELOPMENT

- | | | |
|------------------------------|---|--------------------------------|
| 1. Mr. Shadrack M. Mwadime | - | Principal Secretary |
| 2. Ms. Eunice Ndinda Bernard | - | Asst. Director SCMS |
| 3. Ms. Meldah Angir | - | Asst. Director KMRA |
| 4. Ms. Mildred Akoth | - | Snr. Deputy Accountant General |
| 5. Mr. Amos Omari | - | Deputy Accountant General |
| 6. Mr. Joseph Kinuthia | - | Project Coordinator KYEOP |
| 7. Dr. Wanjiru Kariuki | - | Secretary Skills Development |
| 8. Mr. Festus Mutuse | - | Ag. Director Strategy |
| 9. Ms. Everlyn Siriya | - | Project Accountant KYEOP |

MIN.NO. NA/DAAGPC/PAC/2024/137 **PRELIMINARIES**

The Chairperson called the meeting to order at 2.39 p.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAGPC/PAC/2024/138 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of the previous sittings was differed to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/139 **EVIDENCE: STATE DEPARTMENT FOR LABOUR & SKILLS DEVELOPMENT -VOTE 1068 & 1184.**

Mr. Shadrack Mwadime, the Principal Secretary/Accounting Officer for the State Department for Labour and Skills Development appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

415. Inaccuracies in the financial statements.

The management stated that the difference between the cash book balance and the bank certificate balance was due to payments clearing in the bank after 30th of June 2022.

The was resolved in the subsequent financial statements for the financial year 2022/2023.

416. Irregular advance payments.

The management stated that the state department was granted authority which was communicated by the National Treasury via letter ref: RES 1068/21/01/A(24) date 11th February,2022. The department purchased the vehicle from Toyota Kenya. In order to guarantee the security of the funds amounting to Kshs 8,080,000 the dealer issued an advance payment guarantee of a similar amount from CITIBANK dated 19th August 2022. However, before delivery of the vehicle, the dealer informed the state department that the vehicle with the specifications required was not available. The state department therefore requested for a refund of the money already paid for the vehicle. The dealer in response to the request for refund submitted the refund to the state department on 4th April 2024.

1607. Unsupported balances.

The management stated that the state department did not provide schedules of accounts receivables and accounts payables at the time of the audit but they subsequently provided them later for review.

1608. Budgetary control and performance.

The management stated that they agree with the OAG's observation. However, the Project Manager (State Department for Public Works) issued a default notice to the contractor for failing to resume works. The Project Manager has also recommended termination of the contract due to non-performance and fundamental breach of the contract. The works had since been advertised and the tender documents were under evaluation.

1609. Unresolved prior year matters.

The management stated that they appeared before the committee on 4th May, 2022 and adduced evidence on the audit issues.

The committee directed the state department to get a copy of the latest report adopted by the House and have a look at all the recommendations made and have them addressed appropriately.

1610. Stalled construction of the National Employment Promotion Centre.

The management stated that the project manager (State Department for Public Works) issued a default notice to the contractor for failing to resume works. The project manager also recommended termination of the contract due to non-performance and fundamental breach of the contract. The works had since been re-advertised and the tender documents were undergoing evaluation.

1611. Stalled construction of the Research Institute Office Complex for the Directorate of Occupational Safety and Health Sciences.

The management stated that there was a contract variation of 23% as observed in the audit. The variation arose due to a shortfall in various works as proposed by public works and regional works office letter ref No: CQS/D114/GEN/VOL.1/71. Date 11th June 2019. The resultant variation arose from change of plastic tanks with a capacity of 20 meter cubic to steel tanks of 100 meter cubic which is an ideal industry standard for water reservoirs, air condition and mechanical ventilation works were also varied to include a mechanical ventilation system for the basement and the kitchen, a cold room and an LPG gas tank. The variations were in accordance with section 139 (4)(d) of the PPADA 2015 Act which allows for cumulative contract variations that do not exceed 25%.

The implementation of these works had experienced challenges due to lack of budget allocations in the financial 2019/2020. In the financial year 2023/2024 the project manager called the meeting for the final accounts and it was resolved that the contract be wound up.

The state department had since re-advertised for a new contract for completion of the office complex.

1612. Stalled construction of works at the National Employment Authority.

The management stated that the project was handed over on 28th May 2020 hence no progress report could be availed as at 30th June 2022.

The committee directed the OAG to visit the site and confirm if the project is in use and report back to the committee.

1613. Lack of a functional Audit Committee.

The management stated that they did not have a functional audit committee. The Audit committee was appointed on 29th April, 2023 towards the end of the financial year and had since been trained in the current financial year and was now fully operational.

1614. Incomplete fixed assets register.

The management stated that at the time of audit they did not have a standard template for assets register but the National Treasury had since standardized the assets register for all MDA's which the state department had since adopted and had done identification of all assets awaiting funding for valuation and tagging. The updated assets register had been presented for audit review.

1615. Unsupported cash and cash equivalents.

The management stated that even though the bank reconciliation might have not been provided at the time of audit, a final bank reconciliation was subsequently availed for audit review and confirmation of the cash and cash equivalents balance of Kshs. 27,251,447.

1616. Inaccuracies in the statement of cash flows.

The management acknowledged that the cash flow statement reflects different figures on the purchase of goods and services of Ksh 147,554,456 and as appearing in the statement of receipts and payment of Ksh 147,354,486. This was due to a typing error of Kshs.147,554,456 as Kshs.147,354,486 resulting to net variance of Ksh 200,000. The Kshs.814,614 arose from the typing error in the cash flow statement where Kshs.147,354,486 was typed as Kshs.146,539,842. The error has been corrected in the subsequent Financial Year 2022/2023 final statements.

1617. Inaccuracies in the statement of comparison of the budget and actual accounts.

The management stated that they acknowledge there was an error in the calculation of final receipts budget where the final budget figure was erroneously typed as Kshs. 358,177,308 instead of the correct figure of Kshs. 496,624,305. This typing error also affected the calculation of the statement of comparative budget and actual amounts for the F/Y 2021/2022. The error has been corrected in the subsequent Financial Year 2022/2023 final statements.

1618. Budgetary control and performance.

The management stated that the statement of comparison of budget and actual amounts reflected under funding of the receipts and underperformance of the budget in the financial year 2021/2022. The underfunding and the resultant underperformance was attributed to the effects of the COVID-19 which significantly affected the Kenyan economy as it did globally. Further, the underfunding was due to the roll over nature on World Bank funded projects. Cash balances from the previous financial year 2020/21 of Kshs. 114,322,476 were brought forward.

1622. Incomplete fixed assets register.

The management stated that at the time of audit some of the assets were not serialized and tagged. However, the updated register had been updated and availed for review.

1623. Budgetary control and performance.


The management stated that the statement of comparison of budget and actual amounts reflected under funding of the receipts and underperformance of the budget in the financial year 2021/2022. The underfunding and the resultant underperformance was attributed to the effects of the COVID-19 which significantly affected the Kenyan economy as it did globally. The disruptions of COVID-19 negatively affected the implementation of planned activities of the Project where various programmes were scaled down and others suspended. Further, the underfunding was also due to the roll over nature on World Bank funded projects. Cash balances from the previous financial year 2020/2021 of Ksh 177,214,091 were brought forward.

1625. Lack of effective internal audit function.

The management stated that the project had no independent internal audit function but relied on the internal audit function of National Industrial Training Authority (NITA).

MIN.NO.NA/DAAGPC/PAC/2024/140: ADJOURNMENT

There being no other business, the meeting was adjourned at 4.51 p.m.

Signed 

Date 06/08/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP

for,

Chairperson

**MINUTES OF THE 154TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 22ND APRIL 2024, IN COMMITTEE ROOM 9, MAIN PARLIAMENT
BUILDINGS, AT 2.30 P.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Samuel Kinuthia Gachobe, MP
7. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Eckomas Mwangi Mutuse, OGW, MP
4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
5. The Hon. Amina Udgoon Siyad, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/ Lead Clerk
2. Mr. Jacknorine Buleemi – Clerk Assistant III
3. Mr. Mohamed Jelle – Clerk Assistant III
4. Mr. Josphat Bundotich – Principal Sergeant-At-Arms II
5. Mr. Henry Gichana – Research Officer III
6. Ms. Yvonne Kendi – Hansard Reporter

OFFICE OF THE AUDITOR-GENERAL

1. Ms. Catherine Mburu – Principal Auditor
2. Mr. Fredrick Juma – Principal Auditor
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Nuh Abass Abdullahi – Senior Auditor
5. Ms. Sharon Bett – Audit Associate I

THE NATIONAL TREASURY & ECONOMIC PLANNING

1. Rev. CPA Lawrence Kwiriga – Senior Accountant

STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY AFFAIRS

- | | | |
|-------------------------|---|---------------------------------|
| 1. Mr. Abdi Dubat, CBS | - | Principal Secretary |
| 2. Ms. Lucy Kamau | - | Head of Accounting Unit |
| 3. Mr. Joseph Njagi | - | Head of Supply Chain Management |
| 4. Mr. Jonam Kinama | - | Director Administration |
| 5. Ms. Grace Kimitei | - | Director CPPMD |
| 6. Mr. Julius Mwabu | - | Director Regional Integration |
| 7. Ms. Grace Mogoi | - | Snr Deputy Secretary |
| 8. Mr. Geoffrey Gichuhi | - | Snr. Asst. Internal Auditor |
| 9. Mr. Victor Mugendi | - | Principal HR |

PUBLIC SERVICE COMMISSION

- | | | |
|-------------------------|---|-----------------------------------|
| 1. Mr. Remmy Mulati | - | Ag. CEO/ Commission Secretary |
| 2. Mr. Gerald Kuhaka | - | Director Administration |
| 3. Mr. Simiyu Njalale | - | Ag. Director Finance |
| 4. Mr. Patrick Malakwen | - | Dep. Director, Supply Chain Mngt. |
| 5. Ms. Caroline Kiget | - | Deputy Director HRM |
| 6. Mr. Joseph Njoroge | - | Asst. Director Accounts |
| 7. Ms. Ebby Afandi | - | Asst. Director Accounts |

MIN.NO. NA/DAAGPC/PAC/2024/129: PRELIMINARIES

The Chairperson called the meeting to order at 2.38 p.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAGPC/PAC/2024/130: CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/131: EVIDENCE: STATE DEPARTMENT FOR EAST AFRICA COMMUNITY -VOTE 1221

Mr. Abdi Dubat, CBS, the Principal Secretary/Accounting Officer for the State Department for East African Community Affairs appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1751. Failure to comply with Public Finance Management Regulations, 2015- Pending Bills.

The management stated that most of the Pending Bills related to foreign air tickets expenses incurred to facilitate regional integration diplomacy in the East African Community (EAC). The Bills could not be paid due to budget cuts/ austerity measures. Some of the bills did not have adequate supporting documentation and thus declared as not payable.

1752. Late exchequer releases.

The management stated that the State Department submits exchequer request for processed payments to the National Treasury on a timely basis. The exchequer request that was funded on 6th July 2022 was requested on 27th June, 2022 an amount of Kshs. 54,887,960.55.

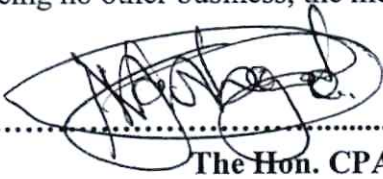
MIN.NO.NA/DAAGPC/PAC/2024/132: EVIDENCE: PUBLIC SERVICE COMMISSION – VOTE 2071

Mr. Remmy Mulati, Ag. CEO/ Commission Secretary/Accounting Officer for the Public Service Commission appeared before the Committee accompanied by other officers and was to submit responses to audit queries for the financial year 2021/2022.

The committee resolved to adjourn the sitting due to the absence of the Chairperson of the Commission, and failure by the acting CEO to avail responses signed by himself..

MIN.NO.NA/DAAGPC/PAC/2024/133: ADJOURNMENT

There being no other business, the meeting was adjourned at 4.09 p.m.

Signed.....


Date 6/8/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 155TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON WEDNESDAY, ~~22ND~~ APRIL 2024, IN BOARDROOM, TALANTA STADIUM,
AT 11.30 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Nabwera Daraja Nabii, MP
6. The Hon. Samuel Kinuthia Gachobe, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Amina Udgoon Siyad, MP
6. The Hon. Mohamed Aden Adow, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|------------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/ Lead Clerk |
| 2. Mr. Mohamed Jelle Abdi | – | Clerk Assistant III |
| 3. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 4. Mr. Mark Mbuthia | – | Audio Officer III |
| 5. Mr. Cyril Mutali | – | Fiscal Analyst |
| 6. Mr. Hillary Mageka | – | Media Relations officer |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|--------------------------|---|-----------------------|
| 1. Mr. Weyao W. Emmanuel | – | Senior Auditor |
| 2. Ms. Doris Lunani | – | Deputy Director Audit |
| 3. Mr. Ezekiel O. Omoro | – | Audit Associate |

STATE DEPARTMENT FOR SPORTS

- | | | |
|--------------------------|---|------------------------------|
| 1. Mr. Peter K. Tum, CBS | – | Principal Secretary |
| 2. Mr. Evans M. Achoki | – | Secretary Administration |
| 3. Mr. Pius Metto | – | Director General Sport Kenya |
| 4. Mr. James Murigu | – | Deputy Chief Architect |

MIN.NO.NA/DAAOSC/PAC/2024/133 PRELIMINARIES

The Chairperson called the meeting to order at 11:43 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/134 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

**MIN.NO.NA/DAAOSC/PAC/2024/135 EVIDENCE: MINISTRY OF SPORTS
VOTE NO. 1132**

Mr. Peter K. Tum CBS, the Principal Secretary/Accounting Officer for the State Department for Sports appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1291. Posta Sports Ground

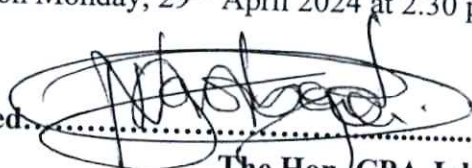
The Posta Sports Ground was built on 114 acres in three (3) phases and was handed over in November 2023. The first (1) phase costed Kshs. 692,579,808 and had a completion date of August 16, 2021. The second phase costed Kshs. 173,640,256 and had a completion date of August 25, 2021. The third phase costed Kshs. 349,818,970.02 and had a completion date of March 15, 2023. The project had a total cost of Kshs.1.2 billion. The project included the construction of three football fields, one rugby field, two parking lots, two picnic areas, a three-kilometer Marram running track, a one-kilometer asphalt running track, a police station, police housing, a changing room, a hustler buzzer, and a children's playground as a recreational facility.

The Kenyan government found the need to construct a new stadium at Talanta sports grounds which will host the African Cup of Nations. The new Jamhuri stadium which has a capacity of 60,000 people interfered with some of the structures of the previous project, two football grounds and a changing room were destroyed and would be restored by the contractor.

MIN.NO.NA/DAAOSC/PAC/2024/136 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.15 p.m. The next meeting will be held on Monday, 29th April 2024 at 2.30 p.m.

Signed.....



The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

Date 6/8/2024

**MINUTES OF THE 153RD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 16TH APRIL 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Yakub Adow Kuno, MP
7. The Hon. David Kiplagat, MP
8. The Hon. Victor Kipng'etich Koech, MP
9. The Hon. Samuel Kinuthia Gachobe, MP
10. The Hon. Nabwera Daraja Nabii, MP
11. The Hon. Mohamed Aden Adow, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Amina Udgoon Siyad, MP
3. The Hon. Gabriel Gathuka Kagombe, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Jacknorine Buleemi – Clerk Assistant III
3. Mr. Mark Mbuthia – Audio Officer III
4. Mr. Henry Gichana – Research Officer III
5. Ms. Yvonne Kendi – Hansard Reporter
6. CPA. Cyrille Mutali – Fiscal Analyst III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Abdi Sheikh Mohamed – Director Audit
2. Mr. John Lokumet – Deputy Director Audit
3. Mr. Joseph Irungu – Principal Auditor
4. Ms. Jane Kirimi – Senior Auditor
5. Mr. Paul Kagwanja – Principal Auditor
6. Mr. Ezekiel Omoro – Audit Associate

THE NATIONAL TREASURY & ECONOMIC PLANNING

- Rev. CPA Lawrence Kwiriga – Senior Accountant

STATE DEPARTMENT FOR THE ASALS & REGIONAL DEVELOPMENT

- | | | |
|-------------------------|---|-----------------------------------|
| 1. Mr. Kello Harsama | - | Principal Secretary |
| 2. Mr. James Sakwa | - | Deputy Accountant General |
| 3. Ms. Lucy Wangari | - | Principal Finance Officer |
| 4. Mr. Paul Muraya | - | Secretary Administration |
| 5. Mr. Ndungu Kiarie | - | Chief Finance Officer |
| 6. Ms. Wanjiku Manyatta | - | Ag. Director Regional Development |
| 7. Mr. Charles Mwaura | - | Head Internal Audit |
| 8. Mr. Fred Nyakundi | - | KDRDIP IA |
| 9. Mr. Hared Adar | - | CEO NDMA |

MIN.NO. NA/DAAGPC/PAC/2024/125 PRELIMINARIES

The Chairperson called the meeting to order at 10.13 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAGPC/PAC/2024/126 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of the previous sittings was differed to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/127 EVIDENCE: STATE DEPARTMENT FOR ASALS & REGIONAL DEVELOPMENT -VOTE 1035

Mr. Kello Harsama, the Principal Secretary/Accounting Officer for the State Department for ASALS & Regional Development appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

243. Budget control and performance.

The management stated that the over expenditure noted in the statement of comparative budget amount was due to the prior year adjustments which was unutilized bank balances and cash and cash equivalent brought forward for financial year 2020/2021. This formed part of receipts for the financial year 2021/2022.

The under absorption of 9% was caused by the delayed project implementation by the communities.

The Committee advised that once monies are sent to the community groups, it should be treated as expended or advanced. Hence no need of capturing it as prior year balances.

244. Lack of monitoring and evaluation of the community groups.

The management stated that the beneficiaries were pastoralists who could not be traced in one place for audit verification. The management had now provided the disbursement schedules, sampled bank statements and monitoring and evaluation reports.

During the FY 2021/2022 698 number of Multi-drug resistant Tuberculosis patients were diagnosed and enrolled in second-line treatment. The enrolment of DRTB patients on NHIF is voluntary for the patients in need of support as there are patients with existing covers. During the year, 77 MDR-TB patients diagnosed and put on treatment in July/August 2021 were enrolled in the NHIF cover, and monthly premiums were paid for 24 months. The Ministry of Health through the Division of National Leprosy Tuberculosis and Lung Health Program was not able to continue submitting to NHIF patient details for enrollment through the NHIF portal as NHIF had disabled the organization's account.

NHIF similarly, did not activate the cover for the paid-up patients during the period for the patients to access health services through the cover.

491. Unsupported Bank Balance

The amount of Kshs. 612,500 was not supported by payment vouchers. The Ministry of Health instituted administrative action and managed to recover from the concerned officer.

492. Failure to Receive the Initial Grant

During the period July 2018- June 2021, there was an in-country balance of Ksh.438,828,963 which was transferred to the current grant (NFM3) as per the Grant regulations regarding in-country balances. Further, the Ministry of Health through NASCOP received Kshs. 621,400,000. During that period of NFM2 (2018-2021), the grant absorption rate was 85%.

493. Failure to Include Pending Payables in the Grant's Budget

The opening balance of Ksh 29,842,515 was fully committed at the closure of the grant KEN-T-TNT 1547. However, these were paid in full as pending bills in the next grant between July and December 2021.

494. Lack of an Asset Register

The National Treasury, had engaged a consultant to consolidate all assets procured by Global Fund in all facilities in the 47 counties including the National government and hence this is a work in progress. Currently, the contractor is carrying out asset verification.

497. Budgetary Control and Performance

The underfunding and under-expenditure were caused by the commencement of the project late in the financial year.

502. Budgetary Control and Performance

The project indeed spent an amount of Kshs.705,685,455 out of the approved budget of Kshs.175,678,920 in the financial year 2020/2021.

In FY 2019/2020, the cash and cash equivalents carried to FY 2020/2021 were Kshs.704,165,777. This amount is related to amounts that had been released for the previous FY but which had not been paid out at the closure of the FY because the activities had started in the previous FY 2019/2020 but had not been completed by the end of June 2020.

507. Budgetary Control and Performance

The issue of under expenditures resulted from non-issuance of the exchequer by The National Treasury on time. This may have affected the planning, procurement, and execution of projects.

512. Budgetary Control and Performance

The project had planned to disburse funds in two tranches to the counties. Once Tranche 1 was disbursed, the Danish Embassy was notified and they in turn released the 2nd Tranche to the National treasury in readiness for disbursement. During the year under review, there was a delay in the disbursement of funds to the counties. DANIDA disbursed funds to the counties in tranches and during the year under review, there was a delay in passage of the County Government additional allocation bill which replaced the County Allocation Revenue Act (CARA). The Bill was assented on 22nd April 2022 and Gazetted on 29th April, however commencement of the bill was on 13th May 2022. The project was able to disburse only one tranche because we had to wait until the publication and commencement of the bill.

517. Budgetary Control and Performance

In the financial year under review, the Ministry did not receive a budget for Kenya Health Sector Programme Support III. This support was sent directly to the County Government of Kisii and as such the question should be directed to the County for their response.

521. Unsupported Transfer of Accumulated Surplus and Liabilities

These funds were transferred to KEMSA's Cooperative Bank account (No. 01136217405103) upon the project's closure and subsequently remitted to DANIDA from the same account on September 15, 2022

522. Delayed Project Closure

The KHSSP project was extended to 30th June 2018, however, there was a delay in closure because one of the partners DANIDA had not concluded an audit of their fund's contribution. On 21st May 2020, KEMSA sought guidance from the PS Ministry of Health on the project funds held. The Principal Secretary requested KEMSA to refund an amount of Ksh 289,090,323.48 as part of KHSSP project closing procedures.

This amount was refunded back to the Ministry of Health MOHP &S- SWAP Secretariat account on 22nd June 2020. The balance of the funds was transferred to KEMSA Bank account number 01136217405103 awaiting the conclusion of the DANIDA audit to determine the funds refundable. The Project bank accounts were closed as per Treasury approval on 17th January 2022.

526. Unpaid Retention Money

Trade and other payables amounting to Ksh 602,712 encompassed two components: retention funds of Ksh 580,238.21 owed to Anzal Engineering Limited for the construction of the Incinerator

shed in Wajir County, and a 3% contractor withholding tax of Ksh 22,474.34 (later remitted to the Kenya Revenue Authority in the subsequent financial year).

An amount totaling Ksh 5,802,379.45 was disbursed to the contractor, as evidenced by the payment voucher and certificate from the Public Works Department

Due to the project's strict closure timeline, the contractor was unable to lodge a claim within the stipulated project timelines. Consequently, the funds had to be remitted back to the National Treasury, the project's fund custodian. The portion of retention funds totaling Ksh 580,238.21 was included in the refund remitted to the National Treasury on March 22, 2023.

528. Unresolved Prior Year Matters

The pending issue in FY 2020/2021 that remained unresolved was the delay in the project closure. According to the procedure, approval by the Board of Directors was required through a Board resolution. Subsequently, KEMSA sought and obtained authorization from the National Treasury through the Ministry of Health to close the bank account. The account was closed in March 2023.

529. Failure to Transfer Bank Balance

The EAPHL Project ended on 30th September 2020. KEMSA sought the closeout procedures from the Principal Secretary (PS) - Ministry of Health. Closeout procedures included a refund of the project savings to the exchequer and closure of the project bank account. The Authority refunded the project funds on 23rd March 2023 and the project bank account was effectively closed

533. Budgetary Control Analysis

The underfunding of 2% of the budget resulted from a delay in the release of the last tranche of funds from The National Treasury and Economic Planning amounting to \$21,699.40. The underfunded amount was therefore captured as a payable towards staff compensation.

534. Physical Verification of Projects

Amongst the close-out procedures for the grant was to transfer of equipment and assets bought through the grant to the two counties of Busia and Trans Nzoia where the project was implemented. The two counties were therefore mandated to take over the assets including the machines and utilize them to provide services to the public. The machines were not in use at the point of the physical verification since the counties had not assigned a designated area for the installation and use of the purchased equipment.

536. Failure to report Use of Direct Procurement to Public Procurement and Regulatory Authority

Management acknowledged the anomaly.

541. Budgetary Control and Performance

The Global Fund Grant spans a three-year implementation period (2021-2024). NSDCC operates as a sub-recipient of grants provided by the National Treasury, which acts as the Principal Recipient.

i

542. Irregular tax on Global Funds

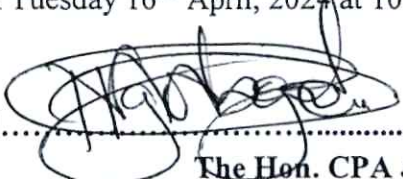
The excise duty on "other fees" was introduced in 2012 under the Customs & Excise Act Chapter 472 of the Laws of Kenya.

Following the flagging of this matter in the FY 2021/22 Global Fund audit, NSDCC management communicated with the Project Bank, and an exemption was granted with effect from November 2021.

MIN.NO.NA/DAAOSC/PAC/2024/124 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.04 p.m. The next meeting will be held on Tuesday 16th April, 2024 at 10.00 a.m.

Signed.....



Date 6/8/2024.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 152ND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 15TH APRIL 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 2.00 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. David Kiplagat, MP
4. The Hon. Victor Kipng'etich Koech, MP
5. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. Gabriel Gathuka Kagombe, MP
6. The Hon. Amina Udgoon Siyad, MP
7. The Hon. Mohamed Aden Adow, MP
8. The Hon. Nabwera Daraja Nabii, MP
9. The Hon. Samuel Kinuthia Gachobe, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|------------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/ Lead Clerk |
| 2. Mr. Mohamed Jelle Abdi | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali | – | Clerk Assistant III |
| 4. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|-------------------|
| 1. Ms. Gladys Obiero | – | Principal Auditor |
| 2. Mr. Paul Kagwanja | – | Principal Auditor |
| 3. Mr. Ezekiel O. Omoro | – | Audit Associate |

NATIONAL TREASURY

- | | | |
|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | – | Senior Accountant |
|------------------------------|---|-------------------|

MINISTRY OF HEALTH

- | | | |
|-----------------------|---|------------------------------|
| 1. Mr. Harry Kimtai | – | Principal Secretary |
| 2. Mr. Moses Gitari | – | Head of the Accounting Unit |
| 3. Mr. Leonard Ngotho | – | Director of Human Resource |
| 4. Mr. Peter Chemile | – | Senior Chief Finance Officer |

5. Ms. CPA. Caroline Ndungu	–	Principal Accountant
6. Mr. Olivia Kimata	–	Principal Accountant
7. Ms. Fauzia Shauri	–	Liaison Officer

MIN.NO. NA/DAAOSC/PAC/2024/121 PRELIMINARIES

The Chairperson called the meeting to order at 2:38 p.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/122 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/123 EVIDENCE: MINISTRY OF HEALTH VOTE NO. 1081

Mr. Harry Kintai, the Principal Secretary/Accounting Officer for the State Department for Medical Services appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved after auditors confirmed that the State Department had since availed relevant documentation;

1. 487. Unsupported Pending Bills
2. 520. Unaccounted Transfer of Funds
3. 527. Unexplained Reversal of Interest Expense
4. 535. Proceeds from Domestic and Foreign Grants
5. 537. Failure to Adhere to Executive Order No. 2 of 2018
6. 538. Non-Payment of Audit Fees

486. Budgetary Control and Performance

For the year ended 30 June 2022 there was 10% underfunding of Kshs.81,117,932. The Ministry did not receive the anticipated funding during the year under review, this was attributed to the Global fund cash monitoring of financial absorption of programs to reduce high cash balance at the end of the reporting periods.

488. Suboptimal Use of GeneXpert Machines

During the FY 2021/2022 there was an inadequate supply of GeneXpert cartridges that led to suboptimal use of the GeneXpert machines in the country. During this time, there were challenges in procuring the GeneXpert cartridges due to the delayed signing of the SLA That was signed in August 2022 and the lack of sufficient funding.

489. Unsupported Selection of Drug Resistance Tuberculosis (DRTB) Patients

During the FY 2021/2022 698 number of Multi-drug resistant Tuberculosis patients were diagnosed and enrolled in second-line treatment. The enrolment of DRTB patients on NHIF is voluntary for the patients in need of support as there are patients with existing covers. During the year, 77 MDR-TB patients diagnosed and put on treatment in July/August 2021 were enrolled in the NHIF cover, and monthly premiums were paid for 24 months. The Ministry of Health through the Division of National Leprosy Tuberculosis and Lung Health Program was not able to continue submitting to NHIF patient details for enrollment through the NHIF portal as NHIF had disabled the organization's account.

NHIF similarly, did not activate the cover for the paid-up patients during the period for the patients to access health services through the cover.

491. Unsupported Bank Balance

The amount of Kshs. 612,500 was not supported by payment vouchers. The Ministry of Health instituted administrative action and managed to recover from the concerned officer.

492. Failure to Receive the Initial Grant

During the period July 2018- June 2021, there was an in-country balance of Ksh.438,828,963 which was transferred to the current grant (NFM3) as per the Grant regulations regarding in-country balances. Further, the Ministry of Health through NASCOP received Kshs. 621,400,000. During that period of NFM2 (2018-2021), the grant absorption rate was 85%.

493. Failure to Include Pending Payables in the Grant's Budget

The opening balance of Ksh 29,842,515 was fully committed at the closure of the grant KEN-T-TNT 1547. However, these were paid in full as pending bills in the next grant between July and December 2021.

494. Lack of an Asset Register

The National Treasury, had engaged a consultant to consolidate all assets procured by Global Fund in all facilities in the 47 counties including the National government and hence this is a work in progress. Currently, the contractor is carrying out asset verification.

497. Budgetary Control and Performance

The underfunding and under-expenditure were caused by the commencement of the project late in the financial year.

502. Budgetary Control and Performance

The project indeed spent an amount of Kshs.705,685,455 out of the approved budget of Kshs.175,678,920 in the financial year 2020/2021.

In FY 2019/2020, the cash and cash equivalents carried to FY 2020/2021 were Kshs.704,165,777. This amount is related to amounts that had been released for the previous FY but which had not been paid out at the closure of the FY because the activities had started in the previous FY 2019/2020 but had not been completed by the end of June 2020.

507. Budgetary Control and Performance

The issue of under expenditures resulted from non-issuance of the exchequer by The National Treasury on time. This may have affected the planning, procurement, and execution of projects.

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The project had planned to disburse funds in two tranches to the counties. Once Tranche 1 was disbursed, the Danish Embassy was notified and they in turn released the 2nd Tranche to the National treasury in readiness for disbursement. During the year under review, there was a delay in the disbursement of funds to the counties. DANIDA disbursed funds to the counties in tranches and during the year under review, there was a delay in passage of the County Government additional allocation bill which replaced the County Allocation Revenue Act (CARA). The Bill was assented on 22nd April 2022 and Gazetted on 29th April, however commencement of the bill was on 13th May 2022. The project was able to disburse only one tranche because we had to wait until the publication and commencement of the bill.

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521. Unsupported Transfer of Accumulated Surplus and Liabilities

These funds were transferred to KEMSA's Cooperative Bank account (No. 01136217405103) upon the project's closure and subsequently remitted to DANIDA from the same account on September 15, 2022

522. Delayed Project Closure

The KHSSP project was extended to 30th June 2018, however, there was a delay in closure because one of the partners DANIDA had not concluded an audit of their fund's contribution. On 21st May 2020, KEMSA sought guidance from the PS Ministry of Health on the project funds held. The Principal Secretary requested KEMSA to refund an amount of Ksh 289,090,323.48 as part of KHSSP project closing procedures.

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shed in Wajir County, and a 3% contractor withholding tax of Ksh 22,474.34 (later remitted to the Kenya Revenue Authority in the subsequent financial year).

An amount totaling Ksh 5,802,379.45 was disbursed to the contractor, as evidenced by the payment voucher and certificate from the Public Works Department

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528. Unresolved Prior Year Matters

The pending issue in FY 2020/2021 that remained unresolved was the delay in the project closure. According to the procedure, approval by the Board of Directors was required through a Board resolution. Subsequently, KEMSA sought and obtained authorization from the National Treasury through the Ministry of Health to close the bank account. The account was closed in March 2023.

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Amongst the close-out procedures for the grant was to transfer of equipment and assets bought through the grant to the two counties of Busia and Trans Nzoia where the project was implemented. The two counties were therefore mandated to take over the assets including the machines and utilize them to provide services to the public. The machines were not in use at the point of the physical verification since the counties had not assigned a designated area for the installation and use of the purchased equipment.

536. Failure to report Use of Direct Procurement to Public Procurement and Regulatory Authority

Management acknowledged the anomaly.

541. Budgetary Control and Performance

The Global Fund Grant spans a three-year implementation period (2021-2024). NSDCC operates as a sub-recipient of grants provided by the National Treasury, which acts as the Principal Recipient.

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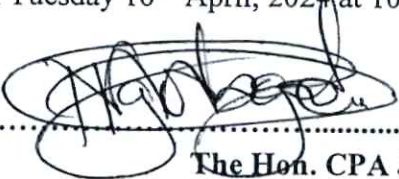
542. Irregular tax on Global Funds

The excise duty on "other fees" was introduced in 2012 under the Customs & Excise Act Chapter 472 of the Laws of Kenya.

Following the flagging of this matter in the FY 2021/22 Global Fund audit, NSDCC management communicated with the Project Bank, and an exemption was granted with effect from November 2021.

MIN.NO.NA/DAAOSC/PAC/2024/124 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.04 p.m. The next meeting will be held on Tuesday 16th April, 2024 at 10.00 a.m.

Signed.....


Date 5/8/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 151ST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 15TH APRIL 2024, IN COMMITTEE ROOM 9, MAIN PARLIAMENT
BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Nabwera Daraja Nabii, MP
6. The Hon. Mohamed Aden Adow, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. Gabriel Gathuka Kagombe, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Mohamed Jelle Abdi – Clerk Assistant III
4. CPA. Cyrille Mutali – Fiscal Analyst III
5. Mr. Henry Gichana – Research Officer III
6. Ms. Yvonne Kendi – Hansard Officer III
7. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Ms. Gladys Obiero – Principal Auditor
2. Mr. Paul Kagwanja – Principal Auditor
3. Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR MEDICAL SERVICES

1. Mr. Harry Kimtai – Principal Secretary
2. Mr. Moses Gitari – Head of Accounting Unit
3. Mr. Leonard Ngotho – Director Human Resource Management
4. Mr. Waiganjo Karanja – Director Finance & Strategy
5. Mr. Moses Gitau – Senior Deputy Accountant
6. Ms. Nancy Ndegwa – Assistant Director Supply Chain Management

- | | | |
|-------------------------|---|---------------------------|
| 7. Mr. David Muttu | - | Procurement Manager KEMSA |
| 8. Ms. Olivia Kimata | - | Principal Accountant |
| 9. Mr. Caroline Ndungu | - | Principal Accountant |
| 10. Mr. Henry Wanja | - | Principal Accountant |
| 11. Mr. Dadson Munyiri | - | Principal Accountant |
| 12. Mr. Lawrence Mwenda | - | Principal Accountant |
| 13. Mr. Simon Macharia | - | Principal Accountant |
| 14. Mr. Albert Kamau | - | Project Finance-Officer |

MIN.NO. NA/DAAOSC/PAC/2024/117 PRELIMINARIES

The Chairperson called the meeting to order twenty minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/118 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/119 EVIDENCE: MINISTRY OF HEALTH - VOTE 1081

Mr. Harry Kimtai, the Principal Secretary/Accounting Officer for the State Department for Medical Services appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022 for the then unified Ministry of Health;

The Committee marked the following issues as resolved after auditors confirmed that the State Department had since availed relevant documentation;

1. 442. Unremitted Pension Contributions
2. 446. Failure to Maintain Fixed Assets Register
3. 452. Budgetary Control and Performance
4. 453. Unutilized Balance
5. 469. Pending Bills
6. 477. Unsupported Compensation of Employees
7. 478. Undisclosed Retention Fees
8. 479. Inaccuracy in Cash and Cash Equivalents
9. 480. Undisclosed Imprests and Advances
10. 483. Failure to Update Imprest Register

Outstanding Queries

440. Unremitted National Social Security Fund (NSSF) Contributions

The Accounting Officer explained that the deductions were made in arrears and submitted to the National Social Security Fund (NSSF).

441. Delayed Closure of Donor Funded Project

The Committee noted that four (4) project accounts had been closed, while two (2) project accounts remain open; Support of the Health Financing Strategy-Output Based Approach Programme (OBA) and Ministry of Health - United Nations Population Fund - (UNFPA) are yet to be finalized.

443. Irregular Use of Low Value Procurement

The Ministry was in breach of the second schedule of the Public Procurement and Asset Disposal Regulations, 2020 which sets the maximum low value procurement at Kshs.50,000 per item per financial year.

The Committee directed the Accounting Officer to provide a list of employees who benefited from the cash advances within one week.

444. Upgrading of Kigumo Sub-County Hospital

The Committee instructed the Accounting Officer to avail a report on the project's current status.

445. Weaknesses on Compensation of Employees

The Committee directed the Accounting Officer to engage the Public Service Commission to define the classification of basic and special salaries.

458. Long Outstanding Imprests and Advances

The Committee instructed the Accounting Officer to furnish details regarding a Mr. Nicholas, who held an outstanding imprest of Kshs. 2,392,400. Also, the Committee directed the Accounting Officer to provide a report on the steps taken to recover this amount by the end of June 2024.

462. Lack of Financing Plan for Payables

The Committee directed the Accounting Officer to provide detailed brief of the discussion between the Ministry and the National Treasury on settlement of pending payables.

463. Avoidable Bank Charges

The Committee instructed the Accounting Officer to provide details of the amount incurred due to the failure to close the bank account, specifying whether the amount was settled by the Government of Kenya (GOK) or the donor.

467. Budgetary Control and Performance

The Accounting Officer reported that underfunding and under-expenditure occurred due to seventeen (17) counties not meeting the requirements for further disbursement.

468. Delay in Disbursement of Funds

The Accounting Officer submitted that the delay in disbursement of funds was occasioned by delay in passage of the County Government additional allocation bill which replaced the County Allocation of Revenue Act (CARA).

473. Unresolved Prior Year Matters

The Committee directed the Ministry to implement its recommendations in its report for the FY of 2020/2021.

474. Unliquidated Commitments

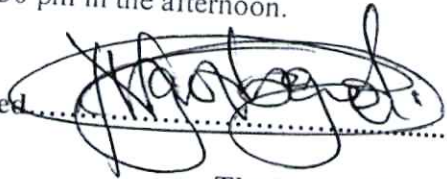
The Committee directed the Account Officer to follow up with the Principal Secretary of the National Treasury and provide the Committee with the status of the liquidation of commitments.

481. Budgetary Control and Performance

The Accounting Officer reported that underfunding and under-expenditure were due to challenges encountered during the project's implementation.

MIN.NO.NA/DAAOSC/PAC/2024/120 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.00 p.m. The next meeting will be held at 2.30 pm in the afternoon.

Signed 

Date 6/8/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 150TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 9TH APRIL 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. The Hon. David Kiplagat, MP
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10. The Hon. Samuel Kinuthia Gachobe, MP

ABSENT WITH APOLOGY

1. The Hon. Amina Udgoon Siyad, MP
2. The Hon. Mohamed Aden Adow, MP
3. The Hon. Victor Kipng'etich Koech, MP
4. The Hon. Yakub Adow Kuno, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|------------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/ Lead Clerk |
| 2. Mr. Mohamed Jelle Abdi | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali | – | Clerk Assistant III |
| 4. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

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|---------------------------|---|-----------------------|
| 1. Mr. John Mark Mwauma | – | Senior Auditor |
| 2. Mr. Franklin M. Kuingu | – | Deputy Director Audit |

NATIONAL TREASURY

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|------------------------------|---|-------------------|
| Rev. CPA Lawrence K. Kwiriga | – | Senior Accountant |
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MINISTRY OF HEALTH

- | | | |
|-----------------------|---|---|
| 1. Mr. Harry Kimtai | – | Principal Secretary |
| 2. Mr. Kennedy Mbogo | – | Ag. Director Kenyatta National Hospital |
| 3. Mr. Moses Gitari | – | Head of the Accounting Unit |
| 4. Mr. Leonard Ngotho | – | Director of Human Resource |
| 5. Ms. Edita Torone | – | Chief State Counsel |

- | | | |
|-----------------------------|---|---------------------------------|
| 6. Mr. CPA, CS Ken Nyamolo | - | Head of Finance |
| 7. Mr. Charles Mulandi | - | Deputy Director of Supply Chain |
| 8. Mr. Peter Chemunle | - | Senior Chief Finance Officer |
| 9. Ms. CPA. Caroline ndungu | - | Principal Accountant. |
| 10. Mr. Olivia Kimata | - | principal accountant |

MIN.NO. NA/DAAOSC/PAC/2024/113 PRELIMINARIES

The Chairperson called the meeting to order at 10:15 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/114 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Minutes of the 139th sitting were confirmed having been proposed by The Hon. (Dr.) Edwin Mugo Gichuki, MP and seconded by The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP

Minutes of the 140th sitting were confirmed having been proposed by The Hon. (Dr.) Otiende Amollo, SC, EBS, MP and seconded by The Hon. Nicholas Tindi S. Mwale, MP

Minutes of the 141st sitting were confirmed having been proposed by The Hon. Eckomas Mwengi Mutuse, OGW, MP and seconded by The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP

Minutes of the 142nd sitting were confirmed as having been proposed by The Hon. Eckomas Mwengi Mutuse, OGW, MP and seconded by The Hon. Nicholas Tindi S. Mwale, MP

Minutes of the 143rd sitting were confirmed as having been proposed by The Hon. (Dr.) Edwin Mugo Gichuki, MP and seconded by The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP

Minutes of the 144th sitting were confirmed having been proposed by The Hon. (Dr.) Otiende Amollo, SC, EBS, MP and seconded by The Hon. (Dr.) Edwin Mugo Gichuki, MP

Minutes of the 145th sitting were confirmed having been proposed by The Hon. Eckomas Mwengi Mutuse, OGW, MP, and seconded by The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP

Minutes of 146th sitting were confirmed having been proposed by The Hon. Nicholas Tindi S. Mwale, MP and seconded by The Hon. Eckomas Mwengi Mutuse, OGW, MP

Minutes of the 147th sitting were confirmed having been proposed by The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and seconded by The Hon. (Dr.) Otiende Amollo, SC, EBS, MP.

Minutes of the 148th sitting were confirmed as having been proposed by The Hon. (Dr.) Edwin Mugo Gichuki, MP and seconded by The Hon. Nicholas Tindi S. Mwale, MP.

Minutes of the 149th sitting were confirmed as having been proposed by The Hon. Nicholas Tindi S. Mwale, MP, and seconded by The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP.

There were no matters arising.

**MIN.NO.NA/DAAOSC/PAC/2024/115 EVIDENCE: MINISTRY OF HEALTH VOTE
NO. 1081**

Mr. Harry Kimtai, the Principal Secretary/Accounting Officer for the State Department for Medical Services appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved after auditors confirmed that the State Department had since availed relevant documentation;

1. 429. Unsupported Disbursements
2. 432. Undisclosed Asset Disposals
3. 436. Variances Between Financial Statements and Vote Book

430. Unconfirmed Commitments of Goods, Works and Services

The budget indeed revealed negative commitments of Kshs. 769,494,918. The negative values in the commitments resulted from budget cuts in the Supplementary Estimates No. I and II. These budget cuts were done after commitments and disbursements for key strategic programmes like HIV, TB, Malaria, Family planning and vaccines had been done.

The Committee directed the ministry to submit the proof of commitment before supplementary by the end of the week.

431. Unsupported Contingent Liabilities - Court Awards

Management agreed to the auditor's observations that the breakdown of the settlement indicated court awards, date of award and breakdown of each award were not provided for audit as at the time of audit, the list was being updated.

The Committee directed the ministry to stop unnecessary court awards and mitigate the problem.

433. Delayed Construction of Kisii Cancer Centre

The Ministry of Health paid KES 6,420,100 to Ms. Schon and Associates on behalf of Saudi Fund for Development and there was no evidence of it being refunded after renewal of the contract. The National Treasury advised that there was no provision to receive reimbursement from the Development Partners. Hence, the reimbursement was turned down.

Further, at the time of the audit, payment vouchers and other supporting documents for Kshs. 3,210,500 had not been provided.

The committee directed the ministry to provide the relevant documentation for these particular projects, the starting date of the project and the completion date.

434. Unaccounted for Expenditure on Construction of Paediatric Emergency Centre and Burns

The Pediatric Emergency Burns and Management Center international tender was published in January 2018 and opened on 13th March 2018. The Evaluation was conducted on 15th -18th March 2018 and awarded on 3rd April 2018 to Vaghjiyani Enterprises Limited at a cost of Kshs. 2,959,511,555.29 after receiving a no objection from the financiers. The Contract was signed on 30th July 2018 for 104 weeks and was handed over on 31st August 2018.

In the FY 2021/2022, the physical audit carried out showed no progress of work since the contractor had suspended works from 23rd July 2021 at 53% complete due to delayed payments which could not be processed due to the lapse of the loan agreement in December 2020. The Loan agreements were extended on 31st December 2021 and KNH resubmitted the pending payments (Interim payment Certificates 10 and 11) amounting to Ksh 40,655, 752.02 which were paid by the Financiers. The Contractor resumed the site on 13th December 2022.

The committee directed the ministry to provide written communication on the status of the project, relevant documentation, and analysis of the risk of interest accrued.

435. Budgetary Control and Performance

The year under review the Ministry had an underfunding and an under-expenditure of 17%. This resulted from the inadequate exchequer receipts.

The Committee directed the State Department to present an analysis of exchequer requests.

437. Undisclosed Pending Bills

The Ministry clarified that the correct figure for pending bills for the FY 2021/2022 was Kshs.45.899,794,83. These bills had been cleared except the legal pending bills and historical bills which were forwarded to the Pending Bills Verification Committee at the National Treasury for further guidance.

The Committee directed the ministry to prepare a separate analysis of the pending bills forwarded to the pending bill verification committee.

438. Unresolved Prior Year Audit Matters

The Ministry concurred with the auditor's observation that, as at the time of the audit, several prior year matters had not been resolved.

The Committee instructed the Accounting Officer to furnish an ageing list of all pending bills, showing those that have been settled and those that remain outstanding.

1087. Weak Internal Controls in Stores and Inventory Management

The Committee directed the Accounting Officer to provide evidence of appointment of the Asset and Inventory Management Committee and a copy of the Annual Stocktaking Report.

1089. Budgetary Control and Performance

The Accounting Officer submitted that the under-collected revenue was due to a delay in timely absorption of the funds by targeted community beneficiaries who delayed in meeting their agreed part on financing conditions.

1094. Budgetary Control and Performance

The Accounting Officer submitted that the low absorption of funds was due to delays in the commencement of construction works for Mwache dam project.

The Committee directed the Accounting Officer to provide a list of PAPs, detailing the number of individuals whose payments have been settled and those who have transferred titles to the project.

1095. Delayed Construction of Mwache Multipurpose Dam Project

1096. Unresolved Prior Year Matter

1097. Sustainability of Project's Livelihood Programme

The audit queries 1095,1096 and 1097 were addressed in the financial year 2020/2021 report which recommendations had been made.

1100. Undisclosed Interest on Delayed Payment to Contractor

The Accounting Officer submitted that delayed payments were occasioned by inadequate budgetary provision and delayed legislation of the National Public Debt threshold in 2019 that increased the public debt ceiling to Kshs 9 trillion.


The Committee directed the Accounting Officer to furnish details of the principal amount pending payment indicating the interest accrued.

MIN.NO.NA/DAAOSC/PAC/2024/108 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.40 p.m. The next meeting will be held at 2.30 pm in the afternoon.

Signed.....

Date



The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 149TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON WEDNESDAY, 27TH MARCH 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
5. The Hon. Samuel Kinuthia Gachobe, MP
6. The Hon. (Dr.) Edwin Mugo Gichuki, MP
7. The Hon. David Kiplagat, MP
8. The Hon. Eckomas Mwengi Mutuse, OGW, MP
9. The Hon. Nabwera Daraja Nabii, MP
10. The Hon. Mohamed Aden Adow, MP
11. The Hon. Victor Kipng'etich Koech, MP
12. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. Gabriel Gathuka Kagombe, MP
2. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Jacknorine A. Buleemi – Clerk Assistant III
4. Mr. Henry Gichana – Research Officer III
5. Ms. Yvonne Kendi – Hansard Officer III
6. Ms. Lilian Aluga – Public Communication Officer III
7. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Patrick Kibe – Deputy Director of Audit
2. Mr. Geoffrey Irungu – Principal Auditor
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

MINISTRY OF WATER, SANITATION AND IRRIGATION

1. Mr. Julius Korir, CBS – Principal Secretary
2. Eng. Samuel Alima – Secretary Water and Sanitation
3. Mr. James Karori – Deputy Accountant General
4. Mr. Humphrey Masai – Senior Accountant

5. Mr. Geoffrey Rono

– PA to the Principal Secretary

MIN.NO. NA/DAAOSC/PAC/2024/105 PRELIMINARIES

The Chairperson called the meeting to order at twenty-five minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/106 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting

MIN.NO.NA/DAAOSC/PAC/2024/107 EVIDENCE: MINISTRY OF WATER, SANITATION AND IRRIGATION - VOTE 1109

Mr. Julius Korir, CBS, the Principal Secretary/Accounting Officer for the Ministry of Water, Sanitation and Irrigation appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1080. Unreconciled Transfers to Other Government Entities

The Accounting Officer attributed the variances in the financial statements of the various agencies to the contrast between financial reporting methods. The agencies use accrual accounting whereas the ministry employs cash basis accounting.

The Committee noted that while reconciliation had been reached for certain agencies' financial statements, seven remain unreconciled.

1081. Budgetary Control and Performance

The Accounting Officer explained that the underfunding was due to insufficient exchequer.

The Committee instructed the Accounting Officer to furnish a list of all exchequer requests, specifying the dates on which the requests were made.

1082. Lack of Ownership Documents for Construction of Partakilat Water Supply Project (Narok County - Kilgoris Sub-County)

The audit query was not adequately addressed, leading the Committee to defer the matter for resolution during the next appearance by the Accounting Officer.

1083. Delayed Project Implementation

The Accounting Officer explained that the delay in project implementation was a result of a reduced budget during the supplementary budget review.

1084. Unresolved Prior Years Matters

The Committee directed the Accounting Officer to resolve outstanding prior-year issues based on the recommendations outlined in their report for FY 2020/2021.

1085. Pending Bills

896. Unsupported Expenditure on Purchase of Goods and Services

The domestic travel included expenditures amounting to Kshs.478,850 which was surrendered on 28 and 30 June, 2022 and not imprest paid to staff on the said dates.

The domestic travel expenses also included payments amounting to Kshs.1,519,000 paid on 24 December,2021 as a subsistence allowance for various officers. Kshs 796,600 was payment for subsistence allowances for officers undertaking relocation action plans (RAP) activities in counties. This activity was entrenched in Part C (2) of the Financing Agreement.

Kshs. 722,400 was paid to the officer who inspected the maintenance of completed infrastructure works, which was the last step in infrastructure implementation as laid out in the Operations Manual.

The committee directed the state department to avail evidence of these payments within seven days.

900. Unsupported Expenditure on Purchase of Goods and Services

The detailed work plan had been availed and the training expenditure of Kshs. 4,009,600 was properly supported.

The committee directed the state department to provide the needs assessment for the training within 7 days.

901. Unsupported Deposits and Retentions

The World Bank disbursement guideline prohibits the transfer of funds from a project operations account to any other holding account.

The Committee directed the State Department to provide the financing agreement between the department and the World Bank

902. Pending Accounts Payable

Pending bills amounting to Kshs. 56, 222,664. 85 was paid and the balance of Kshs. 3,659,819 forms the first charge in the FY 2023/2024 once exchequer is received.

The Committee directed the State Department to present the comprehensive exchequer release during the year, information on the organization's pending bills, those bills that had been paid, and those outstanding.

904. Delay in Completion of Mitubiri Sanitary Landfill Site Project

The contract agreement was signed on 30th May 2017 and work commenced on 23rd April 2020. By the time of signing the contract, the state department had not finalized on procurement of the Supervision Consultant who would carry out Design Review and Construction Supervision of the Project.

The original contract period was 350 days and a Defects Liability Period of 365 days. This period was extended/revised with a projected Practical Completion being 28th December 2023 and a Defects Liability Period ending on 28th December 2024.

The project is at 88% completion and the major outstanding item is procurement of landfill equipment. All the essential structures have been completed and the outstanding site works were quite minimal and will be completed within the revised contract period.

908. Weaknesses in the Project Implementation Arrangements

The committee directed the state department to implement its recommendations in its report for the FY of 2020/2021.

909. Budgetary Control and Performance

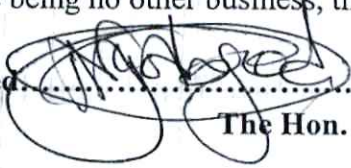
Due to the prevailing fiscal depression, the government could not finance 100% as per the financing agreement. The State Department could not utilize 100% of the approved budget. This was due to unforeseen events e.g. COVID that affected the department's operations.

The Committee directed the State Department to present an analysis of exchequer requests within 7 days

MIN.NO.NA/DAAOSC/PAC/2024/108 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.52 p.m.

Signed.....



Date ..9/4/2024.....

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

**MINUTES OF THE 148TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 26TH MARCH 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Mohamed Aden Adow, MP
8. The Hon. Samuel Kinuthia Gachobe, MP
9. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. Eckomas Mwengi Mutuse, OGW, MP
2. The Hon. Amina Udgoon Siyad, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Nabwera Daraja Nabii, MP
5. The Hon. Victor Kipng'etich Koech, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|------------------------------------|
| 1. Mr. Victor Weke | - | Senior Clerk Assistant/ Lead Clerk |
| 2. Mr. Mohamed Jelle Abdi | - | Clerk Assistant III |
| 3. Mr. Jacknorine A. Buleemi | - | Clerk Assistant III |
| 4. Mr. Henry Gichana | - | Research Officer III |
| 5. Mr. Mark Mbuthia | - | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|-----------------------|
| 1. Mr. James M. Njeru | - | Deputy Director Audit |
| 2. Mr. Wilson K. Kamula | - | Principal Auditor |
| 3. Mr. Paul Kagwanja | - | Principal Auditor |
| 4. Mr. Ezekiel Omore | - | Audit Associate |

NATIONAL TREASURY

- | | | |
|---------------------------------|---|---------------------------|
| 1. Mr. Simon K. Kiriiba | - | Deputy Accountant General |
| 2. Rev. CPA Lawrence K. Kwiriga | - | Senior Accountant |

STATE DEPT. FOR HOUSING

1. Mr. Charles Hinga	-	Principal Secretary
2. Mr. Charles Liyayi	-	Deputy Accountant General
3. Mr. Cassius Kusienya	-	Director Estates
4. Mr. John Kaplid	-	Director Communications
5. Ms. Lilian Kieni	-	Ag. Director UDD
6. Mr. John Muya	-	Secretary, Housing
7. Ms. Evelyne O. Nyakwara	-	Senior Chief Finance Officer
8. Ms. Purity Kanunu	-	Principal Accountant
9. Mr. Said Athman	-	Housing Secretary
10. Mr. Hiram M. Kahiro	-	Secretary

MIN.NO. NA/DAAOSC/PAC/2024/105 PRELIMINARIES

The Chairperson called the meeting to order at 2:45 p.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/106 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/107 EVIDENCE: STATE DEPT. FOR HOUSING - VOTE 1094

Mr. Charles Hinga, the Principal Secretary/Accounting Officer for the State Department for Housing appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

The Committee marked the following issues as resolved, after Auditors confirmed that the State Department had since availed relevant documentation;

1. 892. Gaps in Government Residential Houses Register
2. 894. Unprocedural Extension of Contracts
3. 895. Digitization of Estate Management
4. 903.1 Delay in Delivery of the Vehicles
5. 903.2 Inspection of the Fire Fighting Vehicles
6. 910. Delayed Counterpart Funding
7. 911. Pending Bills

893. Non-Compliance with the One-Third of Basic Salary Rule

The IPPD system was configured in a way that it maintained the third (1/3) rule limit, unfortunately, a few cases seemed to have exceeded the limit. The HR department had taken note of the cases and corrective measures were taken to amend the anomaly.

**MINUTES OF THE 147TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 26TH MARCH 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. (Dr.) Edwin Mugo Gichuki, MP
7. The Hon. Yakub Adow Kuno, MP
8. The Hon. David Kiplagat, MP
9. The Hon. Amina Udgoon Siyad, MP
10. The Hon. Victor Kipng'etich Koech, MP
11. The Hon. Samuel Kinuthia Gachobe, MP

ABSENT WITH APOLOGY

1. The Hon. Nabwera Daraja Nabii, MP
2. The Hon. Mohamed Aden Adow, MP
3. The Hon. Gabriel Gathuka Kagombe, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Mr. Mohamed Jelle | - | Clerk Assistant III |
| 4. Mr. Mark Mbuthia | – | Audio Officer III |
| 5. Mr. Henry Gichana | - | Research Officer III |
| 6. Ms. Lilian Aluga | - | Protocol Officer |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|----------------------|---|-----------------------|
| 1. Mr. James Njeru | – | Deputy Director Audit |
| 2. Mr. Wilson Kamula | - | Principal Auditor |
| 3. Mr. Paul Kagwanja | - | Principal Auditor |
| 4. Mr. Ezekiel Omore | – | Audit Associate |

THE NATIONAL TREASURY & ECONOMIC PLANNING

- | | | |
|------------------------------|---|---------------------------|
| 1. Mr. Simon Kiriba | - | Deputy Accountant General |
| 2. Rev. CPA Lawrence Kwiriga | - | Senior Accountant |

STATE DEPARTMENT FOR HOUSING & URBAN DEVELOPMENT

- | | | |
|---------------------------|---|------------------------------|
| 1. Mr. Charles Hinga, CBS | - | Principal Secretary |
| 2. Mr. Charles Liyayi | - | Head of Accounting Unit |
| 3. Mr. John Muya | - | Secretary Administration |
| 4. Ms. Everlyn Nyakwara | - | Senior Chief Finance Officer |
| 5. Mr. Said Athman | - | Housing Secretary |
| 6. Mr. Hiram Kahiro | - | Secretary Administration |
| 7. Ms. Purity Kananu | - | Principal Accountant |
| 8. Ms. Lilian Kieni | - | Ag. Director UDD |
| 9. Mr. Cassius Kusienya | - | Director Estates |

MIN.NO. NA/DAAGPC/PAC/2024/101 PRELIMINARIES

The Chairperson called the meeting to order at 10.23 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAGPC/PAC/2024/102 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/103 EVIDENCE: STATE DEPARTMENT FOR HOUSING & URBAN DEVELOPMENT -VOTE 1094

Mr. Charles Hinga, CBS, the Principal Secretary/Accounting Officer for the State Department for Housing & Urban Development appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

884. Irregular charge of expenditure under acquisition of assets.

The management stated that the construction and civil works expenditure of Kshs. 4,252,432,575 included seemingly unrelated expenditure totaling to Kshs. 23,404,486 for activities which do actually relate to construction and payments made for routine work. The said expenditures relate to the supervision and monitoring expenses on construction works in relation to Kenya Urban Support Program, and there was no Recurrent provision for the same.

Further, refurbishment of buildings expenditure of Ksh. 900,000,000 was largely made up of expenditure which appeared not related to refurbishment items including security, electricity, cleaning, office operations, refund of rents, tracking and monitoring of AIA usage, inspections and assessment of mental health care among others. This expenditure however was incurred on maintenance and other operational expenses on the buildings and houses owned by the national government.

All the documents in relation to the payments to Civil Servants Housing Fund had been availed. However, the management said that the expenditure totaling to Kshs. 919,800 does not appear in any of their records.

The OAG confirmed to the committee the Kshs. 919,800 was a typing error and the matter was settled as resolved. The committee also directed that the State Department to provide the documents used in the acquisition of assets before the committee within the next Seven (7) days.

The state department should also clear with the development partners on how to share recurrent costs on the projects.

885. Compensation of employees-payroll items paid outside IPPD.

The management stated that the expenditure in relation to Kshs 30,789,461 was paid to various officers to cater for gratuity to officers on employment contracts, returned salaries, Pay As You Earn (PAYE) baggage allowance, staff welfare (funeral expenses). The payments cannot be made through the IPPD System.

The committee directed that the state department avails a breakdown of all these payments within seven (7) days.

886. Budgetary control and performance.

The under receipts of Kshs. 4,303,073,776 was caused by inadequate exchequer issues from the National Treasury.

The state department was directed to provide evidence of all the exchequer requests made between 1st July, 2021 and 30th June,2022 before the committee within seven (7) days.

887. Pending bills.

The state department stated that included in the detailed schedule of pending bills are bills that relate to prior financial years 1997/1998, 1999/2000, 2008/2009, 2009/2010, 2011/2012, 2012/2013, 2015/2016, 2018/2019, 2019/2020 and 2020/2021. The pending bills arose due to lack of budgetary provisions, lack of exchequers and others arose from arbitral awards and court cases related to the defunct Ministry of Local Government which came to the State Department from reorganization of government.

Pending bills totaling to Kshs. 265,726,672.10 are still under verification and have taken rather long due to unavailability of information from defunct Ministries, that entailed consulting the Office of the Attorney General for guidance.

The committee directed the state department to conduct an aging analysis of all the pending bills and table the report before the committee within seven (7) days.

888. Contingent Liabilities.

The management stated that pending bills amounting to Kshs. 402,494,393.91 payable to Nyoro Construction Co. Ltd which were not paid during the year under review arose from arbitral awards to contractors which was not paid due to insufficient budget. The contractor agreed to a lump sum settlement of Kshs 400,000,000 being the final payment for the Contract. The funds were subsequently transferred to the State Law Office for onward payment to the contractor.

The committee directed the state department to confirm with the Attorney-General if the payment was made and if the contractor doesn't have any further claims. Evidence of the same payment should be tabled before the committee within seven (7) days.

889. Uncollected revenue from government houses.

The state department stated that a total of Kshs. 16,990,206.18 was deducted from tenants by various MDAs but was not remitted to the State Department. Demand letters had been addressed to the

particular MDAs to release the funds. Further, a total of Kshs. 104,095,240 is owed by County Governments. A letter has been addressed to Council of Governors to this effect. A total of Kshs. 35,650,560 was not collected from 1,714 houses that had been boarded to various Institutions. A total of Kshs. 42,465,600 was not collected from 1,501 houses that were irregularly alienated and thus not attracting rent. Most of these are subject of ongoing litigations with government investigative agencies.

890. Lack of updated inventory on boarded houses.

The management stated that the analysis of boarded houses has been done. A total of 1,714 houses had been identified and removed from the register.

The committee thus marked the query as resolved.

891. Abandoned projects.

The management stated that the construction of one hundred (100) housing units at Emali administration Police Training Camp at a cost of Kshs. 136,705,536 was abandoned at 85% completion stage. A consultative meeting was called by the Ministry of Interior and Co-ordination of National Government (user client) to discuss how the project would be completed. The meeting agreed to mutually wind up the contract and the contractor to hand-over the site to the user client.

The project was retendered and construction is now underway following the identification of a contractor to complete the works.

The committee directed the state department to provide evidence of the agreement that the contractor agreed to mutually wind up the contract within seven (7) days.

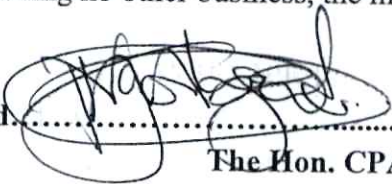
MIN.NO.NA/DAAGPC/PAC/2024/104: ANY OTHER BUSINESS

The committee resolved to reschedule it's sittings that were scheduled for the 3rd and 4th of April, 2024 to a later date.

MIN.NO.NA/DAAGPC/PAC/2024/105: ADJOURNMENT

There being no other business, the meeting was adjourned at 1.05 p.m.

Signed.....



Date

9/4/2024

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

**MINUTES OF THE 146TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 25TH MARCH 2024, IN COMMITTEE ROOM 9, MAIN PARLIAMENT
BUILDINGS, AT 10.00 A.M.**

PRESENT

- 1 The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
- 2 The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
- 3 The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
- 4 The Hon. Samuel Kinuthia Gachobe, MP
- 5 The Hon. (Dr.) Edwin Mugo Gichuki, MP
- 6 The Hon. David Kiplagat, MP
- 7 The Hon. Eckomas Mwengi Mutuse, OGW, MP
- 8 The Hon. Amina Udgoon Siyad, MP
- 9 The Hon. Victor Kipng'etich Koech, MP
- 10 The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Nabwera Daraja Nabii, MP
4. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Mohamed Jelle Abdi – Clerk Assistant III
4. Ms. Yvonne Kendi – Hansard Officer III
- 5 Ms. Lilian Aluga – Public Communication Officer III
6. Mr. Hillary Mageka – Media Relation Assistant

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Franklin Mutuma – Deputy Director of Audit
2. Mr. Johnmark Mutuma – Senior Auditor
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR MEDICAL SERVICES

1. Mr. Harry Kimtai – Principal Secretary
2. Dr. Philip Kirwa – CEO, MTRM
3. Dr. Ruth Masha – CEO, NSDCC
4. Dr. Andrew Mulwa – Ag CEO, KEMSA
- 5 Mr. Leonard Ngotho – Director of Human Resource Management
6. Dr. Hassan Ajuck – Project Manager East Africa Centre

7. Mr. Moses Gitau – Senior Deputy Accountant
8. Mr. Canshine Ndungu – Principal Accountant

MIN.NO. NA/DAAOSC/PAC/2024/97 **PRELIMINARIES**

The Chairperson called the meeting to order at twenty-five minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/98 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of previous sittings was deferred to the next sitting

MIN.NO.NA/DAAOSC/PAC/2024/99 **EVIDENCE: MINISTRY OF HEALTH - VOTE 1081**

Mr. Harry Kimtai, the Principal Secretary/Accounting Officer for the State Department for Medical Services appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022 for the then unified Ministry of Health;

424. Misclassification of Expenditure

The Committee noted negligence within the State Department for misclassifying items in the wrong vote heads.

425. Unsupported Other Operating Expenses

The Accounting Officer explained that initially, the project fell under the State Department for Public Health, but it has since been transferred to the State Department for Medical Services. This transition between departments resulted in a delay in the submission of bidders' documents.

The Committee directed the office of Auditor General to review the bidders' documents and provide a report to the Committee. Additionally, the Committee instructed the Accounting Officer to submit the minutes of the tender opening meeting within one week.

426. Unsupported Specialized Materials and Services

The Accounting Officer submitted that payment of Kshs.104,328,000 relates to a wrongly posted journal which was reversed.

427. Unreleased Deposit Amounts

The Accounting Officer explained that the outstanding payments were a result of pending litigation processes.

The Committee instructed the Accounting Officer to furnish evidence of the litigation proceedings, including communication from the Attorney General outlining current status. Additionally, the Committee requested clarification on which retentions had been cleared for payment and those still pending, within a week.

428. Unsupported Credit Entry

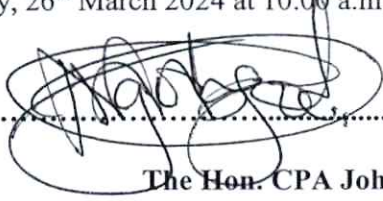
The Accounting officer's response was deemed unsatisfactory.

The Committee noted that the Accounting Officer was inadequately prepared to address the audit queries. Consequently, the Committee directed that the Accounting Officer re-appears with satisfactory answers.

MIN.NO.NA/DAAOSC/PAC/2024/100 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.45 p.m. The next meeting will be held on Tuesday, 26th March 2024 at 10.00 a.m.

Signed.....



Date 21/4/2024.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 144TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 19TH MARCH 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Yakub Adow Kuno, MP
8. The Hon. David Kiplagat, MP
9. The Hon. Amina Udgoon Siyad, MP
10. The Hon. Mohamed Aden Adow, MP
11. The Hon. Victor Kipng'etich Koech, MP

ABSENT WITH APOLOGY

1. The Hon. Eckomas Mwengi Mutuse, OGW, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Samuel Kinuthia Gachobe, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Jacknorine Buleemi – Clerk Assistant III
3. Mr. Mohamed Jelle - Clerk Assistant III
4. Mr. Josphat Bundotich - Principal Sergeant-At-Arms
5. Mr. Mark Mbuthia – Audio Officer III
6. Ms. Yvonne Kendi – Hansard Reporter III
7. Mr. Henry Gichana - Research Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Ms. Linet Bosire – Deputy Director Audit
2. Mr. Dickson Osanjo - Principal Auditor
3. Ms. Ruth Korir - Senior Auditor
4. Mr. Ezekiel Omoro – Audit Associate

THE NATIONAL TREASURY & ECONOMIC PLANNING

- Rev. CPA Lawrence Kwiriga - Senior Accountant

STATE DEPARTMENT FOR PUBLIC SERVICE

1. Mr. Amos Gathecha, EBS	-	Principal Secretary
2. Mr. Mugambi Njeru	-	Ag. Secretary/CEO Huduma Kenya
3. Mr. Francis Muteti	-	Snr Chief Finance Officer
4. Ms. Maureen Oganya	-	Deputy Accountant General
5. Mr. Isaac Ngugi	-	Parliamentary Liaison Officer
6. Mr. David Chege	-	P.A to PS
7. Mr. Kirkland Muhika	-	Accountant 1
8. Ms. Beryl Odiembo	-	Programme Assistant Finance

MIN.NO. NA/DAAGPC/PAC/2024/89 **PRELIMINARIES**

The Chairperson called the meeting to order at 10.07 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAGPC/PAC/2024/90 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of the previous sittings was differed to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/91 **EVIDENCE: STATE DEPARTMENT FOR PUBLIC SERVICE -VOTE 1213**

Mr. Amos Gathecha, EBS, the Principal Secretary/Accounting Officer for the State Department for Public Service appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1714. Unsupported Accounts Payables - Deposits.

The management stated that out of the indicated Kshs. 19,220,963 a total of Kshs. 14,488,673.50 relating to works was done when the state department was under Ministry of Devolution and Planning. The state department had since written to the Ministry of Planning to assist in retrieval of the documentation related to contractors. However, retention monies amounting to Kshs. 4,732,290.60 related to the year under review and payments of the same cleared.

1715. Budgetary control and performance.

The management stated that the under absorption of Kshs. 890,788,107 of the budget was mainly due to lack of exchequer release by the National Treasury and lengthy procurement processes.

The committee directed the state department to furnish the committee with all the exchequer requests made between 1st July, 2021 and 30th June, 2022.

1716. Long outstanding pending accounts payables.

Management stated that the pending bills amounting to Kshs. 120,777,055 were historical and related to the period between 2018/19 to 2020/21. The state department was unable to settle the historical

pending bills due to budget cuts and lack of budgetary provision. However, at the closure of the financial year 2022/23, the department settled previous year's bills amounting to Kshs. 1.32 billion. *The committee directed the state department to avail an aging analysis of the pending bills to the committee within the next seven (7) days.*

1717. Unresolved prior year matters.

The state department was awaiting recommendations of the Committee to enable them take the necessary action.

The committee informed the state department that the report was tabled in the House and adopted.

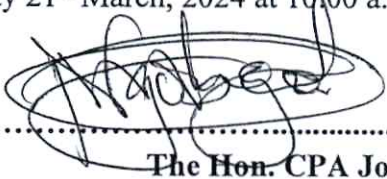
1718. Construction works at proposed ultra-modern Huduma Centre, Garden City Mall.

The management stated that the Ministry of Public Service, Youth and Gender Affairs entered into a two-year contract for provision of consultancy for the design, building works, supervision, project management for Huduma Centres in Bomet, Narok and Kajiado West, and maintenance of the same. However, the state department altered the contract to include Garden City Mall without following the due process as required by section 2.4 of the contract.

The committee directed that the accounting officer at the time be summoned to appear before the committee to shed more light on this query.

MIN.NO.NA/DAAOSC/PAC/2024/92: ADJOURNMENT

There being no other business, the meeting was adjourned at 11.56 a.m. The next meeting will be held on Thursday 21st March, 2024 at 10:00 a.m.

Signed.....


Date 9/4/2024.....

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

**MINUTES OF THE 143RD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 18TH MARCH 2024, IN COMMITTEE ROOM 9, MAIN PARLIAMENT
BUILDINGS, AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Amina Udgoon Siyad, MP
9. The Hon. Victor Kipng'etich Koech, MP
10. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Eckomas Mwangi Mutuse, OGW, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
2. Mr. Mohamed Jelle Abdi – Clerk Assistant III
3. Mr. Jacknorine A. Buleemi – Clerk Assistant III
4. Mr. Lenny Muchangi – Legal Counsel II
5. Mr. Henry Gichana – Research Officer III
6. Mr. Hillary Mageka – Media Relation Assistant
7. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Justus Okumu – Director of Audit
2. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR BASIC EDUCATION

1. Dr. Belio R. Kipsang, PhD, CBS – Principal Secretary
2. Dr. Hilder Kaavia – Director of Procurement
3. Ms. Martha Ekirapa – Deputy Director of Education
4. Mr. Wakesa Khaoya – Senior Chief Finance Officer
5. Mr. Emilio Mukira – Deputy Accountant General
6. Mr. Paul Mutua – Senior Supply Chain Management
7. Mr. Elijah Kinyua – Supply Chain Management Officer

MIN.NO. NA/DAAOSC/PAC/2024/85 PRELIMINARIES

The Chairperson called the meeting to order at twenty three minutes to three o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/86 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting

MIN.NO.NA/DAAOSC/PAC/2024/87 EVIDENCE: STATE DEPARTMENT FOR BASIC EDUCATION - VOTE 1066

Dr. Belio R. Kipsang, PhD, CBS, the Principal Secretary/Accounting Officer for the State Department for Basic Education appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

408.3 Failure to Provide Performance Security for the Contract

The Committee noted that the State Department was in breach of Section 142 of the Public Procurement and Asset Disposal Act, 2015 which requires the tenderer to provide performance security.

409. Irregular Expenditure on Purchase of Electronic News Gathering and Field Production Equipment

The Committee deemed the response from the Accounting Officer unsatisfactory and consequently required the Accounting Officer to submit a clear written response to both the Committee and the Office of the Auditor General, who will report back to the Committee on their findings

410. Unreconciled Special Account Statement

The Accounting Officer submitted that they had requested clarification from the National Treasury regarding the balance of Kshs. 238,499,099 to facilitate reconciliation. However, the National Treasury had not yet responded.

411. Budgetary Control and Performance

The Committee resolved the matter as the response provided by the Accounting Officer explained the reasons for the under-expenditure.

412. Unsupported Contract Period Extension

The Committee noted that the State Department had not provided approvals from the International Development Association (IDA) and the revised work plan during the time of audit. These documents had since been provided to the Office of the Auditor General.

413. Alterations of Procurement Records

The Committee resolved to invite the former Principal Secretary, Dr. Julius Jwan, the Head of Procurement who was present during alterations of procurement records, Ms. Salome Gichina, who

revised her score sheet during the Committee's moderation session, and the chair of the tender evaluation committee to clarify why score sheets with arithmetical errors and alterations were not countersigned.

414. Lack of Internal Audit on the Project

The Committee deemed the response provided by the Accounting Officer unsatisfactory and consequently directed them to provide the audit report of the PRIDE project to both the Committee and the Office of the Auditor General.

MIN.NO.NA/DAAOSC/PAC/2024/88 ADJOURNMENT

There being no other business, the meeting was adjourned at 3.45 p.m. The next meeting will be held on Tuesday, 19th March 2024 at 10.00 a.m.

Signed.....^{for}  Date 9/4/2024.....

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

7
**MINUTES OF THE 142ND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 18TH FEBRUARY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Amina Udgoon Siyad, MP
7. The Hon. Eckomas Mwengi Mutuse, OGW, MP
8. The Hon. Nabwera Daraja Nabii, MP
9. The Hon. Samuel Kinuthia Gachobe, MP
10. The Hon. Victor Kipng'etich Koech, MP
11. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. David Kiplagat, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
2. Mr. Mohamed Jelle Abdi – Clerk Assistant III
3. Mr. Jacknorine A. Buleemi – Clerk Assistant III
4. Mr. Lenny Muchangi – Legal Counsel II
5. Mr. Henry Gichana – Research Officer III
6. Mr. Hillary Mageka – Media Relation Assistant
7. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Justus O. Okumu – Director Audit
2. Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

- Rev. CPA Lawrence K. Kwiriga – Senior Accountant

STATE DEPT. FOR BASIC EDUCATION

1. Dr. Belio Kipsang – Principal Secretary
2. Dr. Hilder G. Kaaria – Head of Supply Chain

3. Mr. Wekesa Khaoya
4. Mr. Emilio Mukira
5. Mr. Elijah Munngui
6. Mr. Martha Ekirapa
7. Mr. Paul Mutua

- Head of Finance
- Head of Accounting Unit
- HDPCAD
- DH- DPACAD
- Senior Supply Chain Management Officer

MIN.NO. NA/DAAOSC/PAC/2024/81 **PRELIMINARIES**

The Chairperson called the meeting to order at 10.18 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/82 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/83 **EVIDENCE: STATE DEPT. FOR BASIC EDUCATION -VOTE 1066**

Dr. Belio Kipsang, the Principal Secretary/Accounting Officer for the State Department for Basic Education appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

The Committee marked the following issues as resolved after Auditors confirmed that the State Department had since availed relevant documentation;

1. 398. Non-Itemization of Budget Line Items
2. 400. Undisclosed Bank Account Balance
3. 401. Irregularities in the Operation of the Elimu Scholarship Fund
4. 401.1 Unsupported List of Beneficiaries
5. 401.2 Unapproved Change of Contract Terms
6. 401.3 Unauthorized Opening and Operation of Project Bank Account
7. 401.4 Unapproved Procurement and Distribution of School Kits
8. 401.5 Students Benefiting from More than One Scholarship Programme
9. 401.7 School Fees Arrears for Form One Students
10. 402. Funding Summary
11. 403. Budgetary Control and Performance
12. 408.1 Inconsistencies in the List of Enrolment for Beneficiary Schools

399. Unreconciled Special Account Statements

The amount received from the loan proceeds of Euros 7,778,241.63 was Kshs. 971, 196,694.65 and the exchange rate disclosed on the transaction date was 124.8607.

As disclosed in the special account movement schedule of the financial statement, the project made a withdrawal application of Euros 2, 685, 558 which was disbursed by the donor to the project special account. The exchequer for the same was not received.

The Committee resolved to seek clarity from the National Treasury on the variance of Kshs 991, 115 in the financial statement and the exchange rate used.

401.6 Indiscipline and Poor Performance of Students under Elimu Scholarship Programme

There have been cases of low academic performance and indiscipline among some of the beneficiaries. The imperative to provide education had constrained the ministry to go slow in discontinuing learners from the program.

405. Failure to Return Unspent Funds for Re-Voting

As per the financial statement in place, MOE transfers funds for the implementation of approved activities based on the approved work plans and project activities. As at 30th June 2022, KICD had a cashbook balance of Kshs 247,433,841.99 while KNEC had a balance of Kshs 150,076,157 as unutilized funds for the SEQIP Project. The unspent balances were treated as a liability to the institution and the same was utilized in the subsequent financial Year.

The Committee directed the State Department to Issue an A.I.E for the project since they are using cash basis of accounting and return the balance to the Project Account. The A.I.E holder should ensure the funds are re-voted for the project in the following financial year pursuant to Regulation 117 of the PFM Regulation of 2015.

406. Irregular and Highly Priced Consultancy Services

The Ministry entered into an agreement with Equity Group Foundation for consultancy services to design and support the implementation of scholarship, mentorship, social support, and gender sensitization program for secondary students through contract MOE/SEQIP/NCB/07/2017-2018 dated 21st November 2019 at the sum of Kshs 1,131,568,762 derived for an opening competitive bidding process. The project cost was 20 Billion hence the contract sum of Kshs 1,131,568,762 translated to 5.5% , and Kshs 1.2 Billion lower than the 2nd ranked bidder.

The Committee directed the State Department to submit the detailed documentation of the contract to the auditor within a week to confirm if the total cost was 20 Billion since the projects had 4 cohorts.

408.2.1 Inadequacies in the Purchase of Corn-Soya

The list of beneficiary schools in FY 2021/2022 was a replica of the one used to identify the benefiting schools during FY 2020/2021. This was as per the shared list of 2,978 schools with an enrolment of 280,331 learners. The list was changed in response to the COVID-19 emergency especially to bring on board schools from ASAL areas which were hard hit with hunger. This necessitated the State Department to migrate to NEMIS to handle the data issues for the Ministry of Education programs.

The Committee directed auditors to verify the documents available.

408.2.2.1 Kajiado and Machakos Counties

The distribution lists for food in Machakos and Kajiado were erroneously delivered to Mandera and Wajir.

408.2.2.2 Isiolo County

Distribution of corn soya included both the MOE School Meals Program foodstuffs as well the COVID-19 Project corn soya blend. The distribution lists were different however the transporters were the same. This caused logistical challenges that ended up having certain schools having excess food while others did not receive the food.

408.2.2.3 Kisumu County

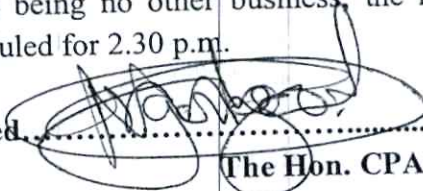
As per the distribution schedule, Kisumu Central, Kisumu East, and Muhoroni received their full allocation. However, Kisumu West, Nyakach, and Nyando did not receive their allocation due to logistical challenges. This was because food for schools in the 3 Sub-Counties was erroneously delivered to Mandera, Marsabit, Wajir, and Garissa Counties which received an excess of 26,326 bags (Mandera-10,678, Marsabit-4,566, Wajir-6,683, and Garissa- 4,399).

MIN.NO.NA/DAAOSC/PAC/2024/84

ADJOURNMENT

There being no other business, the meeting was adjourned at 1.05 p.m. The next meeting was scheduled for 2.30 p.m.

Signed.....



Date 7/4/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 141ST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 14TH MARCH 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Samuel Kinuthia Gachobe, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. David Kiplagat, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Amina Udgoon Siyad, MP
5. The Hon. Victor Kipng'etich Koech, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 3. Mr. Mark Mbuthia | – | Audio Officer III |
| 4. Ms. Yvonne Kendi | – | Hansard Reporter III |
| 5. Mr. Lenny Muchangi | - | Legal Officer II |
| 6. Mr. Henry Gichana | - | Research Officer III |
| 7. CPA. Cyrille Mutali | – | Fiscal Analyst III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|-------------------|
| 1. Mr. Joseph K. Irungu | – | Principal Auditor |
| 2. Mr. Paul Kagwanja | – | Principal Auditor |
| 3. Mr. Ezekiel Omoro | – | Audit Associate |

THE NATIONAL TREASURY & ECONOMIC PLANNING

- | | | |
|---------------------------|---|-------------------|
| Rev. CPA Lawrence Kwiriga | - | Senior Accountant |
|---------------------------|---|-------------------|

STATE DEPARTMENT FOR COOPERATIVES

1. Mr. Patrick Kilemi	-	Principal Secretary
2. Mr. Ian Ireri	-	SSE - MECH
3. Ms. Margaret Nyawera	-	Deputy Accountant General
4. Mr. Julius Semo Ndoli	-	SDSE (M)
5. Mr. George Marete	-	SDC
6. Mr. Paul Ikuuc	-	PFO
7. Mr. Samwel Kiptoo	-	ACCD - SDC

MIN.NO. NA/DAAGPC/PAC/2024/77 **PRELIMINARIES**

The Vice-Chairperson called the meeting to order at 10.15 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAGPC/PAC/2024/78 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of the previous sittings was differed to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/79 **EVIDENCE: STATE DEPARTMENT FOR COOPERATIVES -VOTE 1214**

Mr. Patrick Kilemi, the Principal Secretary/Accounting Officer for the State Department for Cooperatives appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1579. Misstatement of the expenditure on rentals of produced assets.

Management stated that the expenditure which was erroneously posted to the rentals had since been reversed and posted to the right account.

1580. Variance on compensation of employees expenditure.

The management stated that the unreconciled variances were payments on salary items, that were not made through the payroll system. Salaries amounting to Kshs. 5,724,523 were paid from special duty allowances, this was as a result of budget deficits and salaries had to be paid.

The Committee gave the State Department one (1) day to provide a reconciliation analysis.

1581. Irregular award of tender for proposed modernization of Luanda farmers cooperative union ginnery.

The OAG retracted their finding that bidder number was unfairly disqualified after a further look at his tender documents.

1582. Irregular procurement for consultancy services to modernize coffee factories.

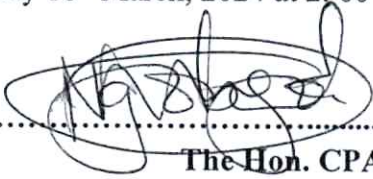
There were four issues addressed in this query which were;

- i) The department stated that the nature of the works required various design proposals and construction works for the drying beds infrastructure as provided in the TOR by the user department. The consultant was to advise the client on various designs of the drying beds based on the appropriate materials to be used. The consultant was also to construct the beds.
- ii) The date of approval of the professional opinion had a clerical error on the date.
- iii) It was true that the notice of addendum was not issued. This is because by the time of uploading the addendum, there was no bidder who had shown interest.
- iv) The standard evaluation criteria detailing both mandatory and technical requirements were disclosed in the tender document and was also uploaded to the website both for the state department and PPRA.

MIN.NO.NA/DAAOSC/PAC/2024/80: ADJOURNMENT

There being no other business, the meeting was adjourned at 12.50 p.m. The next meeting will be held on Monday 18th March, 2024 at 2, 00 p.m.

Signed.....



Date

9/4/2024

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

**MINUTES OF THE 140TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 12TH MARCH 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Gabriel Gathuka Kagombe, MP
8. The Hon. Nabwera Daraja Nabii, MP
9. The Hon. Yakub Adow Kuno, MP
10. The Hon. Samuel Kinuthia Gachobe, MP

ABSENT WITH APOLOGY

1. The Hon. Eckomas Mwengi Mutuse, OGW, MP
2. The Hon. Mohamed Aden Adow, MP
3. The Hon. Amina Udgoon Siyad, MP
4. The Hon. Victor Kipng'etich Koech, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mutiso – Clerk Assistant III
3. Mr. Jacknorine Ayuya Buleemi – Clerk Assistant III
4. Mr. Mark Mbuthia – Audio Officer III
5. Ms. Yvonne Kendi – Hansard Reporter III
6. Mr. Josphat Bundotich – Principal Sergeant-At-Arms
7. Mr. Lenny Muchangi – Legal Officer II
8. Mr. Henry Gichana – Research Officer III
9. CPA. Cyrille Mutali – Fiscal Analyst III

OFFICE OF THE AUDITOR-GENERAL

1. Dr. Dominic Kamenyi – Director Audit
2. Mr. Weyao Emmanuel – Senior Auditor
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omoro – Audit Associate

THE NATIONAL TREASURY & ECONOMIC PLANNING

- Rev. CPA Lawrence Kwiriga – Senior Accountant

STATE DEPARTMENT FOR YOUTH AFFAIRS

1. Mr. Ismail Maalim	-	Principal Secretary
2. Mr. Alan Machani	-	Secretary Administration
3. Ms. Grace Kariuki	-	Dep/Director supply Chain Management
4. Ms. Naomi Onyango	-	Principal Youth development officer
5. Ms. Kerandi Sarah	-	Senior Chief Finance Officer
6. Mr. Charles Mwaniki	-	DD, YD-NPC
7. Mr. Osaso george	-	DD'YD - KYEOP
8. Mr. Augustine Mayabi	-	NPC KYEOP
9. Dr. Franklin Mbae	-	NPC Vijana Vuka na Afya

MIN.NO. NA/DAAGPC/PAC/2024/73 **PRELIMINARIES**

The Chairperson called the meeting to order at 10.14 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAGPC/PAC/2024/74 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of the minutes of the previous sittings was differed to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/75 **EVIDENCE: STATE DEPARTMENT FOR YOUTH AFFAIRS -VOTE 1214**

Mr. Ismail Maalim, the Principal Secretary/Accounting Officer for the State Department for Youth Affairs appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1729.3 Delayed installation of LAN and CCTV in Youth Empowerment Centres (YECs).

Management stated that some of the YECs were not connected to the power grid at the time but had since been connected. The Department has also supplied computers to those YECs that didn't have computers. The Committee gave auditors 14 days to confirm current status and report back to the Committee.

1730. Incomplete fixed asset register

The management stated that the missing information had since been updated in the register, save for old assets and those inherited from other ministries and agencies of government whose records are not available.

The Committee gave the State Department six (6) months to complete the exercise.

1731. Lack of risk policy

The state department availed the risk management policy which had now been ratified and was being implemented.

The committee marked the query as resolved.

1732. Variance between amounts in the financial statement and special account statement.

The department stated that the funds were received in four different periods which had different exchange rates of the dollar. Auditors concurred.

The matter was marked as settled.

1733. Unsupported expenditure

Payments relating to hospitality supplies and services out of which an amount of Kshs. 8,660,000 was not supported with documentary evidence.

The PS was directed to prepare a detailed response with a clear schedule of how the Kshs. 8,660,000 was spent within the next 14 days.

1734. Budgetary control and performance

The management stated that this was due to the late exchequer releases. There was also delay in disbursement of business plan competition.

The committee urged state department to make timely requisition of funds from Treasury.

1735. Unresolved prior year audit issues

The management was waiting for the Committee's recommendations.

The Committee noted that its report had since been adopted by the House and would be remitted to MDAs for implementation.

1736. Incomplete fixed assets register.

The Committee directed that the matter be dealt with as in paragraph 1730 above.

1737. Non-compliance with project work plan implementation.

The State Department indicated that the delays were occasioned by the design of the business plan competition which required beneficiaries to obtain clearances from KRA, HELB, CRB and DCI.

1741. Budgetary control and performance.

The department stated that the under-utilization was due to inability of the donor to disburse the full amount budgeted for. The development partner funds the programme based on the resources mobilized during the period.

1745. Unsupported expenditure.

Management stated that there was an anomaly in the loading of the donor component of the budget. The state department had requested for correction of the anomaly by the National Treasury. The payment voucher for the Kshs. 50,000 had been mixed up and could not be traced but later retraced. The committee directed the OAG to ascertain the information within 14 days.

1746. Budgetary control and performance.

Management stated that the underfunding and under expenditure were due to delays in finalizing and signing of the service level agreements between the state department and the county governments to

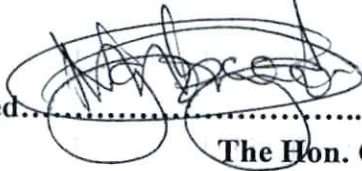
allow sexual reproductive health to be offered to the youths. This led to delays in implementation of the planned activities.

The committee directed that the PS should provide the service level agreement before the committee for review within the next 14 days.

MIN.NO.NA/DAAOSC/PAC/2024/76: ADJOURNMENT

There being no other business, the meeting was adjourned at 12.25 p.m. The next meeting will be held on Thursday 14th March, 2024 at 10.00 a.m.

Signed.....



Date

9/4/2024

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

MINUTES OF THE 139TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY, 11TH MARCH 2024, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 2.30 P.M.

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. Nabwera Daraja Nabii, MP
5. The Hon. Amina Udgoon Siyad, MP
6. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Jacknorine A. Buleemi – Clerk Assistant III
4. Mr. Lenny Muchangi – Legal Counsel II
5. Mr. Henry Gichana – Research Officer III
6. Mr. Josphat Bundotich – Principal Sergeant-at-Arms II
7. Ms. Yvonne Kendi – Hansard Officer III
8. Ms. Lilian Aluga – Public Communication Officer III
9. Mr. Hillary Mageka – Media Relation Assistant
10. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Lawrence Kiilu – Deputy Director of Audit
2. Mr. Gerald Maina – Principal Auditor
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Mr. Simon Kiriiba – Deputy Accountant General

STATE DEPARTMENT FOR CORRECTIONAL SERVICES

1. Dr. Salome M. Beacco – Principal Secretary

- | | | |
|-------------------------|---|---|
| 2. Mr. John Warioba | – | Commissioner General of Prisons |
| 3. Mr. Dan Obiero | – | Head of Infrastructure Development |
| 4. Mr. Johnson Njuguna | – | Head of Accounting Unit |
| 5. Mr. Bernard Okari | – | Head of Finance |
| 6. Dr. Christine Obondi | – | Secretary of Probation and After Care Service |
| 7. Ms. Reginah Muriuki | – | Personal Assistant to the PS |

MIN.NO. NA/DAAOSC/PAC/2024/69 **PRELIMINARIES**

The Chairperson called the meeting to order at forty-five minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/70 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Minutes of previous sittings were confirmed as follows: -

1. Minutes of 135th sitting held on Monday, 26th February 2024, were confirmed as a true record of proceedings having been proposed by the Hon. Samuel Kinuthia Gachobe, MP and seconded by the Hon. David Kiplagat, MP;
2. Minutes of 136th sitting held on Tuesday, 27th February 2024, were confirmed as a true record of proceedings having been proposed by the Hon. Yakub Adow Kuno, MP and seconded by the Hon. David Kiplagat, MP;
3. Minutes of 137th sitting held on Tuesday, 5th March 2024, were confirmed as a true record of proceedings having been proposed by the Hon. David Kiplagat, MP and seconded by the Hon. Samuel Kinuthia Gachobe, MP; and
4. Minutes of 138th sitting held on Thursday, 7th March 2024, were confirmed as a true record of proceedings having been proposed by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and seconded by the Hon. Samuel Kinuthia Gachobe, MP.

There were no matters arising.

MIN.NO.NA/DAAOSC/PAC/2024/71 **EVIDENCE: STATE DEPARTMENT FOR CORRECTIONAL SERVICES - VOTE 1023**

Dr. Salome Muhia Beacco, the Principal Secretary/Accounting Officer for the State Department for Correctional Services appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

200. Inaccuracies in the Financial Statements

The Committee expressed dissatisfaction with the response given by the Accounting Officer and directed the Accounting Officer to furnish bank statements and supporting evidence that confirm the initiation of payments in the IFMIS, by March 15, 2024.

201. Unsupported Cash and Cash Equivalents

The Accounting officer's response was deemed unsatisfactory.

The Committee noted that the Accounting Officer was inadequately prepared to address the audit queries. Consequently, the Committee directed that the Accounting Officer re-appears with satisfactory answers.

MIN.NO.NA/DAAOSC/PAC/2024/72 ADJOURNMENT

There being no other business, the meeting was adjourned at 3.50 p.m. The next meeting will be held on Tuesday, 12th March 2024 at 10.00 a.m.

Signed.....

Date 7/4/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 138TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 7TH MARCH 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP - Chairing
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. Eckomas Mwangi Mutuse, OGW, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Nabwera Daraja Nabii, MP
6. The Hon. Samuel Kinuthia Gachobe, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Mohamed Aden Adow, MP
7. The Hon. Yakub Adow Kuno, MP
8. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Lilian Mutiso – Clerk Assistant III
2. Mr. Jacknorine Ayuya Buleemi – Clerk Assistant III
3. Mr. Mark Mbutia – Audio Officer III
4. Mr. Josphat Bundotich - Principal Sergeant-At-Arms II
5. Mr. Henry Gichana - Research Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Henry Makworo – Principal Auditor
2. Mr. Paul Kagwanja – Principal Auditor
3. Mr. Ezekiel Omore – Audit Associate

THE NATIONAL TREASURY & ECONOMIC PLANNING

Rev. CPA Lawrence Kwiriga - Senior Accountant

STATE DEPARTMENT FOR TRADE

1. Mr. Alfred K'Ombudo – Principal Secretary
2. Mr. Tom Odundo - Deputy Accounting General
3. Mr. John Mwaura - Director weights & Measures

- | | | |
|-------------------------|---|-------------------------------------|
| 4. Mr. Mmbetsa Beja | - | Senior Deputy Secretary |
| 5. Mr. Kennedy Nyokwoyo | - | Ag. Director International Trade |
| 6. Mr. Nicholas Kamau | - | SCFO |
| 7. Mr. Joseph Rotich | - | Ag. Director External Trade |
| 8. Mr. Clement Ochola | - | Under Secretary |
| 9. Mr. Robert Okoth | - | Dep. Director Parliamentary Liaison |
| 10. Mr. Aloyce Ratemo | - | Director Planning |

MIN.NO. NA/DAAGPC/PAC/2024/64: PRELIMINARIES

The Session Chairperson Hon. (Dr.) Otiende Amollo, SC, EBS, MP called the meeting to order at 10.10 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAGPC/PAC/2024/65: CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of the previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAGPC/PAC/2024/66: EVIDENCE: STATE DEPARTMENT FOR TRADE -VOTE 1174

Mr. Alfred K'Ombundo, the Principal Secretary/Accounting Officer for the State Department for Trade appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1585.1 Loss of Motor Vehicles.

The financial statements reflect non-current assets with a historical cost of Kshs. 303,997,644. Included in these assets are two vehicles with a cost of Kshs. 12,142,954. The vehicles were reported stolen and the matter is still with the investigating agencies and thus not solved. The OAG highlights that the cases have been long overdue.

The management responded to the committee by indicating that the two cases are still with the investigative agencies and having done several follow ups through correspondences between the state department and the office of the Director of Criminal Investigations. The state department still awaits the conclusion of the matter by the DCI.

Upon deliberations, the committee resolved as follows;

- i) The state department to provide documents before the committee within the next 2 days showing the correspondences between the state department and the investigating agency.
- ii) The PS was directed to meet the Inspector General of Police and/or the Director of Criminal Investigation with regards to this matter and report back to the committee with the next 14 days.

1585.2 Lack of ownership documents for parcel of land in South C, Nairobi.

The query came up due to the State Department having not provided the title for a parcel of land that hosts the weights and measures complex in south c Nairobi. The state department as of the time of the audit, did not provide the title to the land for audit review.

The management indicated that they own the parcel of land and they were yet to acquire the title to the land as the matter is being handled by the National Land Commission. They provided correspondences that showed that they were in communication with the NLC and the County government of Nairobi City.

The committee directed as follows;

- i) In the management response, they indicated that there was a meeting to be held on 18th January, 2023. In this regard, the committee directed the PS to present before the committee the letter inviting the officers from the NLC and the state department. A report on deliberations of the meeting reported to have been held on 18th January 2024.
- ii) The state department to pursue the leasehold and update the committee on the progress.
- iii) The PS to meet the chairperson of the NLC within the next 7 days and give a report of their deliberations to the committee within the next 14 days.

1586.1 Lack of expenditure returns for disbursements to Foreign Missions.

The statement of assets and liabilities reflects an accounts receivables balance of Kshs. 31,443,610 in respect to disbursements by the state department to foreign missions whose expenditure returns were not provided for audit review.

The management confirmed that through the Ministry of Foreign Affairs, they have been able initiate recovery of those funds by creating separate/individual suspense account for each of the foreign missions to make reconciliation easy for those missions that have not surrendered their full AIE's.


The committee directed the state department to give a comprehensive report with the next 14 days.

MIN.NO.NA/DAAGPC/PAC/2024/67: EVIDENCE: PUBLIC SERVICE COMMISSION - VOTE 2071

The CEO/Secretary to the Public Service Commission failed to honour the invitation, thus the committee resolved to adjourn.

MIN.NO.NA/DAAGPC/PAC/2024/68: ADJOURNMENT

There being no other business, the meeting was adjourned at 11.20 a.m. The next meeting will be held on Monday 11th March 2024 at 2.00 p.m.

Signed.....

Date 11/march 2024.

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

**MINUTES OF THE 137TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 5TH MARCH 2024, IN COMMITTEE ROOM 9, MAIN PARLIAMENT
BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Eckomas Mwangi Mutuse, OGW, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. Amina Udgoon Siyad, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. Yakub Adow Kuno, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
2. Mr. Jacknorine A. Buleemi – Clerk Assistant III
3. Mr. Lenny Muchangi – Legal Counsel II
4. Mr. Cyrille Mutali – Fiscal Analyst III
5. Mr. Henry Gichana – Research Officer III
6. Mr. Josphat Bündotich – Principal Sergeant-at-Arms II
7. Ms. Yvonne Kendi – Hansard Officer III
8. Mr. Hillary Mageka – Media Relation Assistant
9. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Ms. Linet Bosire – Deputy Director of Audit
2. Mr. Boniface Baiya – Principal Auditor
3. Ms. Regina Ayiemba – Senior Auditor
4. Mr. Paul Kagwanja – Principal Auditor
5. Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR GENDER

1. Ms. Anne N. Wang'ombe – Principal Secretary
2. Mr. Dudley Matagi – Head of Accounting Unit

3. Mr. Joseph Gikonyo – Senior Principal Finance Officer
4. Mr. Sephone Ombachi – Chief Finance Officer

MIN.NO. NA/DAAOSC/PAC/2024/60 **PRELIMINARIES**

The Chairperson called the meeting to order at ten minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/ 61 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/62 **EVIDENCE: STATE DEPARTMENT FOR GENDER - VOTE 1212**

Ms. Anne N. Wang'ombe, the Principal Secretary/Accounting Officer for the State Department for Gender appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1707. Unsupported Amounts in the Financial Statements

The Committee directed the Office of Auditor General to review and authenticate the supporting documents related to the expenses incurred on grants and the Finland program and submit a written response outlining their findings.

1708. Pending Bills

The Accounting Officer attributed failure to settle pending bills to delay in exchequer release. Consequently, the Committee instructed the Accounting Officer to provide evidence of when the exchequer request was made and fulfilled. Additionally, the Committee instructed the Accounting Officer to present a comprehensive breakdown of all outstanding bills, specifying the dates of each occurrence.

1709. Unresolved Prior Year Matters

The resolution is pending the Committee's recommendations in their report on the examination of the Auditor's report for the financial year 2020/2021.

1710. Failure to Implement Public Accounts Committee's Recommendations

The Committee directed the Accounting Officer to submit all correspondences displaying the recovery amounts related to overpaid officers. Additionally, the Committee requested an explanation of the amounts disbursed to the 'VARIUS' taskforce, clarifying its purpose, within two weeks.

1711. Failure to Update Fixed Asset Register

The Committee marked the matter as resolved after the Office of Auditor General confirmed that the State Department had updated the Fixed Asset Register.

1712. Lack of Information Communication Technology Policy

The Committee directed the Accounting Officer to furnish evidence confirming the establishment of the ICT steering committee, tasked with the development of ICT policy.

MIN.NO.NA/DAAOSC/PAC/2024/63 ADJOURNMENT

There being no other business, the meeting was adjourned at 11.30 a.m. The next meeting will be held on Thursday, 7th March 2024 at 10.00 a.m.

Signed.....  Date 16 March 2024.....

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

**MINUTES OF THE 136TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 27TH FEBRUARY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. The Hon. David Kiplagat, MP
8. The Hon. Gabriel Gathuka Kagombe, MP
9. The Hon. Nabwera Daraja Nabii, MP
10. The Hon. Victor Kipng'etich Koech, MP
11. The Hon. Mohamed Aden Adow, MP
12. The Hon. Yakub Adow Kuno, MP
13. The Hon. Samuel Kinuthia Gachobe, MP

ABSENT WITH APOLOGY

The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mutiso – Clerk Assistant III
3. Mr. Jacknorine Ayuya Buleemi – Clerk Assistant III
4. Mr. Mark Mbuthia – Audio Officer III
5. Ms. Yvonne Kendi – Hansard Reporter III
6. Mr. Moses Musembi – Sergeant-At-Arms

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Richard Nyachieo – Director Audit
2. Ms. Jane Karimi – Senior Auditor
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omore – Audit Associate

THE NATIONAL TREASURY & ECONOMIC PLANNING

Rev. CPA Lawrence Kwiriga – Senior Accountant

STATE DEPARTMENT FOR ASALS AND REGIONAL DEVELOPMENT

1. Mr. Kello Harsama	-	Principal Secretary
2. Mr. Wilfred Omari	-	Project Manager
3. Mr. James Sakwa	-	Ag. Head of Accounting
4. Mr. Wilson Omulo	-	Project Manager
5. Mr. Kigen Kieti	-	Senior Deputy Director Supplies
6. Mr. Richard Misati	-	Project Accountant
7. Mr. Fredrick Juma	-	Senior Economist
8. Mr. Fred Nyakundi	-	Internal Auditor
9. Mr. Paul Masinde	-	Chief Finance Officer
10. Ms. Wanjiku Manyatta	-	Ag. Director Regional Development
11. Mr. Charles Matacho	-	Public Communication Officer

MIN.NO. NA/DAAOSC/PAC/2024/56: PRELIMINARIES

The Chairperson called the meeting to order at 10.06 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/57: CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

1. Minutes of the 134th sitting was confirmed as a true record of the deliberations as proposed by the Hon. Nicholas Tindi S. Mwale, MP and seconded by the Hon. Victor Kipng'etich Koech, MP.
2. Minutes of the 135th sitting was confirmed as a true record of the deliberations as was proposed by the Hon. Eckomas Mwengi Mutuse, OGW, MP and seconded by the Hon. David Kiplagat, MP.

MIN.NO.NA/DAAOSC/PAC/2024/58: EVIDENCE: STATE DEPARTMENT FOR REGIONAL AND NORTHERN CORRIDOR DEVELOPMENT -VOTE 1222

Mr. Kello Harsama, the Principal Secretary/Accounting Officer for the State Department for Regional and Northern Corridor Development appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022;

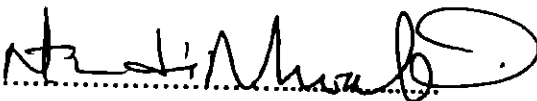
1754. Misallocation of expenditure.

The OAG highlighted an irregularity of the expenditure amounting to Kshs.17,894,477 which constituted amounts of Kshs.2,197,343, Kshs.11,536,199 and Kshs.4,160,935 incurred on payment of wages, field allowances and motor vehicle repairs and fuel respectively, which were not related to the rehabilitation of civil works and could not be confirmed. Upon deliberations, the committee marked the query as resolved as documentation were now availed.

The Committee resolved to allow the Principal Secretary re-do his responses and appear next to respond to outstanding queries, including those of the then State Department for Regional Development as well as queries under the Kenya Social and Economic Inclusion Project under the National Drought Management Authority.

MIN.NO.NA/DAAOSC/PAC/2024/59: ADJOURNMENT

There being no other business, the meeting was adjourned at 11 40 a.m. The next meeting will be held on Thursday 29th February 2024 at 10.00 a.m.

Signed.....

Date 11/March 2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP

Chairperson

**MINUTES OF THE 135TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 26TH FEBRUARY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 2.00 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. Amina Udgoon Siyad, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Mohamed Aden Adow, MP
8. The Hon. Victor Kipng'etich Koech, MP
9. The Hon. Yakub Adow Kuno, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Lenny Muchangi – Legal Counsel II
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Mr. Jacknorine A. Buleemi – Clerk Assistant III
5. Ms. Yvonne Kendi – Hansard Officer III
6. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Dr. Domenic Kamenyi – Director of Audit
2. Mr. Emmanuel Weyao – Principal Auditor
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR YOUTH AFFAIRS

1. Mr. Ismail Maalim Madey – Principal Secretary
2. Mr. Charles Mwaniki – Deputy Director Youth Development
3. Mr. George Osaso – Deputy Director Youth Development
4. Ms. Grace Kariuki – Assistant Director Supply Chain Management
5. Mr. Augustine Mayabi – National Project Coordinator
6. Mr. Alan Machari – Secretary Administration

- | | | |
|------------------------------|---|-------------------------------------|
| 7. Mr. Robert Asumani Samuel | - | Head of Accounting Unit |
| 8. Ms. Joan Ochieng | - | Deputy Head of Accounting Unit |
| 9. Ms. Kerandi Sarah | - | Senior Chief Finance Officer |
| 10. Ms. Naomi Onyango | - | Principal Youth Development Officer |

MIN.NO. NA/DAAOSC/PAC/2024/52 **PRELIMINARIES**

The Chairperson called the meeting to order at twenty-eight minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/53 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmations of the minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/54 **EVIDENCE: STATE DEPARTMENT FOR YOUTH AFFAIRS - VOTE 1214**

Mr. Ismail Maalim Madey, the Principal Secretary/Accounting Officer for the State Department for Youth Affairs appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022;

1721. Budgetary Control and Performance

The Accounting Officer attributed the under-funding and under-expenditure to operational setups and delayed exchequer release. However, the Committee observed that the late exchequer release was a result of the State Department's failure to requisition funds on time.

1722. Late Exchequer Releases

The Committee observed that the State Department made requisition for exchequer towards the end of the financial year hence the reason for the late exchequer release.

1723. Pending Bills

The Committee observed the pending bills did not form the first charge in the subsequent financial year contrary to Section 74(4)(d) of the PFM Act, 2012.

1724. Unresolved Prior Year Matters

The resolution is pending the Committee's recommendations in their report on the examination of the Auditor's report for the financial year 2020/2021.

1725. Irregular Procurement of Motor Vehicle Service and Repairs

The Committee instructed the Office of the Auditor General to examine and validate the procurement process for motor vehicle services and submit their findings to the Committee.

1726. Failure to Provide Motor Vehicle Work Tickets

The Committee noted a delay in the State Department's submission of motor vehicle work tickets and stressed the significance of providing supporting documents promptly during audits.

1727. Irregular Procurement of Goods and Services

The Committee instructed the Office of the Auditor General to verify the authenticity of the prequalified suppliers' list and to report their findings back to the Committee.

1728. Management of Imprest

The Committee observed laxity in the State Department due to failure to update the surrendered imprest in the IFMIS system, even though the corresponding physical surrender documents had already been provided.

1729. Refurbishment of Youth Empowerment Centres

1729.1 Poor Workmanship

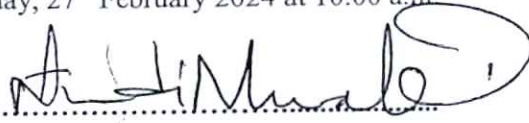
The Committee instructed the Office of the Auditor General to confirm and verify the current status of the Mulot and Rachuonyo Empowerment Centers and report back to the Committee with their findings within two weeks.

1729.2 Irregular Renting of Kithimani Youth Empowerment Centre

The Committee instructed the Office of the Auditor General to confirm the existence of any individual who has rented the Kithimani Youth Empowerment Centre and report their findings back to the Committee within a two-week timeframe.

MIN.NO.NA/DAAOSC/PAC/2024/55 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.05 p.m. The next meeting will be held on Tuesday, 27th February 2024 at 10.00 a.m

Signed.....

Date ..17 March 2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 134TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 20TH FEBRUARY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadı Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. (Dr.) Edwin Mugo Gichuki, MP
7. The Hon. David Kiplagat, MP
8. The Hon. Gabriel Gathuka Kagombe, MP
9. The Hon. Nabwera Daraja Nabii, MP
10. The Hon. Victor Kipng'etich Koech, MP
11. The Hon. Mohamed Aden Adow, MP

ABSENT WITH APOLOGY

1. The Hon. Samuel Kinuthia Gachobe, MP
2. The Hon. Yakub Adow Kuno, MP
3. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Mohamed Jelle | – | Clerk Assistant III |
| 3. Mr. Jacknorine Ayuya Buleemi | – | Clerk Assistant III |
| 4. Lilian Mutiso | – | Clerk Assistant III |
| 5. Mr. Mark Mbuthia | – | Audio Officer III |
| 6. Ms. Yvonne Kendi | – | Hansard Reporter III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-----------------------|---|-------------------|
| 1. Mr. Justus Okumu | – | Director Audit |
| 2. Ms. Sharon Wangari | – | Deputy Director |
| 3. Mr. Paul Kagwanja | – | Principal Auditor |
| 4. Mr. Ezekiel Omoro | – | Audit Associate |

THE NATIONAL TREASURY & ECONOMIC PLANNING

- | | | |
|---------------------------|---|-------------------|
| Rev. CPA Lawrence Kwiriga | - | Senior Accountant |
|---------------------------|---|-------------------|

TEACHERS' SERVICE COMMISSION

1. Dr. Nancy Macharia	-	C.E.O/ Commission Secretary
2. Mr. Cavin Anyuor	-	Director Legal
3. Dr. William Maina	-	Deputy Director Accounts
4. Ms. Antonina Lentoijoni	-	Ag. Director Supply Chain
5. Mr. Njunge Njuguna	-	Deputy Director
6. Ms. Mary Njau	-	Legal Officer
7. Mr. John Ochieng'	-	Accountant
8. Mr. Kenneth Kinyua	-	Accountant
9. Mr. Cheptumo Ayabei	-	Director Finance and Accounting

MIN.NO. NA/DAAOSC/PAC/2024/48

PRELIMINARIES

The Chairperson called the meeting to order at 10.05 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/49

CONFIRMATION OF MINUTES OF PREVIOUS SITTING

Confirmation of minutes of previous sitting was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/50

EVIDENCE: TEACHERS' SERVICE COMMISSION -VOTE 2091

Dr. Nancy Macharia, the Commission Secretary/Accounting Officer for the Teachers' Service Commission appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1947. Transactions in system payments but not processed in payment details

A review of the IFMIS system showed payment reports processed against the payments amounting KShs. 98,309,130 were paid but not captured in the IFMIS payment details as at 30 June, 2022. The OAG indicated that the query had been addressed satisfactorily as the Commission had belatedly provided the payments in IFMIS in July that had been backdated.

1948. Unreconciled variances in cash and cash equivalents

The issue was marked as resolved satisfactorily by the OAG because the Commission had done the reconciliations.

1949. Unconfirmed TSC car and mortgage fund

During the year, the Fund reflected mortgage/bank loans advances receivables balances and mortgage/bank loans payables. However, documents to support the movement during the year were not provided for audit. Further, there are no regulations in place to enable the governing of this fund. The OAG indicated the query had partially been addressed as a reconciliation was done and documents provided to support the same.

handled by the DCI since it was a criminal matter. The DCI in their report have indicated that some of the suspects are either deceased or left the service long time ago. There have been correspondences between the TSC and the National Treasury and the Office of the AG to have the matter be written-off.

The Committee issued instructions to TSC to provide a detailed report within the next seven (7) days, with specific names of the people accused and the amounts thereof for each.

1954. Unconfirmed property, plant & equipment

The OAG informed the committee that the matter has now been resolved since the court case had finally been settled and the TSC lost and were further instructed to release the vehicle.

1955. Prior year matters.

These are matters that had been addressed in the previous year PAC report that has now been tabled before the House and awaits approval.

1956. Over-expenditure on budget – use of goods and services.

The query was about an over expenditure of Kshs. 163,968,426 on various components for which approvals were not provided for audit. The OAG had indicated that the matter had been resolved as the TSC had provided the documentation supporting the over expenditure. The Committee resolved that the TSC avails an analysis of their budget vis a vis expenditure.

1957. Failure to deduct and remit PAYE from employees.

The OAG stated that the matter has been resolved satisfactorily since the deductions were for stipend for the month of June and the persons affected were people who are exempted from taxation due to their PWD status.

1958. Overpayment of leave allowance and salary arrears.

The OAG informed the committee that the matter has since been resolved satisfactorily since the matter is attributed to change of stations, redeployment and reassignments.

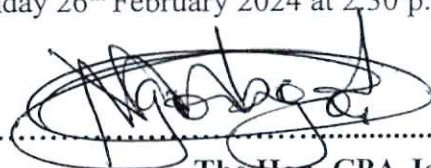
1959. Non-procurement of group life cover

As at the time of the audit, the TSC had not procured a group life insurance cover for its secretariat and thus put the lives of the staff at risk. The OAG informed the committee the matter has since been resolved since the TSC did finally procure the insurance cover.

MIN.NO.NA/DAAOSC/PAC/2024/51 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.25 p.m. The next meeting will be held on Monday 26th February 2024 at 2.30 p.m.

Signed.....



The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

Date 27.2.2024.

TSC confirmed to the committee that they were working on the regulations and would submit to Parliament as soon as the board approves them.

1950. Accounts Receivables

1950.1 Unreconciled domestic debtors and advances

Prior year closing balance differs from the current year comparative balance by unreconciled amount of Kshs. 9,005,134. The matter was however reported as satisfactorily resolved by the OAG as a reconciliation of the funds was provided.

1950.2 Unexplained increase in salary overpayment

There was an increase of Kshs. 114,039,769 from the previous year's balance. However, the origin and build-up of the balance was not explained. Further, ageing analysis was not provided for audit. The matter was marked as having been resolved satisfactorily by the OAG. However, the TSC was instructed to provide the ageing analysis report to the committee and further to check on their internal systems to avoid overpayment.

1950.3 Unsupported receivables balances

The issue was marked as resolved as the TSC had provided documents supporting the reconciliation of the accounts.

1951. Unsupported account payables

The accuracy, completeness and occurrence of the accounts payable balance of Kshs. 433,128,747 as at 30 June, 2022 could not be confirmed during the audit period. However, the OAG during the meeting confirmed to the committee that the issue has been resolved to their satisfaction since TSC provided supporting documents for the amount in question and the unsupported returned salaries.

1952. Unexplained decrease in employer contribution to the NSSF and staff pension scheme.

Review of the compensation of employees reflected an unexplained decrease of Kshs. 483,437 and Kshs. 316,494,809 contributed by the TSC to the NSSF and staff pension scheme respectively despite an increase in employees. An increase in basic pay and allowances should result in a proportionate effect on employer contributions to both NSSF and staff pension scheme.

The committee resolved and instructed the OAG and TSC to relook into the query and give a response to the committee with the next seven (7) days. The committee also directed that TSC clarifies on when TSC moved to the defined mode of determining employee contributions, when the commission received the interim actuarial report, when the final report was received and how TSC ended up with final figure.

1953. Long outstanding accounts receivables – cash losses

A statement of assets and liabilities reflects an accounts receivables balance of Kshs. 852,488,748 which includes cash losses amounting to Kshs. 2,928,398 that occurred between the years 1988 to 2000 and the matter is in court and with the DCI. The lost cash had not been recovered by the time of the audit. TSC responded to this query by indicating that this matter is out of their hand as it is being

**MINUTES OF THE 133RD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 15TH FEBRUARY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Victor Kipng'etich Koech, MP
9. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Eckomas Mwengi Mutuse, OGW, MP
3. The Hon. Amina Udgoon Siyad, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Mohamed Jelle Abdi – Clerk Assistant III
4. Ms. Faith Jully Malala – Public Communications Officer III
5. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Peter Lugwerah – Principal Auditor
2. Mr. Paul Kagwanja – Principal Auditor
3. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Mr. Simon K. Kiriiba – Deputy Accountant General

STATE DEPARTMENT FOR INDUSTRIALIZATION

1. Dr. Juma Mukhwana – Principal Secretary
2. Mr. Joash Akuma – Senior Chief Finance Officer
3. Mr. Ernest Lukagu – Deputy Accountant General
4. Ms. Lydia Muniyalo – Deputy Director Supply Chain Officer
5. Mr. Philip Maitha – Principal Economist
6. Mr. John Macharia – Accountant
7. Mr. Evans Nyamondo – Accountant

MIN.NO. NA/DAAOSC/PAC/2024/44

PRELIMINARIES

The Chairperson called the meeting to order at fifteen minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/45

CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Minutes of previous sittings were confirmed as follows:--

1. Minutes of 113th sitting held on Monday, 24th November 2023, were confirmed as a true record of proceedings having been proposed by the Hon. (Dr.) Edwin Mugo Gichuki, MP and seconded by the Hon. Samuel Kinuthia Gachobe, MP;
2. Minutes of 114th sitting held on Tuesday, 28th November 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Nabwera Daraja Nabii, MP and seconded by the Hon. (Dr.) Edwin Mugo Gichuki, MP;
3. Minutes of 123rd sitting held on Tuesday, 30th January 2024, were confirmed as a true record of proceedings having been proposed by the Hon. Victor Kipng'etich Koech, MP and seconded by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP;
4. Minutes of 124th sitting held on Tuesday, 30th January 2024, were confirmed as a true record of proceedings having been proposed by the Hon. (Dr.) Edwin Mugo Gichuki, MP and seconded by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP;
5. Minutes of 125th sitting held on Wednesday, 31st January 2024, were confirmed as a true record of proceedings having been proposed by the Hon. (Dr.) Edwin Mugo Gichuki, MP and seconded by the Hon. Victor Kipng'etich Koech, MP;
6. Minutes of 126th sitting held on Wednesday, 31st January 2024, were confirmed as a true record of proceedings having been proposed by the Hon. Nicholas Tindi S. Mwale, MP, and seconded by the Hon. Victor Kipng'etich Koech, MP;
7. Minutes of 127th sitting held on Tuesday, 1st February 2024, were confirmed as a true record of proceedings having been proposed by the Hon. Victor Kipng'etich Koech, MP, and seconded by the Hon. (Dr.) Edwin Mugo Gichuki, MP;
8. Minutes of 128th sitting held on Tuesday, 1st February 2024, were confirmed as a true record of proceedings having been proposed by the Hon. (Dr.) Edwin Mugo Gichuki, MP, and seconded by the Hon. Victor Kipng'etich Koech, MP;
9. Minutes of 129th sitting held on Monday, 5th February 2024, were confirmed as a true record of proceedings having been proposed by the Hon. (Dr.) Edwin Mugo Gichuki, MP, and seconded by the Hon. David Kiplagat, MP;
10. Minutes of 130th sitting held on Monday, 5th February 2024, were confirmed as a true record of proceedings having been proposed by the Hon. (Dr.) Edwin Mugo Gichuki, MP, and seconded by the Hon. David Kiplagat, MP;
11. Minutes of 131st sitting held on Wednesday, 7th February 2024, were confirmed as a true record of proceedings having been proposed by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP, and seconded by the Hon. Nabwera Daraja Nabii, MP; and
12. Minutes of 132nd sitting held on Monday, 12th February 2024, were confirmed as a true record of proceedings having been proposed by the Hon. Nabwera Daraja Nabii, MP, and seconded by the Hon. Yakub Adow Kuno, MP.

There were no matters arising.

Dr. Juma Mukhwana, the Principal Secretary/Accounting Officer for the State Department for Industrialization appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1589. Motor Vehicles without Title Documents

The Accounting Officer confirmed to have submitted copies of logbooks to the Auditor General's office, and the issue was subsequently marked as resolved.

1590. Budgetary Control and Performance

The Accounting Officer submitted that the under-expenditure was due to non-receipt of exchequer from the National Treasury and the unspent budget was as a result of the slowdown of activities due to proposed restructuring process of the project.

The Committee directed the Accounting Officer to provide the list of all cohorts admitted to the SME project.

1591. Pending Bills

The Committee instructed the Accounting Officer to avail an ageing list of pending bills.

1592. Late Exchequer Releases

The Accounting Officer explained that the request for exchequer was delayed due to delays in approval of Supplementary Budget II.

1593. Failure to Provide Internal Audit Reports

The Committee directed the Accounting Officer immediately institutes an internal audit committee.

1595. Budgetary Control and Performance

The Accounting Officer submitted the under-expenditure was as a result of unspent budget due to slowdown of project activities as a result of the proposed restructuring process.

The Committee noted that as of December 2023, the project had achieved a 23% absorption rate. Originally slated for completion in December 2024, the project was now seeking a two-year extension due to the delays.

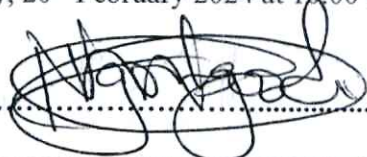
1596. Unresolved Prior Year Audit Matters

The Committee marked the matter as resolved as all the matters had been previously addressed.

1597. Unpaid Salaries

The Committee marked the matter as resolved as all the consultants had been paid.

There being no other business, the meeting was adjourned at 11.25 a.m. The next meeting will be held on Tuesday, 20th February 2024 at 10.00 a.m.

Signed.....

Date ..15/2/2024.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 132ND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 12TH FEBRUARY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 2.00 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Gabriel Gathuka Kagombe, MP
6. The Hon. Yakub Adow Kuno, MP
7. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. Amina Udgoon Siyad, MP
6. The Hon. Mohamed Aden Adow, MP
7. The Hon. Victor Kipng'etich Koech, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|--------------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Mohamed Jelle | – | Clerk Assistant III |
| 3. Mr. Jacknorine Ayuya Bulemi | – | Clerk Assistant III |
| 4. Mr. Mark Mbutia | – | Audio Officer III |
| 5. Ms. Yvonne Kendi | – | Hansard Reporter III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|-----------------------|
| 1. Ms. Anne W. Karanja | – | Deputy Director Audit |
| 2. Mr. Patrick Omenyo | – | Principal Auditor |
| 3. Mr. Paul Kagwanja | – | Principal Auditor |
| 4. Mr. Ezekiel Omoro | – | Audit Associate |

STATE DEPT. FOR BROADCASTING AND TELECOMMUNICATIONS

- | | | |
|---|---|----------------------------|
| 1. Prof. Edward Waswa Kisiang'ani, PhD, CBS | – | Principal Secretary |
| 2. Mrs. Karanja Priscilla | – | Deputy Director |
| 3. Mr. Mosiria Martin Machuki | – | Chief Finance Officer |
| 4. Ms. Miriam Gitau | – | Director of Human Resource |

5. Mr. Maweru Kimutai
6. Ms. Francesca Nyambura Mwangi
7. Mr. Michael Okidi
8. Mr. Mulei Muia
9. Mr. Kioko Mutunga
10. Ms. Serah Mburu
11. Ms. Evalyne Githinji
12. Mr. Erik Bosire

- Director Administration
- Ag. Director Supply chain
- Ag Director GAA
- Director Public Communication
- Public Communication Officer
- Accountant 1
- Public Communication Officer
- Photographer.

STATE DEPT. FOR CULTURE

1. Ms. Umami Mohamed Bashir
2. Mr. Henry Mayabi
3. Mr. Beldine Omolo
4. Mr. Christine Lugongo
5. Ms. Nancy M. Wachira
6. Mr. Odonga Edward Nyajwaya

- Principal Secretary
- DAG Deputy Acc. General
- Chief Finance Officer
- Assistant Director Supply chain
- Management Services
- Deputy Director HRM
- Accountant Intern

MIN.NO. NA/DAAOSC/PAC/2024/39

PRELIMINARIES

The Chairperson called the meeting to order at 2.28 p.m. and said a word of prayer, followed by introductions by all present.

MIN.NO. NA/DAAOSC/PAC/2024/40

CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO. NA/DAAOSC/PAC/2024/41

EVIDENCE: STATE DEPT. FOR BROADCASTING -VOTE 1123

Prof. Edward Waswa Kisiangani Ph.D., CBS, the Principal Secretary/Accounting Officer for the State Department for Broadcasting and Telecommunications appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1278. Non-Payment of Pending Bills

Pending bill of Kshs. 257,017,835 were not settled during the FY 2021/22 due to delayed remittance by A.I.A by MDAs/SAGA and inadequate budgetary provision from the National Treasury.

1279. Unresolved Prior Year Matters

The state department appeared before the Public Accounts Committee on Monday 27th February, 2023 where the issues were discussed and resolved. The State Department awaits the recommendation of the committee.

1280. Budgetary Control and Performance

The underperformance of AIA collection was majorly attributed to under collection of AIA from MDA/SAGAs under the government Advertising Agency (GAA). The under-collection led to the non-

payment of bills which has triggered the State Department to request the National Treasury to provide funding for the settlement of bills.

Committee Resolution

The Committee directs the State Department to relook at the Policy decision at the Cabinet Level and come up with a proper relevant policy.

1281. Incomplete Fixed Asset Register

The state department has a fixed asset register and updating the fixed asset register is ongoing. The stated department has constituted an Asset and Liabilities Unit and a committee of Asset and Liabilities Management that is working on the land and buildings Register to update the fixed Asset Register.

Committee Resolution

The Committee directed the state department to provide the current Fixed Asset Register, evidence of a committee of Assets and Liabilities in place, and the timelines of the committee to finalize updating the Fixed Asset Register.

MIN.NO.NA/DAAOSC/PAC/2024/42

EVIDENCE: STATE DEPT. FOR CULTURE AND HERITAGE - VOTE 1134

Ms. Umami Mohamed Bashir the Principal Secretary/Accounting Officer for the State Department for Culture appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1293. Inaccuracy in the Statement of Cash Flows

The inaccuracy was caused by an error in the financial statement and has since been corrected.

1294. Long Outstanding Third-Party Deposits and Retention

An amount of Kshs. 4,544,688 related to the retention money and the Kshs. 14,208,351 related to general deposits received from various entities to facilitate various activities in the department.

Committee Resolution

The Committee instructed the Accounting Officer to transfer the money in the retention account to the exchequer as per the PFM Act.

MIN.NO.NA/DAAOSC/PAC/2024/43

ADJOURNMENT

There being no other business, the meeting was adjourned at 5.05 p.m. The next meeting will be held on Tuesday 13th February 2024 at 10.00 a.m.

Signed.....

Date15/2/2024.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 131ST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON WEDNESDAY, 7TH FEBRUARY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Nabwera Daraja Nabii, MP
5. The Hon. Victor Kipng'etich Koech, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
2. The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
6. The Hon. Amina Udgoon Siyad, MP
7. The Hon. Mohamed Aden Adow, MP
8. The Hon. David Kiplagat, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Mohamed Jelle | – | Clerk Assistant III |
| 3. Mr. Jacknorine Ayuya Buleemi | – | Clerk Assistant III |
| 4. Ms. Lilian Mutiso | - | Clerk Assistant III |
| 5. Mr. Mark Mbutia | – | Audio Officer III |
| 6. Mr. Cyrille Mutali | - | Fiscal Analyst III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|------------------------|
| 1. Mr. S.N Kiini | – | Deputy Auditor General |
| 2. Dr. Leonard R. Lari | – | Deputy Auditor General |
| 3. Mr. Anthony Waiganjo | – | Director Liaison |
| 4. Mr. Daniel Ndungu | - | Director of Audit |
| 5. Mr. Lawrence Kiilu | – | Deputy Director Audit |
| 6. Ms. Grace Atila | - | Deputy Director Audit |
| 7. Mr. Kenneth Nduri | - | Deputy Director |
| 8. Ms. Dorcas Muli | - | Director |
| 9. Mr. Kennedy Kiarie | - | Principal Auditor |
| 10. Ms. Linet Bosire | - | Deputy Director Audit |
| 11. Ezekiel Omore | - | Audit Associate |

MIN.NO. NA/DAAOSC/PAC/2024/34 PRELIMINARIES

The Chairperson called the meeting to order at 10.28 a.m. and said a word of prayer, followed by a round of introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/35 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/36 PRESENTATION OF THE SPECIAL REPORT OF THE AUDITOR-GENERAL ON SUPPLIMENTARY BUDGET EXPENDITURE INCLUDING WITHDRAWALS UNDER ARTICLE 223 OF THE CONSTITUTION OF KENYA

Mr. Sylvester Kiini, the Deputy Auditor-General, Financial Audit Service at the Office of the Auditor-General, appeared before the Committee and submitted as follows;

1. The committee had requested the OAG to conduct a special audit on expenditures incurred under Article 223 of the Constitution for the financial year 2022/23. He informed the committee that this audit was also part of the new structural benchmarks for Kenya under the IMF Extended Credit Facility Program which required the OAG to undertake an audit on the supplementary budget expenditure for the last three years, including withdrawals under Article 223 of the Constitution.
2. The committee required the OAG to report on five thematic areas which were as follows;
 - i) Supplementary budget analysis,
 - ii) Variance analysis on supplementary budgets,
 - iii) Compliance with laws, regulations, policies in the supplementary budget process,
 - iv) Value for money, and
 - v) Risks and policy gaps.
3. The special audit established the following:
 - i) On the supplementary budget, it was the finding of the OAG that there has been a gradual increase in funding under Article 223 of the Constitution.
 - ii) On the variance analysis on supplementary budget, it was the finding that there were variances between additional funding approved by the Controller of Budget and the National Treasury. MDAs incurred expenditure over and above the approved amount.
 - iii) With regards to the compliance with laws, regulations and policies in the supplementary budget process, it was the finding of the OAG that the 10% threshold was not exceeded on the overall national budget. However, expenditure at the vote head level varied by more than 10% of the original budget.
 - iv) On value for money the OAG indicated that there were instances where by funds granted under Article 223 of the constitution were not applied lawfully and in an effective manner.

- v) On risks and policy gaps the OAG indicated that besides provisions in the Constitution, there were no guidelines on additional funding under Article 223(1)(a).
4. Upon deliberations, the committee noted as follows,
- i) That the committee will have to summon the MDAs mentioned in the report as witnesses to shade more light on the audit queries raised by the OAG.
 - ii) The committee will have to visit the countries where the Eastern and Southern African Development Bank and the AFREXIM Bank are domiciled, so as to get to the bottom of the query by the OAG regarding purchase of shares by the National Treasury on behalf of the government of Kenya.

MIN.NO.NA/DAAOSC/PAC/2024/37

PRESENTATION ON THE SPECIAL AUDIT
REPORT ON INFRASTRUCTURE PROJECTS
AND PROGRAMS AT THE MINISTRY OF
YOUTH AFFAIRS, SPORTS AND THE ARTS FOR
THE TEN YEARS (2013 – 2023)

Dr. Leonard R. Lari, Deputy Auditor-General, Financial Audit Services at the Office of the Auditor-General, presented as follows;

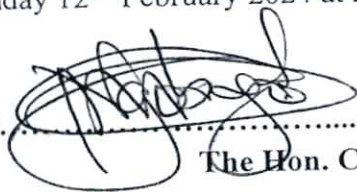
1. The OAG received a letter from the Cabinet Secretary in the Ministry of Youth Affairs, Sports, the Arts Ref. SDSD 1/1(C) dated 11 January, 2023, requesting for a special audit of the infrastructure programs funded by the government of Kenya country-wide through the ministry for the last ten years (2013 – 2023). The ministry had indicated it had not been receiving value for money from the funding of the development of sports and its infrastructure.
2. Further, there was a general public concern on the implementation of regional sports Stadia across the Country funded by the Sports, Arts and Social Development Fund (SASDF) through Sports Kenya (SK), as these stadia had taken too long to be completed and the quality of work done had not been ascertained.
3. The audit was conducted with a view to examine the economy, efficiency and effectiveness in the infrastructural projects and programs. The special audit was guided by the following Terms of Reference (TORs): -
 - i) To ascertain the completion status of the listed projects/programs.
 - ii) To confirm compliance of projects/programs to the signed contract agreements.
 - iii) To ascertain whether projects/programs attained value for money.
 - iv) Review the books of accounts and project accounts to confirm the utilization of the funds received.
 - v) Verify any outstanding payments of invoices/certificates and ascertain eligibility for payment.
 - vi) Ascertain compliance with existing government regulations and guidelines.
 - vii) Any other matter incidental to the assignment.
4. This special audit is the first phase of their audit on sports-related infrastructure projects and programmes. This Phase covered the following stadia and sporting activities:
 - i) Stadia Projects; which included;
 - a) Kipchoge Keino Phase 1
 - b) Kipchoge Keino Phase 2

- c) Kinoru Stadium
- d) Marsabit Stadium
- e) Kamariny Stadium
- f) Nyayo National Stadium
- ii) Sports Activities which included,
 - a) World Rally Championship (WRC) Safari Rally Project
 - b) 18th Edition of the International Amateur Athletic Federation (IAAF) World U20 Championships
- 5. The OAG informed the Committee that they had planned to cover the audit of Football Kenya Federation. However, they were not able to access the FKF facilities to carry out the special audit in line with the Terms of Reference to this audit exercise and the law. This has however, been deferred to the next phase of the audit.
- 6. The special audit identified the following irregularities and weaknesses:
 - i) for Stadia, the OAG noted procurement irregularities which included non-evaluation of responsive bidders, lack of sub-contractors' contracts and unsupported extension of the construction period. Other anomalies included, lack of architectural drawings and electrical, mechanical and civil works designs. Further, interim payments on some of the stadia were made without supporting documents.
 - ii) On the sporting activities, the OAG identified several irregularities including payments of monies without prerequisite approvals and supporting documents during the WRC championship, the WRC also has a pending bill amounting to Kshs. 550,082,777 whereas the management failed to prepare and submit financial statements to the OAG. During the IAAF U20 event, the IAAF steering committee had an irregular extension of their term in office and incurred expenditures totaling Kshs. 747,406,329 after the expiry of their term. There were also some procurement irregularities which were identified by the OAG like the unapproved expenditure on the legacy project and unsupported air travel expenditure in respect to traveling in and out of the country.
- 7. Upon deliberations, the committee made the following observations;
 - i) That the OAG to avail to the committee the correspondences that they had with the various institutions who did not co-operate during the time of the special audit;
 - ii) That the mentioned institutions should be summoned to appear before the committee as witnesses to shed more light on the queries raised by the OAG.

MIN.NO.NA/DAAOSC/PAC/2024/38 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.45 p.m. The next meeting will be held on Monday 12th February 2024 at 2.00 p.m.

Signed.....



Date 12/2/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 130TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON ~~TUESDAY~~ TUESDAY, 5TH FEBRUARY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Gabriel Gathuka Kagombe, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
2. The Hon. Eckomas Mwengi Mutuse, OGW, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
5. The Hon. Amina Udgoon Siyad, MP
6. The Hon. Mohamed Aden Adow, MP
7. The Hon. Nabwera Daraja Nabii, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Mohamed Jelle – Clerk Assistant III
3. Mr. Jacknorine Ayuya Bulemi – Clerk Assistant III
4. Mr. Mark Mbutia – Audio Officer III
5. Mr. Cyrille Mutali – Fiscal Analyst III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Manasses Kuria – Deputy Director Audit
2. Ms. Corazon Wanjiku – Principal Auditor
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

- Dr. Jackson Ndungu – Assistant Accountant General

STATE DEPT. FOR INFRASTRUCTURE

1. Eng. Joseph Mbugua, CBS – Principal Secretary
2. Eng. Kungu Ndungu – Director General, KeNHA
3. Eng. Philemon K. Kandie – Director General, KeRRA
4. Eng. Kennedy O. Nyakudi – Deputy Director, KeRRA
5. Eng. Samuel N. Mwangi – Deputy Director, KeRRA

6. CPA Matilda Wakere	–	Deputy Directors Finance and Accounts
7. Mr. Philip Wachira	–	Senior Chief Finance Officer
8. Mr. James Bowen	–	Director Cooperate Services
9. Mr. Christopher Cheruiyot	–	Senior Accountant
10. Mr. Issac Kamba	–	Assistant Director
11. Eng. Amingh George	–	Deputy Director Construction
12. Eng. Henry Gakuru	–	Director Development, KeNHA
13. Mr. Obop Michael	–	Assistant Director, KeNHA
14. Mr. Samwel Kumba	–	Deputy Director
15. Mr. Arnold Kimutai	–	Assistant Accountant

MIN.NO. NA/DAAOSC/PAC/2024/30 PRELIMINARIES

The Chairperson called the meeting to order at 2.33 p.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/31 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of previous sittings was deferred to the next sitting.

**MIN.NO.NA/DAAOSC/PAC/2024/32 EVIDENCE: STATE DEPT. FOR
INFRASTRUCTURE -VOTE 1091**

Eng. Joseph Mbugua, the Principal Secretary/Accounting Officer for the State Department for Infrastructure appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

The Committee marked the following issues as resolved, after Auditors confirmed that the State Department had since availed relevant documentation;

1. 740. Unsupported Cash and Bank Balances
2. 741. Pending Bills
3. 742. Inconsistent Project Finance Information
4. 747. Pending Bills
5. 753. Unsupported Budget
6. 756. Inaccuracies in the Financial Statements
7. 757. Transfer from Government Entities
8. 758. Unsupported Bank Balance
9. 759. Unsupported Retentions
10. 762. Cancellation of Financing Agreement
11. 763. Delay in Project Completion
12. 766. Inaccuracies in the Financial Statements
13. 767. Unsupported Bank Balances
14. 768. Unsupported Pending Bills
15. 773. Unsupported Budget Amounts

16. 777. Budgetary Control and Performance
17. 789. Unsupported Receipts and Payments
18. 792. Corporate Social Responsibility Activities Outside the Affected Road Locality
19. 794. Unconfirmed Transfer from Government Entities
20. 800. Inaccuracies in the Financial Statements
21. 801. Unconfirmed Cash and Cash Equivalents Balance
22. 802. Unreconciled Balances on Special Deposit Accounts
23. 803. Presentation and Disclosure of the Financial Statements
24. 806. Delay in Implementing Part of the Financing Agreement
25. 807. Unresolved Prior Year Matters
26. 808. Irregularities in Project Implementation
27. 811. Inaccuracy of the Cumulative Receipts
28. 812. Unsupported Transfer from Government Entities
29. 814. Unsupported Payments on Goods and Services
30. 815. Ineligible Expenditure
31. 817. Failure to Maintain an Imprest Register
32. 820. Lack of Project Bank Account and Cashbook
33. 821. Purchase of Goods and Services
34. 822. Accuracy of Accumulated Project Costs
35. 831. Inaccuracies in the Financial Statements
36. 832. Purchase of Goods and Services
37. 833. Lack of an Itemized Expenditure Budget
38. 836. Lack of a Fixed Assets Register

752. Unsupported Pending Bills

Pending bill of Kshs. 674,721,327 was reported in the financial statement in the FY 2021/2022 which related to interest on delayed payments which can only be determined and computed after the final settlement of all the pending bills and hence cannot be disclosed in the financial year 2020/2021.

Committee Resolution

The Committee stated that the State Department should avail the analysis of the pending bills within two weeks.

760. Budgetary Control and Performance

The reported over-expenditure of Kshs. 485,795,068 resulted from the configuration of the financial statement reporting template which requires the release of retention money to be treated as an expenditure.

769. Project Closure Report

The project was administered under FIDIC Conditions of Contract. As per FIDIC Conditions of Contract, a final account shall only be prepared upon both parties to the contract settling all outstanding matters. Please note that the government is yet to settle all project pending bills including claims thereof. The project bank account at NCBA Bank was closed during the FY 2022/2023.

774. Ineligible Expenditure

We wish to clarify that these were project operating expenses relating to project publicity, community engagement, and oversight activities by the Cabinet Secretary.

Committee resolution

The Committee instructed the Accounting Officer to present a comprehensive breakdown of the expenditure incurred and the supportive documentation.

776. Pending Bills

This arose due to inadequate GoK budgetary provisions and delays in exchequer releases. In FY 2022/23 the Authority had managed to secure a GoK allocation of Kshs 30,000,000 for the project subject to the current year ceilings to reduce these pending bills. The Authority will endeavor to allocate an adequate budget, subject to provided ceilings in subsequent Financial Years to reduce the pending bills further.

779. Non-Maintenance of Project Cashbook

Transactions for a particular project can be filtered through the Project Code and Project Description. Further, the Authority maintains one cashbook in line with the National Treasury's circular on rationalizing bank accounts by MDAs.

790. Unimplemented Road Interchanges and Service Lanes

The decision to omit two interchanges to be completed by stage construction was reached by mutual agreement after a meeting with the employer in September 2021. The project being an EPC the contract sum is fixed and the contractor is responsible for the design and construction works.

Committee resolution.

The Committee directed the authority to provide a detailed report of the project and the Auditor General to scrutinize those reports and advise the committee.

791. Pending Bills

The pending bill amounting to Kshs. 4,016,057,655 (Kshs.3,926,892,951 FY 2020/2021) was a result of budget constraints and a reduction of GoK budget allocation by Kshs. 137,500,000 in the reporting financial year (2021/2022). An amount of Kshs.2,569,653,793.29 in the first quarter of the current FY 2022/2023.

796. Project Closure Report

The completion report was availed.

804. Budgetary Control and Performance

This was as a result of inadequate GoK exchequer funding.

813. Failure to Open a Separate Bank Account for the Project

The Authority receives exchequer amounts in lumpsum in line with Sec 28(2) of the PFM Act of 2012 requiring maintenance of a single treasury account. In the FY under audit, however, the project received an amount of Kshs 7,824,152 and expended in full hence a Nil Cash balance as at the end of the year.

Committee Observation and Finding

The Committee emphasized the need to comply with provisions of PFM Regulation sections 75 and 76, or the Accounting Officer to seek exemption from CS Treasury.

816. Delayed Commencement of Project

Due to COVID-19 most of the team from Japan were forced to go back to their native land and quarantined. This significantly consumed most of their time and derailed the project design. The authority will continue to provide financial statement that give a fair view of the financial affairs of the project.

782. Delay in the Disbursement of the Government Counterpart Funding

During the period under review, budgetary constraints limited the amount of remittances to the project. The Contractor continued executing the works and was getting paid using the loan component provided by BADEA. This enabled the contractor to be ahead of schedule until August 2023 when the works were suspended. At the time of suspension, the progress was at 97%.

The Contractor raised IPCs amounting to Ksh 423,340,890 out of which the Authority paid Ksh 133,918,008. The Current pending bill is Ksh. 289,422,882.15. This was due to inadequate Gok budget provision arising from low ceilings provided by The National Treasury.

783. Budgetary Control and Performance

The under-expenditure was due to inadequate GOK budget provision arising from lower ceilings provided by the National Treasury.

784. Pending Bills

The budgetary provisions have not been sufficient to settle the pending bills.

785. Delayed Completion of the Road Project

The delay in payment was caused by a delay in exemption due to a change in the policy of fuel, oil, and lubricants, relocation of services, delay in payment on the project affecting the contractors' cashflow and adverse weather conditions in the Aberdare affecting the construction of the bridge.

786. Consultancy Services offered without a Valid Contract

The consultancy contract was in two phases namely design review and construction supervision. The design review was 3 months and the construction period was 28 months. The design review was completed on time while the commencement of the construction supervision was delayed due to procurement delays caused by the Donor. Where a contract combines a design review and construction

supervision, the contract period is not continuous as there are two distinct commencement dates namely design review and construction supervision.

823. Budgetary Control and Performance

This was as a result of inadequate GoK exchequer funding.

824. Slow Project Implementation-Lot 1

The contractor had been paid advance payment totaling Kshs. 585,332,008 and had not been given commencement instructions to start work.

828. Budgetary Control and Performance

There had been a delay in the completion of the detailed design occasioned by the effect of COVID-19. The authority received the draft bidding document from JICA and a committee for Technical Inspection had been proposed to finalize the inspection before issuance of the final design documents to the supervision consultant.

834. Budgetary Control and Performance

The planned milestones for the Design Review were delayed due to the security situation along the project area especially for Wajir- Kutulo- Elwak. Once the security risks are fully addressed, the contractor on the projects will be requested to expedite their pace of project execution to recover the lost time.

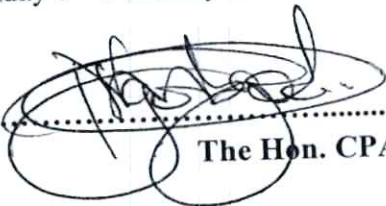
835. Delayed Project Milestones

The main delay factor had been the procurement process which had since been addressed in conjunction with the development partners. Most of the road sections along the Isiolo-Mandera corridor are at an advanced stage of procurement. Additionally, two projects along the corridor had since commenced.

MIN.NO.NA/DAAOSC/PAC/2024/33 ADJOURNMENT

There being no other business, the meeting was adjourned at 3.48 p.m. The next meeting will be held on Monday 7th February 2024 at 10.00 a.m.

Signed



The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

Date 15/2/2024

**MINUTES OF THE 129TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 5TH FEBRUARY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Gabriel Gathuka Kagombe, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Victor Kipng'etich Koech, MP
5. The Hon. Yakub Adow Kuno, MP
6. The Hon. Mohamed Aden Adow, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Jacknorine A. Buleemi – Clerk Assistant III
4. Ms. Yvonne Kendi – Hansard Officer III
5. Mr. Luka Mutua – Sergeant-at-Arms

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Manasses Kuria – Deputy Director of Audit
2. Ms. Corazon Wanjiku – Principal Auditor
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Dr. Jackson Ndungu – Assistant Accountant General

STATE DEPARTMENT FOR INFRASTRUCTURE

1. Eng. Joseph Mbugua, CBS – Principal Secretary
2. Eng. Kungu Ndungu – Director General, KeNHA
3. Mr. James Bowen – Director Cooperate Services
4. Mr. Christopher Cheruiyot – Senior Accountant
5. Mr. Issac Kamba – Assistant Director
6. Eng. Amingh George – Deputy Director Construction
7. Eng. Henry Gakuru – Director Development, KeNHA
8. Mr. Obop Michael – Assistant Director, KeNHA

9. Mr. Samwel Kumba – Deputy Director
10. Mr. Arnold Kimutai – Assistant Accountant

MIN.NO. NA/DAAOSC/PAC/2024/26 **PRELIMINARIES**

The Chairperson called the meeting to order at ten minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/27 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of the minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/28 **EVIDENCE: STATE DEPARTMENT FOR INFRASTRUCTURE - VOTE 1091**

Eng. Joseph Mbugua the Principal Secretary/Accounting Officer for the State Department for Infrastructure appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022.

The Committee marked the following issues as resolved, after Auditors confirmed that the State Department had since availed relevant documentation.

1. 619. Lack of Project Detailed Budget
2. 624. Inaccuracy in the Financial Statements
3. 625. Lack of Project Bank Account and Cash book
4. 626. Unsupported Expenditure on Purchase of Goods and Services
5. 627. Unsupported Expenditure on Acquisition of Non-Financial Assets
6. 629. Unsupported Bank Balance
7. 630. Unsupported Payables – Deposits and Retentions Balance
8. 632. Budgetary Control and Performance
9. 633. Lack of Project Detailed Budget
10. 637. Pending Bills
11. 638. Project Closure Report
12. 642. Unsupported Cash and Cash Equivalents Balance
13. 644. Pending Bills
14. 648. Lack of a Project Bank Account
15. 649. Accuracy of the Financial Statements
16. 650. Unsupported Cash and Cash Equivalents
17. 651. Lack of Project Detailed Budget
18. 653. Lack of Site Access Due to Legal Disputes
19. 654. Pending Bills
20. 660. Failure to Prepare Separate Financial Statements for Each Project
21. 661. Lack of Separate Project Bank Accounts
22. 668. Lack of Project Bank Account and Cash book
23. 659. Budgetary Control and Performance
24. 660. Failure to Prepare Separate Financial Statements for Each Project
25. 661. Lack of Separate Project Bank Accounts
26. 668. Lack of Project Bank Account and Cash book
27. 669. Unsupported Expenditure on Domestic Travel and Subsistence
28. 670. Delay in Project Implementation

29. 671. Pending Bills
30. 672. Budgetary Control and Performance
31. 676. Presentation of the Financial Statements
32. 677. Inaccuracies in the Financial Statements
33. 678. Cash and Cash Equivalents
34. 679. Unsupported Receipts
35. 682. Unsupported and Misstated Bank Balances
36. 683. Unsupported Pending Bills
37. 684. Project Closure Report
38. 694. Unsupported Nil Cash and Bank Balances
39. 695.1 Long Outstanding Payables – Unbudgeted Pending Bills
40. 700. Unsupported Cash and Cash Equivalents
41. 701. Unbudgeted for and Unsupported Pending Bills
42. 704. Inaccuracies in the Financial Statements
43. 705. Unsupported Cash and Cash Equivalents
44. 706. Pending Bills
45. 707. Project Closure Report
46. 710. Accuracy of Financial Statements
47. 711. Authenticity of Land Payments
48. 712. Unsupported Transfer from Government Entities
49. 713. Irregular Payment of Imprest and Air Tickets to Interns
50. 714. Irregularities in Acquisition of Non-Financial Assets
51. 715. Accounts Payable – Retention
52. 716. Fund Balance Brought Forward
53. 717. Budgetary Control and Performance
54. 722. Unsupported Cash and Cash Equivalents Balance
55. 726. Unsupported Cash and Cash Equivalents
56. 727. Budgetary Control and Performance
57. 728. Project Closure Report
58. 731. Inaccuracies in the Financial Statements
59. 732. Comingling of Project Funds
60. 734. Budgetary Control and Performance
61. 735.2 Unexplained Land Compensation Valuation Differences
62. 735.3 Nugatory Expenditure
63. 736. Project Closure Report

Outstanding Queries620. Budgetary Control and Performance

The Committee observed that the concerns causing delays in project completion have been addressed through resolution between the State Department and the Kenya Railways Corporation. Consequently, the land was now available for construction.

621. Delayed Project Implementation - Lot 2: Upgrading of Kitale-Endebess- Suam(C45) Road Project

The Committee observed that the project had reached 85% completion, with the contract extended until September 2024. The Committee further directed the Accounting Officer to furnish a copy of the contract extension.

628. Nugatory Expenditure

The Committee instructed the Accounting Officer to present a comprehensive breakdown of interest on delayed payments, covering both settled and outstanding amounts from the last three years.

631. Delay in Project Completion

The Committee took note of the outstanding bill for this project, which amounted to approximately Kshs. 2,500,000,000. Subsequently, the Committee instructed the Accounting Officer to furnish a detailed breakdown of the Kshs. 2,500,000,000, specifying the portions allocated to VAT and delayed payments.

643. Project Closure Report

The Accounting Officer reported that they had not completed all the necessary requirements to generate the project closure report in accordance with the National Treasury template. In response, the Committee instructed the Accounting Officer to ensure the annual preparation of the project closure report.

652. Delayed Project Completion

The Accounting Officer reported that the project's completion had been delayed due to ongoing court cases.

673. Unapproved Variation of Contract Period and Amount

The Committee instructed the Accounting Officer to furnish the Auditor General's office with a copy of the no objection and all additional documents. The Auditor General will then report their findings back to the Committee.

695.2 Ineligible Pending Bills

The Committee instructed the Accounting Officer to collaborate with the Project Affected Persons and resolve the matter.

696. Absorption of Project Funds

The Accounting Officer clarified that the project did not exhaust the entire funds due to the competitive procurement process, leading to lower bids and consequently reduced project costs.

718. Payment of Pending Bills Not Forming First Charge

The Committee instructed the Accounting Officer to present a detailed breakdown of all pending bills, indicating the payment dates and identifying those that are still outstanding.

733. Delay in Project Implementation

The Accounting Officer submitted that delay in project implementation was as a result of inadequate budgetary allocation.


735.1 Unsupported Pending Bills

The Accounting Officer submitted that un-explained difference was as a result of erroneous entry in the initial draft financial statements which has now been corrected.

MIN.NO.NA/DAAOSC/PAC/2024/29 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.50 p.m.

Signed.....



Date 15/2/2024.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 128TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 1ST FEBRUARY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Nabwera Daraja Nabii, MP
6. The Hon. Amina Udgoon Siyad, MP
7. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
8. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Mohamed Jelle – Clerk Assistant III
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Mr. Mark Mbuthia – Audio Officer III
5. Ms. Yvonne Kendi – Hansard Reporter III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Manasses Kuria – Deputy Director Audit
2. Ms. Korazon Wanjiku – Principal Auditor
3. Mr. Paul Kwanja – Principal Auditor
4. Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPT. FOR INFRASTRUCTURE

1. Eng. Joseph Mbugua, CBS - Principal secretary
2. Eng. Kungu Ndungu - Director General KENHA
3. Eng S Kinoti M.B.S - Director General KURA

- | | | |
|-------------------------|---|---------------------------------------|
| 4. Mr. James Bowen | - | Director of Corporate Service KENHA |
| 5. CPA Chanje Kera | - | Deputy Director KENHA |
| 6. Mr. Philip Wachira | - | Senior Chief Finance Officer |
| 7. Mr. Obop Michael | - | Assistant Director |
| 8. Mr. Arnold Kimutai | - | Assistant Accountant |
| 9. Eng. Nicholas Musuui | - | Chief Superintendent Engineer (Roads) |
| 10. Eng. Henry Gakuru | - | Director (Development) KENHA |
| 11. Mr. Issack Karumbi | - | Assistant Director |
| 12. Eng. Amingh Gorge | - | Deputy Director of Roads |
| 13. Mr. Chris Cheruiyot | - | Senior Accountant |

MIN.NO. NA/DAAOSC/PAC/2024/22 PRELIMINARIES

The Chairperson called the meeting to order at 2.45 p.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/23 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of the previous sittings was deferred to the next sitting.

**MIN.NO.NA/DAAOSC/PAC/2024/24 EVIDENCE: STATE DEPT. FOR
INFRASTRUCTURE -VOTE 1091**

Eng. Joseph Mbugua, the Principal Secretary/Accounting Officer for the State Department for Infrastructure appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

602. Inaccuracy of the Financial Statements

Retention of Kshs. 149,138,709 was retained in the retention account of the authority. The retention amount was therefore presented and accounted for in the financial statement.

Committee Resolution

The Matter was resolved

603. Delayed Payments to Persons Affected by the Project

The land compensation amounts for referenced parcels of land remained outstanding due to inadequate budgetary allocation in the current as well as prior financial years.

604. Budgetary Control and Performance

The project received an underfunding of 81% caused by the exhaustion of the Development Partner Funding.

Committee Resolution

The Committee emphasized the need for the Authority to finish the said project.

605. Pending Bills

The pending bill was occasioned by inadequate budgetary allocations as well as delays in the release of the exchequer funds.

Committee Resolution

The Committee stated that the State Department should promptly avail the analysis of the pending bills.

606. Variation of Contract without an Approved Budget

The stated project was not varied without an approved budget.

Committee Resolution

The Committee ordered the State Department to provide an analysis of the project, the tendering process and addendum varying the contract.

608. Inaccurate Comparative Balances

The exchequer for payment of IPCs no. 4 and 5 was received toward the end of the financial year 2020/21. The retention amount was not transferred to the retention account in FY 2020/21 hence reported as surplus in FY 2020/21.

609. Variance in Disclosed Retention

The outstanding retention of Kshs 20,016,246 was yet to be transferred to the retention account since the contractor had not been paid.

Committee Resolution

The matter was resolved

610. Budgetary Control and Performance

The Authority was able to realize only Kshs. 95,930,985 due to the disruption of the contractor's sequence of works as the contractor could not access the right of way to facilitate construction.

611. Failure to Budget for Pending Bills

The Authority only received Kshs. 5,000,000 which was prioritized for payment of land compensation pending bills as this was the main concern for the delay in the progress of works.

612. Delay in Completion of the Project

The delay in the completion of the project was caused by inadequate GoK budgetary allocations.

614. Inaccuracies in the Financial Statements

There was a mix-up in the financial statements, and had since been corrected.

Committee Resolution

The matter was resolved.

615. Failure to Maintain a Project Cash book and Account

All receipts from the exchequer are received in one account. The authority maintains one exchequer book. Separate ledger accounts are maintained for each project account while the exchequer is released in tranches to the total budget.

616. Irregular Re-Allocation of Expenditure

There was a mix-up in the description of expenditure in the financial statements

Committee Resolution

The matter was resolved.

617. Unsupported Bank Balance

The project cash and cash equivalent balances were not supported by an individual bank statement. The authority maintains one bank account for all withheld retention money.

618. Pending Bills

There were no payments for land compensation and the Kshs 883,093,393 was the outstanding balance on land compensation.

Committee Resolution

The matter was resolved.

597. Failure to Settle Pending Accounts Payable

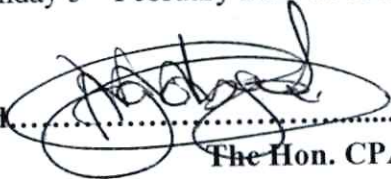
The pending bills under the project were due to the exhaustion of the allocated budget in the financial year that ended 30 June 2022 and had no additional funding.

Committee Resolution

The Committee directed the State Department to provide an analysis of the project, interest payable on the delays, and the contingent liabilities that may arise from delayed payment.

MIN.NO.NA/DAAOSC/PAC/2024/25 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.30 p.m. The next meeting will be held on Monday 5th February 2024 at 10.00 a.m.

Signed.....

Date15/2/2024.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 127TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 1ST FEBRUARY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Nabwera Daraja Nabii, MP
6. The Hon. Amina Udgoon Siyad, MP
7. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
8. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Mohamed Jelle – Clerk Assistant III
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Mr. Mark Mbuthia – Audio Officer III
5. Ms. Yvonne Kendi – Hansard Reporter III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Manasses Kuria – Deputy Director Audit
2. Ms. Korazon Wanjiku – Principal Auditor
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPT. FOR INFRASTRUCTURE

- | | | |
|----------------------------|---|---------------------------------------|
| 1. Eng. Joseph Mbugua, CBS | - | Principal secretary |
| 2. Eng. Kungu Ndungu | - | Director General KENHA |
| 3. Eng S Kinoti M.B.S | - | Director General KURA |
| 4. Mr. James Bowen | - | Director of Corporate Service KENHA |
| 5. CPA Chanje kera | - | Deputy Director Kenya |
| 6. Mr. Philip Wachira | - | Senior Chief Finance Officer |
| 7. Mr. Obop Michael | - | Assistant Director |
| 8. Mr. Arnold Kimutai | - | Assistant Accountant |
| 9. Eng. Nicholas Musuui | - | Chief Superintendent Engineer (Roads) |
| 10. Eng. Henry Gakuru | - | Director (Development) KENHA |
| 11. Mr. Issack Karumbi | - | Assistant Director |
| 12. Eng. Amingh Gorge | - | Deputy Director Roads |
| 13. Mr. Chris Cheruiyot | - | SNR Accountant |

MIN.NO. NA/DAAOSC/PAC/2024/18 PRELIMINARIES

The Chairperson called the meeting to order at 10.15 am and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/19 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of minutes of the previous sittings was deferred to the next sitting.

**MIN.NO.NA/DAAOSC/PAC/2024/20 EVIDENCE: STATE DEPT. FOR
INFRASTRUCTURE -VOTE 1091**

Eng. Joseph Mbugua, CBS, the Principal Secretary/Accounting Officer for the State Department for Infrastructure appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

584. Outstanding Payment of Approved Land Compensation

Pending bills accumulate due to inadequate GoK budgetary provision coupled with delayed exchequer releases that would have facilitated prompt contractual payments.

Committee Resolution

The Committee emphasized the need to prioritize their payments and pay all Kenyans who need to be compensated

585. Interest on Delayed Payments

Interest on delayed payment was paid to the contractor resulting from inadequate budgetary provisions for the project. The amount of interest on delayed payment to the contractor on this project is Kshs. 82, 966, 925.

Committee Observation and Finding

The Committee observed the amount of interest on delayed payment is Kshs. 82, 966,925 as confirmed by the auditor general.

586. Payment of Value Added Tax

The Authority did not pay any VAT to the contractor. The recovery of Kshs. 148,474,743 from the contractor's withheld retention was meant to settle the overbilling on the interest on delayed payment as per the reconciliation availed to the Auditor.

Committee Observation and Finding

The Committee observed the document referred was verified by the auditor and there was no money paid as VAT.

588. Lack of a Project Bank Account

Kenol- Sagan- Marua project uses the Direct Payment Method where the development partner does not disburse any cash to the authority but pays directly to the contractor. The Financing Agreement did not have a provision for opening of a Special Project Account.

Committee Observation and Finding

The Committee emphasized the need to open a project account for this kind of project by following the provisions of PFM Regulation sections 75 and 76, or the Accounting Officer to seek exemption from CS Treasury.

589. Non-Disclosure of Accounts Payable – Retention

The retention money balance of Kshs. 424,826,921 relates to the retention money held by development partner and not by the authority.

Committee Observation and Finding

The Committee emphasized the need to disclose the books of account of the Authority and the matter was satisfactorily resolved.

590. Pending Bills

The pending bills were as a result of the inadequate GoK budgetary allocations in the current and prior financial years.

Committee Resolution

The Committee stated that the Authority should submit a status report on the pending bills within one week.

591. Lack of an Itemized Project Budget

The auditors were not provided with a detailed budget for the project showing the individual amount allocated for each component in the year under review.

Committee Resolution

The Committee emphasized on the need for consistency in budgeting; the program-based budget should be itemized.

592. Budgetary Control and Performance

The budget for the FY 2020/2021 was already captured in the financial statement for the prior year 2021/2022 hence re-capturing the unutilized amount from FY 2020/21 the current financial year 2021/2022 would lead to the overstatement of the project cumulative budget amounts over the financial years. The Expenditure of 1.5 Billion could not be recorded in FY 2020/21.

Committee Resolution

The committee emphasized the need to re-budget if an item is not recognized in the previous financial year.

593. Irregularities in Project Implementation

The progress of works on the project was good as the contractor was working ahead of schedule and most of the major activities are nearing completion.

Committee Resolution

The Committee instructed the authority to avail a status report for the project and make it available to the committee.

600. Unsupported Expenditure

All the payment steps were concluded in the financial year under audit, and thus the payment was captured in the Government books for FY 2021/22, hence it was recognized in the financial statements.

Committee Resolution

The matter was marked as resolved

601. Interest on Delayed Payments

The interest charged was previously provided in the contract whenever the payments are delayed and solemnly paid by the Government


Committee Resolution

The Committee emphasized on the need to avail all the agreements for the contracts to the committee. The National Treasury should negotiate such contracts that put the country into unnecessary loss.

MIN.NO.NA/DAAOSC/PAC/2024/21 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.00 p.m. The next meeting will be held on Thursday, 1st February 2024 at 2.30 p.m.

Signed.....



The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

Date 1.5/2/2024.....

**MINUTES OF THE 126TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON WEDNESDAY, 31ST JANUARY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. Eckomas Mwengi Mutuse, OGW, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Yakub Adow Kuno, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Mohamed Jelle Abdi – Clerk Assistant III
4. Ms. Yvonne Kendi – Hansard Officer III
5. Mr. Mark Mbutia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Manasses Kuria – Deputy Director of Audit
2. Ms. Corazon Wanjiku – Principal Auditor
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR INFRASTRUCTURE

1. Eng. Joseph Mbugua, CBS – Principal Secretary
2. Eng. Kungu Ndungu – Director General, KeNHA
3. Eng. Philemon Kandie – Director General, KeRRA
4. Eng. Henry Gakuru – Director Development, KeNHA
5. Mr. James Bowen – Director Cooperate Services
6. Mr. Tungo Aron – Director Liason Office
7. Eng. Amingh George – Deputy Director Construction

8. Eng. Onesmus Kemai	-	Deputy Director Construction
9. Mr. Philip wachira	-	Senior Chief Finance Officer
10. Ms. Sophie Mwangashi	-	Deputy Accountant General
11. Mr. Mongo Chimwanga	-	Senior Accountant
12. Mr. Haron Koros	-	Accountant
13. Eng. Nicholas Musuni	-	Chief Superintending Engineer
14. Mr. Dennis Odoyo	-	Accountant
15. Mr. Obop Michael	-	Acting Director, KeNHA
16. Dr. Eric Maina	-	Accountant
17. Ms. Getrude Ronoh	-	Finance Officer
18. Mr. Cyrus Njau	-	Accountant

MIN.NO. NA/DAAOSC/PAC/2024/14 **PRELIMINARIES**

The Chairperson called the meeting to order thirty five minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/15 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of the minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/16 **EVIDENCE: STATE DEPARTMENT FOR INFRASTRUCTURE - VOTE 1091**

Eng. Joseph Mbugua the Principal Secretary/Accounting Officer for the State Department for Infrastructure appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022.

663. Unconfirmed Cash and Cash Equivalent

The Accounting Officer confirmed to have submitted fixed deposit certificate and bank balance certificate to the office of the Auditor General. The Auditor General verified the documents, and the matter was subsequently marked as resolved.

664. Unsupported Accounts Payable

The Accounting Officer confirmed to have reconciled the issue with the Office of the Auditor General. The issue was therefore marked as resolved.

688. Un-supported Accounts Payable-Retention

The Committee instructed the Accounting Officer to reconcile the Kshs. 187,501 variance with the Office of the Auditor General, who will then report the findings back to the committee within two weeks.

689. Budgetary Control and Performance

The Committee expressed dissatisfaction with the response from the Accounting Officer and directed them to submit a revised response, clearly explaining the reasons for the under expenditure.

690. Unresolved Prior Year Audit Matters

The Committee instructed the Accounting Officer to compile a list of all unresolved prior-year audit matters and detail the actions taken for each.

781. Unsupported Bank Balance

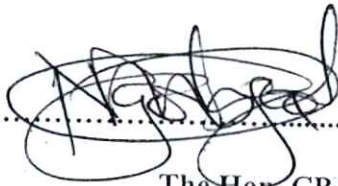
The Accounting Officer confirmed to have submitted the relevant documents to the Office of the Auditor General. The Auditor General confirmed their satisfaction with the documents. The matter was therefore marked as resolved.

MIN.NO.NA/DAAOSC/PAC/2024/17

ADJOURNMENT

There being no other business, the meeting was adjourned at 4.00 p.m. The next meeting will be held on Thursday, 1st February 2024 at 10.00 a.m.

Signed.....



Date 1/2/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 125TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON WEDNESDAY, 31ST JANUARY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Eckomas Mwengi Mutuse, OGW, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Nabwera Daraja Nabii, MP
6. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Mohamed Jelle Abdi – Clerk Assistant III
4. Ms. Yvonne Kendi – Hansard Officer III
5. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Manasses Kuria – Deputy Director of Audit
2. Ms. Corazon Wanjiku – Principal Auditor
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR INFRASTRUCTURE

1. Eng. Joseph Mbugua, CBS – Principal Secretary
2. Eng. Kungu Ndungu – Director General, KeNHA
3. Eng. Philemon Kandie – Director General, KeRRA
4. Eng. Henry Gakuru – Director Development, KeNHA
5. Mr. James Bowen – Director Cooperate Services
6. Mr. Tungo Aron – Director Liason Office
7. Eng. Amingh George – Deputy Director Construction
8. Eng. Onesmus Kemai – Deputy Director Construction

9. Mr. Philip wachira	-	Senior Chief Finance Officer
10. Ms. Sophie Mwangashi	-	Deputy Accountant General
11. Mr. Mongo Chimwanga	-	Senior Accountant
12. Mr. Haron Koros	-	Accountant
13. Eng. Nicholas Musuni	-	Chief Superintending Engineer
14. Mr. Dennis Odoyo	-	Accountant
15. Mr. Obop Michael	-	Acting Director, KeNHA
16. Dr. Eric Maina	-	Accountant
17. Ms. Getrude Ronoh	-	Finance Officer
18. Mr. Cyrus Njau	-	Accountant

MIN.NO. NA/DAAOSC/PAC/2024/10

PRELIMINARIES

The Chairperson called the meeting to order at ten minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/11

CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmations of the minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/12

EVIDENCE: STATE DEPARTMENT FOR INFRASTRUCTURE - VOTE 1091

Eng. Joseph Mbugua the Principal Secretary/Accounting Officer for the State Department for Infrastructure appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022.

552. Long Outstanding Deposits and Retentions

The Committee directed the Accounting Officer to consistently ensure that any deposit, remaining unclaimed for five years, is transferred to the Consolidated Fund.

553. Earnings Below the Statutory Minimum

The Accounting Officer explained that this was due to the implementation of tax relief measures intended to mitigate the economic impact of the Covid-19 pandemic and the introduction of the Public Service superannuation scheme, which resorted to an over-commitment of salaries.

554. Failure to Comply with the Approved Staff Establishment

The Committee observed that the management was in breach of Section A.15 of the Human Resource Policies and Procedures Manual for Public Service.

Committee Resolution

The Committee instructed the Accounting Officer to present a detailed breakdown of all positions within the State Department, specifying the required positions and indicating the extent to which the limits have been exceeded.

555. Audit Committee and Internal Audit

The Committee observed that the State Department was in breach of Section 179(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the audit committee shall meet at least once every three months.

556. Unsupported Prior Year Adjustment

The previous Public Accounts Committee addressed the prior year adjustment, and the matter was marked as resolved.

557. Unsupported Expenditure

The Accounting Officer confirmed to have submitted the relevant documents to the Office of the Auditor General, and the Auditor General confirmed their satisfaction with the documents. The matter was therefore marked as resolved.

558. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflected an underfunding of Kshs.138,720,711 or 92% of the budget.

Committee Resolution

The Committee instructed the Accounting Officer to provide a current status report of the project detailing the percentage of completion and the amount spent within two weeks.

559. Undrawn Loan Balance

The Accounting Officer reassured the Committee that they would utilize all undrawn loan balances by 31st December, 2024, to prevent incurring additional penalties.

Committee Resolution

The Committee directed the Accounting Officer to furnish a current status report on the project, highlighting any penalties accrued as a result of undrawn loan balances.

563. Lack of Ownership Documents for Motorable Transport Equipment

The Accounting Officer confirmed to have provided ownership documents for motorable transport equipment to the Office of Auditor General. The Auditor General expressed satisfaction with the provided documents. The issue was therefore marked as resolved.

564. Budgetary Control and Performance

The Committee instructed the Accounting Officer to furnish the current status of the project, specifying the percentage of completion, and the amount expended, and outlining the anticipated completion date, within a two-week timeframe.

565. Project Implementation - Low Absorption Rate

The Committee instructed the Accounting Officer to furnish the current status of the project, specifying the percentage of completion, the amount expended, and outlining the anticipated completion date, within a two-week timeframe.

568. Project Closure Report

The Accounting officer confirmed to have submitted the project closure report to the Office of Auditor General, who expressed satisfaction with the provided documents. The issue was therefore marked as resolved.

572. Budgetary Control and Performance

The Committee directed the Accounting Officer to provide current Status of the project, outlining the percentage of completion, the incurred expenses, and specifying the anticipated project completion date, all within a two-week period.

573. Management of Imprest

The Committee marked the issue as resolved.

577. Lack of HIV/AIDS Awareness by the Contractor

The Committee noted that the Contractor failed to meet the contract requirements, leading to a breach. Consequently, payment was withheld due to the contractor's failure to submit the necessary report justifying payment.

578. Construction of Kivandini-Kango-Kakalia-Kali Road (Lot 4)

- i. The Committee directed the Accounting Officer to provide a copy the project contract document.
- ii. The Committee additionally instructed the Accounting Officer to submit a current status report within one week, detailing the percentage of completion, a breakdown of the project expenses, the projected completion date, and copies of issued certificates.

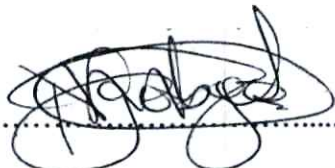
579. Construction of Katuaa-Kee-Nunguni Road (Lot 5)

The Accounting Officer submitted that the overall progress of the project stood at 78%. The contractor is expected to complete the remaining 9.5 km by June 2024. However, if the ongoing delays persist, the management will contemplate taking drastic measures, including termination.

MIN.NO.NA/DAAOSC/PAC/2024/13

ADJOURNMENT

There being no other business, the meeting was adjourned at 12.40 p.m.

Signed.....


Date 15/2/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 124TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 30TH JANUARY 2024, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 2.30 P.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Victor Kipng'etich Koech, MP
5. The Hon. Yakub Adow Kuno, MP
6. The Hon. Eckomas Mwangi Mutuse, OGW, MP
7. The Hon. Mohamed Aden Adow, MP
8. The Hon. Nabwera Daraja Nabii, MP
9. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Mohamed Jelle | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 4. CPA. Cyrille Mutali | – | Fiscal Analyst III |
| 5. Ms. Faith Jully Malala | – | Public Communications Officer III |
| 6. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|-------------------|
| 1. Dr. Kamenyi Domenic | – | Director Audit |
| 2. Mr. Mboya Joseph | – | OAG Associate |
| 3. Mr. Paul Kwanja | – | Principal Auditor |
| 4. Mr. Ezekiel Omore | – | Audit Associate |

NATIONAL TREASURY

- | | | |
|--------------------------|---|-------------------|
| Rev. CPA Kimathi Kwiriga | – | Senior Accountant |
|--------------------------|---|-------------------|

STATE DEPT. FOR SPORTS

- | | | |
|----------------------------|---|---|
| 1. Eng. Peter Kiplagat Tum | - | Principal Secretary |
| 2. Mr. Evans Achoki | - | Secretary Administration |
| 3. Mr. Anthony Njenga | - | Deputy Accountant General |
| 4. Mr. Joseph Kimwele | - | Assistant Chief Officer Finance |
| 5. Mr. Dennis Kinyua | - | Director Human Resource |
| 6. Mr. Givinal Ejilo | - | Head, Supply Chain |
| 7. Mr. June Jeruto | - | Personal Assistant to the Principal Secretary |
| 8. Mr. Michael Chege | - | Quantity Surveyor, Works Dept. |
| 9. Mr. Barre Ahmed | - | Administration |

MIN.NO. NA/DAAOSC/PAC/2024/06 PRELIMINARIES

The Chairperson called the meeting to order at 2.30 pm and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/07 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmations of minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/08 EVIDENCE: STATE DEPT. FOR SPORTS-VOTE 1132

Eng. Peter Kiplagat Tum, the Principal Secretary/Accounting Officer for the State Department for Sports appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1289. Construction of Wang'uru Stadium in Kirinyaga County

The contract documents, works programs, site meeting minutes, and project status reports had now provided for audit review. Further, audit verification which was done in September 2022 revealed that the project was incomplete.

1290. Construction of Kiringiti Stadium in Kiambu County

Contract documents, works programs, site meeting minutes, and project status reports had now been provided. Further, audit verification done in November 2022 revealed that phase 2 of the project was 80% complete.

1291. Posta Sports Ground

The Accounting Officer stated that the project had been completed and handing over was done by the contractor. The payment for the contract was fully paid save for retention money.

Committee Resolution

The Committee resolves to sample some of the stadia for site visits to ascertain submissions by the Accounting Officer.

1292. Unauthorized Use of Fuel Cards

The Ministerial Human Resource Management Advisory Committee recommended to the Authorized Officer that the subject officer be severely reprimanded and surcharged 25% of 1,479,232 amounting to 369,808.

Committee Observation and Finding

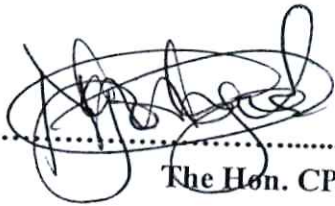
The Committee observed that the Ministerial Human Resource Management Advisory Committee was in breach of the PFM Act section 199. The Committee advised the Accounting Officer to take necessary action in following the Law appropriately.

MIN.NO.NA/DAAOSC/PAC/2024/09

ADJOURNMENT

There being no other business, the meeting was adjourned at 5.00 p.m. The next meeting will be held on Wednesday, 31st January 2024 at 10.00 a.m.

Signed.....



Date

14/2/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 123RD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 30TH JANUARY 2024, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Eckomas Mwengi Mutuse, OGW, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Nabwera Daraja Nabii, MP
6. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Mohamed Jelle Abdi – Clerk Assistant III
4. Mr. Cyrille Mutali – Fiscal Analyst III
5. Ms. Faith Jully Malala – Public Communications Officer III
6. Mr. Mark Mbutia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Stephen Karani Karanu – Director of Audit
2. Mr. Josphat Kilemi Nkubitu – Principal Auditor
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR LIVESTOCK

1. Hon. Jonathan Mueke, CBS – Principal Secretary
2. Ms. Anne Mwaniki – Director Human Resource Management
3. Mr. Peter Mungayu – Assistant Director Livestock
4. Ms. Rachel Ndungu – Assistant Accountant General
5. Mr. Patrick Ngicuru – Senior Chief Finance Officer
6. Ms. Sara Aliongo – Principal State counsel
7. Ms. Esther Wanjiku – Principal Supply Chain Management

- | | | |
|------------------------|---|----------------------------------|
| 8. Ms. Angelyne Kabasa | – | Principal Accountant |
| 9. Mr. Nahum Nyawira | – | Senior Principal Finance Officer |
| 10. Mr. Paul Wangombe | – | Principal Accountant |
| 11. Mr. Joseph Nyamora | – | Deputy Accountant |

MIN.NO. NA/DAAOSC/PAC/2024/01 **PRELIMINARIES**

The Chairperson called the meeting to order at ten minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/02 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

The Minutes of previous sittings were confirmed as follows: -

1. Minutes of 115th sitting held on Thursday, 30th November 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Eckomas Mwengi Mutuse, MP and seconded by the Hon. Nicholas Tindi S. Mwale, MP;
2. Minutes of 116th sitting held on Thursday, 30th November 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Gabriel Gathuka Kagombe, MP and seconded by the Hon. Eckomas Mwengi Mutuse, MP;
3. Minutes of 117th sitting held on Monday, 4th December, 2023, were confirmed as a true record of proceedings having been proposed by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and seconded by the Hon. Eckomas Mwengi Mutuse, MP;
4. Minutes of 118th sitting held on Monday, 4th December, 2023, were confirmed as a true record of proceedings having been proposed by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and seconded by the Hon. Eckomas Mwengi Mutuse, MP;
5. Minutes of 119th sitting held on Tuesday, 5th December, 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Nicholas Tindi S. Mwale, MP, and seconded by the Hon. Eckomas Mwengi Mutuse, MP;
6. Minutes of 120th sitting held on Tuesday, 5th December, 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Nicholas Tindi S. Mwale, MP, and seconded by the Hon. Eckomas Mwengi Mutuse, MP;
7. Minutes of 121st sitting held on Wednesday, 6th December, 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Gabriel Gathuka Kagombe, MP, and seconded by the Hon. Nicholas Tindi S. Mwale, MP; and
8. Minutes of 122nd sitting held on Wednesday, 6th December, 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Gabriel Gathuka Kagombe, MP, and seconded by the Hon. Nicholas Tindi S. Mwale, MP.

MIN.NO.NA/DAAOSC/PAC/2024/03 **MATTERS ARISING**

There were no matters that arose from the confirmations of the Minutes of the previous Sittings.

MIN.NO.NA/DAAOSC/PAC/2024/04 **EVIDENCE: STATE DEPARTMENT FOR LIVESTOCK - VOTE 1162**

Mr. Jonathan Mueke the Principal Secretary/Accounting Officer for the State Department for Livestock appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1446. Irregular Engagement of Temporary Employees

The Accounting Officer submitted that the State Department sought authority from the Public Service Commission to fill the various vacant cadres. They had since advertised for the positions.

The Committee noted that the State Department was in breach of Section 37 of the Employment Act, 2007 for engaging casual laborers for more than three months.

Committee Resolution

- i. The Committee instructed the Accounting Officer to submit a copy of the letter they had written to the National Treasury, requesting funds for the recruitment of casual laborers, and to include a list of reasons justifying the need for their hiring.
- ii. The Committee also instructed the Accounting Officer to provide a breakdown of the Kshs. 319,892,661 disbursed to casual laborers, including information on the recipients, their respective work stations, and their designations, to be provided within a week.

1447. Failure to provide Adequate Resources to the Eldoret Butterfat Station

The Accounting Officer submitted that the low funding was attributed to the decline of budgetary allocation for operations across ministries over the years.

The Committee noted that in the financial year 2024/25 the State Department has allocated Ksh 1,500,000, representing an improvement compared to previous financial years.

1448.1 Fixed Assets Registers not Updated

The Accounting officer submitted that the State Department was in the process of digitizing the asset register.

Committee Resolution

The Committee instructed the Accounting Officer to furnish a breakdown of all lands owned by the State Department and expedite the process of tagging the fixed assets.

1448.2 Incomplete Biological Asset Register

The Accounting Officer confirmed to have submitted an updated biological asset register to the Office of the Auditor General, and the issue was marked as resolved.

1448.3 Failure to Maintain Works in Progress Register

The Accounting Officer confirmed to have submitted an updated work in progress register to the Office of the Auditor General, and the issue was marked as resolved.

1449. Weakness in Control on Fuel Oil and Lubricants

The Accounting Officer submitted to have taken austerity measures and introduced fuel cards as a way of controlling usage of fuel.

1451. Unpaid Insurance Claim for Project Vehicles

The Accounting Officer reported having requested AMACO Insurance Company to settle the claim and submitted all the necessary documents for claim processing. However, the insurance company was yet to settle the claim.

Committee Resolution

The Committee instructed the Accounting Officer to provide the correspondences with the AMACO insurance company, specifically those related to the request for the settlement of the claim.

1460. Budgetary Control and Performance

The Accounting Officer submitted that the variance was due to non-funding of exchequer requests under the Government of Kenya (GoK) component.

Committee Resolution

The Committee instructed the Accounting Officer to furnish a detailed breakdown of all exchequer receipts for the Government of Kenya (GoK) component in the financial year 2021/2022. This breakdown should include information on the amount received versus the amount spent, along with an indication of whether the project was fully implemented.

1461. Irregular Reallocation of Expenditure

The Accounting Officer submitted that the expenditure comprised of amounts transferred to service providers KTWTA (Kenya Water Towers Authority), WRA (Water Resource Authority) and NDMA (National Drought Management Authority) who were undertaking activities for component II of the project.

Committee Resolution

The Committee instructed the Accounting Officer to present a breakdown of the budget, distinguishing the portion allocated directly to the state department from the amounts assigned to each of the state agencies.

1462. Unsupported Pending Accounts Payables

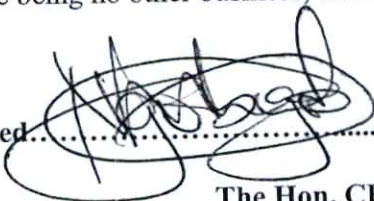
The Accounting Officer confirmed to have submitted the relevant documents to the Office of Auditor General and the matter was marked as resolved.

MIN.NO.NA/DAAOSC/PAC/2024/05

ADJOURNMENT

There being no other business, the meeting was adjourned at 12.40 p.m.

Signed.....



Date 11/12/2024

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

**MINUTES OF THE 122ND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON WEDNESDAY, 6TH DECEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Eckomas Mwengi Mutuse, OGW, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Nabwera Daraja Nabii, MP
5. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Abdirahman Hassan – Clerk Assistant I
2. Mr. Nimrod Mate – Clerk Assistant III
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Mr. Cyrille Mutali – Fiscal Analyst III
5. Ms. Yvonne Kendi – Hansard Officer III
6. Mr. Peter Atsiaya – Media Relations Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Ms. Anne W. Karanya – Deputy Director of Audit
2. Mr. Mboya Joseph – Principal Auditor
3. Mr. Paul Kagwanja – Principal Auditor

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR SPORTS

- | | | |
|----------------------------------|---|----------------------------------|
| 1. Eng. Peter Kiplagat Tum | - | Principal Secretary |
| 2. Mr. Evans Achoki | - | Secretary Administration |
| 3. Mr. Givinal Ejilo | - | Head of Supply Chain Management |
| 4. Mr. James Murigu | - | Deputy Chief Architect |
| 5. Ms. Beatreace Mwihaki Njuguna | - | Senior Principal Finance Officer |
| 6. Mr. June Jerico | - | Personal Assistant to the PS |

MIN.NO. NA/DAAOSC/PAC/2023/515 **PRELIMINARIES**

The Chairperson called the meeting to order five minutes to three o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO. NA/DAAOSC/PAC/2023/516 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmations of minutes of the previous sittings were deferred to the next sitting.

MIN.NO. NA/DAAOSC/PAC/2023/517 **EVIDENCE: STATE DEPARTMENT FOR SPORTS - VOTE 1132**

Eng. Peter Kiplagat Tum, the Principal Secretary/Accounting Officer for the State Department for Sports appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1289. Construction of Wang'uru Stadium in Kirinyaga County

Contract documents, works programs, site meeting minutes, and project status reports related to the construction of Wang'uru Stadium in Mwea, Kirinyaga County, were not provided for audit review. Further, audit verification which was done in September, 2022 revealed that the Project was incomplete.

The Accounting Officer submitted that the Department was working on a framework for handing over the stadium among various entities and will determine the responsibility of each sector and finalize the process in due course.

The Committee observed that the Accounting Officer failed to provide documents for audit review in breach of Section 9 (1) (e) of the Public Audit Act, 2015, and further noted that the project was physically complete but had not been handed over to the State Department.

The Office of the Auditor-General informed the Committee that the sector auditors received the documents from the Department on the date of the meeting and couldn't verify the information provided.

Committee Resolution

The Committee instructed the Accounting Officer to provide contract documents, works programs, site meeting minutes, and project status reports to the Office of the Auditor General for verification by Wednesday, 13th December 2023. The Auditors will then report back to the Committee on their findings.

Considering that the paragraphs 1289, 1290 and 1291 were related, and that the State Department failed to provide the necessary documentation within reasonable time to the Auditor-General's office, contrary to Section 62 (1) of the Public Audit Act, 2015, the Committee resolved to adjourn the meeting.

MIN.NO.NA/DAAOSC/PAC/2023/518 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.18 p.m.

Signed.....



Date

15/12/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 121ST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON WEDNESDAY, 6TH DECEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP - **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP - **Vice Chairperson**
3. The Hon. Amina Udgoon Siyad, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Eckomas Mwengi Mutuse, OGW, MP
8. The Hon. Samuel Kinuthia Gachobe, MP
9. The Hon. Mohamed Aden Adow, MP
10. The Hon. Nabwera Daraja Nabii, MP
11. The Hon. Victor Kipng'etich Koech, MP
12. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Abdirahman Gele Hassan - Clerk Assistant I
2. Mr. Nimrod Njueh Mate - Clerk Assistant III
3. Mr. Cyrille Mutali - Fiscal Analyst III
4. Ms. Yvonne Kendi - Hansard Reporter III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. John M. Karingithi - Director of Audit
2. Mr. Manasses Kuria - Deputy Director of Audit
3. Ms. Corazon Wanjiku - Principal Auditor
4. Mr. Paul Kagwanja - Principal Auditor

THE NATIONAL TREASURY

- Rev. CPA Kimathi K. Kwiriga - Senior Accountant

STATE DEPARTMENT FOR INFRASTRUCTURE

- | | | |
|------------------------------|---|---------------------------------------|
| 1. Eng. Joseph Mbugua | - | Principal Secretary |
| 2. Mr. Philip Wachira | - | Senior Chief Finance Officer |
| 3. Ms. Sophie Mwangashi | - | Deputy Accountant General |
| 4. Eng. Philemon K. Kandie | - | Director General, KeRRA |
| 5. Eng. Kungu Ndungu | - | Director General, KeNHA |
| 6. Mr. James Bowen | - | Director, Cooperate Services |
| 7. Mr. Dic Mirwoba | - | Deputy Director, HRM Services |
| 8. Eng. Daniel Cherono | - | Director Maintenance, KeNHA |
| 9. Mr. Mingo Chimwanga | - | Senior Secretary, Administration |
| 10. Mr. Martin Agumbi | - | Finance Director, KRB |
| 11. Eng. Henry Gakuru | - | Director Development, KeNHA |
| 12. Mr. Chanje Chesa | - | Deputy Director, Finance and Accounts |
| 13. Mr. haron Kiplagat Kores | - | Accountant, Roads |
| 14. Mr. Cyrus Ng'ang'a Njau | - | Accountant, Roads |
| 15. Ms. Getrude chibet Ronoh | - | Finance Officer, Roads |

MIN NO. NA/DAASC/PAC/2023/511

PRELIMINARIES

The Chairperson called the meeting to order at 10.25am and said a word of prayer, followed by introductions by all present.

MIN NO.NA/DAASC/PAC/2023/512

CONFIRMATION OF MINUTES OF PREVIOUS SITTING

Confirmation of minutes of the previous sitting was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/513

EVIDENCE: STATE DEPARTMENT FOR INFRASTRUCTURE – VOTE 1091

Eng. Joseph Mbugua, the Principal Secretary/Accounting Officer for the State Department for Roads appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the year 2021/2022.

545. Unsupported Payments on Use of Goods and Services

Several payments did not relate to the expense items where they were accounted for and lacked supporting documents for justification. The accuracy and completeness of the use of goods and services expenditure of Kshs.672, 594,265 could not be confirmed.

The Accounting Officer admitted the anomalies existed particularly charging of activities to the wrong vote and regretted not having provided auditors with required information at the right time.

Committee Observations

- i. The Committee noted that the Department took audit very casually and threatened reprimand;
- ii. The Committee also took exception with the issue of charging items to the wrong vote saying it was un-lawful; and
- iii. The Committee directed the Accounting Officer to be more vigilant, prepare timeously for audit exercise, and make documents available to the auditors as and when required.

546. Unsupported Payments on Acquisition of Assets

Some payments did not relate to the expense items where they were accounted for and lacked supporting documents for justification. In the circumstances therefore the accuracy and completeness of acquisition of assets amount of Kshs.12, 433,018,607 could not be confirmed.

The Accounting Officer submitted that all the issues raised relate to various donor projects and have since been rectified and that the errors will not recur.

Committee Observation

The Committee noted that some budget items implemented under buildings in the development vote were recorded as furniture and equipment. The Committee directed the Department to clean up their book keeping errors.

Committee Resolution

- i. The Committee requested for additional information on transactions that involved the Kenya Wildlife service; and
- ii. The Committee also directed the Department to invest in ICT connectivity to boost seamless relay of information from the sub county stations.

547. Compensation of Employees-Payments Outside IPPD

Compensation of employees' amount of Kshs.1,154,471,942 included payment of salaries amounting to Kshs.10, 099,678 which were paid outside IPPD system and the amounts paid outside the IPPD system of Kshs.10, 099,678 could not be confirmed.

The Accounting Officer submitted that some officers who had retired but had pending payments necessitated payment outside the payroll system. Further casuals did not have personal numbers and were paid using vouchers. Also payment of last respect for departed officers.

Committee Observation

The information should have been provided to auditors in time to avoid query.

548. Inaccuracies in Outstanding Imprest Balance

There was outstanding imprests and advances balance of Kshs.3, 855,969 and payments totaling to Kshs.44, 318,901 were made to staff but were not reflected as outstanding imprest as at the close of the year therefore the outstanding imprest balance of Kshs.3, 855,969 could not be confirmed.

The Accounting Officer submitted that the inaccuracies were occasioned by exchequer delays from the National Treasury.

Committee Observation

Some people were paid and were not staff members. The committee asked for documentary proof regarding these payments.

549. Unsupported Bank Balances

There were bank balances of Kshs.240,178,204 and statements for recurrent, development and deposits balances had receipts in cash book not recorded in the bank statement amounting to Kshs.19, 273,304,637 described as PS SDINFRA whose nature and supporting documents were not provided.

The Accounting Officer explained that the bank statements were yet to be loaded in the system to enable auto reconciliation but receipts have been availed to auditors for verification.

Committee Observation

The OAG confirmed that the reconciliation had now been done.

550. Budgetary Control and Performance.

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.230,588,817,513 and Kshs.200,570,982,073 respectively resulting to an underfunding of Kshs.30,017,835,440 or 13% of the budget.

Further, the Ministry spent Kshs.200,561,818,766 against an approved budget of Kshs.230, 588,817,513 resulting to an under expenditure of Kshs.30, 026,998,747 or 13% of the budget.

The Accounting Officer submitted that it had an overall absorption of 87% and it was only the development budget that was under absorbed by 13% occasioned by a delay in conclusion of the financing agreement.

Committee Observation

The Committee noted that the performance was satisfactory and the matter ought not to have come as a query if the auditors had received the right information on time.

551. Failure to Surrender Temporary Imprest

There were imprests and advances balance of Kshs.3, 855,969 including imprests issued on 5 January, 2022 to two officers totaling to Kshs.3, 441,924. The imprest was due for surrender on 1 February, 2022 but had not been accounted for as at the time of the audit in November, 2022.


The Accounting Officer explained that the delay was occasioned by the covid-19 pandemic that brought travel restrictions. The two officers later attended the trainings and surrendered their imprests.

Committee Observation

The Committee noted that there was delay in surrender of temporary imprest issued to two (2) officers contrary to Section 93 (5) of the PFM (National Government) Regulations, 2015 which requires holders of such imprest to account or surrender of the imprest within 7 working days after returning to duty station.

MIN NO. NA/DAASC/PAC/2023/514 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.50 pm.

Signed..........
Date15/2/2024.....
The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 120TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 5TH DECEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 3.00 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Victor Kipng'etich Koech, MP
5. The Hon. Yakub Adow Kuno, MP
6. The Hon. Mohamed Aden Adow, MP
7. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Abdirahman Hassan – Clerk Assistant I
2. Mr. Nimrod Mate – Clerk Assistant III
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Mr. Cyrille Mutali – Fiscal Analyst III
5. Ms. Yvonne Kendi – Hansard Officer III
6. Ms. Faith Jully Malala – Public Communications Officer III
7. Mr. Luka Mutua – Sergeant-at-Arms

OFFICE OF THE AUDITOR-GENERAL

1. FCPA Nancy Gathungu, CBS – Auditor – General
2. Dr. Leornard R. Sari – Deputy Auditor – General
3. Ms. Joyce Ndungu – Deputy Auditor – General
4. Mr. Antony Waiganjo – Director Audit
5. Mr. Andrew Kintu – Director Audit
6. Ms. Edna Mugaka – Senior Auditor
7. Mr. Paul Kagwanja – Principal Auditor
8. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

MIN.NO. NA/DAAOSC/PAC/2023/507 **PRELIMINARIES**

The Chairperson called the meeting to order five minutes past three o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/ 508 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmations of minutes of the previous sittings were deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/509 **MEETING WITH THE AUDITOR – GENERAL TO CONSIDER STATUS OF SPECIAL AUDITS**

The Committee and the Auditor-General have a close working relationship. The Committee depend on the Auditor-General to provide timely, accurate and insightful audit reports. The Auditor-General depends on the Committee to ensure action is taken on follow-up on implementation and implementation of reports.

Section 37 of the Public Audit Act, 2015 provides that the Auditor-General may, upon request from Parliament conduct forensic audits to establish fraud, corruption or other financial improprieties.

In that regard, the Auditor-General appeared before the Committee accompanied by other officers to give an update on status of the following special audits: -

- i. Expenditures incurred under Article 223 of the Constitution;
- ii. Fertilizer subsidy programme in the country; and
- iii. Capitation and infrastructure in schools across the country.

Status of the Special Audit

The Auditor-General submitted that the special audit on expenditure incurred under Article 223 of the Constitution has been concluded, and the report transmitted to parliament on 29th November, 2023. As for the special audit on the fertilizer subsidy program in the country, it is currently in the planning stage and is scheduled to commence on 8th January, 2024. This audit is projected to be complete by the end of April 2024, and submitted to parliament by the end of May 2024. Additionally, the special audit on capitation and infrastructure in schools nationwide is set to begin in March 2024.

Challenges faced by the Auditor – General

The Auditor-General highlighted several challenges encountered in conducting special audits and forensic audits, as follows:

- i. Funding and resources: The Auditor-General explained that special audits are occasionally assigned when audit teams are already committed to statutory audits. This has impeded the timely completion of special audits. Additionally, due to their specialized nature, special audits demand substantial financial resources.
- ii. Duplication of request: The Auditor -General reported receiving requests from different committees and institutions on areas that are closely related. In such instances, they have combined the terms of reference to produce one report.

Way Forward

The Committee directed its secretariat to consistently synchronize special audits before submitting them to the Auditor-General's office. This is to verify whether similar special audits have already been requested, preventing duplicate requests.

The Committee observed a necessity to enhance communication between the Auditor-General's Office and itself.

The Committee urged the Auditor-General to promptly acknowledge receipt of requests and provide continuous updates, including advice on the status, recommended measures and whether a similar request had been made, to ensure effective coordination.

The Committee resolved to allocate time to address the special audit reports submitted to Parliament for consideration by the Auditor-General.

MIN.NO.NA/DAAOSC/PAC/2023/510 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.40 p.m. The next meeting will be held on Wednesday, 6th December 2023, at 10.00 a.m.

Signed.....

Date 13/2/2024

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

**MINUTES OF THE 119TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 5TH DECEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

- | | | |
|--|---|-------------------------|
| 1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP | - | Chairperson |
| 2. The Hon. Nicholas Tindi S. Mwale, MP | - | Vice Chairperson |
| 3. The Hon. (Dr.) Edwin Mugo Gichuki, MP | | |
| 4. The Hon. David Kiplagat, MP | | |
| 5. The Hon. Eckomas Mwengi Mutuse, OGW, MP | | |
| 6. The Hon. Samuel Kinuthia Gachobe, MP | | |
| 7. The Hon. Mohamed Aden Adow, MP | | |
| 8. The Hon. Nabwera Daraja Nabii, MP | | |
| 9. The Hon. Victor Kipng'etich Koech, MP | | |
| 10. The Hon. Yakub Adow Kuno, MP | | |

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|-------------------------------|---|-----------------------------------|
| 1. Mr. Abdirahman Gele Hassan | - | Clerk Assistant I |
| 2. Mr. Nimrod Njueh Mate | - | Clerk Assistant III |
| 3. Ms. Lilian Mwikali Mutiso | - | Clerk Assistant III |
| 4. CPA. Cyrille Mutali | - | Fiscal Analyst III |
| 5. Ms. Faith Jully Malala | - | Public Communications Officer III |
| 6. Ms. Yvonne Kendi | - | Hansard Reporter III |
| 7. Mr. Luka Mutua | - | Sergeant-at-Arms |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|-------------------|
| 1. Mr. Fredrick Omondi | - | Principal Auditor |
| 2. Mr. Paul Kagwanja | - | Principal Auditor |
| 3. Mr. Thomas M. Kielei | - | Principal Auditor |

THE NATIONAL TREASURY

- | | | |
|-----------------------------|---|-------------------|
| Rev. CPA Kimathi K. Kwiriga | - | Senior Accountant |
|-----------------------------|---|-------------------|

MINISTRY OF ENERGY

- | | | |
|---------------------------|---|------------------------------|
| 1. Mr. Alex K. Wachira | - | Principal Secretary |
| 2. Ms. Margaret Ratemo | - | Director, HRM |
| 3. Eng. Benson M. Mwakina | - | Director, Renewable Energy |
| 4. Ms. Rose Baraza | - | Head of Accounts |
| 5. Mr. Chrispin O. Lupe | - | Chief Geologist |
| 6. Mr. Peter Macharia | - | Principal Supply Chain Mgt. |
| 7. Mr. Stephen A. Njue | - | Senior Chief Finance Officer |
| 8. Mr. Rodney M. Sultani | - | Project Coordinator |
| 9. Mr. Collins Musanga | - | Accountant I |
| 10. Ms. Margaret Kigano | - | Communications Officer |
| 11. Mr. Kevin Kagwe | - | Communications Officer |
| 12. Mr. Lebanon K. Mwai | - | PA to the PS |

MIN NO. NA/DAASC/PAC/2023/503 **PRELIMINARIES**

The Chairperson called the meeting to order at 10.25am and said a word of prayer, followed by introductions by all present.

MIN NO.NA/DAASC/PAC/2023/504 **CONFIRMATION OF MINUTES OF PREVIOUS SITTING**

Confirmation of minutes of the previous sitting was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/505 **EVIDENCE: MINISTRY OF ENERGY – VOTE 1152**

Mr. Alex K. Wachira, the Principal Secretary/Accounting Officer for the State Department for Energy appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the year 2021/2022.

1301. Unsupported Expenditure on Legal Fees

Although no legal services were procured during the year, an expenditure of Kshs.12, 847,512 was incurred as a budget item while commitments amounting to Kshs.4, 080,205 were made in the vote book and remained outstanding as at 30 June, 2022. Further, legal matters under the Ministry were handled by the Office of the Attorney General.

Submission by the Accounting Officer

The Accounting Officer submitted that the expenditure related to domestic travel and not legal expense and was therefore erroneously charged in the legal fee item. The error has since been corrected and comparative amounts of legal fees have been restated to reflect the correct position.

The Accounting Officer reiterated that the Department was in the process of determining the responsible officer and administrative action will be taken once the process is finalized.

Committee Observations

- i. The Committee observed that the amounts for legal fees were charged under domestic travel and no administrative action had been taken against the officer responsible; and
- ii. The Committee noted that there needed to be a formal request for re allocation, reiterating that this was a case of sheer negligence by staff, risking spending of un-approved resources.

1302. Budgetary Control and Performance

There was a revenue shortfall of Kshs.29, 272,861,529 or 45% of the approved budget and under-expenditure of Kshs.29, 848,715,776.

Submission by the Accounting Officer

The Accounting Officer submitted that the late approval of Supplementary Estimates 2 for the Financial Year 2021/2022 affected the implementation of activities in the work plan resulting into under absorption of the approved budget.

The Accounting Officer reiterated that majority of the items required procurement and the Ministry had to wait for the conclusion of the supplementary estimates II which came towards the end of the financial year.

Committee Observation

The Committee observed that necessary information was not provided to the auditors on time particularly on the issue of late approval of Supplementary Estimates II.

1303. Non-Compliance with the Approved Establishment

The Ministry's approved establishment was one hundred and fifty-nine (159) members. However, the Ministry had three hundred and ninety-three (393) members of staff, exceeding the approved establishment by two hundred and thirty-four (234) members of staff. The actual officers in post at the date of the review was more than the defined optimal level.

Submission by the Accounting Officer

The Accounting Officer submitted that the Ministry appealed the decision of the review of the organizational structure by the Public Service Commission (PSC) on 27th September 2021. The PSC acknowledged their appeal but there is no progress on the matter to-date.

Committee Resolution

- i. The Committee directed the Accounting Officer to fast track the matter and report progress by end of March, 2024; and
- ii. The Committee also resolved to take the matter up with the Public Service Commission when they appear before the Committee in response to audit queries for the year 2021/2022.

1304. Non-Compliance with the Executive Order No.2 of 2018

The Ministry has not fully adopted the E-procurement platform as required by Part IV of the Executive Order No.2 of 2018.

Submission by the Accounting Officer

The Accounting Officer submitted that the Ministry failed to fully adopt the E-procurement platform due to the difference between IFMIS and PPRA standard RFQ documents resulting to using both the E-procurement and the manual system in order to meet the requirements of both.

Committee Resolution

- i. The Committee directed the Accounting Officer to write to the Committee on the inconsistencies between the Executive Order and PPRA, the specific method of procurement used during the said period, and challenges faced in implementation of the E-procurement platform; and
- ii. The Committee requested the Office of the Auditor-General to verify methods used by other government agencies and check on compliance with the Law.

1305. Framework Agreement on Development of Sustainable Green Industries

The Ministry entered into a Framework Agreement with an Australian Company for development of sustainable green industries in the country on 4th November 2020. However, there was no documentation in support of procurement of the private company and due diligence was conducted 18 months after the Agreement had been signed. The Agreement was also implemented through a taskforce whose appointment was not gazetted.

Submission by the Accounting Officer

The Accounting Officer submitted that the project was still in its formulation stage and was conceptualized by a private individual and not the Ministry. The project was still in conceptualization stage and that public participation was yet to be carried out.

Committee Observations

1. The Committee noted that transactions and agreements relating to natural resource are subject to ratification by Parliament in line with Article 71 of the Constitution.
2. The Committee also observed that: -
 - i. There was no proper public participation and due diligence during project formulation, and that there was a rush concession to conclude the project agreement;
 - ii. The PPP secretariat was not consulted;
 - iii. There is no financial disclosure on the project;
 - iv. There is no application of the Public Private Partnership Act, 2013; and
 - v. The current status of the agreement could not be established.

Committee Resolution

1. The Committee directed the Accounting Officer to provide the following documents in two weeks:
 - i. Evidence of engagement with audit firms in Australia
 - ii. Feasibility study and due diligence report
 - iii. Membership and Terms of Reference for the committee
 - iv. Final evaluation report of the PPP Secretariat
 - v. Copy of the agreement
 - vi. Minutes of meetings
 - vii. Tender evaluation reports, and
 - viii. Any other details regarding the project including payments done by the Australian company.
2. The Committee noted the need for wider consultation on the matter, and resolved to invite Cabinet Secretaries for Treasury and Energy, Attorney General among other relevant stakeholders to determine the way forward.

1306. Failure to Surrender Unspent Balances

The Ministry received back an amount of Kshs.32, 000,000 in the development account on 23 June, 2021. The amount was transferred from the account to the deposit account on 30 June, 2021 instead of being surrendered to the National Exchequer as unspent funds.

Submission by the Accounting Officer

The Accounting Officer submitted that the monies was AIA for the Ministry for the Financial Year 2021/22 and included the said AIA in their receipts in the financial statements for the year.

The Accounting Officer committed to ensure that all spent balances are surrendered to the consolidated fund at the end of the financial year.

Committee Observation

There was no evidence to show that the funds were surrendered to the consolidated fund.

Committee Recommendation

The Committee recommended taking administrative action against the officer that caused the failure to surrender unspent balances.

1307. Long Outstanding Balance - Third Party Deposits and Retention

There were third party deposits and retention balance of Kshs.118, 639,252. The third-party deposits and retention balance comprise of retention fees and deposits balances of Kshs.114, 705,507 and Kshs.3, 933,745, respectively.

Submission by the Accounting Officer

The Accounting Officer submitted that the Ministry had requested all the relevant technical departments to fast track the refund process and provided a schedule of the project status.

Committee Observation

There is no documentary proof on payment or settlement of the long outstanding third party deposits and retentions.

Committee Resolution


The Committee directed the Accounting Officer to submit the list of all the companies involved.

MIN NO. NA/DAASC/PAC/2023/506

ADJOURNMENT

There being no other business, the meeting was adjourned at 1.00 p.m.

Signed.....



The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

Date

10/2/2024.....

**MINUTES OF THE 118TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 4TH DECEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 2.30 P.M.**

PRESENT

1. The Hon CPA John Mbadı Ng'ong'o, EGH, MP – Chairperson
2. The Hon. (Dr) Wilberforce Ojiambo Oundo, MP
3. The Hon (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. David Kiplagat, MP
6. The Hon Eckomas Mwengi Mutuse, OGW, MP
7. The Hon Nabwera Daraja Nabu, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Victor Kipng'etich Koech, MP
5. The Hon Yakub Adow Kuno, MP
6. The Hon. Mohamed Aden Adow, MP
7. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|----------------------------|---|-----------------------------------|
| 1. Mr Abdirahman Hassan | - | Clerk Assistant I |
| 2. Mr. Nimrod Mate | - | Clerk Assistant III |
| 3. Ms Lihan Mwikali Mutiso | - | Clerk Assistant III |
| 4. Mr Cyrille Mutali | - | Fiscal Analyst III |
| 5. Ms. Yvonne Kendi | - | Hansard Officer III |
| 6. Ms. Faith Jully Malala | - | Public Communications Officer III |
| 7. Mr Luka Mutua | - | Sergeant-at-Arms |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------------|---|-------------------|
| 1. Mr. Stephen Karani Karanu | - | Director of Audit |
| 2. Mr. Josphat Kilemi Nkubitu | - | Principal Auditor |
| 3. Mr Ezekiel Omoro | - | Audit Associate |

NATIONAL TREASURY

- | | | |
|-------------------------|---|-------------------|
| Rev CPA Kimathi Kwiriga | - | Senior Accountant |
|-------------------------|---|-------------------|

STATE DEPARTMENT FOR LIVESTOCK

- | | | |
|-----------------------|---|----------------------------------|
| 1. Mr Jonathan Mucke | - | Principal Secretary |
| 2. Mr. Peter Mbugua | - | Parliamentary Liaison Officer |
| 3. Ms. Rachel Ndungu | - | Assistant Accountant General |
| 4. Ms Angelyne Kabasa | - | Principal Accountant |
| 5. Mr Nahum Nyawira | - | Senior Principal Finance Officer |
| 6. Mr. Joseph Nyamora | - | Deputy Accountant |

MIN.NO.NA/DAAOSC/PAC/2023/499 PRELIMINARIES

The Chairperson called the meeting to order ten minutes to three o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/500

CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmations of minutes of the previous sittings were deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/501

EVIDENCE: STATE DEPARTMENT FOR LIVESTOCK - VOTE 1162

Mr. Jonathan Mueke the Principal Secretary/Accounting Officer for the State Department for Livestock appeared before the Committee accompanied by other technical officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1440. Failure to Account for Revenue from Institutes

Receipts of Kshs.4,272,464,652 which excludes Kshs.96,356,604 collected from four (4) training institutes were spent at source. In addition, the institutes do not have a board or management.

The Accounting Officer submitted that annual budget for 2023/2024 will have the budget line for A.I.A collection from the institution and expenditure items for the same line provided for.

The Accounting Officer further indicated that the Department has now appointed a care taker committee for running of the institutions which will be fully operational once proposed Livestock Bill, which is before Cabinet, is finalized.

Committee Resolution

The Committee directed the Accounting Officer to avail the following by 8th December 2023:

- i. Authority issued by National Treasury to open a deposit account; and
- ii. A letter to reaffirm that the management board will manage all the ten (10) institutions

1441. Unsupported Prior Year Adjustments

The Accounting Officer submitted that prior year adjustments reported in the financial statement for the year 2021/2022 resulted from system errors which have now been reconciled.

The Committee directed the office of Auditor General to review the prior year adjustments and report back to the Committee within two weeks.

1442. Unsupported Accounts Payables - Retentions

Review of the retentions schedule revealed that amounts totalling to Kshs.21,922,067 have been long outstanding.

The Accounting Officer submitted that the Principal Secretary National Treasury directed that all deposit funds held for more than five years be surrendered to Treasury and the remaining balance of Kshs. 32,001,136 has not yet been claimed by the respective contractors.

Committee Resolution

The Committee directed the Accounting Officer to provide status of the retention money indicating which one has been paid and which ones are outstanding, stating the reason why they have not been paid, within two weeks.

1443. Unaccounted for Long Outstanding Imprests

The statement of assets and liabilities reflected imprests and advances of Kshs.15,494,070 which, as disclosed in Note 10 to the financial statements includes an amount of Kshs.2,112,100 relating to imprest advanced to an officer on 26 February, 2020 who deserted without surrendering the imprest.

The Accounting Officer submitted that Mr. Mukundi had been issued the imprest to undertake training for milk coolers operators in Naivasha which did not take place.

Committee Resolution

The Committee was dissatisfied with the response provided by the Accounting Officer and directed the Accounting Officer to prepare a more comprehensive reply for the next appearance detailing measures taken to recover Kshs. 2,062,057.55 from Mr. Mukundi.

1444. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects approved receipts budget and actual on comparable basis of Kshs.7,728,149,669 and Kshs.4,272,464,652 resulting in an underfunding of Kshs.3,455,685,017 or 45% of the budget.

The Accounting Officer submitted that the underfunding was as a result of non-reporting of AIA collected by SAGAs.

Committee Observation

The Committee deemed the Accounting Officer's response satisfactory, and the matter was considered resolved.

1445. Delay in Payment of Court Awards

Financial statements reflected Kshs.4,030,406,440 relating to three cases that have been awarded to plaintiffs and which Management has not settled the amounts.

The Accounting Officer submitted to have consistently sought funds from the National Treasury to settle the outstanding amount of Kshs. 4,000,000,000 pertaining Halal Meat Products. However, the National Treasury responded, expressing fiscal constraints and an inability to provide the requested fund. Additionally, for the Kshs. 25,953,160.13 pertaining to Associated Architects, the Accounting Officer submitted that funds have been reallocated and will proceed to settle the amount.

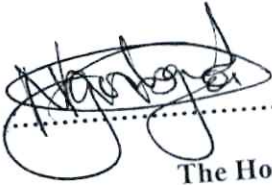
Committee Resolution

The Committee instructed the Accounting Officer to furnish comprehensive information regarding the Halal Meat Products case, elucidating the nature of the case and outlining the factors that led to the termination of the contract between the contractor and the State Department within two weeks.

MIN.NO.NA/DAAOSC/PAC/2023/502 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.45 p.m. The next meeting will be held on Tuesday, 5th December 2023, at 10.00 a.m.

Signed.....



Date

12/2/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 117TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 4TH DECEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

- | | | |
|---|---|-------------------------|
| 1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP | - | Chairperson |
| 2. The Hon. Nicholas Tindi S. Mwale, MP | - | Vice Chairperson |
| 3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP | | |
| 4. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP | | |
| 5. The Hon. (Dr.) Edwin Mugo Gichuki, MP | | |
| 6. The Hon. David Kiplagat, MP | | |
| 7. The Hon. Eckomas Mwengi Mutuse, OGW, MP | | |
| 8. The Hon. Samuel Kinuthia Gachobe, MP | | |
| 9. The Hon. Nabwera Daraja Nabii, MP | | |
| 10. The Hon. Amina Udgoon Siyad, MP | | |

ABSENT WITH APOLOGY

1. The Hon. Gabriel Gathuka Kagombe, MP
2. The Hon. Victor Kipng'etich Koech, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Yakub Adow Kuno, MP

Friend of the Committee

Hon. Farah Maalim, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|-------------------------------|---|-----------------------------------|
| 1. Mr. Abdirahman Gele Hassan | - | Clerk Assistant I |
| 2. Mr. Nimrod Njueh Mate | - | Clerk Assistant III |
| 3. Ms. Lilian Mwikali Mutiso | - | Clerk Assistant III |
| 4. Mr. Cyrille Mutali | - | Fiscal Analyst III |
| 5. Ms. Faith Jully Malala | - | Public Communications Officer III |
| 6. Ms. Yvonne Kendi | - | Hansard Reporter III |
| 7. Mr. Luka Mutua | - | Sergeant-at-Arms |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|--------------------------|---|--------------------------|
| 1. Mr. Lawlence M. Kiilu | - | Deputy Director of Audit |
| 2. Mr. Joseph K. Irungu | - | Principal Auditor |
| 3. Mr. Sammy M. Ng'ati | - | Director of Audit |
| 4. Ms. Jane W. Karimi | - | Senior Auditor |
| 5. Mr. Ezekiel O. Omoro | - | Audit Associate |

THE NATIONAL TREASURY
Rev. CPA Kimathi K. Kwiriga

Senior Accountant

STATE DEPARTMENT FOR DEVELOPMENT OF THE ARID AND SEMI-ARID LANDS
(ASALS)

- | | | |
|--------------------------|---|---|
| 1. Mr. Kello Harsama | - | Principal Secretary |
| 2. Mr. Paul Muraya | - | Secretary, Administration |
| 3. Mr. Kennedy Kinyua | - | Director of Administration |
| 4. Mr. Wanjiku Manyatta | - | Ag. Director, Regional Development |
| 5. Mr. David Mamati | - | Assistant Director, Supply Chain Management |
| 6. Mr. Paul N. Masinde | - | Chief Finance Officer |
| 7. Mr. Daniel Mwangi | - | Deputy Accountant General |
| 8. Mr. James Sakwa | - | Assistant Accountant General |
| 9. Ms. Lucy Wangari | - | Principal Finance Officer |
| 10. Mr. Kigen Kieti | - | Head of Supply Chain |
| 11. Ms. Wilfred A. Omari | - | Project Manager, KDRDIP |
| 12. Ms. Sarah Mauta | - | Project Accountant, KDRDIP |
| 13. Mr. Fredrick Juma | - | Senior Economist |
| 14. Mr. Fred Nyakundi | - | Internal Auditor |

MIN NO. NA/DAASC/PAC/2023/495

PRELIMINARIES

The Chairperson called the meeting to order at 10.25am and said a word of prayer, followed by introductions by all present.

MIN NO.NA/DAASC/PAC/2023/496

CONFIRMATION OF MINUTES OF PREVIOUS SITTING

Confirmation of minutes of the previous sitting was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/497

EVIDENCE: STATE DEPARTMENT FOR DEVELOPMENT OF THE ARID AND SEMI-ARID LANDS (ASALS) - VOTE 1035

Mr. Kello Harsama, the Principal Secretary/Accounting Officer for the State Department for Development of Arid and Semi-Arid Lands appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the year 2021/2022.

235. Unsupported Expenditure

There was use of goods and services expenditure of Kshs.1, 118,267,287. The expenditure includes the amounts of Kshs.28,493,878, Kshs.157,539,125 and Kshs.2,626,886 for routine maintenance-vehicles and other transport equipment, routine maintenance-other assets and printing and advertising

respectively all totaling Kshs.188,659,889 which were not supported with adequate relevant documents.

Submission by the Accounting Officer

The Accounting Officer admitted that there were issues of unsupported expenditure and that the Department was working towards resolving it.

Committee Observation

The Office of the Auditor-General informed the Committee that they were unable to visit the field and verify the payment vouchers due to the current floods in the country.

The Committee requested the office of the Auditor-General to analyze records and provide response on documentation in due course.

236. Unsupported Accounts Payables

There were accounts payables retention balance of Kshs.7,714,520 relating to retention for construction contracts. However, details of the constructions undertaken and their contracts that form the basis of the balance were not provided for audit.

Submission by the Accounting Officer

The Accounting Officer submitted that the unsupported accounts payable related to projects undertaken under the World Bank Project Western Kenya Community Development and Food Mitigation Programme which ended in June 2017 under the Ministry of Special Programme. The documents were therefore sourced from the said Ministry and received after audit.

The Accounting Officer reiterated that the retention monies relating to the projects were later transferred to the State Department for ASALs. Any retention money which was held over 5 years was surrendered to the National Treasury.

237. Pending Accounts Payable

There were pending accounts payables of Kshs.30,632,211 and other pending payables of Kshs.7,714,520 both totaling Kshs.38,346,731 which were not settled during the year but instead carried forward to 2022/2023 financial year. Management had not explained why the bills were not settled during the year they occurred.

Submission by the Accounting Officer

The Accounting Officer submitted that there had been delay in submitting documentation but all the required records had been given to auditors.

The Office of the Auditor-General confirmed that the figures have now been reconciled.

238. Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2022. Management has not provided reasons for the delay in resolving prior year audit issues. The Committee guided that this matter will await the PAC report of the financial year 2020/2021 that will address prior year matters sufficiently.

240. Lack of an Effective Internal Audit Function

The State Department does not have an effective internal audit function and an active Audit Committee contrary to the provisions of Section 73(1) and (5) of the Public Finance Management Act, 2012 which requires every public entity to have arrangements in place for internal audit function and Audit Committee for the purpose of carrying out in depth reviews of Management operations and internal controls.

Submission by the Accounting Officer

The Accounting Officer submitted that the Department now has an internal audit unit with three (3) officers. The appointment of a proper audit committee is in progress to be finalized by end of January 2024.

DONOR FUNDED PROJECTS

241. Inconsistencies in the Financial Statements

There were miscellaneous receipts balance of Kshs.1,503,027,234. The amount has not been disclosed in both the statement of receipts and payments and statement of cash flows for the year under review. There was no note in the financial statements to show the breakdown or composition of the miscellaneous receipts balance.

The Accounting Officer submitted that this was cash and cash equivalent brought forward of Kshs. 145,125,454 and Kshs. 1,357,901,780 recognized as a prior year adjustment.

The OAG confirmed that the balance had been adequately disclosed in the financial statements and the response was satisfactory.

Committee Observation

The Committee noted that the information had not been supplied to auditors on time. Further, the auditors noted the use of miscellaneous receipts meaning cash and cash equivalents and prior year adjustments without accompanying notes.

242. Unsupported Compensation of Employees Expenditure.

Compensation of employees' expenditure of Kshs.620, 893,048 includes an amount of Kshs.284, 277,134 which was paid to temporary employees working under the Labor Intensive Public Works (LIPW) Program in Turkana West, Wajir South and Garissa.

However, Needs Assessment Reports, Work plans, Soil Texture Tests, Site History Reports, Soil Fractional Tests or Jar Test Reports and Distribution of Seedlings Reports were not provided for audit review to confirm the effectiveness of the activities.

Submission by the Accounting Officer

The Accounting Officer submitted that the project was initiated in collaboration with the World Bank and DANIDA. It is implemented within IGAD countries and in Kenya it is in Wajir South, Turkana West, Fafi, Ladgera and Daadab and that it had been given an extension.

Committee Observation

The Committee noted that the project was susceptible to misuse of funds and lack of accountability, and that the response of the agency did not answer the audit query adequately.

Committee Resolution

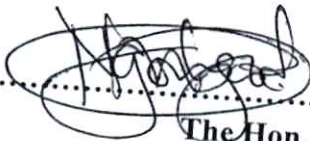
The Committee directed the Accounting Officer to provide further information on the project including expenditures in each sub-county and the community groups involved in implementing the project.

MIN NO. NA/DAASC/PAC/2023/498

ADJOURNMENT

There being no other business, the meeting was adjourned at 12.20 pm.

Signed.....



The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

Date 10/2/2024

**MINUTES OF THE 116TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 30TH NOVEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Eckomas Mwengi Mutuse, OGW, MP
10. The Hon. Mohamed Aden Adow, MP
11. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Nabwera Daraja Nabii, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Abdirahman Hassan – Clerk Assistant I
2. Mr. Nimrod Mate – Clerk Assistant III
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Mr. Cyrille Mutali – Fiscal Analyst III
5. Mr. Henry Gichana – Research Officer III
6. Ms. Yvonne Kendi – Hansard Officer III
7. Mr. Luka Mutua – Sergeant-at-Arms
8. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Ms. Josephine Wagera – Director Audit
2. Ms. Jane Chege – Principal Auditor

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTION

- | | | |
|-------------------------------|---|---|
| 1. Mr. Renson M. Ingonga, OGW | - | Director of Public Prosecution |
| 2. Mr. Nkaduda Hiribae | - | Deputy Director Central Facilitation Services |
| 3. Mr. Mediatix Rapando | - | Ag. Director Human Recourse Management |
| 4. Ms. Dorcas Oduor | - | Secretary Public Prosecution |
| 5. Ms. Zurera Zainabu | - | Senior Principal Accountant |
| 6. Mr. Victor Alenga | - | Senior Principal Prosecution Counsel |
| 7. Mr. Kioko Maundu | - | Senior Accountant |

MIN.NO. NA/DAAOSC/PAC/2023/491

PRELIMINARIES

The Chairperson called the meeting to order ten minutes to three o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/492

CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmations of minutes of the previous sittings were deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/493

EVIDENCE: OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTION - VOTE 1291

Mr. Renson M. Ingonga, OGW the Director of Public Prosecution/Accounting Officer for the Office of The Director of Public Prosecution appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1830. Discrepancies Between the Trial Balance and Financial Statements

The financial statements submitted to the office of Auditor General were in excel. The Committee instructed the Accounting Officer to submit financial statement extracted from the Integrated Financial Management System (IFMIS) to the office of Auditor General who will report back to the Committee.

1831. Unsupported Balances

The statement of receipts and payments were not supported by requisite receipts. The Committee instructed the Accounting Officer to provide certified requisite receipts and expenditure documents to the Office of the Auditor General. The Auditor General will then assess their authenticity and report the findings to the Committee.

1832. Unsupported Adjustments to the Financial Statements

The financial statements included adjustments of Kshs.41,973,353 and Kshs.82,645,890 which were not supported by respective journal vouchers and schedules. The Committee noted that the management failed to submit the relevant journal vouchers and schedules during the audit, in violation

of Section 9(1)(e) of the Public Audit Act, 2015. Consequently, the Committee instructed the Accounting Officer to consistently ensure the timely submission of financial documents during audit.

1833. Prior Year Adjustments

The Accounting Officer submitted that reconciliation relating to the district suspense and remaining uncleared imprest was in progress. The Committee instructed the Accounting Officer to furnish a list of outstanding imprest along with their current status, specifying whether they have been cleared or not. Additionally, the Committee directed the Accounting Officer to explain the reasons for any uncleared imprest and provide a timeline for their clearance. Furthermore, the Committee required the Accounting Officer to present a detailed breakdown of the unspent amount in different stations, providing a list of the stations.

1834. Non-Compliance with the One-Third of Basic Salary Rule

During the year under review, at least one hundred and sixty-three (163) employees earned a net salary of less than one third (1/3) of their basic salaries.

The Accounting Officer submitted that this was due to government tax relief during the Covid-19 pandemic. The Committee instructed the Accounting Officer to ensure adherence to Section C 1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016.

1835. Employees Acting Capacity Beyond Stipulated Period

Review of the payroll and human resources records revealed that seven (7) employees appointed in an acting capacity acted for more than six (6) months.

The Accounting Officer submitted that the Directorate was experiencing staff shortage and officers have since been appointed to the post they acted against through a competitive recruitment process.

The Committee directed the Accounting Officer to ensure compliance with statutory duration provided for in the Public Service Commission Act, 2017, which states that an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six months.

Committee Resolution

The Committee instructed the Accounting Officer to furnish evidence supporting the extension request made to the advisory board.

1836. Non-Compliance with Staff Establishment Ceiling

Review of the staff establishment revealed that four (4) job designations exceeded the approved number of staffs. The Accounting Officer submitted that the issue has been addressed as some officers in the accounts and supply chain management division have been re-deployed back to their parent ministries. The committee deemed the explanation provided by the Accounting Officer to be satisfactory.

1837. Irregular Expenditure on Overtime Allowances

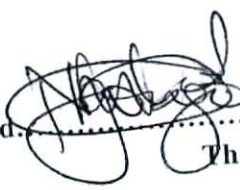
The Accounting Officer submitted that the allowance was used to facilitate lunch and supper for officers working during lunch time and late in the evening including weekends. The Committee observed that there is no legal framework governing the provision of allowances for lunches and dinners.

1838. Underutilized Leased Office Space

The Accounting Officer explained that the office spaces remained underutilized due to insufficient funds for furnishing, acquiring office equipment, and partitioning. The Committee recognized the necessity for intergovernmental cooperation to optimize the available office spaces.

MIN.NO.NA/DAAOSC/PAC/2023/494 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.05 p.m. The next meeting will be held on Monday, 4th December 2023, at 10.00 a.m.

Signed 

Date 10/1/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 115TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 30TH NOVEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

- | | | |
|---|---|-------------------------|
| 1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP | - | Chairperson |
| 2. The Hon. Nicholas Tindi S. Mwale, MP | - | Vice Chairperson |
| 3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP | | |
| 4. The Hon. (Dr.) Edwin Mugo Gichuki, MP | | |
| 5. The Hon. David Kiplagat, MP | | |
| 6. The Hon. Eckomas Mwengi Mutuse, OGW, MP | | |
| 7. The Hon. Samuel Kinuthia Gachobe, MP | | |
| 8. The Hon. Victor Kipng'etich Koech, MP | | |
| 9. The Hon. Amina Udgoon Siyad, MP | | |

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Nabwera Daraja Nabii, MP
4. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|-------------------------------|---|----------------------|
| 1. Mr. Abdirahman Gele Hassan | - | Clerk Assistant I |
| 2. Mr. Nimrod Njueh Mate | - | Clerk Assistant III |
| 3. Ms. Lilian Mwikali Mutiso | - | Clerk Assistant III |
| 4. Mr. Henry K. Gichana | - | Research Officer III |
| 5. Mr. Cyrille Mutali | - | Fiscal Analyst III |
| 6. Ms. Yvonne Kendi | - | Hansard Reporter III |
| 7. Mr. Luka Mutua | - | Sergeant-at-Arms |
| 8. Mr. Mark Mbuthia | - | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------|---|-----------------|
| Mr. Kenneth Nduri | - | Deputy Director |
|-------------------|---|-----------------|

THE NATIONAL TREASURY

- | | | |
|-----------------------------|---|-------------------|
| Rev. CPA Kimathi K. Kwiriga | - | Senior Accountant |
|-----------------------------|---|-------------------|

STATE DEPARTMENT FOR TOURISM

- | | | |
|----------------------|---|---------------------------|
| 1. Mr. John Ololtuaa | - | Principal Secretary |
| 2. Ms. Agnes Waweru | - | Deputy Accountant General |

- 3. Mr. John Chirchir - Ag. Chief Executive Officer, Kenya Tourism Board.
- 4. Mr. David G. Gitonga - Ag. Chief Executive Officer, Tourism Research Institute.
- 5. Mr. Anthony K. Mbelilo - Ag. Principal/CEO, Kenya Utalii College
- 6. Dr. Patrick Bucha - Tourism Secretary
- 7. Mr. Fredrick Jack Omondi - Director, Tourism Regulatory Authority
- 8. Ms. Jane Wanyika - Assistant Director, Supply Chain Mgt.
- 9. Mr. John Mugambi - Finance/Accounts Manager, Tourism Regulatory Authority.
- 10. Mr. Munyithya Kimwele - Parliamentary Liason Officer

MIN NO. NA/DAASC/PAC/2023/487 **PRELIMINARIES**
 The Chairperson called the meeting to order fifteen minutes to Eleven O'clock and said a word of prayer, followed by introductions by all present.

MIN NO.NA/DAASC/PAC/2023/488 **CONFIRMATION OF MINUTES OF PREVIOUS SITTING**
 Confirmation of minutes of the previous sitting was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/489 **- EVIDENCE: STATE DEPARTMENT FOR TOURISM - VOTE 1202**
 Mr. John Lekakeny Ololtuaa, the Principal Secretary/Accounting Officer for the State Department for Tourism appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the year 2021/2022.

1691. Unreconciled Transfers to Other Government Units.
 There were transfers to other government units of Kshs.1, 225,600,000 and a variance of Kshs.11, 243,332. The Accounting Officer submitted that the anomaly was as a result of an error in data capture during disbursements.
 The Office of the Auditor-General confirmed that the reconciliation was done.

1692. Unsupported Payment of Deposits.
 Supporting documents for payment of Kshs.20, 591,158 from deposit account to a local Company was not provided for audit review.
 The Accounting Officer submitted that the amount was payment of retention as a result of completion of Mama Ngina water front and cultural district project in Mombasa County.

Committee Observation

- i. The Committee noted that necessary documents were not provided to auditors during the audit process; and
- ii. The Office of the Auditor-General confirmed that the documents were now availed for audit verification and were satisfied.

1693. Use of Goods and Services - Design and Procurement of Government Calendars.

There was Kshs.237,870,098 relating to use of goods and services which included an amount of Kshs.28,434,062 in respect to specialized materials and services which in turn includes an amount of Kshs.10,000,000 for design and printing of calendars.

The Accounting Officer submitted that the State Department transferred Ksh.10 million of its budget to the Kenya Tourism Board (KTB) due to their competitive advantage in regard to marketing. The Calendars were meant to market Kenya as a Tourist destination and KTB was better placed to design and print.

The Accounting Officer reiterated that the Department transferred the authority to print the calendars to KTB through an AIE as required by law.

1694. Undisclosed Revenue in the Financial Statements.

There was revenue amounting to Kshs.1, 494,050 at the Mama Ngina Waterfront. However, the State Department had not budgeted to collect any revenue during the year under review and the revenue collected was not disclosed in the financial statements.

The Accounting Officer submitted that the amount was captured the following year as Appropriation-in-Aid (A.I.A).

The Accounting Officer also submitted that Mama Ngina waterfront was created via gazette Notice and managed by a board.

Committee Resolution

The Committee was concerned with the legality of Mama Ngina water front as a government entity and its authority to collect revenue, and directed the Accounting Officer to provide the following: -

- i. The legal status of Mama Ngina waterfront and the legality of fees collected;
- ii. The manner in which monies were collected; and
- iii. Internal controls instituted to ensure no loss of public funds.

1695. Non-Disclosure of Pending Bills.


The State Department had several active court cases on which judgements had been delivered while others were still ongoing. However, the Management did not recognize the ongoing cases as contingent liabilities. Further, a balance of Kshs.5, 391,020 was omitted from the list of pending bills.

The Accounting Officer confirmed that the cases have now been disclosed as contingent liabilities in their financial statements and that the delay was due to lack of authority to pay from the National Treasury.

The Accounting Officer also submitted that authority was not given by the Attorney General at that time but now its granted and monies allocated through the 2023/24 Supplementary estimates 1.

MIN NO. NA/DAASC/PAC/2023/490 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.20 pm.

Signed.....


Date 10/2/2024.

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 114TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 28TH NOVEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. Yakub Adow Kuno, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Gabriel Gathuka Kagombe, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. Eckomas Mwangi Mutuse, OGW, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Abdirahman Hassan – Clerk Assistant I
2. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
3. Mr. Henry Gichana – Research Officer III
4. Mr. Peter Atsiaya – Media Relations Officer III
5. Mr. Luka Mutua – Sergeant-at-Arms
6. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Ms. Linet Bosire – Deputy Director
2. Mr. Samuel Nyamamba – Principal Auditor

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR SOCIAL SECURITY AND PROTECTION

1. Mr. Mogosi J. Motari, MBS – Principal Secretary
2. Mr. Moses M. Kamau – Director, Social Assistance
3. Mr. Shem Nyakutu – Secretary Children
4. Mr. Benard Sabwami – Head of Accounting Unit
5. Mr. Batista Nyanjara – Head of Finance
6. Ms. Anne Wangari Njoroge – Deputy Internal Auditor General
7. Mr. John Kinyua Kuria – Deputy Director Human Resource Management
8. Ms. Jane Muthuri – Finance Officer
9. Ms. Ann mwania – Accountant

- | | | |
|------------------------|---|---|
| 10. Mr. Zachari Babara | - | Principal Programmer |
| 11. Mr. Pius Ondachi | - | Personal Secretary to the Principal Secretary |
| 12. Mr. Kigen Daniel | - | Photographer |

MIN.NO. NA/DAAOSC/PAC/2023/483 PRELIMINARIES

The Chairperson called the meeting to order twenty-five minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/484 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmations of minutes of the previous sitting was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/485 EVIDENCE: STATE DEPARTMENT FOR SOCIAL SECURITY AND PROTECTION- VOTE 1185

Mr. Mogosi J. Motari, MBS, the Principal Secretary/Accounting Officer for the State Department for Social Security and Protection, appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1634. Overpayment of Transfers

Payments from the consolidated cash transfer programme data revealed unexplained amount of Kshs.13,717,000. The Accounting Officer submitted that the difference was as a result of Nutritional Improvement through Cash for Health and Education (NICHE) top ups to eligible beneficiaries under Inua Jamii. The Committee directed the Accounting Officer to harmonize the cash transfer manuals and NICHE manual to avoid such discrepancies in future.

1635. Lack of an Effective Internal Audit Function

The State Department lacked an active Audit Committee contrary to the provisions of Sections 73(1) and (5) of the Public Finance Management Act, 2012. The Accounting Officer submitted that the audit committee was inactive due to shortage of financial resources, which impeded committee's induction.

The Committee instructed the Accounting Officer to maintain an operational audit committee, comprised of qualified personnel, to consistently assess the systems.

1636. Lack of an Approved Training Plan

The State Department did not provide a training plan for audit verification. The Committee observed laxity in the State department for not providing a training plan during the audit. Consequently, it instructed the Accounting Officer to consistently ensure the timely submission of all financial documents to the Auditor General's office during the audit process.

1637. Anomalies in the Summary of the Fixed Asset Register

The State Department had thirty-six (36) parcels of land spread across the country but whose ownership documents were not provided for audit verification.

The Accounting Officer submitted that six (6) out of the thirty-six (36) parcels of land now possess title deeds, while the processing of title deeds for the remaining parcels was underway.

The Accounting Officer reiterated that the management made significant efforts to secure all its parcels of land, which are at different level of documentation process.

The Accounting Officer assured the Committee that documentation for all thirty-six (36) parcels of land, along with their respective valuations, would be completed by April 2024.

1638. Unsupported Payments

The completeness, accuracy and propriety of the expenditure of Kshs.95,166,060 which includes domestic travel, subsistence and other transportation cost could not be confirmed.

The Committee instructed the Accounting Officer to establish a standardized procedure for disbursing funds to field officers, ensuring a system that minimizes the potential for abuse and prevents the wastage of public resources.

1639. Cash and Cash Equivalents

Bank balances of Kshs.230,178,868, was not supported with bank reconciliation statements. The Accounting Officer explained that the delay in providing the bank reconciliation during the audit was attributable to the project accountant's hospitalization due to a terminal illness. A replacement project accountant has now been appointed.

The Committee found the explanation given by the Accounting Officer satisfactory.

1640. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects underfunding of Kshs.2,274,230,573 or 13% of the budget. The Accounting Officer submitted that the underfunding and under expenditure was occasioned by the delay in release of exchequer. The Committee instructed the Accounting Officer to submit proof of their exchequer request to the National Treasury by Tuesday, 5th December 2023.

1641. Irregular Recruitment of Project Co-ordination Assistant

The Committee instructed the Office of the Auditor General to examine the Terms of Reference (TORs) to verify the consultant's recruitment process and present their findings to the Committee.

1642. Non-Payment to Beneficiaries in the Economic Inclusion Programme

The State Department did not provide reconciliation to explain the failure to pay two thousand seven hundred eighty-five (2,785) beneficiaries.

The Accounting Officer submitted that some beneficiaries had exited the program while some beneficiaries' accounts had not been submitted to the consolidated cash transfer programme.

Committee Resolution

The Committee instructed the Accounting Officer to furnish a detailed breakdown of program beneficiaries who have exited the program and those whose accounts have not been submitted to the consolidated cash transfer program.

1643. Irregular Payments

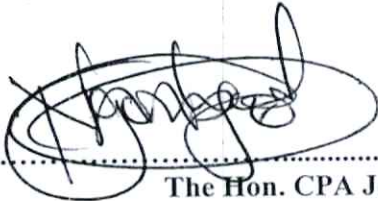
The statement of receipts and payments reflected an overpayment of Kshs.2,076,200 resulting from the use of County rates instead of Sub-County rates where actual trainings were undertaken.

The Accounting Officer submitted that the amount was used to cater for transport for officers who could not find an accommodation in the areas they were conducting the trainings.

MIN.NO.NA/DAAOSC/PAC/2023/486 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.10 p.m. The next meeting will be held on Thursday, 30th November 2023, at 10.00 a.m.

Signed.....



Date 16/11/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 113TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 24TH NOVEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 2.30 P.M.**

PRESENT

1. The Hon. Nabwera Daraja Nabii, MP - *Chairing*
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Mohamed Aden Adow, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP - Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP - Vice Chairperson
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
5. The Hon. Gabriel Gathuka Kagombe, MP
6. The Hon. Amina Udgoon Siyad, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Eckomas Mweni Mutuse, OGW, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Abdirahman Hassan - Clerk Assistant I
2. Mr. Nimrod Mate - Clerk Assistant III
3. Ms. Lilian Mwikali Mutiso - Clerk Assistant III
4. Ms. Yvonne Kendi - Hansard Officer III
5. Mr. Mark Mbuthia - Audio Officer III

MIN.NO. NA/DAAOSC/PAC/2023/478 PRELIMINARIES

In the absence of the Chairperson and Vice-Chairperson, the Members present elected the Hon. Nabii Daraja Nabwera, MP, to take the Chair, pursuant to Standing Order 188. The session Chairperson called the meeting to order quarter to three o'clock and said a word of prayer, followed by introductions.

**MIN.NO.NA/DAAOSC/PAC/2023/479 CONFIRMATION OF MINUTES OF PREVIOUS
SITTINGS**

The Minutes of previous meetings were confirmed as follows: -

1. Minutes of 111th Sitting held on Tuesday, 21st November 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Samuel Gachobe, MP and seconded by the Hon. (Dr.) Edwin Mugo, MP; and

2. Minutes of 112th Sitting held on Thursday, 23rd November 2023, were confirmed as a true record of proceedings having been proposed by the Hon (Dr.) Edwin Mugo, MP and seconded by the Hon. Samuel Gachobe, MP.

MIN.NO.NA/DAAOSC/PAC/2023/480 MATTERS ARISING

There were no matters that arose from confirmations of minutes of previous Sittings.

MIN.NO.NA/DAAOSC/PAC/2023/481 EVIDENCE: STATE DEPARTMENT FOR SPORTS

The Committee was scheduled to meet with the Principal Secretary, State Department for Sports to examine the report of the Auditor General on the accounts of the National Government for the fiscal year ended 30th June, 2022.

The Committee was informed that the Accounting Officer vide a letter reference MOYAS/SDS/AC/II VOL. 1/(13) dated 24th November, 2023 requested for rescheduling of the meeting. The letter was received by the National Assembly on Monday, 27th November 2023; the day of the meeting.

The Committee was concerned that the request to reschedule the meeting contravened the requirement for stakeholders to submit such requests at least three (3) working days before the date of the meeting.

The Committee was also dissatisfied with the reason provided for rescheduling of the meeting. The letter indicated that the Principal Secretary was attending Kenya Innovation week on the same date.

The Committee noted that there was need to caution Agencies to adhere to timelines provided as rescheduling of meetings disrupts the Committee's schedule of work.

The Members present deliberated on the matter and resolved the following: -

- i. Invite the Accounting Officer for a meeting on Thursday, 30th November 2023, at 9.00 a.m. to consider his failure to appear before the Committee as scheduled; and
- ii. Deliberate on the matter further in its next meeting.

MIN.NO.NA/DAAOSC/PAC/2023/482 ADJOURNMENT

There being no other business, the meeting was adjourned at 3.35 p.m. The next meeting will be held on Tuesday, 28th November 2023, at 10.00 a.m.

Signed



Date

15/2/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 112TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 23RD NOVEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 11.30 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Eckomas Mwengi Mutuse, OGW, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Nabwera Daraja Nabii, MP
5. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Abdirahman Hassan – Clerk Assistant I
2. Mr. Nimrod Mate – Clerk Assistant III
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Mr. Henry Gichana – Research Officer III
5. Ms. Yvonne Kendi – Hansard Officer III
6. Ms. Faith Jully Malala – Public Communications Officer III
7. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Ms. Pamela Mugalisi – Deputy Director of Audit
2. Mr. Timothy Komen – Principal Auditor
3. Mr. Samuel Nyamamba – Principal Auditor
4. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

COMMISSION ON REVENUE ALLOCATION

1. CPA James Katule – Chief Executive Officer
2. CPA Mary Wanyonyi Chebukati – Chairperson, CRA
3. Dr. Isabel Waiyaki – Commissioner, CRA
4. Ms. Hadija Juma – Commissioner, CRA
5. Ms. Angela Kariuki – Director Cooperate Services
6. Ms. Karen Muka – Deputy Director Internal Audit

- | | | |
|---------------------------|---|---|
| 7. Mr. William Birech | - | Manager Human Resource and Administration |
| 8. Ms. Caroline Kinyulusi | - | Manager, CKM |

VISITING DELEGATION FROM THE PARLIAMENT OF UGANDA

- | | | |
|-------------------------------|---|--|
| 1. Mr. Joel Ssenyonyi | - | Member of Parliament Uganda |
| 2. Mr. Kiwanuka Abdallah | - | Member of Parliament Uganda |
| 3. Ms. Linda Irene | - | Member of Parliament Uganda |
| 4. Ms. Akello Lusy | - | Member of Parliament Uganda |
| 5. Mr. Itungo Nathan | - | Member of Parliament Uganda |
| 6. Mr. Wandwasi Robert | - | Member of Parliament Uganda |
| 7. Mr. Kunya Willie Ssalongo | - | Senior Auditor Uganda |
| 8. Ms. Lawino Rachel | - | Economist Budget, Parliament of Uganda |
| 9. Mr. Samuel Musava | - | Manager, Parliament of Uganda |
| 10. Mr. Mohammed Rukidi Mpuga | - | Clerk Assistant, Parliament of Uganda |

MIN.NO. NA/DAAOSC/PAC/2023/473 **PRELIMINARIES**

The Chairperson called the meeting to order forty minutes past eleven o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/474 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of the previous sitting was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/475 **EVIDENCE: COMMISSION ON REVENUE ALLOCATION - VOTE 2061**

Mr. James Katule, the Chief Executive Officer /Accounting Officer for the Commission on Revenue Allocation appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1927. Irregular Promotions of Staff Based on an Unapproved Salary Structure

The Commission on Revenue Allocation implemented a new salary structure and accorded direct promotion to fourteen (14) staff members without the necessary approval from the Salaries and Remuneration Commission.

Committee Observations and Findings

The Committee observed that the Commission acted contrary to Article 230 Clause 4(b) of the Constitution of Kenya which provides that the power and function of SRC shall be to advise the National and County Governments on the remuneration and benefits of all other public officers.

The Committee noted that the Commission promoted staff without the approval from the Salary and Ruminaton Commission hence the Management was in breach of the law.

Committee Resolutions

The Committee instructed the Accounting Officer to furnish, within a week, the specific figures pertaining to the expenditures incurred as a result of promoting the fourteen (14) staff members, exceeding the anticipated spending limit.

The Committee directed the Accounting Officer to outline, within a week, the criteria employed for the promotion of the fourteen (14) staff members.

MIN.NO.NA/DAAOSC/PAC/2023/476

**DELIBERATIONS WITH MEMBERS OF THE
PUBLIC AUDIT COMMITTEE FROM THE
PARLIAMENT OF UGANDA**

Members noted certain similarities in the composition, roles, and mandates of the Public Accounts committees in both countries. The notable one is the responsibility of these committees to oversee government expenditure, to ensure value for money and adherence to government financial regulations and procedures. They also acknowledged the challenges they encounter in the implementation of their recommendations.

MIN. NO. NA/DAAOSC/PAC/2023/477

ANY OTHER BUSINESS

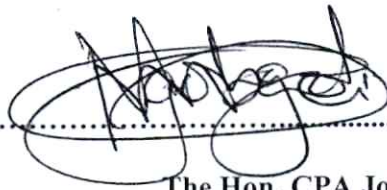
The Members noted the failure by the Auditor General to appear before the Committee on Thursday, 23rd November, 2023. It was resolved therefore, another invitation be issued to the Auditor General to give status of the forensic and special audit on fertilizer subsidy programme in the country, capitation and infrastructure in schools across the country and the expenditure incurred under Article 223 of the Constitution for the Financial Year 2022/2023.

MIN.NO.NA/DAAOSC/PAC/2023/478

ADJOURNMENT

There being no other business, the meeting was adjourned at 1.50 p.m.

Signed.....



Date

18/11/2024

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 111TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 21ST NOVEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP - **Chairperson**
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. Nabwera Daraja Nabii, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP - **Vice Chairperson**
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Gabriel Gathuka Kagombe, MP
6. The Hon. Amina Udgoon Siyad, MP
7. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Abdirahman Gele Hassan - Clerk Assistant I
2. Mr. Nimrod Njueh Mate - Clerk Assistant III
3. Ms. Lilian Mwikali Mutiso - Clerk Assistant III
4. Ms. Faith Jully Malala - Public Communications Officer III
5. Mr. Henry K. Gichana - Research Officer III
6. Mr. Mark Mbuthia - Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. James Ngure - Principal Auditor
2. Mr. Paul Kagwanja - Principal Auditor
3. Ms. Jane Karimi - Senior Auditor
4. Mr. Ezekiel Omoro - Audit Associate

THE NATIONAL TREASURY

- Rev. CPA Kimathi K. Kwiriga - Senior Accountant

STATE DEPARTMENT FOR ASALS AND REGIONAL DEVELOPMENT

- | | | |
|-----------------------------|---|------------------------------------|
| 1. Mr. Kello Harsame | - | Principal Secretary |
| 2. Mr. Wycliffe Ochiaga | - | MD, Lake Basin Dev. Authority |
| 3. Ms. Wanjiku Manyatta | - | Ag. Director, Regional Development |
| 4. Mr. Kimuyu Kennedy | - | Deputy Accountant, ASALs |
| 5. Mr. Wilfred A. Omari | - | Project Manager (KDL DIP) |
| 6. Mr. Daniel Mwangi | - | Accountant |
| 7. Mr. Kigen Kieti | - | Head, Supply Chain Management |
| 8. Mr. James M. Sakwa | - | Assistant Accountant General |
| 9. Ms. Sarah Mauta | - | Project Accountant |
| 10. Mr. Fred Nyakumi | - | Internal Auditor |
| 11. Ms. Christine Otieno | - | Directorate Services (LBDA) |
| 12. Mr. Wilson Omulo | - | Project Manager (KUSFID) |
| 13. Mr. Fredrick Owino Juma | - | Senior Economist |

MIN NO. NA/DAASC/PAC/2023/467

PRELIMINARIES

The Chairperson called the meeting to order at 10.20am and said a word of prayer, followed by introductions by all present.

MIN NO.NA/DAASC/PAC/2023/468

CONFIRMATION OF MINUTES OF PREVIOUS SITTING

Minutes of 110th Sitting held on Thursday, 16th November 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Victor Koech, MP and seconded by the Hon. Nabii Nabwera, MP.

MIN NO. NA/DAASC/PAC/2023/469

MATTERS ARISING

There were no matters that arose from confirmations of minutes of previous sitting.

MIN.NO.NA/DAAOSC/PAC/2023/470

- EVIDENCE: STATE DEPARTMENT FOR DEVELOPMENT OF THE ARID AND SEMI-ARID LANDS (ASALS) - VOTE 1035

Mr. Kello Harsame, the Principal Secretary/Accounting Officer for the State Department for ASALs appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the year 2021/2022.

235. Unsupported Expenditure.

There were amounts of Kshs.28,493,878, Kshs.157,539,125 and Kshs.2,626,886 for routine maintenance-vehicles and other transport equipment, routine maintenance-other assets and printing and advertising respectively totaling Kshs.188,659,889 which were not supported with adequate relevant documents.

Committee Observations

- i. The Committee observed that there was no evidence of transfer of funds to district treasuries;
- ii. The Committee also observed that there were numerous cases of monies given as imprest to officers instead of maintenance of assets;
- iii. The Committee also noted that the expenses were not well documented, and that necessary documents were not availed to auditors on time for verification; and
- iv. The Committee further noted that the explanation was insufficient and that the Accounting Officer was not prepared adequately to respond to the audit query.

Committee Resolution

The Committee directed the Accounting Officer to prepare adequately for the meeting and provide new response to the audit query in due course.


MIN NO. NA/DAASC/PAC/2023/471 A.O.B

The Committee resolved to meet the Accounting Officer, State Department for Roads in two week's time in order to examine the report of the Auditor-General on National Government for the financial year 2021/2022.

MIN NO. NA/DAASC/PAC/2023/472 ADJOURNMENT

There being no other business, the meeting was adjourned at 11.10 am.

Signed.....



**The Hon CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

Date

24/11/2023.

**MINUTES OF THE 110TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 16TH NOVEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP - **Vice Chairperson**
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. David Kiplagat, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. The Hon. Samuel Kinuthia Gachobe, MP
8. The Hon. Nabwera Daraja Nabii, MP
9. The Hon. Victor Kipng'etich Koech, MP
10. The Hon. Yakub Adow Kuno, MP
11. The Hon. Gabriel Gathuka Kagombe, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP - **Chairperson**
2. The Hon. Amina Udgoon Siyad, MP
3. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke Imbo - Senior Clerk Assistant/Lead Clerk
2. Mr. Abdirahman Gele Hassan - Clerk Assistant I
3. Mr. Nimrod Njueh Mate - Clerk Assistant III
4. Mr. Henry K. Gichana - Research Officer III
5. Mr. Mark Mbuthia - Audio Officer III
6. Ms. Yvonne Kendi - Hansard Reporter III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Stephen Taiku - Deputy Director of Audit
2. Mr. Paul Kagwanja - Principal Auditor
3. Mr. Andrew M. Njuguna - Principal Auditor

THE NATIONAL TREASURY

- Rev. CPA Kimathi K. Kwiriga - Senior Accountant

THE JUDICIARY

- | | | |
|--------------------------|---|--|
| 1. Ms. Anne Amadi | - | Chief Registrar of the Judiciary |
| 2. Mr. Paul Maina | - | Deputy Chief Registrar Judiciary |
| 3. Mr. Wycliffe Wanga | - | Director Accounts |
| 4. Mr. Ronald W. Wanyama | - | Director Audit and Risk Management |
| 5. Mr. David Ruto | - | Assistant Director, Quantity Surveying |
| 6. Ms. Sharon Mwayuli | - | Personnel Manager |

MIN NO. NA/DAASC/PAC/2023/461 PRELIMINARIES

The Hon. Nicholas Tindi Mwale, MP, Vice Chairperson, called the meeting to order at 10.19 a.m. and said a word of prayer, followed by introductions by all present.

MIN NO. NA/DAASC/PAC/2023/462 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

The Minutes of previous meetings were confirmed as follows:-

1. Minutes of 97th Sitting held on Tuesday, 17th October 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Victor Koech, MP and seconded by the Hon. Nabii Nabwera, MP.
2. Minutes of 98th Sitting held on Thursday, 19th October 2023 (morning), were confirmed as a true record of proceedings having been proposed by the Hon. Nabii Nabwera, MP and seconded by the Hon. Victor Koech, MP.
3. Minutes of 99th Sitting held on Thursday, 19th October 2023 (afternoon), were confirmed as a true record of proceedings having been proposed by the Hon. Wilberforce Oundo, MP and seconded by the Hon. Eckomas Mutuse, MP.
4. Minutes of 100th Sitting held on Tuesday, 24th October 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Wilberforce Oundo, MP and seconded by the Hon. Nabii Nabwera, MP.
5. Minutes of 101st Sitting held on Monday, 30th October 2023 (morning), were confirmed as a true record of proceedings having been proposed by the Hon. Victor Koech, MP and seconded by the Hon. Nabii Nabwera, MP.
6. Minutes of 102nd Sitting held on Monday, 30th October 2023 (afternoon), were confirmed as a true record of proceedings having been proposed by the Hon. Wilberforce Oundo, MP and seconded by the Hon. Nabii Nabwera, MP.

7. Minutes of 103rd Sitting held on Tuesday, 31st October 2023 (morning), were confirmed as a true record of proceedings having been proposed by the Hon. Victor Koech, MP and seconded by the Hon. Wilberforce Oundo, MP.
8. Minutes of 104th Sitting held on Tuesday, 31st October 2023 (afternoon), were confirmed as a true record of proceedings having been proposed by the Hon. Nabii Nabwera, MP and seconded by the Hon. Victor Koech, MP.
9. Minutes of 105th Sitting held on Wednesday, 1st November 2023 (morning), were confirmed as a true record of proceedings having been proposed by the Hon. Wilberforce Oundo, MP and seconded by the Hon. Victor Koech, MP.
10. Minutes of 106th Sitting held on Wednesday, 1st November 2023 (afternoon), were confirmed as a true record of proceedings having been proposed by the Hon. Nabii Nabwera, MP and seconded by the Hon. Victor Koech, MP.
11. Minutes of 107th Sitting held on Thursday, 2nd November 2023 (morning), were confirmed as a true record of proceedings having been proposed by the Hon. Wilberforce Oundo, MP and seconded by the Hon. Nabii Nabwera, MP.
12. Minutes of 108th Sitting held on Thursday, 2nd November 2023 (afternoon), were confirmed as a true record of proceedings having been proposed by the Hon. Victor Koech, MP and seconded by the Hon. Wilberforce Oundo, MP.
13. Minutes of 109th Sitting held on Tuesday, 14th November 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Nabii Nabwera, MP and seconded by the Hon. Wilberforce Oundo, MP.

MIN NO. NA/DAASC/PAC/2023/463 MATTERS ARISING

There were no matters that arose from confirmations of minutes of previous sittings.

MIN NO. NA/DAASC/PAC/2023/464 ADOPTION OF THE REPORT ON EXAMINATION OF THE AUDITOR GENERAL'S REPORT OF FINANCIAL STATEMENTS FOR THE YEAR 2020/2021

The Committee members presented unanimously adopted the report on examination of the Auditor General's report for the National Government for the year 2020/2021, having been proposed by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and the Hon. Victor Kipng'etich Koech, MP.

MIN.NO.NA/DAAOSC/PAC/2023/465 EVIDENCE: THE JUDICIARY - VOTE 1261

The Chief Registrar/Accounting Officer of the Judiciary Ms. Anne Amadi appeared before the Committee accompanied by other officers to respond to audit queries for the Financial Year 2021/2022.

1810. Contingent Liabilities

Kshs.1,088,021,644 relating to courts and arbitration awards from disputes between the Judiciary and various contractors who had been awarded contracts for construction of court buildings.

The Accounting Officer submitted that the balance of court awards was Ksh.272,734,349.32 and was scheduled to be paid this financial year.

Committee Observations

The Committee was concerned that the amounts due may attract interest and penalties and directed the Accounting Officer to ensure the balance is cleared soon possible.

1811. Delayed Completion of Development Projects

Construction works for eight (8) projects with a contract sum of Kshs.505,496,668 had not been completed.

The Accounting Officer submitted that this was mainly due to budget cuts and late exchequer releases.

Committee Observations

The Committee noted that the projects took too long to be completed, and directed the Accounting Officer to provide a report on amount spent when the contract was abandoned, new tender sum for remaining works, the current status of implementation and intended completion timeline, in two week's time.

1817. Budgetary Control and Performance

There was an underfunding of Kshs.294,940,059 or 30% of the budget affecting planned activities.

Committee Observations

The Committee noted that donor funds were not utilized as planned ending up in allocation from exchequer.

1818. Delayed Implementation and Completion of Projects

Seven (7) projects with a total contract sum of Kshs.826,329,820 and total amount paid of Kshs.644,229,158 remained incomplete as at 30 June, 2022.

Committee Resolution

The Committee requested the Accounting Officer to provide expected project completion date and status of mentioned boreholes in two week's time. The Committee also requested the Office of the Auditor-General to verify if the Ksh.644 million was utilized properly.

MIN NO. NA/DAASC/PAC/2023/466 **A.O.B**

1. **Special Audits** - The Committee resolved to request for special audits on the following areas: -
 - i. Construction/Renovation of stadia across the Country, and sums expended in the 2023 World Rally Championship; and
 - ii. Importation of edible oils.

2. **Meeting with the Auditor-General** - The Committee resolved to meet with the Auditor-General to consider status of various special audits requested by the Committee.

MIN NO. NA/DAASC/PAC/2023/467 **ADJOURNMENT**

There being no other business, the meeting was adjourned at 12.30 p.m.

Signed.....

Date ...21-11-2023

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 109TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 14TH NOVEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00AM.**

PRESENT

- | | | |
|---|---|--------------------|
| 1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP | - | Chairperson |
| 2. The Hon. Nicholas Tindi S. Mwale, MP | - | Vice-Chair |
| 3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP | | |
| 4. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP | | |
| 5. The Hon. David Kiplagat, MP | | |
| 6. The Hon. Samuel Kinuthia Gachobe, MP | | |
| 7. The Hon. Nabwera Daraja Nabii, MP | | |
| 8. The Hon. Yakub Adow Kuno, MP | | |

ABSENT WITH APOLOGY

1. The Hon. Amina Udgoon Siyad, MP
2. The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Victor Kipng'etich Koech, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|--------------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke Imbo | - | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Abdirahman Gelle Hassan | - | Clerk Assistant I |
| 3. Mr. Lenny Muchangi | - | Legal Counsel II |
| 4. Mr. Nimrod Njueh Mate | - | Clerk Assistant III |
| 5. Mr. Henry K. Gichana | - | Research Officer III |
| 6. Mr. Mark Mbuthia | - | Audio officer III |
| 7. Ms. Yvonne Kendi | - | Hansard Reporter III |
| 8. Mr. Luka Mutua | - | Seargent at Arms |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------|---|-------------------|
| Mr. Paul Kagwanja | - | Principal Auditor |
|-------------------|---|-------------------|

THE NATIONAL TREASURY

- | | | |
|-----------------------------|---|-------------------|
| Rev. CPA Kimathi K. Kwiriga | - | Senior Accountant |
|-----------------------------|---|-------------------|

MIN NO. NA/DAASC/PAC/2023/457

PRELIMINARIES

The Chairperson called the meeting to order at 10.20am and said a word of prayer.

MIN NO. NA/DAASC/PAC/2023/458

CONFIRMATION OF MINUTES OF
PREVIOUS SITTINGS.

Confirmation of minutes of the previous meetings was deferred to the next sitting.

MIN NO. NA/DAASC/PAC/2023/459

CONSIDERATION OF THE REPORT ON
EXAMINATION OF THE REPORT OF THE
AUDITOR GENERAL OF FINANCIAL

STATEMENT

FOR THE YEAR 2020/2021


Members considered the committee's report on the Examination of the Auditor General's report of Financial Statements for the year 2020/2021, with regard to the accounts of the State Department for Regional and Northern Corridor Development, State Law office and Department of Justice, The Judiciary, Ethics and Anti Corruption Commission. Witness Protection Agency, The National land Commission, Independent Electoral and Boundaries Commission, Parliamentary Service Commission, the National Assembly, Parliamentary Joint Service, Teachers Service Commission, Commission on Administrative Justice and the National Police Service.

Observations and recommendations are contained in the draft report.

MIN NO. NA/DAASC/PAC/2023/460

ADJOURNMENT

There being no other business, the meeting was adjourned at 12.50pm. The next meeting will be held on Thursday 16th November 2023.

for:
Signed.....

Date 16-11-23.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 108TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 2ND NOVEMBER 2023, AT GRAND ROYAL HOTEL, KISUMU
COUNTY, AT 2.00 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Gabriel Gathuka Kagombe, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. Mohamed Aden Adow, MP
8. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. David Kiplagat, MP
4. The Hon. Yakub Adow Kuno, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Florence Abonyo – Director, Committee Services
2. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
3. Mr. Nimrod Mate – Clerk Assistant III
4. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
5. Mr. Cyrille Mutali – Fiscal Analyst III
6. Mr. Henry Gichana – Research Officer III
7. Ms. Yvonne Kendi – Hansard Officer III
8. Mr. Luka Mutua – Sergeant-at-Arms

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Paul Kagwanja – Principal Auditor
2. Mr. Ezekiel Omore – Audit Associate

THE NATIONAL TREASURY

1. Mr. Simon K. Kiriiba – Deputy Accountant General
2. Rev. CPA Kimathi Kwiriga – Senior Accountant

MIN.NO.NA/DAAOSC/PAC/2023/453 PRELIMINARIES

The Chairperson called the meeting to order fifteen minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/454 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/455 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2020/2021

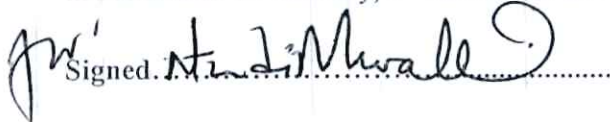
Members considered the Committee's report on the examination of the Auditor-General's report on the financial statements for the year 2020/2021, with regard to the accounts of the State Department for Petroleum, State Department for Tourism, State Department for Wildlife, State Department for Gender, State Department for Public Service, State Department for Youth affairs and the State Department for East African Community.

Observations and recommendations are contained in the report.

Members resolved to convene in Nairobi and complete examination of reports for the outstanding state departments, and those donor projects for state departments that had no submissions.

MIN.NO.NA/DAAOSC/PAC/2023/456 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.00 p.m. The next meeting will be held in Parliament on Tuesday, 7th November 2023, at 10.00 a.m.

Signed. 

Date 16-11-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 107TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 2ND NOVEMBER 2023, AT GRAND ROYAL HOTEL, KISUMU
COUNTY, AT 9.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Gabriel Gathuka Kagombe, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. Mohamed Aden Adow, MP
8. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. David Kiplagat, MP
4. The Hon. Yakub Adow Kuno, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Florence Abonyo – Director, Committee Services
2. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
3. Mr. Nimrod Mate – Clerk Assistant III
4. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
5. Mr. Cyrille Mutali – Fiscal Analyst III
6. Mr. Henry Gichana – Research Officer III
7. Ms. Yvonne Kendi – Hansard Officer III
8. Mr. Luka Mutua – Sergeant-at-Arms

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Paul Kagwanja – Principal Auditor
2. Mr. Ezekiel Omoro – Audit Associate

THE NATIONAL TREASURY

1. Mr. Simon K. Kiriiba – Deputy Accountant General
2. Rev. CPA Kimathi Kwiriga – Senior Accountant

MIN.NO. NA/DAAOSC/PAC/2023/449 PRELIMINARIES

The Chairperson called the meeting to order at nine o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/450 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

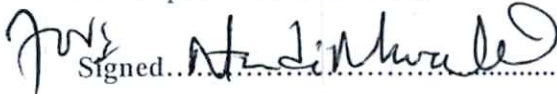
MIN.NO.NA/DAAOSC/PAC/2023/451 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2020/2021

Members discussed the Committee's report on the examination of the Auditor-General's report on the financial statements for the year 2020/2021, with regard to the accounts of State Departments for Trade and Enterprise, Industrialization, Labour, Social Protection, and Mining.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2023452 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.00 p.m. The next meeting will be held at 2.00 pm in the same venue.

Signed.....


Date 16-11-23.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 106TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON WEDNESDAY, 1ST NOVEMBER 2023, AT GRAND ROYAL HOTEL, KISUMU
COUNTY, AT 2.00 P.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Mohamed Aden Adow, MP
9. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Florence Abonyo – Director, Committee Services
2. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
3. Mr. Nimrod Mate – Clerk Assistant III
4. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
5. Mr. Cyrille Mutali – Fiscal Analyst III
6. Mr. Henry Gichana – Research Officer III
7. Ms. Yvonne Kendi – Hansard Officer III
8. Mr. Luka Mutua – Sergeant-at-Arms

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Paul Kagwanja – Principal Auditor
2. Mr. Ezekiel Omoro – Audit Associate

THE NATIONAL TREASURY

1. Mr. Simon K. Kiriiba – Deputy Accountant General
2. Mr. Paul Kimani – Assistant Accountant General
3. Rev. CPA Kimathi Kwiriga – Senior Accountant

MIN.NO. NA/DAAOSC/PAC/2023/445 PRELIMINARIES

The Chairperson called the meeting to order at two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/446 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/447 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2020/2021

Members deliberated on the Committee's report on the examination of the Auditor-General's report on the financial statements for the year 2020/2021, with regard to the accounts of the Ministry of Energy and State Departments for Sports, Culture and Heritage, Livestock, Fisheries, Aquaculture and the Blue Economy, and Crop development and Agricultural Research.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2023/448 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.00 p.m. The next meeting will be held on Thursday, 2nd November 2023, at 9.00 a.m. in the same venue.

for:
Signed. John Mbadi Ng'ong'o

Date 16-11-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 105TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON WEDNESDAY, 1ST NOVEMBER 2023, AT GRAND ROYAL HOTEL, KISUMU
COUNTY, AT 9.00 A.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Mohamed Aden Adow, MP
9. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Florence Abonyo – Director, Committee Services
2. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
3. Mr. Nimrod Mate – Clerk Assistant III
4. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
5. Mr. Cyrille Mutali – Fiscal Analyst III
6. Mr. Henry Gichana – Research Officer III
7. Ms. Yvonne Kendi – Hansard Officer III
8. Mr. Luka Mutua – Sergeant-at-Arms

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Paul Kagwanja – Principal Auditor
2. Mr. Ezekiel Omoro – Audit Associate

THE NATIONAL TREASURY

1. Mr. Simon K. Kiriiba – Deputy Accountant General
2. Mr. Paul Kimani – Assistant Accountant General
3. Rev. CPA Kimathi Kwiriga – Senior Accountant

MIN.NO. NA/DAAOSC/PAC/2023/441 PRELIMINARIES

The Chairperson called the meeting to order fifteen minutes past nine o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/442 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

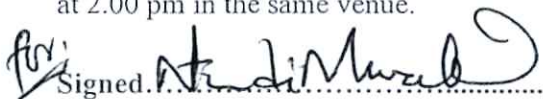
MIN.NO.NA/DAAOSC/PAC/2023/443 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2020/2021

Members discussed the Committee's report on the examination of the Auditor-General's report on the financial statements for the year 2020/2021, on the accounts of the Ministry of Water, Sanitation and Irrigation, Ministry of Lands and Physical Planning, State Department for Information Communication Technology (ICT) and Innovation, and the State Department for Broadcasting and Telecommunications.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2023/444 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.00 p.m. The next meeting will be held at 2.00 pm in the same venue.

Signed: 

Date 16-11-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 104th SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 31ST OCTOBER 2023, AT GRAND ROYAL HOTEL, KISUMU
COUNTY, AT 2.00 P.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Mohamed Aden Adow, MP
9. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Florence Abonyo – Director, Committee Services
2. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
3. Mr. Nimrod Mate – Clerk Assistant III
4. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
5. Mr. Cyrille Mutali – Fiscal Analyst III
6. Mr. Henry Gichana – Research Officer III
7. Ms. Yvonne Kendi – Hansard Officer III
8. Mr. Luka Mutua – Sergeant-at-Arms

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Paul Kagwanja – Principal Auditor
2. Mr. Ezekiel Omore – Audit Associate

THE NATIONAL TREASURY

1. Mr. Simon K. Kiriiba – Deputy Accountant General
2. Mr. Paul Kimani – Assistant Accountant General
3. Rev. CPA Kimathi Kwiriga – Senior Accountant

MIN.NO. NA/DAAOSC/PAC/2023/437 PRELIMINARIES

The Chairperson called the meeting to order at two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/438 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.


MIN.NO.NA/DAAOSC/PAC/2023/439 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2020/2021

Members deliberated on the draft report on the examination of the Auditor-General's report on the financial statements for the year 2020/2021, with regard to the accounts of the Ministry of Environment and Forestry, State Department for Housing and Urban Development, and the State Department for Public Works.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2023/440 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.00 p.m. The next meeting will be held on Wednesday, 1st November 2023, at 9.00 a.m. in the same venue.

Signed: .....

Date: 16-11-23.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 103RD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 31ST OCTOBER 2023, AT GRAND ROYAL HOTEL, KISUMU
COUNTY, AT 9.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Mohamed Aden Adow, MP
9. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Florence Abonyo – Director, Committee Services
2. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
3. Mr. Nimrod Mate – Clerk Assistant III
4. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
5. Mr. Cyrille Mutali – Fiscal Analyst III
6. Mr. Henry Gichana – Research Officer III
7. Ms. Yvonne Kendi – Hansard Officer III
8. Mr. Luka Mutua – Sergeant-at-Arms

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Paul Kagwanja – Principal Auditor
2. Mr. Ezekiel Omore – Audit Associate

THE NATIONAL TREASURY

1. Mr. Simon K. Kiriiba – Deputy Accountant General
2. Mr. Paul Kimani – Assistant Accountant General
3. Rev. CPA Kimathi Kwiriga – Senior Accountant

MIN.NO. NA/DAAOSC/PAC/2023/433 PRELIMINARIES

The Chairperson called the meeting to order thirty minutes past nine o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/434 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

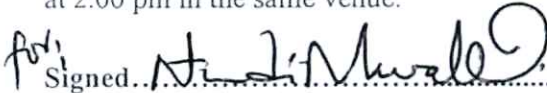
MIN.NO.NA/DAAOSC/PAC/2023/435 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2020/2021

Members discussed the Committee's findings regarding the examination of the Auditor-General's report on the financial statements for the year 2020/2021, for the accounts of the State Departments for Infrastructure, Transport, and Shipping and Maritime.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2023/436 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.00 p.m. The next meeting will be held at 2.00 pm in the same venue.

Signed.....


Date 16-11-23.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 102ND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 30TH OCTOBER 2023, AT GRAND ROYAL HOTEL, KISUMU
COUNTY, AT 2.00 P.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Mohamed Aden Adow, MP
9. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|-----------------------------------|
| 1. Ms. Florence Abonyo | – | Director, Committee Services |
| 2. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 3. Mr. Nimrod Mate | – | Clerk Assistant III |
| 4. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 5. Mr. Cyrille Mutali | – | Fiscal Analyst III |
| 6. Mr. Henry Gichana | – | Research Officer III |
| 7. Ms. Yvonne Kendi | – | Hansard Officer III |
| 8. Mr. Luka Mutua | – | Sergeant-at-Arms |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|----------------------|---|-------------------|
| 1. Mr. Paul Kagwanja | – | Principal Auditor |
| 2. Mr. Ezekiel Omoro | – | Audit Associate |

THE NATIONAL TREASURY

- | | | |
|-----------------------------|---|---------------------------|
| 1. Mr. Simon K. Kiriiba | – | Deputy Accountant General |
| 2. Rev. CPA Kimathi Kwiriga | – | Senior Accountant |

MIN.NO.NA/DAAOSC/PAC/2023/429 PRELIMINARIES

The Chairperson called the meeting to order at fifteen minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/430 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/431 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2020/2021

Members deliberated on the Committee's draft report on the examination of the Auditor-General's report on the financial statements for the year 2020/2021, with regard to the accounts of Ministries of Defence, Foreign Affairs, and Health as well as State Departments for Vocational and Technical Training, University Education and Research, Early Learning and Basic Education, and Post Training and Skills Development.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2023/432 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.00 p.m. The next meeting will be held on Tuesday, 31st October 2023, at 9.00 a.m. in the same venue.

for: 
Signed.....

Date 16-11-23.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 101ST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 30TH OCTOBER 2023, AT GRAND ROYAL HOTEL, KISUMU
COUNTY, AT 9.00 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Mohamed Aden Adow, MP
9. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. Eckomas Mwengi Mutuse, OGW, MP
5. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Florence Abonyo – Director, Committee Services
2. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
3. Mr. Nimrod Mate – Clerk Assistant III
4. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
5. Mr. Cyrille Mutali – Fiscal Analyst III
6. Mr. Henry Gichana – Research Officer III
7. Ms. Yvonne Kendi – Hansard Officer III
8. Mr. Luka Mutua – Sergeant-at-Arms

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Paul Kagwanja – Principal Auditor
2. Mr. Ezekiel Omoro – Audit Associate

THE NATIONAL TREASURY

1. Mr. Simon K. Kiriiba – Deputy Accountant General
2. Rev. CPA Kimathi Kwiriga – Senior Accountant

MIN.NO.NA/DAAOSC/PAC/2023/425 PRELIMINARIES

The Chairperson called the meeting to order thirty minutes past nine o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/426 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmation of the minutes of previous meetings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/427 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2020/2021

Members deliberated on the Committee's draft report on the examination of the Auditor-General's report on the financial statements for the year 2020/2021, with regard to the accounts of the National Treasury, the Presidency, and State Departments for Planning, Interior and Citizen Services, Correctional Services, Devolution, and Development of the Arid and Semi-Arid Lands.

Observations and recommendations are contained in the report.

MIN.NO.NA/DAAOSC/PAC/2023/428 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.00 p.m. The next meeting will be held at 2.00 pm in the same venue.

for?
Signed John Mbadi Ng'ong'o

Date 16-11-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 100TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 24TH OCTOBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00AM.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP - **Chairperson**
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. David Kiplagat, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Victor Kipng'etich Koech, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP - **Vice-Chair**
2. The Hon. Amina Udgoon Siyad, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. Gabriel Gathuka Kagombe, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Samuel Kinuthia Gachobe, MP
7. The Hon. Yakub Adow Kuno, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke Imbo - Senior Clerk Assistant/Lead Clerk
2. Mr. Lenny Muchangi - Legal Counsel II
3. Mr. Nimrod Njueh Mate - Clerk Assistant III
4. Ms. Lilian Mwikali Mutiso - Clerk Assistant III
5. CPA.Mr. Cyrille Mutali - Fiscal Analyst III
6. Mr. Henry K. Gichana - Research Officer III
7. Ms. Faith Jully Malala - Public Communications Officer III
8. Mr. Mark Mbuthia - Audio officer III
9. MS. Yvonne Kendi - Hansard Reporter III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Justus O. Okumu - Director of Auditor
2. Ms. Sharon Wangari S. - Deputy Director of Audit
3. Mr. Paul Kagwanja - Principal Auditor

THE NATIONAL TREASURY

Rev. CPA Kimathi K. Kwiriga - Senior Accountant

STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION

1. Mr. Belio Kipsang - Principal Secretary
2. Mr. Wekesa Khaoya - Snr. Chief Finance Officer
3. Dr. Hilder Kaaria - Director Supply Chain Mgt. Services
4. Ms. Martha Ekirapa - National Coordinator Programs
5. Mr. Paul Kibet - Director, Secondary Education
6. Ms. Jane Mbugua - Deputy Director, Education
7. Mr. Emilio M. Gichia - Deputy Accountant General
8. Mr. Humphrey Maasai - Senior Accountant
9. Mr. Paul Mutua - Senior Procurement Officer
10. Mr. Elijah Kintua - Supply Chain Officer
11. Mr. Mark Fande - Principal Finance Officer
12. Mr. John Muigai - Intern

MIN.NO. NA/DAAOSC/PAC/2023/421 PRELIMINARIES

The chairperson called the meeting to order at 10.20am and said a word of prayer followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/422 - CONFIRMATION OF MINUTES

1. Minutes of the 95th sitting were proposed by the Hon. (Dr.) Wilberforce Oundo, MP and seconded by The Hon. (Dr.) Otiende Amollo, SC, EBS, MP.
2. Minutes of the 96th sitting were proposed by The Hon. (Dr.) Otiende Amollo, SC, EBS, MP and seconded by Hon. (Dr.) Wilberforce Oundo, MP.

There were no matters arising.

MIN.NO.NA/DAAOSC/PAC/2023/423 : STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION – VOTE 1066

The Principal Secretary Mr. Belio Kipsang appeared before the committee accompanied by other officers to respond to audit queries raised in the financial year ended 2021/2022.

376. Irregularities in the Procurement and Construction of Competency Based Curriculum Classrooms.

376.1 Unsupported Procurement Method.

The Committee resolved to examine evidence submitted by the Accounting Officer and reach a determination in its report.

377. Unsupported Procurement and Supply of Desktop Computers.

The committee resolved that the query had been adequately addressed.

378. Irregularities in the Implementation of the School Feeding Programme.

378.1 Lack of an Inventory Management System.

There were no stock sheets or store records to record the movement of stock. The supplies were received and distributed manually.

The state department conceded to this anomaly saying that necessary measures have since been put in place.

378.2 Irregular Procurement of School Feeding Supplies.

The committee asked the state department to provide a comprehensive list within a week of all the schools that benefited.

378.3 Failure to Deliver the Required Quantities of Corn Soya and Beans.

The Accounting Officer informed the committee that the strains of the Covid 19 Pandemic went beyond the actual time of the pandemic and that it was not possible to estimate the actual cost of production leading to these grain procurement shortages.

The state department also said that there was massive failure in maize production leading the price of maize to rise from Sh. 3000 to sh.7000 per bag.

378.4 Failure to Provide Performance Security on Contract.

There was no evidence that the contracted firms presented the State Department with performance security. The committee however noted that there was no loss of funds.

379. Irregular Procurement of Tyres.

The committee asked the state department to provide further details that include user requisitions and the evaluation report.

380. Use of Suppliers not in the List of Pre-Qualified Suppliers.

The agency explained that the goods were AGPO category (Youth, Women and PWD) and registered with the National Treasury.

The Committee asked the agency to provide documentary proof of this assertion in a weeks' time.

381. Incomplete Asset Register.

Seventy-five (75) motor vehicles owned by the State Department were not included in the assets register although the agency explained that this was an error of omission.

The committee directed that the agency update the register by December 2023 including the eleven motor vehicles that were missing in the register.

382. Failure to Hold Minimum Number of Audit Committee Meetings.

Regulation 179 of Public Finance Management (National Government) Regulations, 2015 requires Audit Committees meet at least once every three months (quarterly).

The agency was not in a position to confirm how many times its audit committee met but promised to do so.

383. Use of Non-Official Email Addresses in Official Communication.

Staff used personal emails especially google email application for official business communication instead of Government domain email.

The state department confirmed that only official email was in use since 2021/2022.

384. Lack of an IT Steering Committee.

The state department said that it had constituted a team and was in the process of issuing letters of appointment.

The committee noted that the agency should have been at the forefront of ICT compliance.

385. Lack of Anti-Fraud Policy.

The state department said that it was working with the EACC and promised to have this put in place this financial year.

DONOR FUNDED PROJECTS.

386. Failure to Maintain an Updated Assets Register.

The register was compiled on 6 January, 2017 and was not updated.

The state department promised to make follow up and have this done.

387. Unreconciled Special Account Statement.

Proceeds from domestic and foreign grants amounting to Kshs.783, 683,539 could not be ascertained.

The committee directed that the reconciliation be done by December 2023.

388. Budgetary Control and Performance.

There was an under expenditure of Kshs.416, 934,416 (or 27%) of the budget.

The state department explained that this was due to the covid 19 pandemic and that the school calendar that got disrupted will resume in January 2024.

389. Irregularities in the Procurement Procedures.

Some of the Local Purchase Orders (LPOs) were issued after invoicing.

The state department explained that this was procurement of conference services for workshops where hotels provide proforma invoices at quotation level to allow for LSO preparation.

The agency promised to provide annexures of actual payments in a weeks' time.

390. Unsurrendered Project Assets.

The state department conceded to this saying that the process of re assigning the assets to the Kenya Primary Education Equity in learning (KPEEL) program had commenced and a coordination unit team was in place.

393. Inaccuracies Presentation of the Annual Report and Financial Statements.

The annual report and financial statements do not comply with the requirements of the reporting template as prescribed by the Public Sector Accounting Standards Board in line with the International Public Sector Accounting Standards (IPSAS Cash Basis).

The state department explained that these are mainly prior year matters and that it is a dormant project.

394. Inaccuracies in the Cash and Cash Equivalents.

There was a payment in the bank not recorded in the cash book of Kshs.503, 350 which occurred in the year 2016. The state department explained that these were bank charges.

The committee directed for the reconciliation to be done with the donor to avoid the query recurring.

395. Unaccounted for Accumulated Surplus.

There was accumulated surplus balance of Kshs.325, 249,171 which was not included in the fund balance of Kshs.1, 077,215 in the statement of financial assets.

The state department promised to reconcile the amount with the donor and give feedback to the committee.

396. Failure to Transfer Unspent Funds.

There was a cash and cash equivalents balance of Kshs.1, 077,215. The amount was not paid into the Consolidated Fund and remained unspent for three (3) consecutive years.

The state department explained that this is because the project was still continuing, that necessary action will be taken once the project is complete.

MIN.NO.NA/DAAOSC/PAC/2023/424 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.45pm.

for,
Signed.....

Date 16-11-23

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

MINUTES OF THE 99TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 19TH OCTOBER 2023, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 2.15P.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Yakub Adow Kuno, MP
8. The Hon. Eckomas Mwengi Mutuse, OGW, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Victor Kipng'etich Koech, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Nabwera Daraja Nabii, MP
6. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|-------------------------|
| 1. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 2. Mr. Lenny Muchangi | – | Legal Counsel II |
| 3. Mr. Nimrod Mate | – | Clerk Assistant III |
| 4. Mr. Henry Gichana | – | Research Officer III |
| 5. Mr. Peter Atsiaya | – | Media Relations Officer |
| 6. Mr. Luka Mutua | – | Sergeant-at-Arms |
| 7. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|----------------------|---|-------------------|
| 1. Mr. Justus Okumu | – | Director of Audit |
| 2. Mr. Hussein Kombe | – | Principal Auditor |
| 3. Mr. Ezekiel Omore | – | Audit Associate |

NATIONAL TREASURY

- | | | |
|--------------------------|---|-------------------|
| Rev. CPA Kimathi Kwiriga | – | Senior Accountant |
|--------------------------|---|-------------------|

STATE DEPT. FOR VOCATIONAL AND TECHNICAL TRAINING

1. Dr. Esther T. Muoria, PhD – Principal Secretary
2. Dr. Meshack Opwora – Director TVET
3. Ms. Joyce Mwale – Director Administration
4. Mr. Elicanah Mosiori – Director Human Resource Management
5. Ms. Jane Kariuki – Deputy Director Technical Education
6. Mr. John Tuwei – Deputy Director TVET
7. Ms. Risper Makasi – Chief Finance Officer
8. Dr. Glory Mutungi – Chief Principal Nairobi T.T.I
9. Dr. Nduku Mutua – Chief Principal Machakos T.I.B
10. Mr. Sammuel Muka – Supply Chain Officer
11. Ms. Callfax Nyanyuki – Finance Officer
12. Mr. Stephen Nzeki – Head of Building and Civil Engineering Department
13. Mr. Joseph Kiraita – Deputy Accountant General
14. Mr. Lidigu Shikoli – Principal Mombasa T.T.I
15. Mr. Duris Muturi – Clerk of Works Igembe TVC
16. Ms. Mary Muthoka – Chief Principal KCMP
17. Ms. Catherine Kelonye – Chief Principal Mukiria Technical
18. Mr. Joseph Kuria – Principal Accountant
19. Mr. Theophilus Laboso – Supply Chain Manager
20. Mr. Jerusha Karambu – Finance Office

MIN.NO. NA/DAAOSC/PAC/2023/417 **PRELIMINARIES**

The Chairperson called the meeting to order twenty minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/418 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/419 **EVIDENCE: STATE DEPT. FOR VOCATIONAL AND TECHNICAL TRAINING - VOTE 1064**

Dr. Esther T. Muoria, PhD, the Principal Secretary/Accounting Officer for the State Department for Vocational and Technical Training appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

280. Budgetary Control and Performance

The statement of comparison showed an underfunding of Kshs.57,696,448 (7%). The Accounting Officer submitted to have been actively following up on exchequer funding from the National Treasury.

Committee Observation and Finding

The Committee found the explanation provided by the Accounting Officer satisfactory and the matter was marked as resolved.

281. Delay in Completion of Training Institutes

The Accounting Officer submitted that the delay in completion of the Training Institutes was due to both delayed exchequer releases and the impact of the Covid-19 pandemic.

Committee Resolution

The Committee instructed the Accounting Officer to provide a detailed tabulation outlining the contract sum, payments made, and the current status, along with supporting photos, by 25th October 2023. Additionally, they were also directed to submit a copy of the performance guarantee and extension letter.

282. Delay in Supply, Delivery, Installation, Commissioning, Learning and Training Assistive Devices and Equipment

The Accounting Officer explained that delays arose due to challenges in manufacturing the specialized assistive devices abroad. However, these devices have now been successfully delivered, inspected, and handed over to the institutions. The Committee directed the Accounting Officer to furnish proof that the equipment had been delivered, inspected, and formally handed over to the institutions.

283. Failure to Open and Maintain a Separate Project Bank Account

The State Department did not maintain a separate bank account for the Government of Kenya (GOK) counterpart funding. The Committee directed the Accounting Officer to establish a separate bank account for the GOK counterpart funding of the project.

287. Budgetary Control and Performance

The Statement of comparison showed an under-expenditure of Kshs.612,892,881 (81%) of the budget.

Committee Observation and Finding

The Committee deemed the response provided by the Accounting Officer to be unsatisfactory. Consequently, they instructed the Accounting Officer to furnish a well-articulated explanation detailing the under-expenditure of Kshs.612,892,881.

289. Failure to Tag Assets

The Accounting Officer reported that the asset register has been appropriately tagged and serialized. The Committee directed the office of Auditor General to verify and confirm to the Committee the implementation of the tagging and serialization in the asset register.

292. Budgetary Control and Performance

The Statement of Comparison highlighted an underfunding of Kshs. 479,803,701 (79%). The Accounting Officer clarified that this was due to extended procurement processes and the impact of the Covid-19 pandemic. The Accounting Officer assured the Committee that the project will be completed by the end of the year 2024.

293. Slow Pace of Project Implementation

The Accounting Officer submitted that the slow pace of project implementation was occasioned by the Covid-19 pandemic. The Accounting Officer provided assurance to the Committee that the project will reach completion by the end of the year 2024.

294. Irregular Procurement and Payment for Consultancy Services

The Committee directed the Accounting Officer to provide the following by 25th October 2023:

- i. Government-to-Government negotiation document detailing the terms of engagement.
- ii. Evidence of the opinion from KFW bank that issued a no objection.
- iii. Procurement documents that outline how the bidding process was conducted.

295. Failure to Open and Maintain a Separate Project Bank Account

The State Department did not maintain a separate bank account for the Government of Kenya (GOK) counterpart funding. The Committee directed the Accounting Officer to establish a separate bank account for the GOK counterpart funding of the project.

299. Budgetary Control and Performance

The Statement of Comparison revealed an underfunding of Kshs.202,440,226 (93%). The Accounting Officer explained that this was occasioned by delays in implementing the lengthy procurement processes. The Committee directed the office of Auditor General to review the revised submission from the Accounting Officer and report back to the Committee.

300. Failure to Open and Maintain a Separate Project Bank Account

The Committee directed the Accounting Officer to establish a separate bank account for the project funding.

304. Budgetary Control and Performance

The Statement of Comparison revealed an underfunding of Kshs.392,250,468 (88%). The Accounting Officer explained that this was a result of prolonged procurement process of consultants and contractors to implement the development project. The Committee directed the office of Auditor General to review the revised submission from the Accounting Officer and report back to the Committee.

305. Failure to Open and Maintain a Separate Project Bank Account

The Committee directed the Accounting Officer to establish a separate bank account for the project funding.

306. Failure to Constitute Procurement Committees

During the audit, the State Department had not established procurement committees. The Accounting Officer has since confirmed the establishment of operational procurement committees. The Committee stressed the importance of adhering to Section 44 (1) and 2(b) of the Public Procurement and Asset Disposal Act, 2015.

308. Inaccuracies in the Financial Statements

308.1 Statement of Cash Flows

The Accounting Officer reported that the statements of cash flows have been revised to accurately represent the financial position. The Committee stressed the significance of timely submission of financial documents during the audit process.

308.2 Changes in Accounts Receivables

The Accounting Officer reported that changes in receivables and payables have been adjusted to reflect the correct position. The Committee stressed the significance of promptly submitting financial documents during the audit period.

308.3 Changes in Accounts Payable

The Accounting Officer reported that changes in accounts payable have been rec-casted accordingly to reflect the correct position. The Committee raised concerns about the competence and professionalism of the State Department's financial officers, noting their lack of diligence and attentiveness in handling financial statements. Furthermore, the Committee emphasized the importance of promptly submitting financial documents during the audit process.

309. Cost Variation to the Construction Project

The original contract sum experienced a cost variation of 21.67%. The Accounting Officer stated that the World Bank advised against any variation as it was a fixed sum contract. However, the contractor contested this advice, prompting the State Department to involve the Attorney General.

The Committee observed that due to the dispute with the contractor, the contract has been terminated. There are plans to re-advertise for a new contractor after the completion of the evaluation process.

310. Non-Compliance with Ethnicity and Regional Distribution

The Committee urged the Accounting Officer to ensure compliance with Section (72) of the National Cohesion and Integration Act, 2008 which stipulates that no public institution shall have more than one-third of its staff from the same ethnic community.

311. Failure to Insure Project Assets

The Committee instructed the Accounting Officer to make sure that all project assets are adequately insured to mitigate potential losses in the event of unforeseen and unfortunate circumstances

314. Budgetary Control and Performance


The Accounting Officer attributed underfunding and absorption to the impacts of the Covid-19 pandemic. The Committee acknowledged that the project is currently at 70% completion, with a projected completion date of 21st February 2024. In order to compensate for the time lost, the State Department devised a revised work plan. The Committee instructed the Accounting Officer to submit a copy of the revised work plan by 25th October 2023.

319. Budgetary Control and Performance

The Statement of Comparison revealed an underfunding of Kshs.253,092,450 (84%). The Accounting Officer attributed this underfunding and the subsequent underexpenditure to the prolonged approval and contract signing process for the acquisition of equipment. The Committee instructed the Accounting Officer to furnish evidence that the equipment had been delivered to all the institutions, specifying the dates of delivery by 25th October 2023.

MIN.NO.NA/DAAOSC/PAC/2023/420 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.30 p.m. The next meeting will be held on Tuesday, 24th October 2023 at 10.00 a.m.

Signed... 

Date 16-11-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 98TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 19TH OCTOBER 2023, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 10.00 A.M.

PRESENT

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP – *Chairing*
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Gabriel Gathuka Kagombe, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. Eckomas Mwengi Mutuse, OGW, MP
8. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Yakub Adow Kuno, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
2. Mr. Lenny Muchangi – Legal Counsel II
3. Mr. Nimrod Mate – Clerk Assistant III
4. Mr. Henry Gichana – Research Officer III
5. Mr. Peter Atsiaya – Media Relations Officer
6. Mr. Luka Mutua – Sergeant-at-Arms
7. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Justus Okumu – Director of Audit
2. Mr. Hussein Kombe – Principal Auditor
3. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPT. FOR VOCATIONAL AND TECHNICAL TRAINING

1. Dr. Esther T. Muoria, PhD	–	Principal Secretary
2. Dr. Meshack Opwora	–	Director TVET
3. Ms. Joyce Mwale	–	Director Administration
4. Mr. Elicanah Mosiori	–	Director Human Resource Management
5. Ms. Jane Kariuki	–	Deputy Director Technical Education
6. Mr. John Tuwei	–	Deputy Director TVET
7. Ms. Risper Makasi	–	Chief Finance Officer
8. Dr. Glory Mutungi	–	Chief Principal Nairobi T.T.I
9. Dr. Nduku Mutua	–	Chief Principal Machakos T.I.B
10. Mr. Sammuel Muka	–	Supply Chain Officer
11. Ms. Callfax Nyanyuki	–	Finance Officer
12. Mr. Stephen Nzeki	–	Head of Building and Civil Engineering Department
13. Mr. Joseph Kiraita	–	Deputy Accountant General
14. Mr. Lidigu Shikoli	–	Principal Mombasa T.T.I
15. Mr. Duris Muturi	–	Clerk of Works Igembe TVC
16. Ms. Mary Muthoka	–	Chief Principal KCMP
17. Ms. Catherine Kelonye	–	Chief Principal Mukiria Technical
18. Mr. Joseph Kuria	–	Principal Accountant
19. Mr. Theophilus Laboso	–	Supply Chain Manager
20. Mr. Jerusha Karambu	–	Finance Office

MIN.NO. NA/DAAOSC/PAC/2023/413 **PRELIMINARIES**

In the absence of the Chairperson and Vice-chairperson, Members present elected Hon. Wilberforce Ojiambo Oundo, MP to chair the meeting, subject to s/o 188. The session chairperson called the meeting to order at 10.30 am and said a word of prayer followed by self-introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/414 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of previous sittings were deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/415 **EVIDENCE: STATE DEPT. FOR VOCATIONAL AND TECHNICAL TRAINING - VOTE 1064**

Dr. Esther T. Muoria, PhD, the Principal Secretary/Accounting Officer for the State Department for Vocational and Technical Training made submissions before the Committee in response to audit queries for the financial year 2021/2022.

263. Expenditure on Rent Made Without Valid Lease Agreements

The Accounting Officer availed Lease agreement documents as instructed in the previous meeting. The Committee directed the office of the Auditor General to examine the documents and report their findings to the Committee.

267.3 Matuga Technical Vocational College

This project had stalled at 70% completion. The Accounting officer explained that the project faced setbacks due to the impact of Covid-19 pandemic, which led to a slowdown in progress. Additionally, the retirement of the project manager and the unfortunate passing of the electrical engineer further contributed to the delays.

Committee resolution

The Committee instructed the Accounting officer to furnish a detailed breakdown of Kshs.2,072,000 disbursed to the contractor. This breakdown should include information on when and how the payments were made. Additionally, the Committee directed the Accounting officer to provide the recommendations of the evaluation committee that sanctioned the expenditure of the provisional sum by 25th October 2023.

267.4 Igembe Central Technical Vocational College

The project was 50% complete and had stalled for 2 years. The Accounting Officer submitted that the project was affected by Covid-19 pandemic which slowed down works.

Committee Observation and Finding

The Committee noted that the initial contract, which began on 8th August 2019, was initially scheduled for a period of 52 weeks. The contractor was still on site without any documented contract extensions. The Accounting Officer was instructed to provide the necessary documents regarding any contract extensions by the end of November 2023.

267.5 Kisii National Polytechnic

267.5.1 South Mugirango Technical and Vocation Training College

The Kisii National Polytechnic had paid Kshs.45,241,205 by the time the project stalled at 60% completion. The Accounting Officer explained that the project's progress was hampered by both the Covid-19 pandemic and delays in the disbursement of funds.

Committee Observation and Finding

The committee identified an overpayment, where the amount paid surpassed the value of the completed work. As a result, the Committee concluded that the project was poorly managed, leading to a misuse of public funds, and ultimately, the project was abandoned and left in a state of disrepair.

267.5.2 Kitutu Chache South Technical and Vocation Training College.

Committee Resolution

The Committee identified a major concern in the State Department's project management. Consequently, they directed the Accounting Officer to undertake a comprehensive review of all

projects, specifically identifying areas of weaknesses and challenges. Additionally, the Accounting Officer was tasked with developing a contingency plan to address these shortcomings and submit a comprehensive report to the committee by the end of November 2023.

268. Excess Disbursements to Mentor Institutions

No documentation was provided to substantiate the recovery of the excess amount from the respective mentor institutions. The Committee acknowledged that Kshs.3,000,000 had been refunded, leaving a balance of Kshs.8,000,000 still outstanding. This information was not disclosed by the Accounting Officer to the office of the Auditor General during the audit. The Committee emphasized the significance of timely submission of financial documents during the audit process.

269. Allocation of Capital Grants to Non-Existent Technical and Vocational Centres

Despite receiving Kshs.20,000,000 each for construction of Technical and Vocational Centers, two Technical and Vocational Centers were not constructed. The Accounting Officer explained that while the funds were disbursed, suitable construction sites were not available. As a result, the amounts were retained in the projects' bank accounts.

Committee Observation and Finding

The Committee noted a lack of prudent utilization of public funds, as a considerable amount remained unutilized in the institution's bank account. These funds could have been allocated toward the construction of other technical and vocational centers that were in need of funding.

270. Failure to Enforce One Third Rule on Basic Salary

The Accounting Officer reported that seven (7) officers took advantage of the government's PAYE waiver during the Covid-19 pandemic, which led to an over-commitment of their salaries. Moreover, the introduction of the superannuation pension scheme resulted in a similar excessive commitment to their salaries.

Committee Observation and Finding

The Committee found the explanation provided by the Accounting Officer satisfactory and the matter was marked as resolved.

271. Processing of Payments

271.1 Voided Transactions

The Accounting Officer explained that a voiding responsibility has been integrated into the IFMIS system to rectify unpaid transactions and ensure their clearance from the system.

Committee Observation and Finding

The Committee found the explanation provided by the Accounting Officer satisfactory and the matter was marked as resolved.

271.2 Transactions in System Payments not Processed in Payment Details

The Accounting Officer submitted that the system payments have now been reconciled.

Committee Observation and Finding

The Committee found the explanation provided by the Accounting Officer satisfactory and the matter was marked as resolved.

272. Failure to Update Pending Bills Annexure

Pending bills were not disclosed in the financial statements and supporting documents were not provided for audit review. The Accounting Officer stated that the pending bills have since been availed and captured in the final revised financial statements.

Committee Observation and Finding

The Committee expressed dissatisfaction with the revised financial statements submitted by the Accounting Officer. As a result, the Accounting Officer was directed to re-submit further revised statements and reconcile them with the office of the Auditor General by 25th October 2023.

273. Unsupported Prior Year Adjustments

At the time of the audit, the Accounting Officer did not furnish a statement of financial assets incorporating adjustments from the previous year. The Committee stressed the importance of promptly submitting financial documents during audit. Furthermore, they directed the Accounting Officer to reconcile the statements with the office of Auditor General by 25th October 2023.

274. Unsupported Domestic Travel and Subsistence

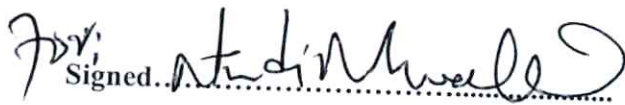
The Accounting Officer did not provide the work plan pertaining to the monitoring and evaluation activities at the time of audit. The Committee emphasized on timely submission of financial documents at the time of audit.

275. Omitted Donor Commitment

The Accounting Officer did not provide supportive documents to reflect donor commitment at the time of audit. The Accounting Officer was instructed to submit all the relevant documents by 25th October 2023, to the office of Auditor General who will report back to the committee.

MIN.NO.NA/DAAOSC/PAC/2023/416 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.00 p.m. The next meeting will be held at 2.15 p.m. in the same venue.

Signed.....

Date 16-11-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 97TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 17TH OCTOBER 2023, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 10.00AM.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP - Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP - Vice-Chair
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
5. The Hon. Amina Udgoon Siyad, MP
6. The Hon. David Kiplagat, MP
7. The Hon. (Dr.) Edwin Mugo Gichuki, MP
8. The Hon. Eckomas Mwengi Mutuse, OGW, MP
9. The Hon. Nabwera Daraja Nabii, MP
10. The Hon. Samuel Kinuthia Gachobe, MP
11. The Hon. Victor Kipng'etich Koech, MP
12. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. Gabriel Gathuka Kagombe, MP
2. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke Imbo - Senior Clerk Assistant/Lead Clerk
2. Mr. Lenny Muchangi - Legal Counsel II
3. Mr. Nimrod Njueh Mate - Clerk Assistant III
4. Ms. Lilian Mwikali Mutiso - Clerk Assistant III
5. CPA.Mr. Cyrille Mutali - Fiscal Analyst III
6. Mr. Henry K. Gichana - Research Officer III
7. Ms. Faith Jully Malala - Public Communications Officer III
8. Mr. Mark Mbuthia - Audio officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Andrew Njuguna - Principal Auditor
2. Mr. Stephen Taiku - Deputy Director of Audit
3. Mr. Ezekiel O. Omore - Audit Associate

THE NATIONAL TREASURY

- Rev. CPA Kimathi K. Kwiriga - Senior Accountant

THE JUDICIARY.

- | | | |
|--------------------------|---|-------------------------------------|
| 1. Ms. Anne Amadi | - | Chief Registrar of the Judiciary. |
| 2. Ms. Winfrida Mokaya | - | Registrar JSC. |
| 3. Mr. Maxwell Suero | - | Deputy Director. |
| 4. Mr. Paul Maina | - | Deputy Chief Registrar Judiciary. |
| 5. Mr. Wycliffe Wanga | - | Director Accounts. |
| 6. Mr. Ronald W. Wanyama | - | Director Audit and Risk Mgt. |
| 7. Ms. Sharon Mwayuli | - | Personnel Manager. |
| 8. Ms. Rebecca Kipwigut | - | Deputy, Finance and Administration. |

MIN.NO. NA/DAAOSC/PAC/2023/409 PRELIMINARIES

The Chairperson called the meeting to order at 10.20am, said a word of prayer followed by self-introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/410 - CONFIRMATION OF MINUTES

Confirmation of minutes of the previous sittings were deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/411 : THE JUDICIARY - VOTE 1261 AND JUDICIAL SERVICE COMMISSION - VOTE 2051.

The Chief Registrar of the Judiciary Ms. Anne Amadi made submissions before the Committee in response to audit queries in the report of the Auditor General for the financial year ended 2021/2022.

JUDICIAL SERVICE COMMISSION - VOTE 2051.

1923. Pending Bills

The Commission had pending bills totaling Kshs.18,781,934 as at 30 June, 2022.

The Registrar explained that this was due to late exchequer release by the National Treasury and had been cleared in the subsequent financial year.

THE JUDICIARY - VOTE 1261

1806. Bank Balances

1806.1 Bank Reconciliation Statements for General Deposits

The cash and cash equivalents balance was Kshs.6,718,069,286 and without explanation for delay in recording the payments in the cash books and the receipts in the bank statements.

The Accounting Officer explained that this was a historical issue when money was being held in district courts but delinking has since been done and the matter of reconciling and clearance is ongoing further a task force was formed to investigate the matter.

Committee Observations and Findings

The committee resolved to engage with the task force.

1806.2 Loss of Cash Deposits.

Losses of Kshs.47,840,030 and Kshs.34,219,651 dating back to 2013/2014 and 2017/2018 financial years through theft by staff members who have since been dismissed but the amounts are still outstanding.

The Accounting Officer explained that this was a matter that involved cyber crime and was canvassed in court and that demand letters were sent to the banks involved.

Committee Observations

The committee observed that the Judiciary ought to undertake the recovery process directly instead of waiting for other government agencies.

1807. Accounts Receivables.

1807.1 Long Outstanding District Suspense and Clearance Accounts.

There were accounts receivables and outstanding imprests and clearance accounts balance of Kshs.64,099,750.

The committee noted that the amounts in question had now been accounted for.

1807.2 Outstanding Imprests.

There were balances of Kshs.64,099,750 and outstanding Government imprests totalling Kshs.14,180,234 which were due for surrender on or before 30 June, 2022.

The Judiciary explained that a committee had been formed to handle this matter and was scheduled to complete its work in January 2024.

The committee noted that imprests should not be outstanding and asked for the findings of the task force on completion of its work.

1809. Pending Bills.

There were pending accounts payable totaling Kshs.431,181,964 which were not settled during the financial year 2021/2022.

The committee asked for additional information on the projects including government projects that were unpaid noting that some of the projects needed to be closed.

MIN.NO.NA/DAAOSC/PAC/2023/412 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.20pm.

for: Signed *John Mbadi Ng'ong'o*

Date 7-6-11-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 96TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY, 16TH OCTOBER 2023, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 2.30 P.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Yakub Adow Kuno, MP
7. The Hon. Eckomas Mwengi Mutuse, OGW, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Victor Kipng'etich Koech, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Nimrod Mate – Clerk Assistant III
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. CPA. Cyrille Mutali – Fiscal Analyst III
5. Mr. Henry Gichana – Research Officer III
6. Ms. Faith Jully Malala – Public Communications Officer III
7. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Cheboiwo Philip – Director of Audit
2. Mr. Samuel Nyamamba – Principal Auditor
3. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPT. FOR SOCIAL SECURITY AND PROTECTION

1. Mr. Mogosi J. Motari, MBS	-	Principal Secretary
2. Mr. Nicholas Kitua	-	Director Planning
3. Ms. Jane Kitili	-	Director of Social Protection Secretariat
4. Mr. Moses Kamau	-	Director of Social Assistance
5. Mr. Benard Orina	-	Director of Human Resource
6. Mr. Lissel Mogaka	-	Ag. Secretary Director Social development
7. Mr. Benson Mugo	-	Secretary of Administration
8. Mr. Batista Nyanjara	-	Head of Finance
9. Mr. Benard Salawami	-	Head of Accounting unit
10. Mr. Shem Nyakutu	-	Secretary of Children Services
11. Ms. Gladys Ngaruiya	-	Assistant Secretary
12. Mr. Maymuna Chariff	-	Assistant Secretary
13. Ms. Jane Muthuri	-	Finance Officer
14. Mr. Benard Moenga	-	Social Development Officer

MIN.NO. NA/DAAOSC/PAC/2023/405 **PRELIMINARIES**

The Chairperson called the meeting to order twenty minutes to three o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/406 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of the previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/407 **EVIDENCE: STATE DEPT. FOR SOCIAL SECURITY AND PROTECTION - VOTE 1185**

Mr. Mogosi J. Motari, MBS, the Principal Secretary/Accounting Officer for the State Department for Social Security and Protection appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

1627. Unsupported Bank Balance

The Accounting Officer stated that at the time of the audit, bank statements and bank reconciliations were not available. However, they have since been provided to the office of the Auditor General.

Committee Observations and Findings

The Committee emphasized the importance of promptly submitting all financial documents, including bank statements and bank reconciliations, to the office of the Auditor General during the audit process.

1628. Discrepancy Between Payroll and Financial Statements

The Committee found the response from the Accounting Office unsatisfactory. Subsequently, they directed the Accounting Officer to furnish a comprehensive and detailed reply that adequately addresses the audit query.

1629. Unsupported Purchase of Specialized Materials and Supplies

The Committee deemed the reply from the Accounting Office inadequate, as it lacked the necessary supporting documents. The committee directed the Accounting Officer to submit all the required supporting documents within two weeks to the office of the Auditor General. The office of the Auditor General will subsequently report their findings back to the Committee.

1630. Unresolved Prior Year Matters

The Committee instructed the Accounting Officer to prepare and submit a response addressing the audit query.

1631. Delayed Cash Transfers

The Accounting Officer submitted that the delay in cash transfers occurred due to the transition from the previous payment service providers to the new ones, as well as a delay in the release of exchequer funds. Moreover, the Cabinet sanctioned a memorandum instructing the National Treasury to give precedence to the National Safety Net Programme. Furthermore, His Excellency issued a directive that beneficiaries of the Inua Jamii program should receive their payments on a monthly basis.

Committee Observation and Finding

The Committee noted that the State Department was in the process of developing an automated system. This system will automatically enroll individuals who have reached the age of 70 and are not on pension. It is anticipated to become operational by September 2024. This new system represents an advancement from the previous reliance on the civil registry of births and deaths, which has proven to be less accurate.

Committee Resolution

- i. The Accounting Officer to avail a copy of the revised and reviewed operational manual by October 23, 2023, to ensure its alignment with the presidential directive.
- ii. The Accounting Officer to supply the program appraisal document and financing agreement by October 23, 2023, for the development of the new system.

1632. Over-Commitment of Salary

The Accounting Officer reported that nine (9) officers received loans prior to the commencement of contributions to the Public Service Superannuation Scheme. Additionally, three (3) officers were granted loans during the period when the government had waived Pay as You Earn (PAYE) due to the Covid-19 pandemic in 2020, which resulted in an excessive commitment of their salaries.

Committee Observation and Finding

The Committee found the explanation provided by the Accounting Officer satisfactory and the matter was marked as resolved.

1633. Undeserving Program Beneficiaries

The Accounting Officer submitted that the older cash transfer targeted poor households aged 65 years and above which has since changed through a presidential directive that now targets individuals aged 70 years and above irrespective of their social-economic status.

Committee Observation and Finding

The Committee noted that the State Department currently utilizes biometrics for payments, thereby minimizing the risk of disbursing funds to deceased beneficiaries. Additionally, they are closely collaborating with local chiefs who provide regular updates on beneficiary status. Nevertheless, the upcoming automated system is anticipated to comprehensively tackle these issues by automatically updating the beneficiaries' status.

MIN.NO.NA/DAAOSC/PAC/2023/408 **ADJOURNMENT**

There being no other business, the meeting was adjourned at 5.00 p.m. The next meeting will be held on Tuesday, 17th October 2023 at 10.00 a.m.

Signed.....


Date 24.10.2023

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 95TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 12TH OCTOBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 10.00AM.**

PRESENT

- | | | |
|---|---|--------------------|
| 1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP | - | Chairperson |
| 2. The Hon. Nicholas Tindi S. Mwale, MP | - | Vice-Chair |
| 3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP | | |
| 4. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP | | |
| 5. The Hon. Amina Udgoon Siyad, MP | | |
| 6. The Hon. David Kiplagat, MP | | |
| 7. The Hon. Eckomas Mwengi Mutuse, OGW, MP | | |
| 8. The Hon. Gabriel Gathuka Kagombe, MP | | |
| 9. The Hon. Mohamed Aden Adow, MP | | |
| 10. The Hon. Samuel Kinuthia Gachobe, MP | | |
| 11. The Hon. Victor Kipng'etich Koech, MP | | |
| 12. The Hon. Yakub Adow Kuno, MP | | |

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Edwin Mugo Gichuki, MP
2. The Hon. Nabwera Daraja Nabii, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|--------------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke Imbo | - | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Abdirahman Gelle Hassan | - | Clerk Assistant I |
| 3. Mr. Nimrod Njueh Mate | - | Clerk Assistant III |
| 4. Ms. Lilian Mwikali Mutiso | - | Clerk Assistant III |
| 5. CPA.Mr. Cyrille Mutali | - | Fiscal Analyst III |
| 6. Mr. Henry K. Gichana | - | Research Officer III |
| 7. Ms. Faith Jully Malala | - | Public Communications Officer III |
| 8. Ms. Yvonne Kendi | - | Hansard Officer III |
| 9. Mr. Luka Mutua | - | Sergeant-At-Arms |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|-------------------------|---|-------------------|
| 1. Mr. Richard Nyacheo | - | Director of Audit |
| 2. Mr. John Lomuket | - | Deputy Director |
| 3. Mr. Paul Kagwanja | - | Principal Auditor |
| 4. Mr. Ezekiel O. Omoro | - | Audit Associate |

THE NATIONAL TREASURY

Rev. CPA Kimathi K. Kwiriga

Senior Accountant

THE EXECUTIVE OFFICE OF THE PRESIDENT

- | | | |
|--------------------------|---|---------------------------------------|
| 1. Hon. Katoo ole Metito | - | State House Comptroller. |
| 2. Mr. Waiganjo Waweru | - | Snr Chief Finance officer |
| 3. Mr. Michael Ochieng | - | Chief Engineer. |
| 4. Mr. Michael Kamau | - | Principal Accountant. |
| 5. Ms. Diana Kiondo | - | Principal Accountant. |
| 6. Mr. Joel K. Langat | - | Snr. Deputy Accountant General. |
| 7. Ms. Maureen Njeri | - | Business Development officer. |
| 8. Mr. Patrick Mbogo | - | Administration and Personnel officer. |
| 9. Mr. Mwikamba Mghenyi | - | Deputy Accountant general. |

MIN.NO. NA/DAAOSC/PAC/2023/400 PRELIMINARIES

The chairperson called the meeting to order at 10.20am, said a word of prayer followed by self introductions by all present.

The agenda for the day was adopted as proposed by The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and seconded by The Hon. Victor Kipng'etich Koech, MP.

MIN.NO.NA/DAAOSC/PAC/2023/401 - CONFIRMATION OF MINUTES

Confirmation of previous minutes was as follows;

1. No.77 proposed by The Hon.David Kiplagat MP seconded by The Hon. Yakub Adow Kuno MP.
2. No.78 by proposed byThe Hon. Samuel K. Gachobe MP seconded by The Hon. David Kiplagat MP.
3. No.79 proposed byThe Hon. Victor K. Koech seconded by The Hon. Yakub Adow Kuno MP.
4. No.80 to Minutes No.87 proposed by The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and seconded by The Hon. (Dr.) Otiende Amollo, SC, EBS, MP.
5. No.88 proposed by The Hon. Nicholas T. Mwale MP seconded by The Hon. Nabwera D. Nabii MP.
6. No.89 proposed by The Hon. Samuel K. Gachobe seconded by The Hon. David Kiplagat MP.
7. No.90 proposed by The Hon. (Dr.) Otiende Amollo, SC, EBS, MP seconded by The Hon. (Dr.) Edwin Mugo Gichuki MP.
8. No.91 proposed by The Hon.Mohamed Aden Adow MP seconded by The Hon. Victor K. Koech MP.
9. No.92 proposed by The Hon.Eckomas M. Mutuse MP seconded by The Hon.Yakub A. Kuno MP.

10. No.93 proposed by The Hon.Eckomas M. Mutuse MP seconded by The Hon. Amina Udgoon MP.

11. No.94 proposed by The Hon.(Dr.) Wilberforce O. Oundo MP seconded by The Hon. David Kiplagat MP.

MIN.NO.NA/DAAOSC/PAC/2023/402 : THE EXECUTIVE OFFICE OF THE PRESIDENT
VOTE 1011

State House Comptroller Hon. Katoo ole Metito, appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

167. Pending Bills

The Executive Office of the President had pending bills totaling Kshs.15,950,133,545 as at 30 June, 2022 out of which, bills amounting to Kshs.14,814,008,078 related to Nairobi Metropolitan Services (NMS) while the balance of Kshs.1,136,125,467 related to State House and other Departments within the Executive Office of the President.

The state agency said that the bills relating to State House and other departments within the Executive Office of the President amounting to Ksh.1, 136,125,467 were not paid due to inadequate exchequer provision.

The NMS pending bills as at 30th June 2022 amounting to Ksh.14, 814,008,078 consisted of historical bills inherited from NCCG, bills for strategic interventions by the National Government and those for the transferred functions during the tenure of NMS.

Committee Observation

The committee noted that the amount outstanding towards the office of the Deputy President, Sh.888 million was glaring as it had not been addressed in the current financial year, as first charge.

The committee asked for itemization of the Sh.888 million within a week and clarity as to whether whether the bills will be paid by the County or National Government.

168. Inadequacies in Projects under Nairobi Metropolitan Services

168.1 Construction and Equipping of Health Facilities

The Ministry of Health entered into a contract for construction and equipping of ten (10) level two (2) and nine (9) level three (3) health facilities in Nairobi County at a contract sum of Kshs.869, 400,000. The contract was to be implemented within ninety (90) days.

AMREF Health Africa having obtained a license as a procurement agent for the Ministry of Health, appointed a contractor to construct and equip the nineteen (19) health facilities at a cost of Kshs.900, 000,000.

Subsequently, Nairobi Metropolitan Services entered into a Deed of Assignment with the Ministry of Health for the construction of the nineteen (19) health facilities in Nairobi County.

The Agency explained that delay in completion was as a result of land acquisition and a court case that continued for one year.

Committee Observation

Committee noted that it was not clear how AMREF was identified amongst other health providers and if it was necessary. Further, there were no clear performance milestones.

AMREF further sublet its work to Health-scope ltd.

The Committee resolved that the then Accounting Officer Ministry of Health, CEO AMREF, Project Consultants from Public Works, the contractor and current office bearers be invited to shed light on the matter.

168.2 Irregular Procurement of Street Lights

Requisition was made for 2,000 pcs of 150/180W LED at a cost of Kshs.29, 200 each as indicated in the contract obtained from KeNHA. However, NMS received 2,000 pcs at a unit cost of Kshs.33, 288 resulting to an overpayment of Kshs.8, 176,000.

The Committee observed that the price difference was as a result of VAT inclusion.

168.3 Construction of Kamitha Road

The Nairobi City County entered into a contract with a construction company for the construction of Kamitha Road, Gatina at a contract price of Kshs.52, 786,597 in 2020/2021 financial year.

Although the contractor laid the inverted block drainage, the drains were silted causing the culverts to block completely while the headwalls did not have plaster finish as provided for in the Bill of Quantities.

Committee Observation

The committee noted that the contractor had not been paid a single certificate despite him performing up to 90% of the contract. He could not make good defects until part of the payment was made.

168.4 Water Sewer Extensions and Street Lighting

Nairobi Metropolitan Services entered into a contract with a contractor in 2021 to expand water sewer and street lighting in Dandora, Kangemi, Kawangware, Dagoretti Corner, Waithaka, Riruta, Kibera, Korogocho, Mathare, Zimmerman, Thome, Githurai 45 Mwihoko, Kasarani and Mwiki at a contract sum of Kshs.4, 475,766,419.

The contractor was behind schedule.

Committee Observation

The committee observed that the delays were due to non-payment to the contractor.

168.5 Incomplete Rehabilitation of Jevanje Park

The Nairobi Metropolitan Services initiated the upgrading and maintenance of Jevanje Park at an estimated cost of Kshs.15, 000,000. The works were to be done in-house by NMS and materials were procured for the Project.

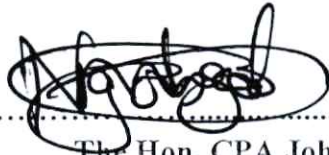
The Project was still incomplete despite NMS having procured materials, some of which were still on site and exposed to theft.

The committee asked for actual amounts of money that were released and the new contract agreed upon.

MIN.NO.NA/DAAOSC/PAC/2023/403 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.00pm.

Signed.....



Date 24-10-2023

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 94TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY, 9TH OCTOBER 2023, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 2.30 P.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Victor Kipng'etich Koech, MP
5. The Hon. Yakub Adow Kuno, MP
6. The Hon. Mohamed Aden Adow, MP
7. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Lenny Muchangi – Legal Counsel II
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Ms. Yvonne Kendi – Hansard Officer III
5. Mr. Luka Mutua – Sergeant-at-Arms
6. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Justus Okumu – Director of Audit
2. Mr. Tumuna Mwambingu – Deputy Director of Audit
3. Mr. Hussein Kombe – Principal Auditor
4. Mr. Paul Kagwanja – Principal Auditor/ Parliamentary Liaison Officer
5. Ms. Lydia Awiti – Senior Auditor
6. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

Rev. CPA Kimathi Kwiriga

– Senior Accountant

STATE DEPT. FOR VOCATIONAL AND TECHNICAL TRAINING

- | | | |
|------------------------------|---|------------------------------------|
| 1. Dr. Esther T. Muoria, PhD | – | Principal Secretary |
| 2. Mr. Joseph Mwangi Kiraita | – | Deputy Accountant General |
| 3. Dr. Meshack Opwora | – | Director TVET |
| 4. Eng. Mwaa Mutinda | – | Director TVET |
| 5. Ms. Risper Makasi | – | Chief Finance Officer |
| 6. Mr. Nelson Gitau | – | Deputy Director TVET |
| 7. Mr. James Nyambune | – | Assistant Director TVET |
| 8. Mr. Elicanah Mosiori | – | Director Human Resource Management |
| 9. Ms. Joyce Mwale | – | Director Administration |
| 10. Mr. John Tuwei | – | Deputy Director TVET |
| 11. Ms. Carolyne Nyambok | – | Principal Accountant |
| 12. Mr. Peter Kamau | – | Assistant Director TVET |
| 13. Ms. Mary Muthoka | – | Chief Principal which school? |
| 14. Ms. Catherine Kelonye | – | Chief Principal which school? |
| 15. Ms. Joan Omuruli | – | Deputy Director TVET |
| 16. Mr. Vincent Mayaka | – | Accountant |
| 17. Mr. Evan Kimari | – | Accountant |

MIN.NO. NA/DAAOSC/PAC/2023/396 PRELIMINARIES

The Chairperson called the meeting to order twenty nine minutes to three o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/397 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmations of minutes of the previous sittings were deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/398 EVIDENCE: STATE DEPT. FOR VOCATIONAL AND TECHNICAL TRAINING - VOTE 1064

Dr. Esther T. Muoria, PhD, the Principal Secretary/Accounting Officer for the State Department for Vocational and Technical Training appeared before the Committee accompanied by other officers and submitted as follows in response to audit queries for the financial year 2021/2022.

260. Unsupported Other Revenues

The Accounting Officer submitted that IFMIS system was configured in such a way that it did not allow over-collection of revenue to be captured and that the actual amount collected was Kshs. 6,210,339,300 and not Kshs. 4,676,474,119.

Committee Observations and Findings

- i. The Committee emphasized that Appropriation-In-Aid should be sourced, collected, and utilized on-site only if budgeted for and approved by Parliament. Any surplus beyond the initially allocated Appropriation-In-Aid is categorized as excess Appropriation-In-Aid, and it must be recorded as revenue, subsequently remitted to the exchequer without corresponding expenditures. If a state department anticipates an excess in Appropriation-In-Aid, it is imperative to address this through a supplementary budget, augmenting the projected collection in Appropriation-In-Aid.
- ii. The Committee noted that the surplus in revenue was attributed to a higher-than-anticipated increase in student enrollment.

261. Unsupported Procurement of Equipment under Kenya-China Project

Management submitted that the project was a government to government financing arrangement with Avic International appointed by the Government of the People's Republic of China as its implementing agent. Payments were made directly by Treasury, and all requisite documents had now been availed.

Committee Observation and Finding

The Committee acknowledged that the State Department submitted the required supporting documents to the office of Auditor General after the completion of the audit process. The State Department must prioritize timely submission of all required documents for the audit process.

262. Loss of Cash Through Use of Duplicate Bank Account Details in the IFMIS System

The Accounting Officer submitted that although the officer details were correctly selected for payment, the system picked different bank details and that the officer had since been paid her rightful amount.

Committee Observation and Finding

The Committee found the explanation provided by the Accounting Officer satisfactory and the matter was marked as resolved.

263. Expenditure on Rent Made Without Valid Lease Agreements

The Committee observed that the explanation furnished by the Accounting Officer was inadequate. Consequently, they directed the Accounting Officer to avail a comprehensive response, inclusive of all lease agreements. This response should explain the rent amounts paid, clarify the rationale behind

committing to a long-term lease extending until the year 2059, and specify the annual service charge payable.

264. Long Outstanding Accounts Receivables - District Suspense

The statement of assets and liabilities and Note 11 to the financial statements reflected accounts receivables of Kshs.856, 570 relating to the district suspense which was not supported with the relevant supporting documents or schedules.

The Accounting Officer submitted that the State Department was collecting the amounts and had dispatched teams to complete the process.

Committee Observation and Finding

The Committee stressed on importance of the Accounting Officer appointing field personnel to oversee efficient and punctual submission of returns, as well as ensuring thorough follow-up. The Accounting Officer responded by noting existence of a specialized division for field services, which is responsible for supervising county directors to facilitate effective submission of returns. Additionally, they noted the significant steps taken to provide training to all county directors in areas of public finance management and reporting, with the aim of implementing these measures effectively.

265. Budgetary Control and Performance

The underfunding and underabsorption of 11% affected the planned activities and may have impacted negatively on service delivery to the public.

The Accounting Officer submitted to have been underfunded by the National Treasury.

Committee Observation and Finding

The Committee noted that the State Department made an exchequer request to the National Treasury but the National Treasury could not release the expected exchequer because of limitation of funds.

The Committee directed the Accounting Officer to furnish proof of exchequer release and offer a clear explanation for the discrepancy between the received amount and the amount expended within one (1) week.

266. Lack of Public Finance Management Standing Committee

The State Department did not have a Public Finance Management Standing Committee in place as required by Regulation 87 18(1) of the Public Finance Management (National Government) Regulations, 2015.

Committee Observation and Finding

The Committee observed that, during the audit period, the State Department did not have a Public Finance Management Standing Committee. However, it has since rectified this and now has an established Public Finance Management Standing Committee in operation.

267. Mentorship Program and Construction of New Technical and Vocational Colleges

The State Department initiated construction of thirty (30) new Technical and Vocational Colleges (TVC's) across the Country.

267.1 Construction of the Kakrao Technical Training Institute (TTI)

Physical verification of the Project in September 2022 revealed that although the Project was handed over, it was still incomplete.

The Accounting Officer reported that the project was intended to receive a co-funding of 10 million from NG-CDF and the County Government, but they failed to fulfill their commitment to the tune of Kshs. 7.5 million.

Committee Observation

The Committee observed that there was no policy establishment of Technical Training and Vocational Institutions.

267.2 Kilifi North Technical Vocational College

At the time of audit, the amount paid was Kshs.44,421,301 and the project had stalled at 60% completion.


The Accounting Officer submitted that Kilifi County Government closed down quarries during the COVID-19 period and the contractor could not get construction materials.

Committee Observations

- i. The Committee deemed the explanation provided by the Accounting Officer unsatisfactory, as it attributed the project's delay to the Covid-19 period, which had long passed.
- ii. The Committee acknowledged that the contract has been extended until December 30, 2023, and currently stands at a completion rate of 95%.
- iii. The Committee instructed the Accounting Officer to provide the following information within one week:
 - i. A copy of the original contract
 - ii. All the contract extensions made
 - iii. Give details of any variation and minutes approving the same
 - iv. Current status of the project
 - v. The expected completion dates
 - vi. The amount paid at the time of submission

MIN.NO.NA/DAAOSC/PAC/2023/399 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.15 p.m. The next meeting will be held on Thursday, 12th October 2023 at 10.00 a.m.

Signed.....


Date 12-10-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 93RD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 05TH OCTOBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDINGS, AT 9.30AM.**

PRESENT

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP - Chairing
2. The Hon. Nicholas Tindi S. Mwale, MP - Online
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Eckomas Mwengi Mutuse, OGW, MP
8. The Hon. Victor Kipng'etich Koech, MP
9. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP - Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Nabwera Daraja Nabii, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke Imbo - Senior Clerk Assistant/Lead Clerk
2. Mr. Nimrod Njueh Mate - Clerk Assistant III
3. Lilian Mwikali Mutiso - Clerk Assistant III
4. Mr. Mark Mbuthia - Audio Officer III
5. Mr. Luka Mutua - Sergeant-At-Arms

OFFICE OF THE AUDITOR-GENERAL

1. Ms. Josephine Warega - Director Audit
2. Ms. Jane Chege - Principal Auditor
3. Mr. Paul Kagwanja - Principal Auditor
4. Mr. Ezekiel O.Omore - Audit Associate
5. Samuel Mathenge - Personal Assistant

THE NATIONAL TREASURY

- Rev. CPA Kimathi K. Kwiriga - Senior Accountant

ETHICS AND ANTI-CORRUPTION COMMISSION (EACC).

- | | | |
|-----------------------|---|-------------------------------------|
| 1. Mr. Twalib Mbarak | - | Secretary/CEO. |
| 2. Mr. Joel I. Mukumu | - | Director Finance and Planning. |
| 3. Mr. Edwin Mugo | - | Ass. Director Finance and Planning. |
| 4. Mr. Stephen Karuga | - | Snr. Legal Officer. |
| 5. Mr. Gerald Mumo | - | Snr. Accountant. |

WITNESS PROTECTION AGENCY

- | | | |
|---------------------------|---|-------------------------|
| 1. Ms. Jedidah W. Waruhiu | - | CEO. |
| 2. CPA K.A. Tanui | - | Deputy Director. |
| 3. Ms. Julie Wahonya | - | Principal Legal Officer |
| 4. Mr. John Mawngi | - | Finance Manager. |
| 5. Mr. Charles Mwale | - | Principal HRM. |

MIN.NO. NA/DAAOSC/PAC/2023/392 PRELIMINARIES

The chair called the meeting to order at 10.am, said a word of prayer followed by self introductions by all present.

The Agenda for the day was adopted as proposed by The Hon. Yakub Adow Kuno, MP and seconded by The Hon. Victor Kipng'etich Koech, MP.

**MIN.NO.NA/DAAOSC/PAC/2023/393 ETHICS AND ANTI-CORRUPTION COMMISSION
- VOTE 1271.**

The CEO for the Commission appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

1821. Poor Financial Performance

The Commission reported a deficit of Kshs.61,647,104 mainly due to depreciation and accrued expenses resulting from unfunded Exchequer.

The committee noted that donor support for EACC is usually in kind particularly training. The commission said that a National treasury circular guided prioritization of activities.

The Committee noted that there were unfunded components amounting to Ksh.111 million noting that the commission had not made full disclosure.

The Committee directed that full disclosure on this matter be done within seven days.

**MIN.NO.NA/DAAOSC/PAC/2023/394 - WITNESS PROTECTION AGENCY - VOTE
1321**

The CEO for the agency appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

1853. Understaffing

The Agency's Human Resource Policy Manual, 2016 provides for two hundred and ninety-six (296) staff members. However, only one hundred and nine (109) staff members were in post, resulting in a shortfall of one hundred and eighty-seven (187) staff members across the various staffing cadres as at 30 June, 2022.

The OAG said that the shortfall was currently 107 staff.

The agency explained that it was in liaison with the national treasury to provide necessary funding for recruitment to cater for critical areas like witness protection.

The committee noted that this was massive under staffing.

1854. Weaknesses in the Grading Structure

Entry points of two job groups, Grades 2 and 3 had a wide salary difference even after the maximum increment of salary in Grade three (3) in which the salary should overlap to Grade 2.

The agency explained that this was occasioned by having officers in Job Grades 1 and 2 on permanent basis while those in Grades 3 and below are on deployment and their salaries are to be reviewed by SRC through Job Evaluation.

The Committee directed the agency to engage the SRC and regularize the anomaly.

1855. Delay in Establishment of the Victims Compensation Fund (VCF)

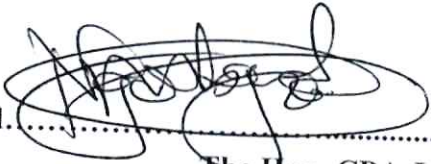
Management was to develop and align the policies for operationalizing the Victims Compensation Fund with the requirements of Section 24 of the Public Finance Management Act, 2012 and Regulation 207 of the Public Finance Management (National Government) Regulations, 2015.

This has led to delay in establishing the Victims Compensation Fund for sixteen (16) years from 30 June, 2006 to 30 June, 2022 contrary to Section 3(i) of Witness Protection Act, 2006 (revised 2018).

The agency said that it is committed to finalization of the same despite the delay.

MIN.NO.NA/DAAOSC/PAC/2023/395 ADJOURNMENT

There being no other business, the meeting was adjourned at 2:05pm.

Signed.....

Date 12.10.23.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 92ND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 3RD OCTOBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDING, AT 10.00 A.M.

PRESENT

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP – *chairing*
2. The Hon. (Dr.) Edwin Mugo Gichuki, MP
3. The Hon. David Kiplagat, MP
4. The Hon. Victor Kipng'etich Koech, MP
5. The Hon. Yakub Adow Kuno, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. *The Hon. (Dr.) Paul Otende Amollo, MP*

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
- ~~3. The Hon. (Dr.) Otende Amollo, SC, EBS, MP~~
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. Gabriel Gathuka Kagombe, MP
6. The Hon. Mohamed Aden Adow, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Nimrod Mate – Clerk Assistant III
3. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
4. Ms. Yvonne Kendi – Hansard Officer III
5. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Richard Nyachieo – Director of Audit
2. Mr. Bernard Maina – Deputy Director of Audit
3. Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

EXECUTIVE OFFICE OF THE PRESIDENT

- | | | |
|--------------------------|---|---|
| 1. Hon. Katoo Ole Metito | - | State House Comptroller |
| 2. Ms. Rachel Maina | - | Secretary Infrastructure |
| 3. Mr. Arthur Osiya | - | Principal Administrative Secretary |
| 4. Mr. Patrick Mbogo | - | Principal Administrative Secretary |
| 5. Mr. Mwikamba Mghenyi | - | Deputy Accountant General |
| 6. Mr. Michael Kamau | - | Principal Accountant |
| 7. Mr. Diana Kiondo | - | Principal Accountant |
| 8. Mr. Susan Nyambura | - | Director of Park and National Resources |
| 9. Mr. Joel Langatt | - | Senior Deputy Accountant General |
| 10. Mr. Waiganjo Waweru | - | Senior Chief Finance Officer |
| 11. Mr. Michael Ochieng | - | Chief Engineer |

MIN.NO. NA/DAAOSC/PAC/2023/388 **PRELIMINARIES**

In the absence of the Chairperson and Vice-chairperson, Members present elected Hon. (Dr.) Wilberforce Oundo, MP to chair the session, subject to S/O 188. The session chairperson called the meeting to order fifteen minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/389 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/390 **EVIDENCE: THE EXECUTIVE OFFICE OF THE PRESIDENT - VOTE 1011**

The Committee resolved that the Accounting Officer re-appear on a future date since he did not avail supporting documents to enable examination of the response.

MIN.NO.NA/DAAOSC/PAC/2023/391 **ADJOURNMENT**

There being no other business, the meeting was adjourned at 10.40 a.m. The next meeting will be held on Thursday, 5th October 2023.

Signed.....



The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

Date ..12-10-23.....

MINUTES OF THE 91ST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY, 02ND ~~SEPTEMBER~~ ^{OCTOBER} 2023, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 2.00 P.M.

PRESENT

- | | | |
|---|---|----------|
| 1. The Hon. Yakub Adow Kuno, MP | - | Chairing |
| 2. The Hon. Mohamed Aden Adow, MP | - | |
| 3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP | - | Online |
| 4. The Hon. Eckomas Mwengi Mutuse, OGW, MP | - | Online |
| 5. The Hon. Nabwera Daraja Nabii, MP | - | Online |
| 6. The Hon. Samuel Kinuthia Gachobe, MP | - | Online |
| 7. The Hon. Victor Kipng'etich Koech, MP | - | Online |

ABSENT WITH APOLOGY

- | | | |
|---|---|------------------|
| 1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP | - | Chairperson |
| 2. The Hon. Nicholas Tindi S. Mwale, MP | - | Vice Chairperson |
| 3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP | - | |
| 4. The Hon. David Kiplagat, MP | - | |
| 5. The Hon. (Dr.) Edwin Mugo Gichuki, MP | - | |
| 6. The Hon. Gabriel Gathuka Kagombe, MP | - | |
| 7. The Hon. Amina Udgoon Siyad, MP | - | |

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|--------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke Imbo | - | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Nimrod Njueh Mate | - | Clerk Assistant III |
| 3. Henry Gichana | - | Research Officer III |
| 4. Mr. Mark Mbuthia | - | Audio Officer III |
| 5. Mr. Luka Mutua | - | Sergeant-At-Arms |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|---------------------------|---|--------------------|
| 1. Ms. Josephine Mathenge | - | Director Audit |
| 2. Mr. Stephen Taiku | - | Deputy Director |
| 3. Mr. Paul Kagwanja | - | Principal Auditor |
| 4. Mr. Ezekiel O.Omore | - | Audit Associate |
| 5. Stephen Makau | - | Personal Assistant |
| 6. Samuel Mathenge | - | Personal Assistant |

THE NATIONAL TREASURY

- | | | |
|-----------------------------|---|-------------------|
| Rev. CPA Kimathi K. Kwiriga | - | Senior Accountant |
|-----------------------------|---|-------------------|

KENYA NATIONAL COMMISSION ON HUMAN RIGHTS

- | | | |
|---------------------------|---|--------------------------------|
| 1. Dr. Benard Mogesa | - | CEO. |
| 2. Dr. Raymond Nyeris PHD | - | Vice Chairperson. |
| 3. Mr. Joseph Ndiku | - | Director Co-ordinate Services. |
| 4. Mr. John Wamwange | - | Financial Manager. |

OFFICE OF THE REGISTRAR OF POLITICAL PARTIES

- | | | |
|------------------------|---|-------------------------------------|
| 1. Ms. Ann Nderitu | - | Registrar of Political Parties. |
| 2. Mr. Douglas Wanzula | - | Principal Accountant. |
| 3. Mr. Joshua Kimulu | - | Senior Chief Finance Officer. |
| 4. Mr. Tatech Kewin | - | Finance Officer. |
| 5. Ms. Veronica Muasya | - | Assistant Director, Internal Audit. |

MIN.NO. NA/DAAOSC/PAC/2023/384 PRELIMINARIES

The chair called the meeting to order at 2.30pm, said a word of prayer followed by self introductions by all present.

The Agenda for the day was adopted as proposed by The Hon. Yakub Adow Kuno, MP and seconded by The Hon. Victor Kipng'etich Koech, MP.

MIN.NO.NA/DAAOSC/PAC/2023/385

KENYA NATIONAL COMMISSION ON HUMAN RIGHTS - VOTE 2011.

The Accounting Officer/CEO for the State Agency Dr. Benard Mogesa appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

1863. Pending Bills

The Commission had pending bills totaling Kshs.13,242,693 as at 30 June, 2022, which were not settled in 2021/2022 financial year but were instead carried forward to 2022/2023 financial year. The agency concurred that this was the situation and explained that it was as a result of budgetary cuts by the National Treasury.

The committee was informed that all the pending bills for 2021/2022 financial year have however been cleared.

The agency informed the committee that to-date only one supplier, Safaricom has not been paid and the reason is because Safaricom has not uploaded required documents on the IFMIS portal.

MIN.NO.NA/DAAOSC/PAC/2023/386

OFFICE OF THE REGISTRAR OF POLITICAL
PARTIES - VOTE 1311.

The Registrar of Political Parties who is the Accounting Officer for the State Agency **Ms. Ann Nderitu** appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

1845. Pending Bills

The Office of the Registrar of Political Parties had pending bills totaling Kshs.39, 151,275 as at 30 June, 2022, which were not settled in 2021/2022 financial year.

The agency confirmed that the pending bills had now been cleared but said that the bills had caused operational constraints and that the National Treasury should make effort to reimburse the amount.

MIN.NO.NA/DAAOSC/PAC/2023/387

ADJOURNMENT

There being no other business, the meeting was adjourned at 4pm.

Signed.....



Date ..12-10-23.....

The Hon CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 90TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 28TH SEPTEMBER 2023, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 9.30 A.M.

PRESENT

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP - Chairing
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. David Kiplagat, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Yakub Adow Kuno, MP
7. The Hon. Victor Kipng'etich Koech, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP - Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP - Vice Chairperson
3. The Hon. Nabwera Daraja Nabii, MP
4. The Hon. Mohamed Aden Adow, MP
5. The Hon. Gabriel Gathuka Kagombe, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke Imbo - Senior Clerk Assistant/Lead Clerk
2. Mr. Abdirahman Gele Hassan - Clerk Assistant I
3. Mr. Nimrod Njueh Mate - Clerk Assistant III
4. Ms. Lilian Mwikali Mutiso - Clerk Assisstant III
5. Mr. Mark Mbuthia - Audio Officer III
6. Mr. Luka Mutua - Sergeant-At-Arms

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Kenneth Nduri - Deputy Director
2. Mr. Moses Murila - Principal Auditor
3. Mr. Ezekiel O.Omore - Audit Associate

STATE DEPARTMENT FOR TOURISM - VOTE 1202.

1. Mr. John L. Ololtua - Principal Secretary.
2. Ms. Agnes W. Waweru - Head, Accounts Unit.
3. Ms. Moraa Nyamweru - Head, Supply Chain Mgt.
4. Mr. Mathew K. Musyoka - Head of Finance.

5. Mr. Julius Musau - PA to PS
6. Mr. Munyithya Kimwele - Parliamentary Liason Officer.

MIN.NO. NA/DAAOSC/PAC/2023/381 PRELIMINARIES

The chair called the meeting to order at 9.55am, said a word of prayer followed by self introductions by all present.

The Agenda for the day was adopted as proposed by The Hon. (Dr.) Otiende Amollo, SC, EBS, MP. and seconded by the Hon. (Dr). Mugo Gichuki, MP.

MIN.NO.NA/DAAOSC/PAC/2023/382 STATE DEPARTMENT FOR TOURISM - VOTE 1202.

The Principal Secretary/Accounting Officer for the State Department **Mr. John Lekakey Ololtuaa** appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

1689. Inaccuracies in the Financial Statements

1689.1 Statement of Receipts and Payments

The statement of receipts and payments reflected an unexplained variance of Kshs.137,995. The OAG confirmed that necessary documents were later provided that explained the variance.

1689.2 Statement of Assets and Liabilities

The statement of assets and liabilities was at variance with the IFMIS report in regard to cash and cash equivalents, accounts receivables and accounts payables to an amount of Ksh.945, 745,520.

The OAG said that to-date, not all the documents have been provided therefore the query is yet to be resolved.

The agency explained that this was as a result of an incomplete auto bank reconciliation and some UN accounted for transactions in the IFMIS.

Committee Resolution

The Committee noted that documents were not provided to auditors on time and that there was clear deliriation of duty by staff and necessary action should be taken.

The agency admitted the mistake noting that a new team was now in place.

1689.3 Statement of Cash Flows

The statement of cash flows was at variance with the IFMIS report but the OAG said that the revised copy of the IFMIS report satisfied the query.

The Committee also noted that the government is in the process of transitioning from Cash Basis Accounting Systems (IPSAS) to Accrual Accounting System, subject to Cabinet approval, which will reduce such discrepancies.

The Committee noted that the delay in providing schedule/and information to the Office of the auditor-General in time depicted lack of diligence.

Other Matter

1870. Pending Bills

The financial statements reflected pending bills balance of Kshs.531,496,362.

Committee Observations and Findings

The Committee took note of the current outstanding pending bill amounting to Ksh. 283,604,886.93.

Furthermore, the Committee observed that the accumulation of pending bills was largely attributed to litigation fees, particularly those associated with Prof. Tom Ojienda and Associates.

The Committee urged the Accounting Officer to ensure that pending bills form the first charge in accordance with Section 74(4) of the Public Finance Management Act, 2012.

Committee Resolution

The Committee directed the Accounting Officer to provide details regarding Prof. Tom Ojienda and Associates, including an analysis of the payments made, claimed amounts, court-issued awards, and the existing agreement between the parties.

1871. Contingent Liabilities

The financial statements reflected contingent liabilities totaling Kshs. 490,961,706 arising from legal fees, court cases, and awards against the Commission.

Committee Observations and Findings

- i. The Committee expressed concern about the substantial expenditure on litigation fees, indicating that the commission was dealing with a significant number of unresolved legal matters;
- ii. The Committee also raised concerns about the capability of the Commission's legal team. The Accounting Officer mentioned that the legal team consisted of merely fifteen (15) lawyers, which posed a significant challenge due to the work load; and
- iii. The amount had been settled with no extra cost on late payment.

Committee Resolution

- i. The Committee directed the Accounting Officer to devise mechanism of addressing court cases which hamper the Commission's operations; and
- ii. The Committee also directed the Accounting Officer to furnish information about all ongoing court cases, specifying the amounts awarded in favor of and against the Commission.

1872. Non-Compliance with One-Third Basic Pay Rule

The Committee observed that the matter was as a result of tax reliefs accorded to officers during the covid-19 pandemic, as well as court cases related to family matters where court decrees had been issued.

1873. Officers on Acting Capacity Beyond Stipulated Time

The Committee observed that the Management was in breach of Section 5.6 of the Commission's Human Resource Policy Manual which provides that acting appointments be made for a minimum of thirty (30) days and a maximum of six (6) months duration.

The Committee also noted that the Commission is currently in the process of competitively filling acting positions.

1874. Irregular Engagement of Legal Services

The Committee considered the engagement of legal services to be irregular since the Attorney General did not authorize the involvement of the law firms contrary to Section 17(1) of the Attorney General Act, 2012.

The Court advised the two parties to resolve the matter on an out-of-court settlement but the firm of Prof. Tom Ojienda & Associates declined the proposal.

Committee Observation and Findings

The Committee recognized that those responsible for the irregularities should take personal accountability.

Committee Resolution

The Committee directed the Accounting Officer to provide correspondences between the Commission, Attorney General and Treasury on the matter, in a week's time.

1875. Avoidable Interest Expense on Legal Fees

The Committee urged the Accounting Officer to diligently employ negotiation skills and make payments on time to avoid incurring interest on unpaid court awards.

1876. Failure to Update the Fixed Assets Register

The Office of the Auditor General confirmed that they had received an updated fixed assets register, which had been revised to meet the required standard.

1877. Staffing Levels below Approved Staff Establishment

The Commission was operating below 50% capacity but was allocated funds in the 2021/2022 financial year to expand its establishment.

In that regard, it would recruit fifty-one (51) officers within the next few weeks to enhance its operations.

NATIONAL LAND COMMISSION HOUSING SCHEME FUND

1878. Unreconciled Long-Term Receivables from Exchange Transactions

The Office of the Auditor General confirmed to have reconciled long-term receivables with the Commission and the issue is now resolved.

Committee Resolution

The Committee directed the accounting officer to diligently compile a thorough and detailed response, along with comprehensive supporting documents, for all outstanding audit queries. They also emphasized the importance of being well-prepared for the next meeting.

MIN.NO.NA/DAAOSC/PAC/2023/379 **AOB**

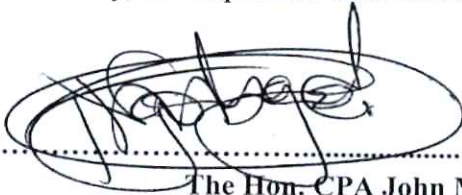
The Committee asked for an update on the special audits for School Infrastructure Development Funds, Capitation Funds, Textbook Funds, Fertilizer subsidies, and expenditure under Article 223 of the Kenyan constitution, as previously requested.

The Office of the Auditor General reported that the special audit on Fertilizer subsidies and expenditure under Article 223 of the constitution of Kenya was progressing well. They will provide further updates on the status of the special audits

MIN.NO.NA/DAAOSC/PAC/2023/380 **ADJOURNMENT**

There being no other business, the meeting was adjourned at 12.15 p.m. The next meeting will be held on Thursday, 28th September 2023 at 9.30 a.m.

Signed.....



Date ... 12-10-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 89TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 26TH SEPTEMBER 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDING, AT 9.30 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Gabriel Gathuka Kagombe, MP
8. The Hon. Victor Kipng'etich Koech, MP
9. The Hon. Yakub Adow Kuno, MP
10. The Hon. Mohamed Aden Adow, MP
11. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Eckomas Mwangi Mutuse, OGW, MP
3. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Abdirahman Hassan – Clerk Assistant I
3. Mr. Nimrod Mate – Clerk Assistant III
4. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
5. Ms. Yvonne Kendi – Hansard Officer III
6. Ms. Faith Jully Malala – Public Communications Officer III
7. Mr. Peter Atsiaya – Media Relations Officer
8. Mr. Luka Mutua – Sergeant-at-Arms
9. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Justus Okumu – Director of Audit
2. Mr. Philip Ndegwa – Principal Auditor
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

Mr. Simon K. Kiriiba – Deputy Accountant General

STATE DEPARTMENT FOR BASIC EDUCATION

- | | | |
|-----------------------------------|---|---------------------------------|
| 1. Dr. Belio R. Kipsang, PhD, CBS | – | Principal Secretary |
| 2. Ms. Martha Ekirapa | – | Deputy Director of Education |
| 3. Dr. Hilder Kaavia | – | Director of Procurement |
| 4. Mr. Wakesa Khaoya | – | Senior Chief Finance Officer |
| 5. Mr. Paul Kibet | – | Director Secondary |
| 6. Ms. Jane Mbugua | – | Deputy Director of Education |
| 7. Mr. Paul Mutua | – | Senior Supply Chain Management |
| 8. Mr. Musa Wambua | – | Deputy Director of Education |
| 9. Mr. Emilio Mukira | – | Deputy Accountant General |
| 10. Mr. Joseph Nguuri | – | Finance Officer |
| 11. Mr. John Muigai | – | Finance officer |
| 12. Mr. Elijah Kinyua | – | Supply Chain Management Officer |
| 13. Mr. Humpharey Masai | – | Senior Accountant |
| 14. Mr. Mark Fande Mjambili | – | Principal Finance Officer |

MIN.NO. NA/DAAOSC/PAC/2023/376 PRELIMINARIES

The Chairperson called the meeting to order ten minutes to ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/377 CONFIRMATIONS OF MINUTES OF PREVIOUS SITTINGS

Confirmations of minutes of previous meetings were deferred to the next Sitting.

MIN.NO.NA/DAAOSC/PAC/2023/378 EVIDENCE: EARLY LEARNING AND BASIC EDUCATION - VOTE 1066

Dr. Belio R. Kipsang, Ph.D., CBS, the Principal Secretary/Accounting Officer for the State Department for Basic Education appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

376. Irregularities in the Procurement and Construction of Competency-Based Curriculum Classrooms

376.1 Unsupported Procurement Method

The State Department Management did not provide audit explanations and documentation on the procurement method used on the tenders for the construction of the CBC classrooms and how the various contractors were identified.

376.2 Irregular Pricing of Construction of CBC Classrooms

The State Department Management tendered for the construction of the CBC classrooms at a cost of Kshs. 709,398 for each classroom across the country. It was, however, not clear how the amount was arrived at taking into consideration the terrain and topographical layout across the country making it impossible to have a standard rate. Management did not also provide for audit Bills of Quantities, market surveys, and status reports on the construction of the classrooms. Further, the procurement and payments of the contractors were made outside the e-procurement system.

Committee Observations and Findings

- i. The Committee expressed dissatisfaction with the response provided by the Accounting Officer. He stated that he had overseen the construction of the CBC classroom in accordance with section 92 (m) of the Public Procurement and Asset Disposal Regulation 2020, which permits construction through Direct Community Participation. However, he failed to furnish evidence substantiating the utilization of this approach.
- ii. The Committee raised a concern regarding why all the contractors who showed interest in constructing the classrooms submitted identical bids.

Committee Resolution

The Committee instructed the Accounting Officer to furnish extensive and thorough information, addressing the following:

- i. Offer a comprehensive explanation and provide documentation regarding the procurement process employed in the tender for the construction of the CBC classrooms, including supporting evidence of the method utilized.
- ii. Present a tabulated list encompassing all contractors who expressed interest, as well as those who were ultimately contracted, while specifying the criteria utilized for their selection.
- iii. Supply supporting documentation showcasing the composition of the procurement committee, along with the pertinent minutes utilized in the procurement process.
- iv. Deliver an up-to-date report on the current status of the project.

377. Unsupported Procurement and Supply of Desktop Computers

Pending bills amount of Kshs. 429,087,117 includes Kshs. 189,072,000 which relates to the supply of 2,020 desktop computers to 196 Secondary Schools across the 47 Counties. A review of the procurement process reflects the following anomalies:

- i. Computers were delivered on 20 June 2022, 20 days after the lapse of the contract. The liquidated damage was at the rate of 0.5% per week, which would translate to about Kshs. 2,836,080 which was not charged as per the contract agreement;
- ii. The signed contract related to EQUIP Contract No. MOE/SEQUIP/NCB/04/2021- 2022 as titled and not the State Department while the award and professional opinion relates to tender No. MOE/SDELBE/NCB/04/2021- 2022 on supply of computers;

- iii. There were no appointment letters to the Inspection and Acceptance Committee and no report on the inspection attached to the pending bill voucher. It is not clear whether an Inspection and Acceptance Committee had been constituted at the point of delivery despite the computers being delivered in schools;
- iv. In addition, the contract for the supply of the desktop computers did not specify what tests were to be carried out to confirm the functioning of the machines;
- v. No documentary evidence was provided on negotiations that actually took place and what tests were agreed upon; and,
- vi. The procurement inspection and acceptance certificate attached did not give any remarks on the quality of the desktop computers received. It is not clear how the certificate was issued without a complete inspection and acceptance report.

Committee Observation

The Committee noted that during the audit, the Accounting Officer did not furnish the necessary procurement documents to the Office of Auditor General.

Committee Resolution

The Committee instructed the Accounting Officer to provide them with a detailed list outlining the distribution of computers across all 47 counties to evaluate whether the distribution of these computers was fair and equitable.

378. Irregularities in the Implementation of the School Feeding Programme

378.1 Lack of an Inventory Management System

The State Department had not invested in an Inventory Management System to track and account for the inventory movement. There were no stock sheets or store records to record the movement of stock. The supplies were received and distributed manually which exposes the process to loss, manipulation, and other inaccuracies

378.2 Irregular Procurement of School Feeding Supplies

The State Department adopted a framework contract from Public Works and requested quotations from only one firm for the supply of corn soya from a list of twenty-eight suppliers, three firms for supply of salt and five firms for supply of vegetable oil. This was contrary to provisions of Section 114(1) of the Public Procurement and Asset Disposal Act, 2015 which provides that a procuring entity may enter into a framework 126 through open tender if the procurement value is within the thresholds prescribed under regulation to this Act

Committee Observation and Finding

The Committee expressed dissatisfaction with the response and the documents provided by the Accounting Officer. The Accounting Officer was not prepared to answer the audit query.

1879. Failure by the Steering Committee to Hold Requisite Meetings

The Committee urged the Accounting Officer to ensure compliance with Regulation 6(5) of the National Land Commission Housing Scheme Fund Regulations, 2016 which requires the Steering Committee to meet at least four times a year and the period between one meeting of the Committee and the next should not exceed four (4) months.


NATIONAL LAND COMMISSION STAFF CAR LOAN SCHEME FUND

1881. Long-Term Receivables from Exchange Transactions

The Office of the Auditor General confirmed that the issue of Long Term Receivables from Exchange Transactions has now been resolved and settled.

MIN.NO.NA/DAAOSC/PAC/2023/298 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.20 pm. The next meeting will be held on Thursday, 10th August 2023, at 10.00 a.m.

Signed.....


Date 10-8-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 88TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON MONDAY, 25TH SEPTEMBER 2023, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 2.30 P.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP - **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP - **Vice Chairperson**
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Victor Kipng'etich Koech, MP
7. The Hon. Nabwera Daraja Nabii, MP
8. The Hon. Mohamed Aden Adow, MP

ABSENT WITH APOLOGY

1. The Hon. Gabriel Gathuka Kagombe, MP
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. (Dr.) Edwin Mugo Gichuki, MP
4. The Hon. Yakub Adow Kuno, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke Imbo - Senior Clerk Assistant/Lead Clerk
2. Mr. Abdirahman Gele Hassan - Clerk Assistant I
3. Mr. Nimrod Njueh Mate - Clerk Assistant III
4. Ms. Lilian Mwikali Mutiso - Clerk Assistant III
5. Mr. Mark Mbuthia - Audio Officer III
6. Mr. Luka Mutua - Sergeant-At-Arms

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Justus O. Okumu - Director of Audit
2. Mr. Tumuna O. Mwambingu - Deputy Director of Audit
3. Mr. Philip Ndegwa - Principal Auditor
4. Mr. Paul Kagwanja - Principal Auditor
5. Mr. Ezekiel Omore - Audit Associate

NATIONAL TREASURY

- Dr. Jackson Ndungo - Assistant Accountant General

STATE DEPARTMENT FOR UNIVERSITY EDUCATION AND RESEARCH

- | | | |
|-----------------------------------|---|---|
| 1. Dr. Beatrice Muganda Inyangala | - | Principal Secretary |
| 2. Mr. Geoffrey Monari | - | CEO, Universities Fund |
| 3. Prof. Darius Andika | - | Director, Insect Foods/ Jaramogi O.Univ |
| 4. Ms. Margaret W. Kariuki | - | Senior Deputy Accountant General. |
| 5. Mr. Maina Chira | - | Senior Chief Finance Officer. |
| 6. Mr. Fahad Muthee | - | Deputy Director, HRMD |
| 7. Mr. James M. Kiburi | - | Deputy Director, Higher Education |
| 8. Mr. Douglas Muhia | - | Deputy Director, Supply Chain Mgt |
| 9. Mr. Paul Mungai | - | Deputy Director, Higher Education |
| 10. Ms. Ann Mwangi | - | Principal Accountant |

MIN.NO. NA/DAAOSC/PAC/2023/372 PRELIMINARIES

The Chairperson called the meeting to order at 2.40pm and said a word of prayer followed by introductions by all present.

The Agenda for the day was adopted as proposed by the Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and seconded by the Hon. (Dr.) Otiende Amollo, SC, EBS, MP.

MIN.NO. NA/DAAOSC/PAC/2023/373 CONFIRMATION OF MINUTES OF PREVIOUS SITTING

Confirmation of minutes of previous meeting was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/374 EVIDENCE: STATE DEPARTMENT FOR UNIVERSITY EDUCATION AND RESEARCH - VOTE 1065

Dr. Beatrice Muganda Inyangala, the Principal Secretary/Accounting Officer for the State Department appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

322. Unsupported Other Grants and Transfers

An expenditure of Kshs. 17,251,380 was not supported with relevant records and documents.

Submission by the Accounting Officer

The amount of Ksh. 14,964,580 included in other grants related to scholarships and other education benefits – tertially education under reccurent budget on burseries, scholarships, subsidies and education attachments.

1689.4 Between Financial Statements and Trial Balance

The financial statement amounts differed with trial balance amounts. The agency admitted the inaccuracy and said that after obtaining the correct figures in the IFMIS, the correct position of the financial statement has now been rectified.

1690. Inaccuracies in Presentation of the Financial Statements

The committee noted that receipts and confirmation letters were not provided to auditors. Further, even the documents provided were not owned.

Committee Resolution.

Committee demanded for a confirmation from The Tourism Reserve Institute, within seven days confirming that the amount of Ks.113 million was received.

The Committee asked for similar documents from The Tourism Regulatory Authority.

1691. Unreconciled Transfers to Other Government Units

An amount of Kshs.1, 225,600,000 in receipts and payments was reflected in transfers to other government units with a variance of Kshs.11, 243,332.


Committee Resolution

Paragraphs 1690 and 1691 agency responses were expunged and the committee demanded fresh responses.

MIN.NO.NA/DAAOSC/PAC/2023/383 ADJOURNMENT

There being no other business, the meeting was adjourned at 11.45am

Signed.....



Date 12-10-23.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 78TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 12TH SEPTEMBER 2023, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 2.30 P.M.

PRESENT

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP - *Chairing*
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. David Kiplagat, MP
4. The Hon. Victor Kipng'etich Koech, MP
5. The Hon. Eckomas Mwengi Mutuse, OGW, MP
6. The Hon. (Dr.) Edwin Mugo Gichuki, MP
7. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
8. The Hon. Gabriel Gathuka Kagombe, MP
9. The Hon. Yakub Adow Kuno, MP
10. The Hon. Mohamed Aden Adow, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP - **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP - **Vice Chairperson**
3. The Hon. Nabwera Daraja Nabii, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke Imbo - Senior Clerk Assistant/Lead Clerk
2. Mr. Abdirahman Gele Hassan - Clerk Assistant I
3. Mr. Lenny Muchangi - Legal Counsel II
4. Mr. Nimrod Njueh Mate - Clerk Assistant III
5. CPA. Cyrille Mutali - Fiscal Analyst III
6. Ms. Faith Jully Malala - Public Communications Officer III
7. Mr. Mark Mbuthia - Audio Officer III
8. Mr. Luka Mutua - Sergeant-At-Arms

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Justus O. Okumu - Director of Audit
2. Ms. Josephine Waregi - Director of Audit
3. Ms. Sharon Wangari - Deputy Director
4. Mr. Harrison Mwangi - Principal Auditor
5. Mr. Paul Kagwanja - Principal Auditor

6. Mr. Samuel Mathenge - Principal Auditor

NATIONAL TREASURY

- Rev. CPA Kimathi K. Kwiriga - Senior Accountant

STATE DEPARTMENT FOR IMPLEMENTATION OF CURRICULUM REFORMS

1. Dr. Belio R. Kipsang, CBS - Principal Secretary
2. Mr. Wekesa Khaoya - Senior Chief Finance Officer
3. Mr. Emilio Mukira - Deputy Accountant General
4. Dr. Hilda Kaaria - Deputy Supply Chain Management
5. Mr. Humphrey Imbusi Maasai - Senior Accountant

THE COMMISSION ON ADMINISTRATIVE JUSTICE

1. Hon. Florence Kajuju - Chairperson
2. Ms. Mercy Kalondu Wambua - Chief Executive Officer
3. Mr. Dan Karomio - Director
4. Mr. Benard Nyariki - Ag. Director Finance
5. Mr. Justus Manyok - Assistant Admin Officer
6. Ms. Daisy Kosgey - Personal Assistant

MIN.NO. NA/DAAOSC/PAC/2023/331 PRELIMINARIES

The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP who was chairing, called the meeting to order at 10.15 am and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/332 CONFIRMATION OF MINUTES OF PREVIOUS SITTING

Confirmation of minutes of previous meeting was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/333 STATE DEPARTMENT FOR IMPLEMENTATION OF CURRICULUM REFORMS – VOTE 1069

Dr. Belio R. Kipsang, CBS, the Principal Secretary/Accounting Officer appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

420. Non-Adherence to Procurement Procedures

The State Department irregularly awarded five (5) tenders worth Kshs.4, 452, 500 to suppliers who did not have valid tax compliance certificates. This was contrary to Public Procurement Oversight Authority Circular No.1/2011 which requires bidders to submit valid tax compliance certificates. In the circumstances, Management was in breach of the law.

Submission by the Accounting Officer

The Accounting Officer submitted that the suppliers had been registered earlier but Tax validity was not established at the point of utilizing them.

Committee Observations

- i. The Committee needed to know what administrative action had been taken on staff who had violated the procurement procedures; and
- ii. The Committee directed the Accounting Officer to provide a comprehensive details on the matter including tender evaluation reports in a week's time.

421. Failure to Maintain a Fixed Asset Register

The financial statements on summary of fixed assets reflects an amount of Kshs.16,515,260. However, a fixed asset register detailing the assets, asset category, and asset value and identification number of the assets was not provided for audit.

Further, physical verification of the assets revealed that they were not tagged contrary to Regulation 139(1) of the Public Finance Management (National Government) Regulations, 2015.

Submission by the Accounting Officer

The Accounting Officer submitted that the State Department ceased to exist and its assets were transferred to the State Department for Basic Education. Tagging of assets will be done under the new state department.

Committee Observation

The Committee urged the Accounting Officer to properly value assets in order to determine their right value during disposal.

422. Lack of Risk Management Policy and Strategy

The State Department Management had not put in place a Risk Management Policy, strategies, and Risk Register to mitigate against risk. It was, therefore, not clear how the risk exposures were managed. This was in contravention of Regulation 165(1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism; and develops a system of risk management and internal control that builds robust business operations.

Submission by the Accounting Officer

The Accounting Officer submitted that the Department's short span and insufficient staffing delayed development of a risk management policy.

423. Lack of an Audit Committee

The State Department has not established an Internal Audit Unit and an Audit Committee of the Board. This was contrary to Section 73 of the Public Finance Management Act, 2012 which provides for the establishment of an Audit Committee of the Board.

In the circumstances, the State Department did not benefit from the assurance and advisory services from the Audit Committee.

Submission by the Accounting Officer

The Accounting Officer submitted that the Ministry of Education had an internal audit committee that served all the Departments and sat on quarterly basis.

Committee Observation

The Committee observed that the Department did not have its own audit committee and instead relied on the Ministry's main audit committee.

MIN.NO.NA/DAAOSC/PAC/2023/334 EVIDENCE: THE COMMISSION ON ADMINISTRATIVE JUSTICE – VOTE 2131

Ms. Mercy Kalondu Wambua, the Chief Executive Officer/Accounting Officer appeared before the Committee accompanied by other officers and submitted as follows in response to Audit query for the year 2021/2022.

1980. Pending Bills

The Commission had pending bills totaling Kshs.5,533,492 which were not settled in the 2021/2022 financial year but were carried forward to the subsequent financial year.

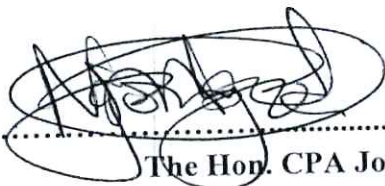
Submission by the Accounting Officer

The Accounting Officer submitted that the Commission had cleared all the pending bills, and provided a schedule detailing payment of the same.

MIN.NO.NA/DAAOSC/PAC/2023/335 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.00pm.

Signed.....



The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

Date 12-10-23

MINUTES OF THE 82ND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 21ST SEPTEMBER 2023, IN MEDUSA 2 CONFERENCE HALL, ENGLISH POINT MARINA, MOMBASA COUNTY, AT 10.00 A.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Mohamed Aden Adow, MP
10. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Samuel Kinuthia Gachobe, MP
2. The Hon. David Kiplagat, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|-----------------------------------|
| 1. Mr. Oscar Namulanda | – | Ag. Deputy Director |
| 2. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 3. Mr. Abdirahman Hassan | – | Clerk Assistant I |
| 4. Mr. Lenny Muchangi | – | Legal Counsel II |
| 5. Mr. Nimrod Mate | – | Clerk Assistant III |
| 6. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 7. Mr. Cyrille Mutali | – | Fiscal Analyst III |
| 8. Mr. Henry Gichana | – | Research Officer III |
| 9. Ms. Yvonne Kendi | – | Hansard Officer III |
| 10. Ms. Faith Jully Malala | – | Public Communications Officer III |
| 11. Mr. Peter Atsiaya | – | Media Relations Officer |
| 12. Mr. Luka Mutua | – | Sergeant-at-Arms |
| 13. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|----------------------|---|-------------------|
| 1. Mr. Paul Kagwanja | – | Principal Auditor |
| 2. Mr. Ezekiel Omoro | – | Audit Associate |

THE NATIONAL TREASURY

- 1. Mr. Simon K. Kiriiba - Deputy Accountant General
- 2. Dr. Jackson M. Ndungo - Assistant Accountant General

MIN.NO. NA/DAAOSC/PAC/2023/348 PRELIMINARIES

The Chairperson called the meeting to order at ten minutes past ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/349 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmations of the minutes of previous meetings were deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/350 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2020/2021

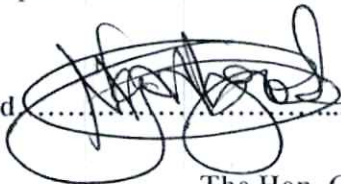
The Members deliberated on the Committee's report on examination of the report of the Auditor-General on the financial statements for the year 2020/2021, with regard to the accounts of the National Treasury, where members contributed their perspectives and insights into the report.

During its consideration of the aforementioned report, the Committee made various changes to the observations and recommendations therein.

MIN.NO.NA/DAAOSC/PAC/2023/351 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.40 p.m. The next meeting will be held at 2.00 pm in the same venue.

Signed



Date 12-10-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 81ST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON WEDNESDAY, 20TH SEPTEMBER 2023, MEDUSA 2 CONFERENCE HALL, ENGLISH POINT MARINA, MOMBASA COUNTY, AT 2.00 P.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Mohamed Aden Adow, MP
10. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Samuel Kinuthia Gachobe, MP
2. The Hon. David Kiplagat, MP
3. The Hon. Eckomas Mwenji Mutuse, OGW, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Oscar Namulanda – Ag. Deputy Director
2. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
3. Mr. Abdirahman Hassan – Clerk Assistant I
4. Mr. Lenny Muchangi- – Legal Counsel II
5. Mr. Nimrod Mate – Clerk Assistant III
6. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
7. CPA. Cyrille Mutali – Fiscal Analyst III
8. Mr. Henry Gichana – Research Officer III
9. Ms. Yvonne Kendi – Hansard Officer III
10. Ms. Faith Jully Malala – Public Communications Officer III
11. Mr. Peter Atsiaya – Media Relations Officer
12. Mr. Luka Mutua – Sergeant-at-Arms
13. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Paul Kagwanja – Principal Auditor
2. Mr. Ezekiel Omoro – Audit Associate

THE NATIONAL TREASURY

1. Mr. Simon K. Kiriiba - Deputy Accountant General
2. Dr. Jackson M. Ndungo - Assistant Accountant General

MIN.NO. NA/DAAOSC/PAC/2023/344 PRELIMINARIES

The Chairperson called the meeting to order fifteen minutes past two o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/345 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmations of the minutes of previous meetings were deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/346 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2020/2021

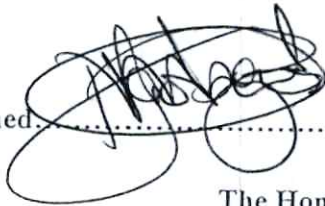
The Members deliberated on the Committee's report on examination of the report of the Auditor-General on the financial statements for the year 2020/2021, with regard to the accounts of the National Treasury, where members contributed their perspectives and insights into the report.

During its consideration of the aforementioned report, the Committee made various changes to the observations and recommendations therein.

MIN.NO.NA/DAAOSC/PAC/2023/347 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.30 p.m.

Signed.....



Date

12-10-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 80TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD
ON WEDNESDAY, 20TH SEPTEMBER 2023, MEDUSA 2 CONFERENCE HALL, ENGLISH
POINT MARINA, MOMBASA COUNTY, AT 10.00 A.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. Gabriel Gathuka Kagombe, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Mohamed Aden Adow, MP
10. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. Samuel Kinuthia Gachobe, MP
2. The Hon. David Kiplagat, MP
3. The Hon. Eckomas Mwenji Mutuse, OGW, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|-----------------------------------|
| 1. Mr. Oscar Namulanda | – | Ag. Deputy Director |
| 2. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 3. Mr. Abdirahman Hassan | – | Clerk Assistant I |
| 4. Mr. Lenny Muchangi | – | Legal Counsel II |
| 5. Mr. Nimrod Mate | – | Clerk Assistant III |
| 6. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 7. CPA. Cyrille Mutali | – | Fiscal Analyst III |
| 8. Mr. Henry Gichana | – | Research Officer III |
| 9. Ms. Yvonne Kendi | – | Hansard Officer III |
| 10. Ms. Faith Jully Malala | – | Public Communications Officer III |
| 11. Mr. Peter Atsiaya | – | Media Relations Officer |
| 12. Mr. Luka Mutua | – | Sergeant-at-Arms |
| 13. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|----------------------|---|-------------------|
| 1. Mr. Paul Kagwanja | – | Principal Auditor |
| 2. Mr. Ezekiel Omoro | – | Audit Associate |

THE NATIONAL TREASURY

1. Mr. Simon K. Kiriiba - Deputy Accountant General
2. Dr. Jackson M. Ndungo - Assistant Accountant General

MIN.NO.NA/DAAOSC/PAC/2023/340 PRELIMINARIES

The Chairperson called the meeting to order at half past nine o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/341 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmations of the minutes of previous meetings were deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/342 CONSIDERATION OF THE REPORT ON THE EXAMINATION OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR 2020/2021

The Members deliberated on the Committee's report on examination of the report of the Auditor-General on the financial statements for the year 2020/2021, with regard to the accounts of the National Treasury, where members contributed their perspectives and insights into the report.

During its consideration of the aforementioned report, the Committee made various changes to the observations and recommendations therein.

MIN.NO.NA/DAAOSC/PAC/2023/343 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.30 p.m. The next meeting will be held at 2.00 pm in the same venue.

Signed.....



Date

12-10-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 79TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON WEDNESDAY, 13TH SEPTEMBER 2023, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 2.30 P.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP - Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. David Kiplagat, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. The Hon. (Dr.) Edwin Mugo Gichuki, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Nabwera Daraja Nabii, MP
10. The Hon. Mohamed Aden Adow, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP - Vice Chairperson
2. The Hon. Samuel Kinuthia Gachobe, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke Imbo - Senior Clerk Assistant/Lead Clerk
2. Mr. Abdirahman Gele Hassan - Clerk Assistant I
3. Mr. Lenny Muchangi - Legal Counsel II
4. Mr. Nimrod Njueh Mate - Clerk Assistant III
5. CPA. Cyrille Mutali - Fiscal Analyst III
6. Ms. Faith Jully Malala - Public Communications Officer III
7. Mr. Mark Mbuthia - Audio Officer III
8. Mr. Luka Mutua - Sergeant-At-Arms

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Joseph Abok - Director of Audit
2. Ms. Mary Nganga - Principal Auditor
3. Mr. Paul Kagwanja - Principal Auditor

NATIONAL TREASURY

- Rev. CPA Kimathi K. Kwiriga - Senior Accountant

STATE DEPARTMENT FOR SPORTS

- | | | |
|--------------------------|---|--------------------------------|
| 1. Mr. Peter K. Tum, CBS | - | Principal Secretary |
| 2. Mr. Mike Kimoko | - | Senior Deputy Secretary |
| 3. Mr. Anthony Njenga | - | Deputy Accountant General |
| 4. Mr. Givinal Ejilo | - | Assistant Director Procurement |
| 5. Mr. Felix Omondi | - | Assistant Secretary |

MIN.NO. NA/DAAOSC/PAC/2023/336 PRELIMINARIES

The Chairperson called the meeting to order at 2.35pm and said a word of prayer, followed by introductions by all present.

The Agenda for the day was adopted as proposed by the Hon. David Kiplagat, MP and seconded by the Hon. Victor Kipng'etich Koech, MP.

MIN.NO. NA/DAAOSC/PAC/2023/337 CONFIRMATION OF MINUTES OF PREVIOUS SITTING

Confirmation of minutes of previous meeting was deferred to the next sitting.

MIN.NO. NA/DAAOSC/PAC/2023/338 EVIDENCE: STATE DEPARTMENT FOR SPORTS – VOTE 1132

Mr. Peter K. Tum, CBS, the Principal Secretary/Accounting Officer for the State Department appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

1286. Unsupported Repairs and Maintenance Expenditure

The completeness, accuracy and validity of an expenditure of Kshs. 596,667 for the year ended 30 June, 2022 issued to an officer to facilitate motor vehicles service and repairs could not be confirmed.

Submission by the Accounting Officer

The Accounting Officer admitted that their system was lax and that there were anomalies. The Accounting Officer submitted that Imprest was given in cash to officers.

Committee Observations

- i. The Committee observed that Imprest was given in cash to officers which is un-procedural;
- ii. The Committee also observed that maintenance unit did not provide required documents to auditors for review and verification.

Committee Resolution

- i. The Committee noted the need to take action against officers who misplaced documents and the officer those authorized the payments;

- ii. The Committee directed the Accounting Officer to provide the names of the officers involved in the transaction within one week.

1287. Unsupported Fuel, Oil and Lubricants Expenditure

An expenditure amounting to Kshs. 2,711,543 in respect of fuel, oil and lubricants were not entered in the respective motor vehicle work tickets.

Submission by the Accounting Officer

The Committee noted that required documents were not availed for audit which is an increasing trend. The committee also noted that documents disappeared after fueling had been done and demanded to know what administrative measures had been put in place.

1288. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements.

Submission by the Accounting Officer

Management had indicated that the issues were responded to. However, the issues remained unresolved as Parliament had not met to deliberate on the same.

Committee Resolution

The Committee to consider the matter in its report writing retreat scheduled for September 18-24 and make a decision on prior year matters that were raised in the 2020/21 financial year.

The Committee deferred consideration of paragraphs 1289, 1290 and 1291.

1292. Unauthorized Use of Fuel Cards

Documents supporting action taken against concerned staff that caused unauthorized use of fuel card in the Sports registers office totalling to Kshs. 1,479,232 were not provided for audit review.

Submission by the Accounting Officer

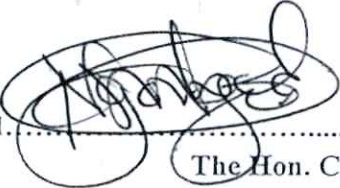
The Accounting Officer admitted the failure and submitted that administrative action was taken against the officer culpable and was interdicted.

Committee Observations

- i. The Committee observed that the administrative action was taken two years later showing laxity.
- ii. The Committee noted that other losses may have been occasioned by the dishonest officer during the delay in taking action.

MIN.NO.NA/DAAOSC/PAC/2023/339 ADJOURNMENT

There being no other business, the meeting was adjourned at 4.15pm.

Signed.....


Date 12-10-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

MINUTES OF THE 77TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 12TH SEPTEMBER 2023, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 9.30 A.M.

PRESENT

- | | | |
|---|---|-----------------|
| 1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP | - | <i>Chairing</i> |
| 2. The Hon. Samuel Kinuthia Gachobe, MP | | |
| 3. The Hon. David Kiplagat, MP | | |
| 4. The Hon. Victor Kipng'etich Koech, MP | | |
| 5. The Hon. Eckomas Mwengi Mutuse, OGW, MP | | |
| 6. The Hon. (Dr.) Edwin Mugo Gichuki, MP | | |
| 7. The Hon. Yakub Adow Kuno, MP | | |
| 8. The Hon. Mohamed Aden Adow, MP | | |

ABSENT WITH APOLOGY

- | | | |
|---|---|-------------------------|
| 1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP | - | Chairperson |
| 2. The Hon. Nicholas Tindi S. Mwale, MP | - | Vice Chairperson |
| 3. The Hon. Gabriel Gathuka Kagombe, MP | | |
| 4. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP | | |
| 5. The Hon. Nabwera Daraja Nabii, MP | | |
| 6. The Hon. Amina Udgoon Siyad, MP | | |

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|-------------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke Imbo | - | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Abdirahman Gele Hassan | - | Clerk Assistant I |
| 3. Mr. Lenny Muchangi | - | Legal Counsel II |
| 4. Mr. Nimrod Njueh Mate | - | Clerk Assistant III |
| 5. CPA. Cyrille Mutali | - | Fiscal Analyst III |
| 6. Ms. Faith Jully Malala | - | Public Communications Officer III |
| 7. Mr. Mark Mbuthia | - | Audio Officer III |
| 8. Mr. Luka Mutua | - | Sergeant-At-Arms |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|--------------------------------|---|-------------------|
| 1. Mr. Richard Nyacheo | - | Director of Audit |
| 2. Mr. John Lomuket | - | Deputy Director |
| 3. Ms. Margaret Murigu | - | Principal Auditor |
| 4. Mr. Paul Kagwanja | - | Principal Auditor |
| 5. Mr. Joseph Kimotho Irungu | - | Principal Auditor |
| 6. Ms. Maryida Atieno Kwamboka | - | Senior Auditor |

7. Mr. Morgan Fundi Mutui - Senior Auditor

NATIONAL TREASURY

- Rev. CPA Kimathi K.Kwiriga - Senior Accountant

MINISTRY OF FOREIGN AFFAIRS

1. Dr. A. Korir Sing'oei - Principal Secretary
2. Mr. James Aloyo - Senior Finance Officer
3. Mr. Billy Mathu - Principal Accountant
4. Mr. James Nyange - Head, Internal Audit
5. Amb. Margaret Gichuru - Deputy Global Assets
6. Amb. Josphat K. Maikara, MBS - Secretary, Foreign Service Administration
7. Mr. Kenneth Karani - Head Supply Chain
8. Mr. Vincent L. Kirwa - Senior Deputy Accountant General
9. Ms. Anita Chepseba - Deputy Chief State Counsel
10. Mr. Ochieng Jackogango - Senior Human Resource Officer
11. Ms. Dorcas Rukunga - Ag. Director, Parliamentary Affairs

STATE DEPARTMENT FOR ECONOMIC PLANNING

1. Mr. James Muhati - Principal Secretary
2. Mr. Nemwel Motanya - Head of Accounts
3. Mr. Patrick Rotich - Head Supply Chain
4. Mr. Elijah Gathuthi - Senior Deputy Accountant General
5. Dr. Lukalo Diana - Principal Economist
6. Ms. Julia W. Ng'ang'a - Chief Finance Officer
7. Mr. Joel Makori - Director of Administration
8. Mr. Elias N. Njoroge - Finance Officer KNBS

MIN.NO. NA/DAAOSC/PAC/2023/325 PRELIMINARIES

The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP who was chairing, called the meeting to order at 10.15 am and said a word of prayer, followed by introductions by all present.

The Agenda for the day was adopted as proposed by the Hon. David Kiplagat, MP and seconded by the Hon. Victor Kipng'etich Koech, MP.

MIN.NO.NA/DAAOSC/PAC/2023/326 CONFIRMATION OF MINUTES OF PREVIOUS SITTING

1. Minutes of the 75th Sitting held on Tuesday, 22nd August 2023 were confirmed as true record of proceedings having been proposed by the Hon. Samuel Kinuthia Gachobe, MP and seconded by the Hon. Yakub Adow Kuno, MP.

- Minutes of the 76th Sitting held on Thursday, 24th August 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Samuel Kinuthia Gachobe, MP and seconded by the Hon. Yakub Adow Kuno, MP.

MIN.NO.NA/DAAOSC/PAC/2023/327 MATTERS ARISING

There were no matters that arose from confirmations of minutes of previous sitting.

**MIN.NO.NA/DAAOSC/PAC/2023/328 EVIDENCE: MINISTRY OF FOREIGN AFFAIRS -
VOTE 1052**

Dr. Korir Sing'oei, the Principal Secretary/Accounting Officer for the State Department for Foreign Affairs appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

255. Long Outstanding Reconciling Items

The statement of assets and liabilities reflected cash and cash equivalents balance of Kshs.1, 737,179,819 that included bank balances totalling Kshs.1, 736,879,371.

A review of the Ministry's bank reconciliation statements for the month of June, 2022 revealed long outstanding reconciling items that included payments in cash book not in bank statements of Kshs.233,210,044, receipts in bank statements not in cash book of Kshs.50,815,226, payments in bank statement not in cash book of Kshs.280,157,533 and receipts in cash book not in bank statement of Kshs.13,030,179.

Committee Observations

The Committee noted that this was a case of expending money at source which is clearly illegal noting that the PFM Act guides how Government revenue should be utilized.

Further, the Committee wanted to know what administrative action has been taken on officers involved to remedy the situation.

The Committee requested for a more comprehensive explanation on the matter within seven days.

256. Pending Bills

The Ministry had pending accounts payables of Kshs.701,161,995 as at 30 June, 2022 which were not paid during the year under review but were instead carried forward to the financial year 2022/2023.

Submission by the Accounting Officer

The Accounting Officer submitted that the amount currently pending is Ksh.149 million. The Ministry said that it was waiting for exchequer from the National Treasury.

The Committee directed the Accounting Officer to provide further information on the pending bills particularly ageing analysis including invoice dates within seven days.

257. Contingent Liabilities

The contingent liabilities totaled Kshs.112,013,123 arising from court cases and awards against the Ministry. The Government of Kenya through the missions abroad had been sued by local staff employed by the missions.

Further, in some cases the Ministry was yet to pay the court awards and has not appealed the decision of the courts. In the circumstances, the court cases may attract further charges which may lead to loss of public funds.

Committee Observations

The Committee noted that the amounts recommended by the Attorney General (AG) should no longer be Contingent liabilities but pending bills.

Further, the committee was concerned of exchange rate fluctuation tendencies if staff were paid in Kenya Shillings. The Ministry was asked to clear contingent liabilities.

The Committee also asked for documents on the AG advisories within seven days.

MIN.NO.NA/DAAOSC/PAC/2023/329 EVIDENCE: STATE DEPARTMENT FOR PLANNING - VOTE 1072

Mr. John Muhati, the Principal Secretary/Accounting Officer appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

155. Pending Bills

The State Department had pending bills amounting to Kshs.2,789,002 that were not settled during the year under review but were instead carried forward to the 2022/2023 financial year. However, the pending bills lacked the relevant supporting documentation including requisitions, local purchase/service orders, invoices and delivery notes.

Submission by the Accounting Officer

The Accounting Officer submitted that the suppliers have been unable to justify that the supplies were made and that these should be treated as ghost claims.

Committee Resolution

The Committee tasked the Agency to liaise with the National Treasury to get guideline when supplies are doubtful, little or no documentation or the suppliers cannot be found at all.

156. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Effectiveness of Internal Controls, Risk Management and Governance. Management had indicated that the issues were responded to. However, the issues remained unresolved as Parliament had not met to deliberate on the same.

Committee Resolution

The Committee to consider the matter in its report writing retreat scheduled for September 18-24 and make a decision on prior year matters that were raised in the 2020/21 financial year.

163. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.140, 000,000 and Kshs.138, 432,660 respectively resulting to underfunding of Kshs.1,567,340 or 1% of the budget.

Project 43 spent an amount of Kshs.82, 296,910 against an approved budget of Kshs.140, 000,000 resulting to an under expenditure of Kshs.57, 703,090 or 41% of the budget.

Submission by the Accounting Officer

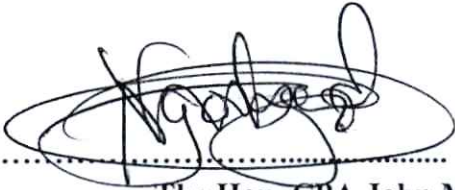
The Accounting Officer submitted that there was late disbursement of available fund in the last quarter of the financial year.

Committee Observations

- i. The Committee observed that the Accounting Officer provided supporting documentation on requisition to the office of the Auditor-General for verification, but the matter has not been resolved; and
- ii. The OAG confirmed that the project would continue until 2024.

MIN.NO.NA/DAAOSC/PAC/2023/330 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.25pm.

Signed.....

Date 12-10-23

**The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson**

MINUTES OF THE 76TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 24TH AUGUST 2023, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING, AT 9.30 A.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. The Hon. (Dr.) Edwin Mugo Gichuki, MP
8. The Hon. Gabriel Gathuka Kagombe, MP
9. The Hon. Nabwera Daraja Nabii, MP
10. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
2. The Hon. Victor Kipng'etich Koech, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Abdirahman Hassan – Clerk Assistant I
3. Mr. Lenny Muchangi Kabinga – Legal Counsel II
4. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
5. CPA. Cyrille Mutali – Fiscal Analyst III
6. Mr. Luka Mutua – Sergeant-at-Arms
7. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Justus Okumu – Director of Audit
2. Ms. Sharon Wangari Simon – Deputy Director of Audit
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omoro – Audit Associate

NATIONAL TREASURY

- Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR BASIC EDUCATION

- | | | |
|-----------------------------------|---|--|
| 1. Dr. Belio R. Kipsang, PhD, CBS | – | Principal Secretary |
| 2. Dr. Hilder Kaavia | – | Director of Procurement |
| 3. Ms. Evelyne Owoko | – | Director Quality Assurance and Standards |
| 4. Mr. Paul Kibet | – | Director Secondary |
| 5. Mr. Elijah Mungai | – | Acting Director Projects |
| 6. Mr. Emilio Mukira | – | Head of Accounting Unit |
| 7. Mr. Wakesa Khaoya | – | Senior Chief Finance Officer |
| 8. Ms. Florence Amoit | – | Secretary Administration |
| 9. Mr. Humpharey Masai | – | Senior Accountant |
| 10. Mr. Stephen Muthama | – | Senior Principal Finance Officer |
| 11. Mr. Joseph Nguuri | – | Finance Officer |

MIN.NO. NA/DAAOSC/PAC/2023/321 PRELIMINARIES

The Chairperson called the meeting to order twenty minutes to ten o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/322 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

Confirmations of Minutes of the previous meetings were deferred to the next Sitting.

MIN.NO.NA/DAAOSC/PAC/2023/323 EVIDENCE: EARLY LEARNING AND BASIC EDUCATION - VOTE 1066

Dr. Belio R. Kipsang, Ph.D., CBS, the Principal Secretary/Accounting Officer for the State Department for Basic Education appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

365. Unsupported Revenue from Registration and Re-Registration of Schools

The statement of receipts and payments includes an amount of Kshs. 2,662,400 in respect of revenue from registration and re-registration of schools. However, Management did not provide supporting documents on how many schools were registered and re-registered during the year. Further, the revenue from registration and re-registration of schools was not included in the approved budget for FY 2021/22.

Committee Observations and Findings

- i. The Committee observed that the Accounting Officer did not submit supporting documents on how many schools were registered and re-registered at the time of audit.
- ii. The Accounting Officer acknowledged that it was an oversight on their part and pledged to exercise greater diligence to prevent such occurrences in the future.

- iii. The Committee observed that schools undergo re-registration when they change their status, such as transitioning from a day school to a boarding school.

Committee Resolution

- i. The Committee instructed the Accounting Officer to provide a comprehensive list of all schools, distinguishing between registered and re-registered schools, detailing revenue generated in process.
- ii. The Committee emphasized the importance of submitting all the financial and supporting documents on time during the time of audit.

366. Inaccuracies in Cash and Cash Equivalents - Holding/Suspense Accounts

As at 30 June, 2022, nine (9) holding/suspense accounts had a balance of Kshs.98,176,499 which was not included in the bank balances of Kshs.205,020,777.

Committee Observation and Finding

The Committee noticed that the State Department did not promptly transfer funds from their accounts to the respective schools.

Committee Resolution

The Committee instructed the Accounting Officer to create a comprehensive schedule within one week, with a break down of the Ksh. 98,176,499 to illustrate the amounts transferred to different schools, the dates of transfers, and the reasons for any discrepancies in the reflection of the money.

367. Misclassification and Payment of Rent without Valid Lease Agreements

The statement of receipts and payments reflects an expenditure of Kshs. 60,960,113 being rent of office space for various State Department offices in the Counties whose lease agreements had expired. In addition, analysis of the expenditure reflects that transportation costs amounting to Kshs. 16,161,628 was excluded from expenditure on use of goods and services – rentals of produced assets and charged on grants and transfers to other Government entities against the Government budget classification and chart of accounts issued by The National Treasury.

Committee Observation and Finding

The Committee raised concerns about the State Department's payment for a lease that not only lacked documentation but had also expired.

Committee Resolution

- i. The Committee directed the Accounting Officer to furnish all lease documents within one week.
- ii. The Committee instructed the Accounting Officer to provide the Committee with an analysis of Ksh. 60,960,133, specifying the payment amounts for each premise. They should also

indicate whether the leases are currently active or expired. Additionally, the Committee requested that the Office of the Auditor General verify the authenticity of the documents and report their findings back to the Committee.

368. Irregular Disbursements of Free Primary Education Funds

368.1 Disbursements of Free Primary Education Funds to Schools with Duplicate Bank Accounts

A review of the disbursements revealed that 38 schools shared bank accounts and received disbursements totalling Kshs. 1,557,119.

Committee Observation and Finding

The Committee acknowledged that the matter concerning the shared bank account had been resolved, and the Office of the Auditor General had verified and confirmed the same.

368.2 Disbursements of Free Primary Education Funds to Schools Sharing Registration Numbers (TSC Codes)

Review of the Free Primary Education bank disbursements schedule revealed 24,119 schools sharing TSC registration numbers. The schools received disbursements amounting to Kshs. 737,669,134 during the year under review.

Committee Observation and Finding

The Committee noted that the State Department has now begun using the National Education Management Information System (NEMIS), in which every school is identified by a unique 4-digit code. The system has resolved the issue of schools sharing registration numbers.

368.3 Disbursements of Free Primary Education Funds to Schools without TSC Codes

Review of the Free Primary Education bank disbursements schedule provided revealed that 436 schools did not have TSC registration numbers/Codes. The schools received a total disbursement of Kshs. 14,664,414 during the year under review.

Committee Observation and Finding

The Committee noted that in the past, fund disbursement was carried out using TSC codes, but it has now shifted to the National Education Management Information System (NEMIS). Under the said system, each school is identified by a unique 4-digit code, ensuring that all schools receiving FPE capitation have distinct codes for differentiation.

368.4 Disbursements of Free Primary Education Funds to Schools with Unknown TSC Codes

Review of the Free Primary Education bank disbursements schedule provided revealed that 3,486 schools were assigned a TSC code with different code formats from those provided by the State Department. The schools received disbursements amounting to Kshs. 102,329,013.

Committee Observations and Findings

The Committee observed that the State Department has begun implementing the National Education Management Information System (NEMIS). Under this system, every school is assigned a unique 4-digit code, effectively resolving the issue of disbursing Free Primary Education Funds to schools with unknown TSC codes.

369. Irregularities in Free Day Secondary School Education Subsidies Disbursements

369.1 Disbursements of Day Secondary Schools Subsidies through Duplicate Bank Accounts

Review of the schools' lists on capitation per quarter reports revealed instances where schools shared bank accounts. An amount Kshs. 6,281,741 was disbursed through the shared bank accounts. It was not clear why the duplicate bank accounts continued to recur in subsequent disbursements without being detected and corrected.

Committee Observations and Findings

- i. The Committee raised concern about the discrepancies in the disbursement of free day secondary school education subsidies, especially considering that the State Department had already implemented the National Education Management Information System (NEMIS).
- ii. The Accounting Officer explained to the Committee that NEMIS was an ongoing project undergoing continuous enhancements, and he is dedicated to ensuring its full effectiveness. Additionally, he has requested the Office of the Auditor General to conduct a system audit to ensure the system's effectiveness.

369.2 Bank Account used to Receive Operations and Tuition Capitation

Review of the schools lists on capitation per quarter reports revealed 6 schools that operated one bank account for both operations and tuition funds with total payments of Kshs. 40,927,074

Committee Observations and Findings

The Committee observed that, at the time, schools were using a single bank account for both operational and tuition funds because NEMIS had not been configured to disallow the use of the same bank accounts.

370. Misstatement of Reported Imprests and Advances

The accuracy, completeness, presentation and disclosure of imprest and advances balance of Kshs.94,508,522 for the year ended 30 June, 2022 could not be confirmed.

Committee Observations and Findings

- i. The Committee observed that the State Department failed to input correct figures into the Integrated Financial Management System (IFMIS), resulting in an unexplained variance of Ksh. 15,938,340.

- ii. The Committee observed that the State Department did not return the outstanding amount of Kshs. 1,890,168 to the National Treasury, citing that the amounts were relatively small and returning them would result in a financial loss.

Committee Resolution

- i. The Committee recommended that the Accounting Officer should conduct capacity building activities for the finance department to ensure they have a better understanding of how to accurately input data into the Integrated Financial Management System (IFMIS).
- ii. The Committee instructed the Accounting Officer to present an analysis detailing how the total amount owed by the Sub-County and County Directors of Education, which amounts to Kshs. 1,890,168, was distributed or apportioned.

371. Unsupported Long Outstanding Accounts Payables

The statement of assets and liabilities reflects an accounts payables balance of Kshs. 117,319,416 whose nature and supporting documents were not provided for audit. Further, payables amounts of Kshs. 64,881,834 have been outstanding for over 8 years. Management did not provide explanations on why they have not been settled.

Committee Observations and Findings

- i. The Committee noted that at the time of audit, Kshs. 64,881,834 could not be traced to what it related to so the funds were returned to the exchequer.
- ii. The Committee noticed a lack of diligence in the finance department, as they were unable to provide an explanation regarding the nature or purpose of the Kshs. 64,881,834.

372. Unauthorized Reallocation of Funds for Construction of CBC Classrooms

The statement of receipts and payments reflects an expenditure of Kshs. 4,476,068,016 incurred on construction of Competency Based Curriculum (CBC) classrooms against an approved expenditure budget of Kshs. 2,692,000,000 resulting in an unapproved over-expenditure of Kshs. 1,784,068,016 or (66%) whose approval was not provided for audit.

Committee Observations and Findings

- i. The Committee expressed concern regarding the State Department's reallocation of funds for constructing classrooms that are in poor condition, leading to a lack of value for money.
- ii. The Committee observed that the contractors responsible for building the classrooms had already received payment.
- iii. The Committee took note of the State Department's plan to address the evolving policies in the CBC.
- iv. The Committee acknowledged that the reallocation had received approval from Parliament as part of the supplementary budget.

373. Budgetary Control and Performance

The Committee directed the Accounting Officer to furnish information within a week about projects that experienced underfunding, specifying the extent of underfunding, the status of projects at the time of underfunding, and their current status.

Other Matter

374. Pending Bills

The State Department had pending accounts payable of Kshs. 429,299,232 as at 30 June, 2020. Management did not explain why the bills were not settled during the year when they occurred. Failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

Committee Resolution

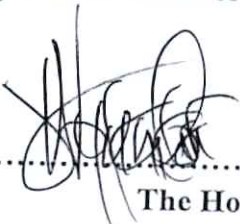
The Committee directed the Accounting Officer to provide a listing and dates of pending bills that were incurred and settled to ascertain they formed the first charge as required by law.

375. Unresolved Prior Year Matters

The Committee resolved to review unresolved matters from previous years once they have completed the report for Financial Year 2020/2021.

MIN.NO.NA/DAAOSC/PAC/2023/324 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.55 p.m.

Signed.....

Date 12/09/2023

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 75TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 22ND AUGUST 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDING, AT 9.30 A.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Gabriel Gathuka Kagombe, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Mohamed Aden Adow, MP
10. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. Victor Kipng'etich Koech, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Abdirahman Hassan – Clerk Assistant I
3. Mr. Lenny Muchangi Kabinga – Legal Counsel II
4. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
5. CPA. Cyrille Mutali – Fiscal Analyst III
6. Mr. Henry Gichana – Research Officer III
7. Mr. Peter Atsiaya – Media Relations Officer III
8. Ms. Yvonne Kendi – Hansard Reporter III
9. Mr. Paul Shana – Sergeant-at-Arms
10. Mr. Mark Mbuthia – Audio Officer III

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Stephen Karanu – Director of Audit
2. Ms. Ruth Kuria – Deputy Director of Audit
3. Mr. James Njeru – Deputy Director of Audit
4. Mr. Ezekiel Omore – Audit Associate

NATIONAL TREASURY

Rev. CPA Kimathi Kwiriga – Senior Accountant

LANDS AND PHYSICAL PLANNING

1. Hon. Generali Korir Nixon – Principal Secretary
2. Ms. Jacinta Mutua – Director of Valuation
3. Mr. Julius Mugambi – Deputy Accountant General
4. Mr. Tom Abuta – Deputy Chief State Counsel
5. Mr. Antony Masinde – Chief Finance Officer
6. Mr. Charles Mulandi – Head of Procurement
7. Mr. Andrew Kositany – Personal Assistant to Principal Secretary

MIN.NO. NA/DAAOSC/PAC/2023/316 PRELIMINARIES

The Chairperson called the meeting to order twenty minutes to ^{TEN}eleven o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/317 CONFIRMATION OF MINUTES OF PREVIOUS SITTING

Minutes of the 74th Sitting held on Monday, 21st August 2023, were confirmed as a true record of proceedings having been proposed by the Hon. David Kiplagat, MP, and seconded by the Hon. (Dr.) Edwin Mugo Gichuki, MP.

MIN.NO.NA/DAAOSC/PAC/2023/318 MATTERS ARISING

There were no matters that arose from confirmations of the minutes of previous sittings.

MIN.NO.NA/DAAOSC/PAC/2023/319 EVIDENCE: MINISTRY OF LANDS AND PHYSICAL PLANNING - VOTE 1112

Hon. Generali Korir Nixon, the Principal Secretary/Accounting Officer for the State Department for Lands and Physical Planning appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

1252. Irregular Reallocation of Expenditure

The statement of receipts and payments reflects payments amounting to Kshs. 3,617,809 which were irregularly charged to the wrong expenditure items without approval for reallocation.

The Accounting Officer submitted that the State Department never sought for approval even after payments incurred.

Committee Observation and Finding

The Committee acknowledged that the State Department was in violation of Section 43 (2) (b) of the PFM Act, 2012 that mandates the Accounting Officer to request reallocation to the National

Treasury, providing reasons for such reallocation, and obtaining National Treasury approval before proceeding.

Committee Resolution

The Committee instructed the Accounting Officer to provide details on the travels including specific dates to establish whether these travels occurred after the National Treasury directive on austerity measures.

1253. Lack of Ownership Documents

The fixed asset register had a historical balance of Kshs. 5,223,757,593 as of 30 June 2022. However, ownership documents of land, buildings, and structures, and transport equipment with historical cost balances of Kshs. 1,297,261,745, Kshs. 186,499,088 and Kshs. 83,789,020 respectively were not provided for audit review. Further, scrutiny of the physical fixed asset register provided for audit revealed that the register was incomplete as it did not indicate details of the assets owned, the dates of acquisition, and the cost of the assets.

The Accounting Officer submitted that the Department developed a draft fixed asset register, to be completed by end of the 2023/2024 financial year.

Committee Observations and Findings

- i. The Office of the Auditor General confirmed receipt of a fixed asset register from the State Department though there were notable gaps including valuations for the assets.
- ii. The Committee noted that the State Department is currently working on developing a fixed asset register for all public lands across the country. They are actively collaborating with County Governments to gather information on markets, schools, and hospitals for registration purposes.
- iii. The Committee requested that the Accounting Officer consider waiving the costs associated with acquiring title deeds for school land parcels. The Accounting Officer submitted that a technical committee, consisting of representatives from the Ministry of Lands, Ministry of Education, and the National Treasury, had been constituted to look into titling of public lands for schools across the country.

Committee Resolution

The Committee instructed the Accounting Officer to furnish copies of the title deeds for the land parcels listed in the fixed asset register to the Office of the Auditor General within one week for verification.

1254. Delayed Payment of Legal Claims

Contingent liabilities amounting to Kshs. 19,745,016,189 in respect of various court awards against the Ministry. However, individual case files for the court awards totalling to Kshs. 760,709,415 of the total contingent liabilities of Kshs. 19,745,016,189 were not provided for audit review. Further,

records provided for audit indicated that during the year under review, the Ministry paid a total of Kshs. 100,000,000 out of a decretal sum of Kshs.240,000,000 awarded on 25 September 2015 for Malindi Land Case No. 120 of 2011. In addition, the decretal sum had accumulated additional interest charges amounting to Kshs. 57,565,282 for the period it had been unpaid. This interest was avoidable had Management settled the award in time.

Committee Observations and Findings

- i. The Committee expressed concern about the significant number of legal claims, which indicated that decisions made by the State Department were resulting in court cases, ultimately burdening taxpayers. Additionally, the Committee questioned why the State Department did not pursue appeals for the cases they lost, raising further concerns.
- ii. The Committee observed that the State Department had accumulated interest in unpaid legal claims, putting the burden on taxpayers.

Committee Resolution

The Committee directed the Accounting Officer to provide a brief explanation within twenty-one (21) days for some of the court awards, including reasons for the awards, the strategies and measures put in place for payment, and whether any of the cases had been appealed against.

The Office of the Auditor General will review the information provided and advise the Committee accordingly.

Furthermore, the Committee urged the Office of the Auditor General to enhance the auditing process for legal claims by including details such as the principal amount awarded, accrued interest, and a brief summary of the cases.

Other Matter

1257. Budgetary Control and Performance

Review of the budgeted and actual revenue collections for the year under review revealed that the Ministry did not realize all the budgeted revenue.

Committee Observations and Findings

- i. The Committee was unconvinced by the collection of stamp duty revenue. Although the budget was set at Ksh. 13,637,556, only Ksh. 5,099,886 was realized, resulting in an unrealized revenue of 63%. The explanation given by the Accounting Officer was deemed insufficient, especially considering that stamp duty is supposed to be paid for every property transfer.
- ii. The Committee observed that the digitization of the state department's systems, specifically 'Ardhisasa', which was expected to enhance revenue collection, had only been implemented in Nairobi. This raises questions about the value of the investment in systems.

Committee Resolution

- i. The Committee directed the Accounting Officer to provide a detailed breakdown and analysis of items classified under 'other revenues'.

- ii. The Committee requested for information regarding the budgetary expenses incurred from the inception of the 'Ardhisasa' digital system up to the present date.
- iii. Additionally, the Committee urged the Accounting Officer to enhance the effectiveness of the revenue collection process in order to build trust and ensure transparency.

Basis for Conclusion

1259. Lack of Land Valuation Index


Audit inspection of the Land Valuation Department in 19 Land Registries revealed that none of the offices had an approved valuation index/valuation zonal rate to guide in the valuation of land. The regional offices use estimation to value land in order to determine the stamp duty payable. Although the Management explained that the Ministry has undertaken valuation preparation of land value index in 22 counties, the remaining 25 counties do not have an approved valuation index/valuation zonal rate. In the circumstances, the Ministry risks losing revenue in some regions in the absence of an approved land valuation index to guide valuation of land for the purpose of stamp duty.

Committee Observations and Findings

- i. The Committee observed that the original purpose of the land valuation index was related to government compensation. This was due to significant fluctuations in land value when the government expressed interest in acquiring a specific parcel of land. The intention was to safeguard the government against financial losses.
- ii. The Committee recognized that the land valuation index is a mandatory legal requirement. The State Department was in the process of formulating regulations to provide guidance on the periodic review of indexes, with the intent to conduct reviews every five (5) years.

MIN.NO.NA/DAAOSC/PAC/2023/320 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.25 pm. The next meeting will be held on Thursday, 24th August 2023, at 9.30 a.m.

Signed.......... Date 12/09/2023
The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson



**MINUTES OF THE 74TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON MONDAY, 21ST AUGUST 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDING, AT 2.30 P.M.**

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. Amina Udgoon Siyad, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Eckomas Mwengi Mutuse, OGW, MP
7. The Hon. (Dr.) Edwin Mugo Gichuki, MP
8. The Hon. Gabriel Gathuka Kagombe, MP
9. The Hon. Nabwera Daraja Nabii, MP
10. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. Mohamed Aden Adow, MP
4. The Hon. Victor Kipng'etich Koech, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|--------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Abdirahman Hassan | – | Clerk Assistant I |
| 3. CPA. Cyrille Mutali | – | Fiscal Analyst III |
| 4. Mr. Henry Gichana | – | Research Officer III |
| 5. Mr. Peter Atsiaya | – | Media Relations Officer III |
| 6. Ms. Yvonne Kendi | – | Hansard Reporter III |
| 7. Mr. Luka Mutua | – | Sergeant-at-Arms |
| 8. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|--------------------------|---|--------------------------|
| 1. Mr. Lawrence M. Kiilu | – | Deputy Director of Audit |
| 2. Ms. Catherine Mburu | – | Principal Auditor |
| 3. Mr. Ezekiel Omore | – | Audit Associate |

NATIONAL TREASURY

- | | | |
|--------------------------|---|-------------------|
| Rev. CPA Kimathi Kwiriga | – | Senior Accountant |
|--------------------------|---|-------------------|

STATE DEPARTMENT FOR DEFENCE

- | | | |
|-----------------------------|---|---|
| 1. Mr. Patrick Mariru | - | Principal Secretary |
| 2. Lt. General J. M. Mwangi | - | Vice Chief of the Defence Forces |
| 3. Mr. Joseph Mutuma | - | Head of Finance |
| 4. Ms. Electina W. Wanyoyi | - | Head of Accounting Unit |
| 5. Mr. Daniel Mukolwe | - | Principal Supply Chain Management Services |
| 6. Brig. Sammy Kipng'etich | - | Chief of Finance |
| 7. Brig. Titus Sokobe | - | Chief of Infrastructure |
| 8. Brig. Yvonne Kerubo | - | Chief of Legal |
| 9. Mr. Bogita W. Onger | - | Parliamentary Liaison |
| 10. Mr. Emmanuel Masikonte | - | Personal Assistant to the Principal Secretary |

MIN.NO.NA/DAAOSC/PAC/2023/311 PRELIMINARIES

The Chairperson called the meeting to order twenty minutes to three o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/312 CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

1. Minutes of the 72nd Sitting held on Thursday, 10th August 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Eckomas Mwangi Mutuse, OGW, MP and seconded by the Hon. Samuel Kinuthia Gachobe, MP.
2. Minutes of the 73rd Sitting held on Tuesday, 15th August 2023, were confirmed as a true record of proceedings having been proposed by the Hon. (Dr.) Edwin Mugo Gichuki, MP and seconded by the Hon. Eckomas Mwangi Mutuse, OGW, MP.

MIN.NO.NA/DAAOSC/PAC/2023/313 MATTERS ARISING

There were no matters that arose from confirmations of the minutes of previous sittings.

MIN.NO.NA/DAAOSC/PAC/2023/314 EVIDENCE: MINISTRY OF DEFENCE - VOTE 1041

Hon. Patrick Mariru, the Principal Secretary/Accounting Officer for the State Department for Defence appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

REPORT ON THE FINANCIAL STATEMENTS

Other Matter

248 Pending Bills

The State Department had pending bills amounting to Kshs.1,755,046,240 that were not settled during the year under review but were instead carried forward to the 2022/2023 financial year.

The Accounting Officer submitted that the pending bills were treated as first charge in line with Regulation 42 (1)(a) of the Public Finance Management (National Government) Regulations, 2015 and settled in full.

Committee Observation and Finding

The Committee observed that the pending bills were subsequently paid though the Accounting Officer didn't provide detailed analysis and necessary annexures in support of how the bills were cleared.

Committee Resolution

The Committee directed the Accounting Officer to provide the following details by Monday, 28th August 2023: -

- i. Ageing analysis of the pending bills detailing list of suppliers, amounts paid and date the bill was settled to confirm if they were paid within the required timeframe;
- ii. Evidence of Exchequer under-issue showing amounts requested for and received during the period under review; and
- iii. The current status of pending bills.

249. Contingent Liabilities

The Ministry failed to pay contingent liabilities amounting to 1,807,350,099 as at 30 June 2022 relating to court cases against the Ministry.

Committee Observations and Findings

- i. The Committee observed that the Ministry settled Kshs. 22,352,475.98 in the 2022/2023 financial year and continues to engage Treasury for additional funding to settle all the claims; and
- ii. The Ministry of Defence negotiated with the Attorney General to appoint Legal Officers as special state counsel in 2017 for litigation management.

Committee Resolution

The Committee directed the Accounting Officer to provide, within seven days, the following: -

- i. Details of the outstanding contingent liabilities amounting to 1,807,350,099 providing reasons and amounts for each claim e.g. injury, unlawful dismissal;
- ii. Explanation of court cases/awards against the Ministry categorizing them into those agreed upon/settled and those disputed against or actively challenged; and
- iii. Proof of engagement between the Ministry of Defence and National Treasury.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Basis for Conclusion

250. Unbudgeted Expenditure Incurred on Projects

The Ministry signed contracts for amounts above actual funds received for various projects resulting to an unbudgeted expenditure of Kshs. 1,429,858,358, contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015. Management did not disclose how the extra expenditure committed by the Ministry would be funded in the absence of an approved budget.

The duration of the projects was six months commencing on March 2022, cutting across two financial, years.

The National Police Service Level IV Hospital Mbagathi and the Kenya Prisons Service Wanini Kireri Magereza Level IV Hospital at PSTC Ruiru were completed and handing over process ongoing.

Committee Observations and Findings

- i. The committed funds were above the amount budgeted for, and not approved by Parliament;
- ii. The Ministry signed contracts with contractors but request for the projects and requisite funds came from relevant Ministry/Agency;
- iii. The Ministry of Defence received monies through AIEs and requested for allocations from Interior and State House to complete funding of the projects; and
- iv. Though the Hospitals were completed, the contractors were not paid and the Ministry of Defence would pay their dues once it received funds.

Committee Resolution

The Committee directed the Accounting Officer to provide, within seven days, the following: -

- i. Communication between the Ministry of Defence and Interior showing the need for the projects, amount budgeted for and what informed the contract sum; and
- ii. The Committee resolved to invite the PS Interior and State House to explain budgetary provisions for the projects

REPORT ON THE REVENUE STATEMENTS

Basis for Conclusion

253. Irregular Transfer of Revenue

The Ministry disbursed Kshs. 496,791,300 to an Escrow Account contrary to the provisions of Article 206 (1) of the Constitution of Kenya, 2010. Despite authorization for opening and operating

the Escrow Account at the CBK by Treasury, there was no enabling legislation to support the transfer of revenue into an account other than the Consolidated Fund Account.

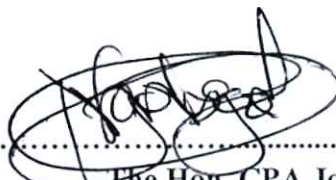
The Accounting Officer submitted that the funds were surrendered to the Consolidated Fund Account in December 2022, after the Auditor-General's observation that the management was in breach of the law.

Committee Resolution

The Committee directed the Accounting Officer to provide evidence that the Escrow Account was closed and that funds were remitted to the consolidated fund, by Monday, 28th August 2023.

MIN.NO.NA/DAAOSC/PAC/2023/315 ADJOURNMENT

There being no other business, the meeting was adjourned at 5.25 pm. The next meeting will be held on Tuesday, 22nd August 2023, at 9.30 a.m.

Signed.....

Date 22-8-23

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

**MINUTES OF THE 73RD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON TUESDAY, 15TH AUGUST 2023, IN COMMITTEE ROOM 9, MAIN
PARLIAMENT BUILDING, AT 11.00 A.M.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
3. The Hon. Samuel Kinuthia Gachobe, MP
4. The Hon. (Dr.) Edwin Mugo Gichuki, MP
5. The Hon. Gabriel Gathuka Kagombe, MP
6. The Hon. Yakub Adow Kuno, MP
7. The Hon. Eckomas Mwengi Mutuse, OGW, MP
8. The Hon. Mohamed Aden Adow, MP
9. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
3. The Hon. David Kiplagat, MP
4. The Hon. Victor Kipng'etich Koech, MP
5. The Hon. Amina Udgoon Siyad, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|------------------------------|---|-----------------------------|
| 1. Mr. Abdirahman Hassan | – | Clerk Assistant I |
| 2. Mr. Nimrod Mate | – | Clerk Assistant III |
| 3. Ms. Lilian Mwikali Mutiso | – | Clerk Assistant III |
| 4. Mr. Cyrille Mutali | – | Fiscal Analyst III |
| 5. Mr. Henry Gichana | – | Research Officer III |
| 6. Mr. Peter Atsiaya | – | Media Relations Officer III |
| 7. Ms. Yvonne Kendi | – | Hansard Reporter III |
| 8. Mr. Luka Mutua | – | Sergeant-at-Arms |
| 9. Mr. Mark Mbuthia | – | Audio Officer III |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|-------------------|
| 1. Mr. Sammy Ng'ati | – | Deputy Director |
| 2. Ms. Rachael Muthoni | – | Principal Auditor |
| 3. Mr. Paul Kagwanja | – | Principal Auditor |
| 4. Mr. Ezekiel Omoro | – | Audit Associate |

NATIONAL TREASURY

Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR PLANNING

1. Mr. James B. Muhati – Principal Secretary
2. Mr. Joel Makori – Director, Administration
3. Mr. Macdonald G. Obudho – Director General, Kenya National Bureau of Statistics
4. Ms. Julia Wanjiru Ng'ang'a – Chief Finance Officer
5. Mr. Elijah Gathuthi – Senior Deputy Accountant General
6. Mr. James Gatungu – Project Manager, Kenya National Bureau of Statistics
7. Mr. Patrick Rotich – Head of Supply Chain
8. Mr. Musalia Eric – Senior Accountant
9. Dr. Lukalo Diana – Personal Assistant to the Principal Secretary

MIN.NO. NA/DAAOSC/PAC/2023/305 PRELIMINARIES

The Vice-Chairperson called the meeting to order thirty minutes past eleven o'clock and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/306 CONFIRMATION OF MINUTES OF PREVIOUS SITTING

Confirmation of the minutes of previous meeting was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2023/307 EVIDENCE: STATE DEPARTMENT FOR PLANNING - VOTE 1072

Mr. James B. Muhati, the Principal Secretary/Accounting Officer for the State Department for Planning appeared before the Committee accompanied by other officers and submitted as follows in response to Audit queries for the year 2021/2022.

Other Matter

155. Pending Bills

The State Department had pending bills amounting to Kshs.2,789,002 that were not settled during the year under review but were instead carried forward to the 2022/2023 financial year. However, the pending bills lacked the relevant supporting documentation including requisitions, local purchase/service orders, invoices, and delivery notes.

The Accounting Officer submitted that the State Department invited some of the travel agencies for a meeting to ascertain the pending bills and verify documentation for claims but they didn't show up.

Committee Observations and Findings

- i. The Committee discovered inconsistencies in the pending bills and possible fictitious manufacturing of invoices within the State Department as they lacked supportive documents, and those responsible should be held accountable.

- ii. The Committee noted poor record keeping and lack of order in the serialization of the pending bills, which indicated laxity and casualness in the State Department.
- iii. The Committee noticed a lack of communication between the State Department and the suppliers, as there was no evidence of follow-up letters or meetings.
- iv. The Committee was perplexed by the State Department's assertion of insufficient documentation from long-standing suppliers who have been providing them with goods in the past.
- v. The Accounting Officer should have liaised with officers who were issued with air tickets to confirm validity of the pending bills instead of punishing suppliers for lack of supportive documents.
- vi. The Committee deemed the Accounting Officer's response unsatisfactory, as they were unable to find justification for the outstanding pending bills.

Committee Resolution

The Committee instructed the Accounting Officer to conduct a more in-depth analysis on the matter and submit a comprehensive response by Tuesday, 29th August 2023. This response should include specific information about the particular documents that are missing for each individual case.

MIN.NO.NA/DAAOSC/PAC/2023/308 AOB

The Committee resolved to request for a special audit from the Office of the Auditor-General, to be submitted by end of three (3) months, with the following terms of reference: -

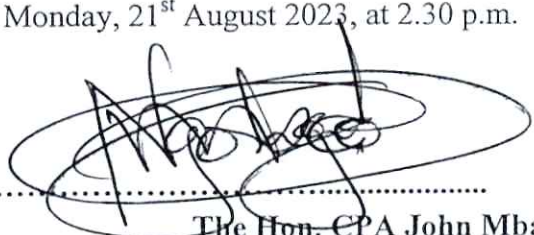
- i. To understand the process used to allocate resources in the capitation account under infrastructure, textbook and other activities;
- ii. The number of all schools per constituency that received development funds for three financial years between 2020/2021 and 2022/2023, detailing completed and ongoing projects; and
- iii. The extent to which Ministry of Education equitably allocates funds to improve school infrastructure.

Members expressed concern about schools not receiving funds, even though the National Treasury had released funds for capitation.

MIN.NO.NA/DAAOSC/PAC/2023/309 ADJOURNMENT

There being no other business, the meeting was adjourned at 12.05 pm. The next meeting will be held on Monday, 21st August 2023, at 2.30 p.m.

Signed.....



The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson

Date 21-8-23.....

MINUTES OF THE 69TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THURSDAY, 3RD AUGUST 2023, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDING, AT 9.30 A.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Victor Kipng'etich Koech, MP
8. The Hon. Yakub Adow Kuno, MP
9. The Hon. Nabwera Daraja Nabii, MP
10. The Hon. Amina Udgoon Siyad, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Victor Weke – Senior Clerk Assistant/Lead Clerk
2. Mr. Abdirahman Hassan – Clerk Assistant I
3. Mr. Lenny Muchangi Kabinga – Legal Counsel II
4. Mr. Nimrod Mate – Clerk Assistant III
5. Ms. Lilian Mwikali Mutiso – Clerk Assistant III
6. Mr. Henry Gichana – Research Officer III
7. Mr. Peter Atsiaya – Media Relations Officer III
8. Ms. Faith Jully Malala – Public Communications Officer III
9. Mr. Luka Mutua – Sergeant-at-Arms
10. Mr. Mark Mbuthia – Audio Officer III
11. Ms. Yvonne Kendi – Hansard Reporter

OFFICE OF THE AUDITOR-GENERAL

1. Mr. Richard Nyachio – Director of Audit
2. Mr. John Lomuket – Deputy Director of Audit
3. Mr. Paul Kagwanja – Principal Auditor
4. Mr. Ezekiel Omoro – Audit Associate
5. Mr. James Ngure – Principal Auditor

NATIONAL TREASURY

Rev. CPA Kimathi Kwiriga – Senior Accountant

STATE DEPARTMENT FOR INTERIOR AND CITIZEN SERVICES

1. Dr. Raymond V.O. Omollo – Principal Secretary, Internal Security & Nat. Admin.
2. Amb. Julius Bitok – Principal Secretary Immigration and Citizen Services
3. Mr. John Nyabwari – Senior Chief Finance Officer
4. Mr. Fred Muhui – Deputy Accountant General
5. Ms. Phyllis Ouko – Deputy Administrator
6. Ms. Elizabeth Wangari – Deputy Internal Auditor
7. Mr. Peter Muita – Chief Finance Officer
8. Mr. Stephen Riungo – Deputy Internal Auditor
9. Mr. Paul Mwangemi – Secretary Civil Register
10. Mr. Samuel Maina – Senior Deputy Accountant
11. Mr. Christopher Wanjau – Secretary National Registration Bureau
12. Ms. Rosemary Kamau – Director Human Capital Management
13. Ms. Emily Obimo – Ag. Human Resource Management
14. Mr. Saul Abwao – Personal Secretary to the Principal Secretary Interior
15. Mr. Collins Okendi – Personal Secretary to the Principal Secretary Interior
16. Mr. Jack Okula – Legal Advisor
17. Mr. Nixon Nganga – Director, Communications
18. Mr. Joseph Kimani – Senior Principal Finance Officer

MIN.NO. NA/DAAOSC/PAC/2023/285 PRELIMINARIES

The Chairperson called the meeting to order at forty five minutes past nine o'clock and said a word of prayer, followed introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/286 CONFIRMATION OF MINUTES

Minutes of the 68th Sitting held on Tuesday, 1st August 2023, were confirmed as a true record of proceedings having been proposed by the Hon. David Kiplagat, MP and seconded by the Hon. Nabwera Daraja Nabii, MP.

MIN.NO.NA/DAAOSC/PAC/2023/287 EVIDENCE: INTERIOR AND CITIZEN SERVICES - VOTE 1021

Dr. Raymond V.O. Omollo, The Accounting Officer of the then State Department for Interior and Citizen Services submitted as follows in response to audit queries;

176. Long Outstanding and Un-Reconciled Bank Balances

Review of recurrent bank reconciliation statement for June, 2022 revealed various unreconciled items that had been outstanding for more than one (1) year.

Committee Observations and Findings

- i. The Committee expressed concern regarding the unrepresented cheques totaling Kshs. 678,479,199, while the available bank balance was Kshs. 379,763,378. This raised the possibility that the cheques were being held back due to a lack of sufficient funds in the bank.
- ii. The Committee strongly urged the Accounting Officer to consistently prioritize the prompt banking of cash upon receipt. Furthermore, the Committee emphasized on the need to implement disciplinary actions against any officers who fail to comply with this directive and hold on to cash without depositing it.
- iii. The Committee emphasized the importance of the Accounting Officer reconciling bank balances with the Office of the Auditor General during the auditing process and stressed that such discrepancies should be resolved before they are brought before the committee for review.

Committee Resolution

The Committee resolved to address the matter of fund disbursement with the National Treasury. They expressed concern over the non-uniform disbursement process where funds are released only at the end of the financial year, causing difficulties for Accounting Officers to reconcile bank balances promptly.

Emphasis of Matter

177. Unsupported Pending Bills

There exists a pending bills balance of Kshs. 5,508,101,204 which was unexplained.

Committee Observations and Findings

- i. The Committee observed that the Accounting Officer was in breach of Section 74(4) of PFM Act, 2012 which requires the Accounting Officer to ensure that all payments due are made in time.
- ii. The Committee observed that the Accounting Officer did not analyze the pending bills contrary to the Public Sector Accounting Standard Board prescribed reporting template for June, 2022.
- iii. The Committee expressed its dissatisfaction with the response given by the Accounting Officer, as it lacked adequate supporting evidence and analysis.
- iv. The Committee observed that the Accounting Officer had cleared pending bills totaling Ksh. 4,500,000,000, leaving an outstanding balance of Ksh. 1,000,000,000.

Committee Resolution

- i. The Committee directed the Accounting Officer to provide a comprehensive ageing analysis of all outstanding pending bills.
- ii. The Committee further directed the Accounting Officer to provide details of the total amount spent on Huduma numbers, which appeared as a pending bill, in his next appearance.

Other Matter

178. Unresolved Prior Year Matters

The Committee noted that the Committee's report was yet to be tabled.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Basis for Conclusion

179. Provision of Enhanced Comprehensive Group Life Cover

The Committee acquiesced to the Accounting Officer’s request to respond to the query in the next sitting, where he would avail the insurance contract and correspondence to NHIF on enforcement of the various applicable clauses.

181. Non-Compliance with One Third Rule on Basic Salary

Committee Observations and Findings

The Committee observed that the matter was as a result of tax reliefs accorded officers during the covid-19 pandemic. Other causes included transfers of officers which invariably led to changes in their allowances based on station.

182. Acquisition of Assets

The Committee acquiesced to the Accounting Officer’s request to respond to the query in the next sitting, where he would avail the following;

- i. Percentages of completion and intended completion dates for all the projects;
- ii. Present a comparison between the amounts paid vis a vis rate of completion;
- iii. Provide information on the required amount to complete the projects.
- iv. Present the current status of the project contracts.

183. Lack of Ownership Documents for Police Land

Committee Resolution

- i. The committee instructed the Accounting Officer to take necessary steps to involve the National Land Commission in acquiring title deeds for the different parcels of land.
- ii. The Committee directed the Accounting Officer to furnish comprehensive details on all parcels of land, including their respective sizes. They specifically requested information regarding any parcels of land that were subject to encroachment or grabbing, as well as the identities of those involved in such actions.

184. Defective Birth Certificate Booklets

The Committee instructed the Accounting Officer to present evidence demonstrating that birth certificate booklets were destroyed by the government printer.

MIN.NO.NA/DAAOSC/PAC/2023/288 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.05pm. The next meeting will be held on Friday, 4th August 2023, at 9.00 a.m.

Signed.....

Date 4-8-23.....

**The Hon. CPA John Mbadi Ng’ong’o, EGH, MP
Chairperson**

MINUTES OF THE 68TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY, 1ST AUGUST 2023, IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS, AT 12.00 P.M.

PRESENT

1. The Hon. CPA John Mbadi Ng'ong'o, EGH, MP – **Chairperson**
2. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
3. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. (Dr.) Edwin Mugo Gichuki, MP
6. The Hon. David Kiplagat, MP
7. The Hon. Eckomas Mwengi Mutuse, OGW, MP
8. The Hon. Nabwera Daraja Nabii, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
2. The Hon. Gabriel Gathuka Kagombe, MP
3. The Hon. Yakub Adow Kuno, MP
4. The Hon. Amina Udgoon Siyad, MP
5. The Hon. Victor Kipng'etich Koech, MP
6. The Hon. Mohamed Aden Adow, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|--------------------------|---|-----------------------------------|
| 1. Mr. Victor Weke | - | Senior Clerk Assistant/Lead Clerk |
| 2. Mr. Abdirahman Hassan | - | Clerk Assistant I |
| 3. Mr. Nimrod Mate | - | Clerk Assistant III |
| 4. Ms. Lilian Mutiso | - | Clerk Assistant III |
| 5. Mr. Mark Mbuthia | - | Audio Officer III |
| 6. Mr. Moses Musembi | - | Superintendent 1 |

MIN.NO. NA/DAAOSC/PAC/2023/280 **PRELIMINARIES**

The Chairperson called the meeting to order at five minutes past noon and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2023/281 **CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS**

1. Minutes of the 63rd Sitting held on Thursday, 27th July 2023, were confirmed as a true record of proceedings having been proposed by the Hon. Eckomas Mwengi Mutuse, OGW, MP and seconded by the Hon. Samuel Kinuthia Gachobe, MP.

2. Minutes of the 64th Sitting held on Friday, 28th July 2023 (morning) were confirmed as a true record of proceedings having been proposed by the Hon. Samuel Kinuthia Gachobe, MP and seconded by the Hon. Nicholas Tindi Mwale, MP, Vice Chairperson.
3. Minutes of the 65th Sitting held on Friday, 28th July 2023 (afternoon) were confirmed as a true record of proceedings having been proposed by the Hon. Nicholas Tindi Mwale, MP, Vice Chairperson and seconded by the Hon. Samuel Kinuthia Gachobe, MP.
4. Minutes of the 66th Sitting held on Saturday, 29th July 2023 (morning) were confirmed as a true record of proceedings having been proposed by the Hon. Samuel Kinuthia Gachobe, MP and seconded by the Hon. Nicholas Tindi Mwale, MP, Vice Chairperson.
5. Minutes of the 67th Sitting held on Saturday, 29th July 2023 (afternoon) were confirmed as a true record of proceedings having been proposed by the Hon. Nicholas Tindi Mwale, MP, Vice Chairperson and seconded by the Hon. Samuel Kinuthia Gachobe, MP.

MIN.NO.NA/DAAOSC/PAC/2023/282 MATTERS ARISING

There were no matters that arose from confirmations of previous minutes.

MIN.NO.NA/DAAOSC/PAC/2023/283

**EXAMINATION OF THE REPORT OF
THE AUDITOR-GENERAL ON
ACCOUNTS OF NATIONAL
GOVERNMENT FOR THE YEAR ENDED
30 JUNE 2022**

The Committee was scheduled to meet the Principal Secretary/Accounting Officer for the State Department for Interior and Citizen Services to examine the Report of the Auditor General for the Financial Year 2021/2022.

The Accounting Officer indicated that he was engaged in another official function at State House and requested for rescheduling of the meeting to a later date.

The Committee acceded to the request and resolved to reschedule the meeting to Thursday, 3rd August 2023, at 9.30 a.m.

MIN.NO.NA/DAAOSC/PAC/2023/284 AOB

1) Study Visits

The Chairperson informed the Committee that there are scheduled benchmarking visits to Bahamas and Sierra Leone and AFROPAC meetings in Benin and South Africa.

The proposed visits will be in September and October 2023 and members will be nominated to the aforementioned trips based on their preference and attendance.

- 2) **Report Writing Retreat** - The Committee resolved to undertake a report writing retreat in Mombasa County, tentatively, from 11th to 16th September 2023 on the Auditor-General's report for the Year ended 30 June 2021.

MIN.NO.NA/DAAOSC/PAC/2023/285 **ADJOURNMENT**

There being no other business, the meeting was adjourned at 12.30 pm. The next meeting will be held on Thursday, 3rd August 2023, at 9.30 a.m.

Signed.....

Date 3-8-23.....

The Hon. CPA John Mbadi Ng'ong'o, EGH, MP
Chairperson