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THE SENATE

ELEVENTH PARLIAMENT – THIRD SESSION

REPORT OF THE SENATE STANDING COMMITTEE

ON FINANCE, COMMERCE & BUDGET ON THE CONSIDERATION OF  
THE PUBLIC PROCUREMENT AND ASSET DISPOSAL BILL, 2014

*Paper laid on the  
table of the Senate  
by Sen (Prof.) Njoroge  
on 14th May 2015*



PARLIAMENT BUILDINGS  
NAIROBI

MAY, 2015

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## PREFACE

Mr. Speaker, Sir

The Standing Committee on Finance, Commerce and Budget is established pursuant to Standing Order No. 208 and is mandated, *to investigate, inquire into and report on all matters relating to coordination, control and monitoring of the county budgets and to:*

- A. Discuss and review the estimates of County governments and make recommendations to the Senate;
- B. Examine the Budget Policy Statement presented to the Senate;
- C. Examine and report on the Budget allocated to constitutional commissions and independent offices
- D. Examine Bills related to the Counties;
- E. Examine the Budget, including the Division of Revenue Bill; and
- F. Examine and consider all matters related to resolutions and Bills for appropriations, share of national revenue amongst the counties and all matters concerning the National Budget, including public finance, monetary policies and public debt, trading activities and commerce, tourism, investment and divestitures policies, planning and development policy.

Mr. Speaker, Sir

The Committee on Finance, Commerce and Budget was constituted by the House on Thursday 13<sup>th</sup> March 2014 during the Second Session of the Eleventh (11<sup>th</sup>) Parliament and comprises of the following members:

1. The Hon. Sen. Billow Kerrow, MP. -Chairperson
2. The Hon. Sen. Peter Ole Mositet, MP. -Vice-Chairperson
3. The Hon. Sen. G. G. Kariuki, EGH, MP.
4. The Hon. Sen. Moses Wetang'ula, EGH, MP.
5. The Hon. Sen. Beatrice Elachi, CBS, MP.
6. The Hon. Sen. MutahiKagwe, EGH, MP.
7. The Hon. Sen. BoniKhalwale, MP.
8. The Hon. Sen. (Prof.) Peter Anyang' Nyong'o, EGH, MP.
9. The Hon. Sen. (Dr.) Zipporah Kittony, MP.
10. The Hon. Sen. James Mungai, MP.
11. The Hon. Sen. Catherine Mukiite Nabwala, MP.
12. The Hon. Sen. MutulaKilonzo Junior, MP.

13. The Hon. Sen. (Prof.) John Lonyangapuo, CBS, MP.
14. The Hon. Sen. Paul Njoroge Ben, MP.
15. The Hon. Sen. (Dr.) Wilfred Machage, MGH, MP.
16. The Hon. Sen. (Dr.) Agnes Zani, MP

**Mr. Speaker, Sir,**

This House received the Bill as passed with amendments by the National Assembly and committed to the Standing Committee on Finance, Commerce and Budget for consideration pursuant to Standing Order 130 on 4<sup>th</sup> May 2015. The principal object of Bill is to give effect to article 227 of the constitution; to provide procedures for efficient public procurement and for assets disposal by public entities

**Mr. Speaker, Sir,**

Pursuant to the provisions of Article 118 of the Constitution and Standing Order 130 (4), the Committee received presentations made through a public hearing conducted on 13<sup>th</sup> May, 2015, at Parliaments Buildings, County Hall, First Floor, Mini Chamber.

ACKNOWLEDGEMENTS

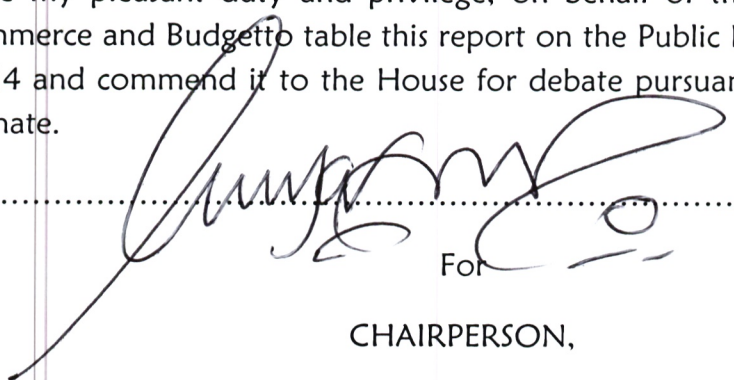
Mr. Speaker, Sir,

The Committee wishes to thank the Offices of the Speaker and the Clerk for the support extended to it in the execution of its mandate. The Committee also appreciates the Secretariat for the preparation of this report.

Finally, I wish to express my appreciation to the Honourable Senators of the Committee who sacrificed their time to participate in the activities of the Committee and preparation of this report.

It is therefore my pleasant duty and privilege, on behalf of the Standing Committee on Finance, Commerce and Budget to table this report on the Public Procurement and Asset Disposal Bill, 2014 and commend it to the House for debate pursuant to relevant Standing Order of the Senate.

Signed .....



For

CHAIRPERSON,

STANDING COMMITTEE ON FINANCE, COMMERCE AND BUDGET

Date: ..... *H.H.R. Day, 2015* .....

## INTRODUCTION

The Committee at its sitting on the 13<sup>th</sup> May, 2015 held deliberations on the Public Procurement and Asset Disposal Act and arising from the deliberations noted the following pertinent issues:

1. That the Public Procurement and Asset Disposal Bill, 2014 was passed by the National Assembly, with amendments on 30<sup>th</sup> April, 2015;
2. That the contemplated regulations to operationalize the bill once enacted shall be made within a period of one year immediately after the effective date of the Act; and,
3. That the Speaker of the Senate committed the Bill to the Senate Standing Committee on Finance, Commerce and Budget to examine and scrutinize it to facilitate procedural and timely enactment of the Bill.

The principal object of the bill is to operationalize Article 227 of the constitution which requires the establishment of legal framework within which policies relating to public procurement and asset disposal are to be implemented and provide procedures for efficient public procurement and asset disposal by public entities.

Some of the Committee's key observations from the Bill in its present form and content include:

- a) The Bill proposes to replace the Public Procurement Oversight Authority with Public Procurement Regulatory Authority. The proposed regulatory authority would have more functions than the oversight authority to effectively enforce compliance by the public entities on public procurement and Asset disposal;
- b) The bill enhances the role of the National Treasury in Public Procurement and Asset Disposal in enforcing compliance of the public entities in procurement and asset disposal;
- c) Part III of the Bill provides for the responsibilities of the respective county governments with respect to public procurement and asset disposal; and,
- d) That the Bill proposes representation in both the Public procurement regulatory and the Public procurement administrative review boards of professional bodies such as Institute of Certified Public Accountants (ICPAK), Law Society of Kenya, Kenya Institute of Supplies and Management and Association of Professional Societies in East Africa.

There are various salient issues as far as this bill is concerned. Among them include;

- (i)The Bill proposes that a minimum of 30 percent of the budgetary allocations shall be reserved for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups and there will be periodic reports on compliance by public entities (Clause 158);
- (ii)The Bill further proposes that preference shall be given to citizen contractors (including entities in which Kenyan citizen own at least 51% shares) in public procurement in evaluation and subsequent awards of tenders by public entities on condition that prescribed minimum technical score have been achieved (Clause 82);
- (iii)It is proposed that an approval of the Attorney General and a Cabinet Secretary is a prerequisite on public procurement and asset disposal of contracts of value exceeding Kshs.5 billion(Clause 134);
- (iv)The services of constitutional commissions like the Salaries and Remuneration Commission and Public Service commission will be accordingly sought when applicable. For example in filling a vacancy of a Director-General of the proposed Public Procurement Regulatory Authority, the recruitment process will be carried out by the Public Service Commission whereas the Salaries and Remuneration Commission will advise on determination of terms and conditions of service;
- (v)In line with Article 6(3) of the Constitution of Kenya 2010, the public procurement administrative review board shall establish regional panels. This will ensure reasonable access to its service in all parts of the republic (Clause 27);
- (vi)The bill proposes that there will no longer be any correction of error in total tender sum as submitted. Therefore, the tender sum as read out during the tender opening shall be absolute and final (Clause 82);
- (vii)The bill takes cognizance of the diverse and complex nature of procurements. It proposes additional procurement methods that can be used in varying circumstances. These new methods include; two stage tendering, design competition, force account, electronic reverse auction and competitive negotiations. Besides, the bill scraps off specially permitted method (Clauses 92-114.);

## **SUBMISSIONS BY THE PUBLIC**

The Committee held public hearings on 13th May, 2015 to receive input from the public on the Public Procurement and Asset Disposal Bill, 2014. Two groups were present; the Kenya Association of Business Women and Individual public procurement practitioners. The submissions received were as follows;

- a) That there should be a realistically specific timeline in which a procurement entity shall simultaneously notify in writing each of the tenderers of their respective results of the expression of interest. It was highlighted that without a specific timeline, the waiting can be unnecessarily long;
- b) That clause 84(1) of the Bill should be amended by deleting the words 'to the' appearing immediately after the word 'report' and be replaced with the word 'of'. This is to correct the semantic error;
- c) That the licensing of the procurement practitioners should be the role of the relevant professional body and that the Public Regulatory Authority should not be engaged in the licensing as this is a duplication of responsibilities; and,
- d) That the affirmative action with the reservations and preferences for the disadvantaged group should be effectively enforced so as to achieve its intended purpose of empowering the disadvantaged group.

In addition to the submissions from stakeholders, the Committee undertook a desk research of procurement and disposal of assets in the following jurisdictions and the results are as follow;

### **CASE STUDIES**

#### **I. Botswana**

In Botswana, there is a public procurement and asset disposal board (PPADB) established by an Act of parliament in 2001. The PPADB is a parastatal operating under the ministry of Finance and Development Planning (MFDP).

The primary mandate of PPADB is to decide and award tenders for Central Government and any other institutions specified under the Act for the delivery of works, services and supplies related services. This is coupled with the registration and grading of contractors who wish to do business with government. This is done to ensure that projects are prudently managed to ensure value for money in the procurement and disposal of assets.

An executive Chairperson heads the Board assisted by three full time executive directors who are heads of divisions of Works, Services and Supplies. The General Manager, corporate ser-

ices oversees the operations of the Board as well as the day to day running of the organizational finance and human resource management.

## II. United States of America

In the United States of America there is Public Procurement Regulatory Authority which is an autonomous body empowered with the responsibility of prescribing procedures and regulations for public procurements by Federal Government owned public sector organizations with a view to improve governance, management, transparency, accountability and quality of public procurement of goods, works and services.

It is also entrusted with the responsibility of monitoring procurement by public sector agencies and organizations. It has being delegated necessary powers under the Public Procurement Regulatory Authority Ordinance 2002.

The general administration of the Authority vests in a Board which exercises all powers, perform all functions and do all acts performed or done by the Authority.

The board has ten (10) members with the Secretary of Finance as its Chairperson and the Managing Director of the Authority as its Secretary. The Board also has the Secretaries of industries & production, Defence, Water & power, Housing & works and Communications as members. Only three are private board members.

## LESSONS LEARNED FROM THE CASE STUDIES

In the two countries reviewed above, the Committee drew the following lessons:

- i. That the Public procurement authority that is vested in the respective boards is critical to the enforcement of rules and regulations in public procurement and asset disposal as prescribed by the Acts on public procurement;
- ii. The respective boards of public procurement and asset disposal entities should be made up of members with relevant but diverse academic qualifications and work experiences for it to be more effective and efficient in execution of the stipulated mandates.
- iii. That the National Treasury of a country plays a critical role in facilitating the enforcement of the public procurement and asset disposal: However, the Public Procurement Regulatory Authority should have the requisite independence for better performance of its roles and responsibilities.

## COMMITTEE RECOMMENDATIONS

The Committee having deliberated on the Public Procurement and Asset disposal Bill, 2014 proposed the following amendments:

- i) by inserting the following new sub-clause in clause 33

33 (h) Ensure that same criteria for promotion of citizen contractors when competing for a tender contract with foreign tenderers at national level be replicated at the county level so that the local contractors are also preferentially considered in awards of tenders in their respective home counties.

**Justification:** To further entrench and promote equity in procurement

- ii) inserting the following new sub-clause in clause 126

126 (6) in evaluation of all tenders by public entities, both the financial and technical capability of the tenderer shall be given equal weights with respect to aspects scores.

**Justification:** To ensure that neither financial capacity nor technical capability outweighs the other aspects in awarding tenders and thereby promotes fairness

- iii) Deletion of the number 2014 in the title of the bill and in Clause 1 and replace it with 2015.

**Justification:** To make correct reference to the year when the Act is enacted.

- iv) In Clause 43(5), deletion of the word 'promises 'and replacing it with the word 'premises'.

**Justification:** To correct the typographical error.

- v) In Clause 84(1) of the bill be amended by deleting the words 'to the' appearing immediately after the word report and be replaced with the word 'of'.

**Justification:** to correct the semantic error.

- vi) In Clause 51 of the bill be amended by deleting the words 'and licensed' appearing immediately after the words "agents registered". **Justification:** to avoid professionals being licensed twice.

- vii) In Clause 165 of the bill be amended by deleting sub-clause (1). **Justification:** to correct the contradiction with clause 166.

Annex

Annex 1 : Minutes

MINUTES OF THE 113<sup>TH</sup> SITTING OF THE STANDING COMMITTEE ON FINANCE,  
COMMERCE AND BUDGET HELD AT COUNTY HALL, MINI CHAMBER ON  
WEDNESDAY, 13<sup>TH</sup> MAY, 2015 AT 9.00 AM

# ANNEX 1

## PRESENT

1. Sen. Peter Ole Mositet -Vice Chairman
2. Sen. Mutula Kilonzo Jnr. -Member
3. Sen. Zipporah Kittony -Member
4. Sen. Paul Njoroge Ben -Member
5. Sen. (Dr.) Wilfred Machage -Member
6. Sen. (Dr.) Boni Khalwale -Member
7. Sen. Catherine Mukiite -Member
8. Sen. (Prof.) Anyang Nyong'o -Member

## ABSENT WITH APOLOGY

1. Sen. Billow Kerrow -Chairman
2. Sen. Mungai James -Member
3. Sen. Mutahi Kagwe -Member
4. Sen. G.G. Kariuki -Member
5. Sen. Beatrice Elachi -Member
6. Sen. Moses Wetangula -Member
7. Sen.(Dr.) Agnes Zani - Member
8. Sen. (Prof.) John Lonyangapuo -Member

## IN ATTENDANCE

1. Waweru Njoroge
2. Kennedy Mogeni
3. Kinya Mogaka
4. Claudia Gakuru

## MEMBERS OF THE PUBLIC

- Member of the Public
- Member of the Procurement Practitioners
- Kenya Association of Women Business Owners
- Kenya Association of Women Business Owners

## SENATE SECRETARIAT

1. Mr. Victor Bett -Committee Clerk
2. Mr. Mwaniki Gichohi -Parliamentary Budget Office
3. Mr. Gorod Abdi -Parliamentary Budget Office

- |                          |                              |
|--------------------------|------------------------------|
| 4. Mr. Thomas Ogwel      | -Parliamentary Budget Office |
| 5. Mr. Robert Ng'etich   | -Parliamentary Budget Office |
| 6. Ms. Josphine Kusyinyi | -Legal Counsel Senate        |
| 7. Mr. Chelang'a Maiyo   | -Researcher                  |

**MIN. NO. 131/2015                      PRELIMINARIES**

The chairperson called the meeting to order at 9.25 a.m., followed by a word of prayer.

**MIN. NO. 132/2015                      ADOPTION OF THE AGENDA**

Members adopted the agenda of the sitting after it was proposed by Sen. Zipporah Kittony and seconded by Sen. Catherine Mukiite.

The Chairperson then proceeded and invited the public to share the views on the two bills

**MIN. NO. 133/2015      PUBLIC HEARING ON THE PUBLIC PROCUREMENT AND ASSET DISPOSAL BILL, 2014 (NATIONAL ASSEMBLY BILL NO. 40 OF 2014)**

**Presentation by Kennedy Mogeni** - Member of the Procurement Practitioners;

The proposal was that;

- The appointment of a procuring or asset disposal agent under subsection (2) shall be done only from amongst a list of agents registered and licensed by the Authority and should be done by a professional body. *(Reference made to article 51(3) of the Act)*
- All procurement and asset disposal planning shall reserve a minimum of thirty per cent of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other **disadvantaged**. The appropriate definition of a disadvantaged group should be clearly defined. *(Reference made to article 53(6) of the Act)*
- The head of procurement function of a procuring entity shall, alongside the report to the evaluation committee as secretariat comments, review the tender evaluation report and provide a signed professional opinion to the accounting officer on the procurement or asset disposal proceedings. Therefore the word “to” be replaced with the word “of”. *(Reference made to article 84(1) of the Act)*

- There's a contradiction between two articles in the Bill, that subject to prescribed provisions, an accounting officer of a procuring entity may dispose assets by a method which may include any of the following —
  - (a) transfer to another public entity or part of a public entity, with or without financial adjustment;
  - (b) sale by public tender;
  - (c) sale by public auction;
  - (d) sale to employees of a procuring entity;**
  - (e) trade-in;
  - (f) waste disposal management; or
  - (g) as may be prescribed.
- The other article states that an accounting officer who, pursuant to artificial valuation, **disposes off assets to an employee of the public entity or a member of a board or committee of the public entity commits an offence.** (*Reference made to article 165(1) (d) and article 166(2) of the Act respectively*)

**Presentation by Kinya Mogaka - Kenya Association of Women Business Owners;**

The proposal was that;

- When a person submitting the successful tender is notified under subsection (1), the accounting officer of the procuring entity shall also notify in writing all other persons submitting tenders that their tenders were not successful, disclosing the successful tenderer as appropriate and reasons thereof. The concern was that there is no timeline by which the tenderers will be informed and therefore a timeline should be included. (*Reference made to article 87(3) of the Act*)

**MIN. NO. 134/2015 PUBLIC HEARING ON THE PUBLIC AUDIT BILL, 2014 (NATIONAL ASSEMBLY BILL NO.38 OF 2014)**

**Presentation by Waweru Njoroge;**

The proposal was that, any impediment on the way of the Auditor General should be cleared and that leaks on staff from the Auditor General's Office should be clearly put such that there are no loopholes for the Auditor General to be compromised.

MIN. NO. 135/2015 BRIEF BY THE BUDGET OFFICE ON THE PUBLIC AUDIT BILL, 2014 (NATIONAL ASSEMBLY BILL NO.38 OF 2014) & THE PUBLIC PROCUREMENT AND ASSET DISPOSAL BILL, 2014 (NATIONAL ASSEMBLY BILL NO. 40 OF 2014)

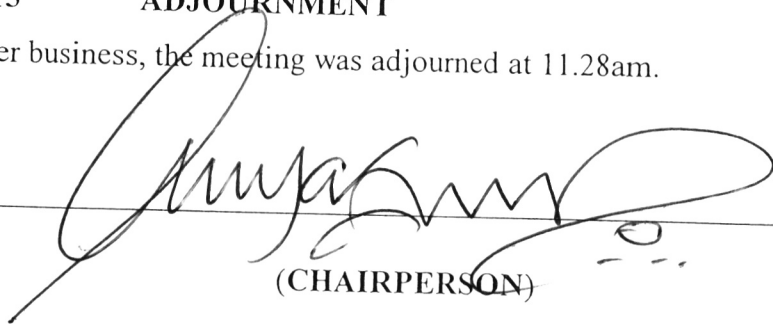
The Members of the Committee were taken through both Bills and had the following views;

- That the Public Procurement and Disposal Bill shouldn't be open but priority should be given to locals of a particular County first.
- That the Public Procurement and Disposal Bill should have the redistribution of the 30% on the disadvantaged groups be done equally such that each group would benefit equally.
- That the Public Audit Bill should be able to make the office of the Auditor General deliver without being compromised.
- That the Public Audit Bill should address the timelines on special audits on particular issues referred to the office of the Auditor General.
- That the Public Audit Bill should compel the Auditor General to embrace technology so as to curb irregularities in systems on time.
- That the Public Audit Bill should be able to address the insulation of the budget of the Auditor General since it's subject to the Cabinet Secretary National Treasury yet the Auditor General is expected to oversight the National Treasury at the same time.

MIN. NO. 136/2015                      **ADJOURNMENT**

There being no other business, the meeting was adjourned at 11.28am.

SIGNED

  
\_\_\_\_\_  
(CHAIRPERSON)

DATE

\_\_\_\_\_  
14th May, 2015

**MINUTES OF THE 114<sup>TH</sup> SITTING OF THE STANDING COMMITTEE ON FINANCE,  
COMMERCE AND BUDGET HELD AT COUNTY HALL, GROUND FLOOR BOARD  
ROOM ON THURSDAY, 14<sup>TH</sup> MAY, 2015 AT 9.30 AM**

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**PRESENT**

- |                                |                       |
|--------------------------------|-----------------------|
| 1. Sen. Peter Ole Mositet      | <b>-Vice Chairman</b> |
| 2. Sen. Mutula Kilonzo Jnr.    | -Member               |
| 3. Sen. Zipporah Kittony       | -Member               |
| 4. Sen. (Dr.) Wilfred Machage  | -Member               |
| 5. Sen. Moses Wetangula        | -Member               |
| 6. Sen. (Prof.) Anyang Nyong'o | -Member               |

**ABSENT WITH APOLOGY**

- |                                   |                  |
|-----------------------------------|------------------|
| 1. Sen. Billow Kerrow             | <b>-Chairman</b> |
| 2. Sen. Mungai James              | -Member          |
| 3. Sen. Paul Njoroge Ben          | -Member          |
| 4. Sen. (Dr.) Boni Khalwale       | -Member          |
| 5. Sen. Catherine Mukiite         | -Member          |
| 6. Sen. Mutahi Kagwe              | -Member          |
| 7. Sen. G.G. Kariuki              | -Member          |
| 8. Sen. Beatrice Elachi           | -Member          |
| 9. Sen.(Dr.) Agnes Zani           | - Member         |
| 10. Sen. (Prof.) John Lonyangapuo | -Member          |

**IN ATTENDANCE**

- |                          |   |
|--------------------------|---|
| 1. Mr. Victor Bett       | <b>SENATE SECRETARIAT</b><br>-Committee Clerk |
| 2. Mr. Mwaniki Gichohi   | -Parliamentary Budget Office                  |
| 3. Mr. Gorod Abdi        | -Parliamentary Budget Office                  |
| 4. Ms. Josphine Kusyinyi | -Legal Counsel Senate                         |
| 5. Mr. Chelang'a Maiyo   | -Research and Policy Analyst                  |

**MIN. NO. 137/2015**

**PRELIMINARIES**

The chairperson called the meeting to order at 9.45 a.m., followed by a word of prayer.

**MIN. NO. 138/2015                      ADOPTION OF THE AGENDA**

Members adopted the agenda of the sitting after it was proposed by Sen. Zipporah Kittony and seconded by Sen. (Prof.) Anyang' Nyong'o

The Chairperson then proceeded and invited all members to the meeting.

**MIN. NO. 139/2015                      CONFIRMATION OF PREVIOUS MINUTES**

Minutes of the 113<sup>th</sup> sitting were confirmed as having been proposed by Sen. Mutula Kilonzo Jnr. and seconded by Sen. (Dr.) Wilfred Machage.

**MIN. NO. 140/2015      CONSIDERATION OF THE COMMITTEE REPORT ON THE PUBLIC  
PROCUREMENT AND ASSET DISPOSAL BILL, 2014 (NATIONAL  
ASSEMBLY BILL NO. 40 OF 2014)**

The Committee debated and deliberated on the draft report for onward submission to the House for consideration in the special sitting.

The Chairman of the committee requested members on their concurrence of the recommendations in the draft report made in the public hearing and views given by the committee members.

The Committee Members made the following conclusions and recommendations:

The Committee having deliberated on the Public Procurement and Asset disposal Bill, 2014 proposed the following amendments:

**i.    by inserting the following new sub-clause in clause 33**

33 (h) Ensure that same criteria for promotion of citizen contractors when competing for a tender contract with foreign tenderers at national level be replicated at the county level so that the local contractors are also preferentially considered in awards of tenders in their respective home counties.

**Justification:** To further entrench and promote equity in procurement

**ii.    inserting the following new sub-clause in clause 126**

126 (6) in evaluation of all tenders by public entities, both the financial and technical capability of the tenderer shall be given equal weights with respect to aspects scores.

**Justification:** To ensure that neither financial capacity nor technical capability outweighs the other in awarding tenders and thereby promotes fairness

- iii. **Deletion of the number 2014 in the title of the bill and in Clause 1 and replace it with 2015.**

**Justification:** To make correct reference to the year when the Act is enacted.

- iv. **In Clause 43(5), deletion of the word ‘promises ’and replacing it with the word ‘premises’.**

**Justification:** To correct the typographical error.

- iv. In Clause 84(1) of the bill be amended by deleting the words ‘to the’ appearing immediately after the word report and be replaced with the word ‘of’. **Justification:** to correct the semantic error.

- v. In Clause 51 of the bill be amended by deleting the words ‘and licensed’ appearing immediately after the words “agents registered”. **Justification:** to avoid professionals being licensed twice.

- vi. In Clause 165 of the bill be amended by deleting sub-clause (1). **Justification:** to correct the contradiction with clause 166.

The Committee members collectively agreed and adopted the report.

**MIN. NO. 141/2015 CONSIDERATION OF THE COMMITTEE REPORT ON THE PUBLIC AUDIT BILL, 2014 (NATIONAL ASSEMBLY BILL NO.38 OF 2014)**

The Committee debated and deliberated on the draft report for onward submission to the House for consideration in the special sitting.

The Chairman of the committee requested members on their concurrence of the recommendations in the draft report made in the public hearing and views given by the committee members.

The Committee Members made the following conclusions and recommendations:

Arising from the Committee’s interaction with the stakeholders and its own deliberation, the following amendments are being considered for possible introduction to the House at the committee Stage:

- (a) Amend Clause 11 by adding a new Clause 11(5) “The Chairperson of the selection committee convened under sub-clause (5) shall be selected from among members of the selection panel. **Justification:** This is to protect the independence and sanctity of the selection process of the office holder.

- (b) Amend Clause 39 by deleting Clause 39(1) and renumbering the sections accordingly.  
**Justification:** to provide the Auditor General with freedom necessary to establish if public money was applied to the purpose intended, and whether or not public money has been applied lawfully and in an effective way.
- (c) Amend Clause 32(1) by deleting the word “ may” immediately before the word “be” and replacing therefore with the word “ shall” to read the clause as follows: “ The final report by an internal auditor which has been deliberated on and adopted by an audit committee of a State Organ or public entity, Shall be copied to the Auditor-General. Justifications: The use of the word “may” does not obligate the State Organ or public entity to copy the report to the Auditor-General.
- (d) Amend Clause 41 (2) (e) by inserting the following words “including statements on processes and system audit immediately after the word “Auditor-General”. **Justification:** Ensure compliance
- (e) Amend Clause 47 (1) by deleting the following words “in accordance with the protocols developed in the Regulations” and replacing with the following words “not later than three weeks or agreed timeline in writing with the Auditor General if the scope of the special audit demands otherwise”. **Justification:** The Bill should provide for timelines within which special audits are submitted.

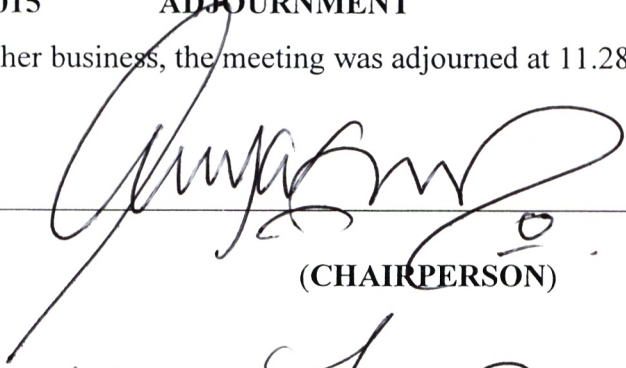
The Committee members collectively agreed and adopted the report.

MIN. NO. 142/2015

**ADJOURNMENT**

There being no other business, the meeting was adjourned at 11.28am.

SIGNED



(CHAIRPERSON)

DATE

14th May 2015.