



Paper laid by the
Chair, (Special)
Funds Accounts
Committee on Wed
3/10/2016
Amaz

VOLUME 3

Minutes of the Special Funds Accounts Committee Meetings during consideration of the reports of the Auditor-General on Financial Statements for National Government Constituencies Development Fund for financial years 2013/14, 2014/15 and 2015/16 for the following 17 Constituencies in Nairobi City

County:



1. Dagoretti North Constituency
2. Dagoretti South Constituency
3. Embakasi Central Constituency
4. Embakasi East Constituency
5. Embakasi North Constituency
6. Embakasi South Constituency
7. Embakasi West Constituency
8. Kamukunji Constituency
9. Kasarani Constituency
10. Kibra Constituency
11. Lang'ata Constituency
12. Makadara Constituency
13. Mathare Constituency
14. Roysambu Constituency
15. Ruaraka Constituency
16. Starehe Constituency
17. Westlands Constituency



MINUTES OF THE 60TH SITTING OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON TUESDAY, 2ND OCTOBER, 2018 IN COMMITTEE ROOM 12, MAIN PARLIAMENT BUILDINGS AT 10.00 A.M.

PRESENT

1. Hon. Kathuri Murungi, M.P - Chairperson
2. Hon. William Kamuren Chepkut, M.P – Vice Chairperson
3. Hon. Erastus Kivasu Nzioka, M.P
4. Hon. Irene Kasalu, M.P
5. Hon. Marwa Kitayama Maisori, M.P
6. Hon. Shakeel Shabbir Ahmed, M.P
7. Hon. Geoffrey Omuse, M.P
8. Hon. Alfred Agoi Masadia, M.P
9. Hon. Mwambu Mabongah, M.P
10. Hon. James Kamau Wamacukuru, M.P

APOLOGIES

1. Hon. Dennitah Ghati, M.P
2. Hon. Mark Lomunokol, M.P
3. Hon. Esther Passaris, M.P.
4. Hon. Mohamed Ali, M.P
5. Hon. Justus Kizito Mugali, M.P.
6. Hon. Jared Okelo, M.P
7. Hon. Rehema Jaldesa, M.P
8. Hon. Mohamed Ali Lokiru, M.P
9. Hon. Abdi Koropu Tepo, M.P

SECRETARIAT

- | | | |
|-----------------------|---|------------------------------|
| 1. Ms. Lucy Kimathi | - | Principal Clerk Assistant II |
| 2. Ms. Hellen Ekadeli | - | Second Clerk Assistant |
| 3. Ms. Deborah Mupusi | - | Media Officer |
| 4. Mr. Meshack Mutali | - | Office Assistant |
| 5. Ms. Naserian Kaare | - | Serjeant-at-Arms |
| 6. Mr. Nimrod Ochieng | - | Audio Officer |

MIN.NO./NA./SFAC/2018/269 PRELIMINARIES

The Chairperson called the meeting to order at 10.20 a.m. with a word of prayer.

The agenda of the meeting was adopted on a proposal by Hon. William Kamuren Chepkut, M.P and seconded by Hon. Geoffrey Omuse, M.P as follows:

1. Confirmation of Minutes
2. Matters Arising;
3. Adoption of the Report of the audited financial statements for the National Government Constituencies Development Fund for the 17 Constituencies in Nairobi City County for the financial years 2013/14, 2014/15 and 2015/16.
4. Any Other Business

1. The minutes of the meetings held on 6th August 2018, at 10.00 a.m. and 2.30 p.m. were confirmed as true record of proceedings having been proposed and seconded by Hon. Erastus Nzioka, M.P and Hon. Geoffrey Omuse, M.P respectively.
2. The minutes of the meetings held on 7th August 2018, at 10.00 a.m. and 2.30 p.m. were confirmed as true record of proceedings having been proposed and seconded by Hon. Mwambu Mabongah, M.P and Hon. Irene Kasalu, M.P respectively.
3. The minutes of the meetings held on 8th August 2018, at 10.00 a.m. and 2.30 p.m. were confirmed as true record of proceedings having been proposed and seconded by Hon. Geoffrey Omuse, M.P and Hon. Mwambu Mabongah, M.P respectively.
4. The minutes of the meetings held on 9th August 2018, at 10.00 a.m. and 2.30 p.m. were confirmed as true record of proceedings having been proposed and seconded by Hon. Erastus Nzioka, M.P and Hon. Geoffrey Omuse, M.P respectively.
5. The minutes of the 51st Sitting held on 30th August 2018, at 10.00 a.m. was confirmed as true record of proceedings having been proposed and seconded by Hon. Shakeel Shabbir, M.P and Hon. Irene Kasalu respectively.
6. The minutes of the 52nd Sitting held on 24th September, 2018 at 10.00 a.m. was confirmed as true record of proceedings having been proposed and seconded by Hon. Shakeel Shabbir, M.P and Hon. Erastus Nzioka, M.P respectively.
7. The minutes of the 53rd Sitting held on 24th September, 2018 at 2.30 p.m. was confirmed as true record of proceedings having been proposed and seconded by Hon. Erastus Nzioka, M.P and Hon. Shakeel Shabbir, M.P respectively.
8. The minutes of the 54th Sitting held on 25th September, 2018 at 10.00 a.m. was confirmed as true record of proceedings having been proposed and seconded by Hon. Erastus Nzioka, M.P and Hon. Shakeel Shabbir, M.P respectively.
9. The minutes of the 55th Sitting held on 25th September, 2018 at 2.30 p.m. was confirmed as true record of proceedings having been proposed and seconded by Hon. Alfred Agoi Masadia, M.P and Hon. Geoffrey Omuse, M.P respectively.
10. The minutes of the 56th Sitting held on 26th September, 2018 at 10.00 a.m. was confirmed as true record of proceedings having been proposed and seconded by Hon. Mwambu Mabongah, M.P and Hon. Shakeel Shabbir, M.P respectively.
11. The minutes of the 57th Sitting held on 26th September, 2018 at 2.30 p.m. was confirmed as true record of proceedings having been proposed and seconded by Hon. Erastus Nzioka, M.P and Hon. Shakeel Shabbir, M.P respectively.
12. The minutes of the 58th Sitting held on 27th September, 2018 at 10.00 a.m. was confirmed as true record of proceedings having been proposed and seconded by Hon. Geoffrey Omuse, M.P and Hon. Alfred Agoi Masadia, M.P respectively.
13. The minutes of the 59th Sitting held on 27th September, 2018 at 10.00 a.m. was confirmed as true record of proceedings having been proposed and seconded by Hon. Shakeel Shabbir, M.P and Hon. Erastus Nzioka, M.P respectively.

MIN.NO./NA./SFAC/2018/271

MATTERS ARISING

Under Minutes number 54 to 59:

- a) The name of the Chairperson was corrected to read Hon. Kathuri Murungi, MP
- b) The name of Hon. Ezekiel Kivasu Nzioka, MP was corrected to read Hon. Erastus Kivasu Nzioka, M.P

MIN.NO./NA./SFAC/2018/272

ADOPTION OF THE REPORT ON AUDITED FINANCIAL STATEMENTS FOR THE 17 CONSTITUENCIES IN NAIROBI CITY COUNTY.

The chairperson put the question "THAT, Committee adopts the Second Report on Audited Financial Statements for the National Government Constituencies Development Fund for the seventeen Constituencies in Nairobi City County for the Financial Years 2013/14, 2014/15 and 2015/16 presented to it at its meeting held on Tuesday, October 02, 2018".

Members present unanimously adopted the report on a proposal by Hon. Shakeel Shabbir, MP, seconded by Hon. Irene Kasalu, M.P respectively.

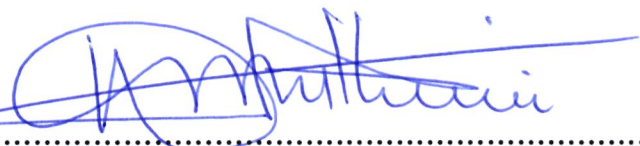
Members thereafter appended their signature on the adoption list to be attached to the report.

MIN.NO./NA./SFAC/2018/273

- ADJOURNEMENT

There being no other business the meeting was adjourned at 12.50 p.m.

SIGNED.....



HON. KATHURI MURUNGI, M.P
(Chairperson)

DATE.....

02-10-2018.

MINUTES OF THE 53RD SITTING OF THE SPECIAL FUND ACCOUNTS COMMITTEE HELD ON MONDAY, 24TH SEPTEMBER 2018, AT SAROVA WHITESANDS, MOMBASA, AT 2.30 P.M.

PRESENT

1. Hon. Kathuri Murungi, M.P. - **Chairperson**
2. Hon. William Chirchir Chepkut, M.P. - **Vice Chairperson**
3. Hon. Shakeel Shabbir Ahmed, M.P.
4. Hon. Marwa Kitayama Maisori, M.P.
5. Hon. Erastus KivasuNzioka, M.P.
6. Hon. Geoffrey Omuse, M.P.
7. Hon. Mohamed Ali, HSC, M.P.
8. Hon. Mwambu M. Mabongah, M.P.
9. Hon. Alfred Agoi, M.P.
10. Hon. Justus Kizito Mugali, M.P.

ABSENT WITH APOLOGIES

1. Hon. Esther M. R. Passaris, M.P.
2. Hon. Rehema Dida Jaldesa, M.P.
3. Hon. DennitahGhati, HSC, M.P.
4. Hon. James G.K Wamacukuru, M.P.
5. Hon. Irene Kasalu, M.P.
6. Hon. Mark Lomunokol, M.P.
7. Hon. Jared Okelo, M.P.
8. Hon. Abdi Koropu Tepo, M.P.
9. Hon. Mohamed Ali Lokiru, M.P.

IN- ATTENDANCE

OFFICE OF AUDITOR GENERAL

1. Mr. Geoffrey Mitari - Assistant Accountant General
2. Mr. Njoroge Kimani - Auditor General Manager (Kisumu County)
3. Mr. Francis Kabui - Auditor General
4. Mr. Kimathi Kwiriga - National Treasury

NATIONAL ASSEMBLY SECRETARIAT

1. Ms. Lucy Kimathi - Principal Clerk Assistant II
2. Ms. Hellen Ekadeli - Second Clerk Assistant
3. Mr. Peter Mwaura - Senior Legal Counsel
4. Ms. Deborah Mupusi - Media Relations Officer
5. Ms. Clare Kidombo - Research Officer I
6. Mr. Robert Ngetich - Fiscal Analyst
7. Ms. Naserian Kaare - Serjeant-at-Arms
8. Mr. Nimrod Ochieng - Audio Officer
9. Mr. Benson Muthuri - Security Officer
10. Mr. Meshack Mwitali - Office Attendant

MIN.NO.NA/SFAC/2018/248 - PRELIMINARIES

The Chairman called the meeting to order at 2.30 a.m. and thanked members for keeping time to ensure that the heavy business of the day was completed. Members resolved to extend the meeting until they conclude reviewing all the reports assigned for the day

MIN.NO.NA/SFAC/2018/249 - CONFIRMATION OF MINUTES

The minutes of the 52nd sitting were deferred to the next meeting and therefore there were no matters arising.

MIN.NO.NA/SFAC/2018/250 - KASARANI CONSTITUENCY

SUBMISSIONS FOR THE FINANCIAL YEAR 2015/2016

1. Project Implementation

Committee Observation

The Committee observed that the under-expenditure was due to high court ruling which indicated that the CDF Committees had up to February 2016 to be reconstituted and align with the new NG-CDF Act, 2015.

The Committee agreed with the ruling of the Court that the National Government Development Fund Committees had to be reconstituted to align with the National Government Development Fund Act, 2015 and the National Government Constituencies Development Fund Regulations, 2016.

There being no further amendments, the Committee adopted all other observations and recommendations under Kamukunji Constituency.

MIN.NO.NA/SFAC/2018/251 - KIBRA CONSTITUENCY

SUBMISSIONS FOR THE FINANCIAL YEAR 2013 /2014

1. Accuracy of the Financial Statements

The Committee reviewed and adopted the recommendations as contained in the report.

The Committee adopted all other observations and recommendations as contained in the report.

MIN.NO.NA/SFAC/2018/252 - LANG'ATA CONSTITUENCY

SUBMISSIONS FOR THE FINANCIAL YEARS 2013/2014, 2014/2015 AND 2015/2016

Observations and Recommendations

The Committee adopted observations and recommendations as indicated in the report.

MIN.NO. NA/ SFAC/2018/ 253

- MAKADARA CONSTITUENCY

SUBMISSIONS FOR THE FINANCIAL YEARS 2013/2014, 2014/2015 AND 2015/2016

Observations and Recommendations

There being no further amendments, the Committee adopted all other observations and recommendations under Makadara Constituency.

MIN.NO.NA/SFAC/2018/254

- MATHARE CONSTITUENCY

SUBMISSIONS FOR THE FINANCIAL YEARS 2013/2014, 2014/2015 AND 2015/2016

Observations and Recommendations

The Committee reviewed evidence on the report of the Auditor-General on the financial statements for Mathare National Government Constituencies Development Fund for the financial years 2013/2014, 2014/2015 and 2015/2016 and adopted observations and recommendations as indicated in the report.

MIN.NO.NA/SFAC/2018/255

- ROYSAMBU CONSTITUENCY

SUBMISSIONS FOR THE FINANCIAL YEARS 2013/2014, 2014/2015 AND 2015/2016

Observations and Recommendations

The Committee reviewed evidence on the report of the Auditor-General on the financial statements for Roysambu National Government Constituencies Development Fund for the financial years 2013/2014, 2014/2015 and 2015/2016 and adopted observations and recommendations as indicated in the report.

MIN.NO.NA/SFAC/2018/256

- RUARAKA CONSTITUENCY

SUBMISSIONS FOR THE FINANCIAL YEAR 2014 /2015

1. Implementation of Projects

The Committee recommends that the National Treasury expedites the process of quarterly disbursement of funds to the National Government Constituencies Development Fund Board for timely release to constituencies.

2. Other Grants and Transfers

The Committee recommends that the National Treasury expedites the process of quarterly disbursement of funds to the National Government Constituencies Development Fund Board for timely release to constituencies.

3. Revenue

The Committee recommends that the National Treasury expedites the process of quarterly disbursement of funds to the National Government Constituencies Development Fund Board for timely release to constituencies.

Observations and Recommendations

The Committee adopted all other observations and recommendations under Ruaraka Constituency as contained in the report.

MIN.NO.NA/SFAC/2018/257 - STAREHE CONSTITUENCY

SUBMISSIONS FOR THE FINANCIAL YEARS 2013/2014, 2014/2015 AND 2015/2016

Observations and Recommendations

There being no further amendments, the Committee adopted all other observations and recommendations under Starehe Constituency.

MIN.NO. NA/ SFAC/2018/258 - WESTLANDS CONSTITUENCY

SUBMISSIONS FOR THE FINANCIAL YEAR 2015/2016

1. Unexplained Net Liabilities

The Committee reviewed and adopted the observation below:

Committee Observation

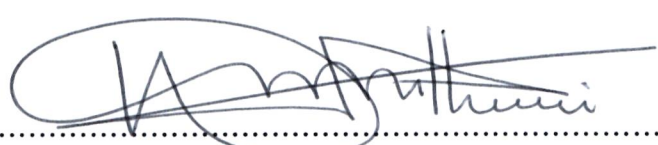
The Committee observed that the difference in net liabilities balance arose from failure to comply with International Public Sector Accounting Standards (IPSAS) in financial reporting. The matter has since been resolved with the Auditor- General.

Observations and Recommendations

There being no further amendments, the Committee adopted all other observations and recommendations under Westlands Constituency.

MIN.NO.NA/SFAC/2018/259 - ADJOURNMENT

The meeting was adjourned at 6.30 p.m. and the next meeting will be held on Tuesday, 25th September 2018 at 9.00 a.m.

SIGNED: 

HON. KATHURI MURUNGI, M.P
CHAIRPERSON

DATE: 02-10-2018.

MINUTES OF THE 52ND SITTING OF THE SPECIAL FUNDS ACCOUNT COMMITTEE HELD ON MONDAY, 24TH SEPTEMBER 2018, AT BARAKA 2 CONFERENCE ROOM, SAROVA WHITESANDS, MOMBASA, AT 9.00 A.M.

PRESENT

1. Hon. Kathuri Murungi, M.P. - **Chairperson**
2. Hon. William Chirchir Chepkut, M.P. - **Vice Chairperson**
3. Hon. Shakeel Shabbir Ahmed, M.P.
4. Hon. Marwa Kitayama Maisori, M.P.
5. Hon. Erastus Kivasu Nzioka, M.P.
6. Hon. Geoffrey Omuse, M.P.
7. Hon. Mohamed Ali, HSC, M.P.
8. Hon. Mwambu M. Mabongah, M.P.
9. Hon. Alfred Agoi Masadia, M.P.
10. Hon. Justus Kizito Mugali, M.P.

ABSENT WITH APOLOGIES

1. Hon. Esther M. R. Passaris, M.P.
2. Hon. Rehema Dida Jaldesa, M.P.
3. Hon. Dennitah Ghati, HSC, M.P.
4. Hon. James G.K Wamacukuru, M.P.
5. Hon. Irene Kasalu, M.P.
6. Hon. Mark Lomunokol, M.P.
7. Hon. Jared Okelo, M.P.
8. Hon. Abdi Koropu Tepo, M.P.
9. Hon. Mohamed Ali Lokiru, M.P.

IN- ATTENDANCE

OFFICE OF AUDITOR GENERAL

- | | | |
|------------------------|---|---|
| 1. Mr. Geoffrey Mitari | - | Assistant Accountant General |
| 2. Mr. Njoroge Kimani | - | Auditor General Manager (Kisumu County) |
| 3. Mr. Francis Kabui | - | Auditor General |
| 4. Mr. Kimathi Kwiriga | - | National Treasury |

NATIONAL ASSEMBLY SECRETARIAT

- | | | |
|-------------------------|---|------------------------------|
| 1. Ms. Lucy Kimathi | - | Principal Clerk Assistant II |
| 2. Ms. Hellen Ekadeli | - | Second Clerk Assistant |
| 3. Mr. Peter Mwaura | - | Senior Legal Counsel |
| 4. Ms. Deborah Mupusi | - | Media Relations Officer |
| 5. Ms. Clare Kidombo | - | Research Officer I |
| 6. Mr. Robert Ngetich | - | Fiscal Analyst |
| 7. Ms. Naserian Kaare | - | Serjeant-at-Arms |
| 8. Mr. Nimrod Ochieng | - | Audio Officer |
| 9. Mr. Benson Muthuri | - | Security Officer |
| 10. Mr. Meshack Mwitili | - | Office Attendant |

MIN.NO.NA/SFAC/2018/237

PRELIMINARIES

The Chairman called the meeting to order at 9.30 a.m. and a prayer said. The Chairman made remarks and welcomed representatives from the Auditor General and explained that the retreat which was to take place on 17th to 21st September, 2018 had been postponed due to the Special Sittings of the National Assembly on 18th and 20th September, 2018. The Chairperson reminded the Committee on the importance of the activity considering the budget implications. He noted that the reports will be needed in a weeks' time for tabling in the House.

The agenda included:-

1. The confirmation of pending minutes;
2. Matters arising;
3. Considering the final report on NG-CDF for Nairobi County Constituencies for the financial years 2013/2014, 2014/2015 and 2015/2016; and
4. A.O. B.

MIN.NO.NA/SFAC/2018/238

CONFIRMATION OF MINUTES

The minutes of the 51st sitting were deferred to the next meeting and therefore there were no matters arising.

MIN.NO.NA/SFAC/2018/239

DAGORETTI NORTH CONSTITUENCY

The Committee reviewed submissions on the audited accounts of the Constituency for the 2013/2014, 2014/2015 and 2015/2016 financial years. It was agreed that observations and recommendations be adopted as contained in the report.

MIN.NO.NA/SFAC/2018/240

DAGORETTI SOUTH CONSTITUENCY

The Committee deliberated on the audited accounts for the 2013/2014, 2014/2015 and 2015/2016 financial years for Dagoretti South Constituency and adopted the observations and recommendations with changes to read as follows:

SUBMISSIONS FOR THE FINANCIAL YEAR 2013/2014

1. Accuracy of Financial Statement

The Committee recommends that the Fund Account Manager maintains accurate records and complies with the International Public Sector Accounting Standards (IPSAS) framework.

2. Unsupported other Receipts Totaling Ksh. 127,000

The Committee recommends that the Fund Account Manager complies with provisions of

Section 62 of the Public Audit Act, No.34 of 2015 and Section 68 of the Public Finance Management Act, No. 18 of 2012.

3. Bursary Allocations and Disbursements

The Committee recommends that the National Government Constituencies Development Fund Board should review guidelines on issuance of bursaries to enhance efficiency.

SUBMISSIONS FOR THE FINANCIAL YEAR 2014/2015

1. Budget and Budgetary Controls

The Committee recommends that the National Treasury expedites the process of quarterly disbursements of funds to the National Government Constituencies Development Fund Board for timely allocation to constituencies.

There being no further amendments, the committee adopted all other observations and recommendations under Dagoretti South Constituency as contained in the report.

MIN.NO.NA/SFAC/2018/241 - EMBAKASI CENTRAL CONSTITUENCY

The Committee reviewed evidence on the report of the auditor-general on the financial statements for Embakasi Central National Government Constituencies Development Fund for the financial years 2013/2014, 2014/2015 and 2015/2016.

The Committee adopted observations and recommendations as indicated in the report.

MIN.NO.NA/SFAC/2018/242 - EMBAKASI EAST CONSTITUENCY

The Committee adopted observations and recommendations as indicated in the report.

MIN.NO.NA/SFAC/2018/243 - EMBAKASI NORTH CONSTITUENCY

SUBMISSIONS FOR THE FINANCIAL YEAR 2014/2015

1. BURSARY ALLOCATIONS AND DISBURSEMENTS

The Committee recommended that:-

- (i) The National Government Constituencies Development Fund Board reviews guidelines on issuance of bursaries to enhance efficiency;
- (ii) The National Government Constituencies Development Fund Board fast-tracks the adoption of electronic funds transfer in disbursement of bursaries; and
- (iii) The Fund Account Manager ensures that beneficiary institutions issue acknowledgement documents upon receipt of bursary cheques.

SUBMISSIONS FOR THE FINANCIAL YEAR 2015/2016

1. Construction of Cardinal Otunga Road

The Committee recommends that the Ethics and Anti-Corruption Commission (EACC) expedites investigations.

2. Procurement Works

The Committee recommends that the Fund Account Manager complies with provisions of section 96 of the Public Procurement and Asset Disposal Act, 2015 and the Public Procurement and Asset Disposal Regulations while undertaking procurement

3. Unutilized Office Space

The Committee recommends that there should be investigations into the reasons why there was underutilization of the office space resulting in the loss of public funds.

There being no further amendments, the committee adopted all other observations and recommendations under Embakasi North Constituency.

MIN.NO.NA/SFAC/2018/244 - EMBAKASI SOUTH CONSTITUENCY

The Committee adopted observations and recommendations as indicated in the report for the financial years 2013/2014, 2014/2015 and 2015/2016.

MIN.NO.NA/SFAC/2018/245 - EMBAKASI WEST CONSTITUENCY

SUBMISSIONS FOR THE FINANCIAL YEAR 2014 /2015

1. BURSARY ALLOCATION AND DISBURSEMENTS

The Committee recommends that the Fund Account Manager should ensure strict compliance with the provisions of Section 62 of the Public Audit Act, No.34 of 2015 and section 68 of the Public Finance Management Act, No. 18 of 2012.

There being no further amendments, the committee adopted all other observations and recommendations under Embakasi West Constituency.

MIN.NO.NA/SFAC/2018/246 - KAMUKUNJI CONSTITUENCY

SUBMISSIONS FOR THE FINANCIAL YEAR 2013/2014

1. Irregular Payment for Construction of Sheds at Maziwa Chicken and Vegetable Market.

The Committee recommends that the Ethics and Anti-Corruption Commission expedites investigations into the matter.

The Committee adopted all other observations and recommendations under Kamukunji Constituency.

MIN.NO.NA/SFAC/2018/247 - ADJOURNMENT

The meeting was adjourned at 1.45 p.m. and the next meeting will be held at 2.30 p.m. .

SIGNED: 

**HON. KATHURI MURUNGI, M.P
CHAIRPERSON**

DATE: 02-10-2018.

**MINUTES OF THE 11TH SITTING OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE
HELD ON TUESDAY 13TH MARCH 2018, IN COMMITTEE ROOM 12, MAIN
PARLIAMENT BUILDINGS, AT 9.30 A.M.**

PRESENT

1. Hon. Kathuri Murungi, M.P. - Chairperson
2. Hon. William Chirchir Chepkut, M.P. - Vice- Chairperson
3. Hon. Dennitah Ghati, M.P.
4. Hon. Mark Lomunokol, M.P.
5. Hon. Shakeel Shabbir Ahmed, M.P.
6. Hon. Abdi Koropu Tepo, M.P.
7. Hon. Erastus Kivasu Nzioka, M.P.
8. Hon. Geoffrey Omuse, M.P.
9. Hon. James G.K Wamacukuru, M.P.
10. Hon. Marwa Kitayama Maisori, M.P.
11. Hon. Mohamed Ali, M.P.
12. Hon. Mwambu M. Mabongah, M.P.
13. Hon. Irene Kasalu, M.P.
14. Hon. Mohamed Ali Lokiru, M.P.
15. Hon. Rehema Dida Jaldesa, M.P.

APOLOGIES

1. Hon. Alfred Agoi Masadia, M.P.
2. Hon. Justus Kizito Mugali, M.P.
3. Hon. Esther M. R. Passaris, M.P.
4. Hon. Jared Okelo, M.P.

IN- ATTENDANCE

Hon. Timothy Wanyonyi Wetangula –M.P, Westlands Constituency

OFFICE OF THE AUDITOR GENERAL

1. Mr. Njoroge Waithima - Deputy Director Audit
2. Mr. Akaka Ramoya - Assistant Director Audit
3. Ms. Sharon Wangari - Manager, Audit

NGCDF BOARD

1. Mr. Yusuf Mbuno - Ag. Chief Executive Officer
2. Ms. Polly Maingi - Chief Accountant
3. Ms. Alice Wachira - Chief Internal Auditor
4. Ms. Christine Mwangolo

NATIONAL ASSEMBLY SECRETARIAT

1. Ms. Lucy Kimathi - Senior Clerk Assistant.
2. Ms. Ruth Mwhaki - Third Clerk Assistant.
3. Mr. Peter Mwaura -Legal Counsel
4. Mr. Robert Ngetich - Fiscal Analyst

5. Ms. Clare Jerotich - Research and policy Analyst
6. Ms. Naserian Kaare - Serjeant At- Arms
7. Mr. Meshack Mutali - Office Assistant

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MIN.NO. SFAC 053/2018: PRELIMINARIES

The Chairman called the meeting to order at 9.35a.m. and said a prayer .He thereafter invited those present to introduce themselves.

MIN.NO. SFAC 054/2018: CONFIRMATION OF MINUTES

Minutes of the 1st sitting of the joint induction retreat held on Monday 22nd January 2018 at 9.00am were confirmed as the true record of the proceedings of that day after being proposed by Hon. Geoffrey Omuse, MP and seconded by Hon. Mark Lomunokol, M.P

Minutes of the 2nd sitting of the joint induction retreat Monday 22nd January 2018 at 2.00 pm were confirmed as the true record of the proceedings of that day after being proposed by Hon. Marwa Kitayama Maisori, MP and seconded by Hon. Mark Lomunokol, M.P

Minutes of the 3rd sitting of the joint induction retreat held on Tuesday 23rd January 2018 At 9.00 am were confirmed as the true record of the proceedings of that day after being proposed by Hon. Erastus Kivasu Nzioka, MP and seconded by Hon. Geoffrey Omuse, M.P

Minutes of the 4th sitting of the joint induction retreat held on Tuesday 23rd January 2018 at 2.00pm were confirmed as the true record of the proceedings of that day after being proposed by Hon. Dennitah Ghati, MP and seconded by Hon. Mark Lomunokol, M.P

Minutes of the 5th sitting of the joint induction retreat held on Wednesday 24th January 2018 at 9.00am were confirmed as the true record of the proceedings of that day after being proposed by Hon. Marwa Kitayama Maisori, MP and seconded by Hon. Erastus Kivasu Nzioka, M.P

Minutes of the 6th sitting of the joint induction retreat held on Wednesday 24th January 2018 at 2.00p .m were confirmed as the true record of the proceedings of that day after being proposed by Hon. Mark Lomunokol, MP and seconded by Hon. Geoffrey Omuse, M.P

Minutes of the 5th sitting held on Friday 23rd February 2018 at 9.00am were confirmed as the true record of the proceedings of that day after being proposed by Hon. Geoffrey Omuse, MP and seconded by Hon. Dennitah Ghati, M.P

Minutes of the 6th sitting held on Friday 23rd February 2018 at 2.30pm were confirmed as the true record of the proceedings of that day after being proposed by Hon. Marwa Kitayama Maisori, MP and seconded by Hon. Mwambu Mabongah, M.P

Minutes of the 7th sitting held on Saturday 24th February 2018 at 9.00am were confirmed as the true record of the proceedings of that day after being proposed by Hon. Erastus Kivasu Nzioka, MP and seconded by Hon. Mark Lomunokol, M.P

Minutes of the 8th sitting held on Saturday 24th February 2018 at 2.00pm were confirmed as the true record of the proceedings of that day after being proposed by Hon. Mwambu Mabongah, MP and seconded by Hon. Mark Lomunokol, M.P

Minutes of the 9th sitting held on Tuesday 27th February 2018 were confirmed as the true record of the proceedings of that day after being proposed by Hon. Geoffrey Omuse, MP and seconded by Hon. Marwa Kitayama Maisori, M.P

MIN.NO. SFAC 055/2018: MATTERS ARISING

There were no matters arising.

MIN.NO. SFAC 056/2018: EVIDENCE: FUND MANAGER - WESTLANDS NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

Reports of the Auditor General on Constituencies Development Fund -Westlands Constituency for the Financial Year 2013/2014, 2014/2015 and 2015/2016.

Mr. Peter Ngugi, Fund Account Manager, appeared before the Committee accompanied by Mr. Job Munyi, Former Fund Manager, Westlands Constituency, and gave evidence on:

FY 2013/2014

- (i) Paragraph 1 on Completeness and Accuracy of the Financial Statements
The matter was reported as resolved
- (ii) Paragraph 2 Stalled project(Mau Mau police post)
The matter was reported as outstanding as it was not clear how the project was implemented despite being on a riparian zone.
The Committee was however informed that the project was latter terminated after spending Kshs. 3,000,000 and no more funds were released to it.
- (iii) Pending Bills
The matter was reported as resolved.
- (iv) Bursaries allocations and Disbursements
The matter was reported as outstanding as a detailed analysis for Bursary cheques clearance amounting to Kshs. 1,587,109 for the FY 2013/2014 and Kshs 2,688,000 for the FY 2014/2015 had not been availed to the Auditor General for verification.

The Committee observed that:

- (i) The construction of Mau Mau police post in Kangemi was done in the Financial Year 2007/2008. The project was labour based and hence no procurement was done. A loss of public funds amounting to Kshs 3,000,000 was occasioned after the project was terminated since it was on a riparian zone. It is not clear the circumstances under which the project was implemented without the necessary approvals from

NEMA. The project in the current demarcation falls under Dagoretti North Constituency.

- (ii) The Fund Manager had not provided a detailed list of the exact amounts of bursary cheques cleared or reversed.
- (iii) Members raised a concern on whether the Bursary cheques were benefitting the intended beneficiaries in a timely manner since they were taking long before presentation to the Bank for clearance. Some cheques had in turn been reversed due to non- presentation.

The Committee Resolved

- (i) That the NGCDF Board provides details of the officers who were responsible for the implementation of the project within 14days of the sitting.
- (ii) That a detailed analysis of the cheques clearance, including reversed cheques be availed to the office of the Auditor General within 14days for them to be able to clear the issue.
- (iii) There is need for Constituencies to explore alternative ways of bursary funds disbursement i.e direct transfers to beneficiary institutions in order to minimize delays in cheques clearance or instances of cheques reversal.

FY 2014/2015

- (i) Paragraph 1 on differences between the summary Statement of Appropriation and the project proposal document approved by the NGCDF Board
The matter was reported as resolved.
- (ii) Paragraph 2 on unsupported imprests Expenditure
The matter was reported as resolved.
- (iii) Paragraph 3 on retention register
The matter was reported as resolved.

Other matters

- (i) Paragraph 1 Budget and Budgetary Controls
The matter was reported as resolved.
- (ii) Paragraph 1 (i) Budget expenditure difference
The matter was reported as resolved
- (iii) Paragraph 1 (ii) Transfers from other government units
The matter was reported as resolved
- (iv) Paragraph 1 (iii) Other Grants and Transfers
The matter was reported as resolved

FY 2015/2016

- (i) Paragraph 1 on presentation and disclosures of the Financial statements
The matter was reported as resolved.
- (ii) Paragraph 2-Inaccuracies in the Financial Statements
- (iii) Paragraph 2.1 On unexplained Comparative figures
The matter was reported as resolved.
- (iv) Paragraph 2.2 Unexplained receipts

The matter was reported as resolved.

- (v) Paragraph 2.3 Unexplained Net Liabilities

The matter was reported as resolved.

Other matters

- (i) Paragraph 1 Budget and Budgetary Controls

The matter was reported as resolved.

- (ii) Paragraph 2 Non- implementation of projects

The matter was reported as resolved.

- (iii) Procurement of Works

The matter was reported as outstanding.

Whereas the office of the Auditor General has verified that the projects have been fully implemented, the threshold matrix laid down in the Public Procurement and Asset Disposal Act in as far as the mode of advertisement is concerned was not adhered to.

Committee observations

- (i) The constituency development Fund entered into four contracts with various contractors and Suppliers worth Kshs. 39,008,842.00 in the FY 2015/2016 but the projects were advertised locally and awarded instead of advertising in the newspapers of general nationwide circulation contrary to Section 54(2) of the Public Procurement and Disposal Act, 2005.

Members observed that whilst the Public Procurement and Disposal Act, 2005 provides for open tendering for goods and works over certain limits e.g for Works above Kshs 4million, the tender should be advertised in a newspaper of nationwide circulation, the NG-CDF Act on the other hand aims at giving locals opportunities to promote locals and provide them with such opportunities.

There is therefore need to relook at the Procurement law in light of the NGCDF Act in order to identify areas for amendments.

- (ii) There is need for the NGCDF Board to conduct continuous capacity building of fund managers and accounting staff on accounting and reporting standards in order to minimize audit queries related to reporting.

MIN.NO. DCH 057/2017: ANY OTHER BUSINESS

The Committee resolved that the Chief Executive Officer, NG- CDF Board be invited for a meeting with the Committee at a later date.

MIN.NO. DCH 058/2017: ADJOURNMENT

There being no other business the meeting was adjourned at 12:56 p. m. The next meeting will be held on Thursday 15th March 2018 at 10.00am.

SIGNED:


HON. KATHURI MURUNGI, M.P

CHAIRPERSON

DATE:

15-04-2018



MINUTES OF THE 12TH SITTING OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON THURSDAY 15TH MARCH 2018, IN COMMITTEE ROOM 12, MAIN PARLIAMENT BUILDINGS, AT 9.30 A.M.

PRESENT

1. Hon. Kathuri Murungi, M.P. - Chairperson
2. Hon. William Chirchir Chepkut, M.P. - Vice- Chairperson
3. Hon. Alfred Agoi Masadia, M.P.
4. Hon. Mark Lomunokol, M.P.
5. Hon. Erastus Kivasu Nzioka, M.P.
6. Hon. Geoffrey Omuse, M.P.
7. Hon. James G.K Wamacukuru, M.P.
8. Hon. Jared Okelo, M.P.
9. Hon. Marwa Kitayama Maisori, M.P.
10. Hon. Mohamed Ali, M.P.
11. Hon. Mwambu M. Mabongah, M.P.

APOLOGIES

1. Hon. Shakeel Shabbir Ahmed, M.P.
2. Hon. Dennitah Ghata, M.P.
3. Hon. Justus Kizito Mugali, M.P.
4. Hon. Abdi Koropu Tepo, M.P.
5. Hon. Esther M. R. Passaris, M.P.
6. Hon. Mohamed Ali Lokiru, M.P.
7. Hon. Rehema Dida Jaldesa, M.P.
8. Hon. Irene Kasalu, M.P.

IN- ATTENDANCE

Hon. John Kiarie Waweru –M.P, Dagoretti South Constituency

NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Assistant Accountant General

OFFICE OF THE AUDITOR GENERAL

1. Mr. Njoroge Waithima - Deputy Director Audit
2. Mr. Akaka Ramoya - Assistant Director Audit
3. Ms. Sharon Wangari - Manager, Audit

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT GCDF BOARD

1. Ms. Polly Maingi - Chief Accountant
2. Ms. Alice Wachira - Chief Internal Auditor
3. Mr. Japheth Ondimu - Accountant
4. Ms. Phyliss Chibayi - Fund Account Manager

NATIONAL ASSEMBLY SECRETARIAT

1. Ms. Lucy Kimathi - Senior Clerk Assistant.



- | | |
|-----------------------|-------------------------------|
| 2. Ms. Ruth Mwhaki | - Third Clerk Assistant. |
| 3. Mr. Peter Mwaura | -Legal Counsel |
| 4. Mr. Robert Ngetich | - Fiscal Analyst |
| 5. Ms. Clare Jerotich | - Research and policy Analyst |
| 6. Ms. Naserian Kaare | - Serjeant At- Arms |
| 7. Mr. Meshack Mutali | - Office Assistant |

MIN.NO. SFAC 059/2018: PRELIMINARIES

The Chairman called the meeting to order at 9.40a.m and a prayer was said by the hon. Mwambu Mabongah, M.P.

He thereafter invited those present to introduce themselves.

MIN.NO. SFAC 060/2018: CONFIRMATION OF MINUTES

Minutes of the 11th sitting of the held on Tuesday 13th March 2018 were confirmed as the true record of the proceedings of that day after being proposed by Hon. Erastus Kivasu Nzioka, MP and seconded by Hon. Mwambu Mabonga, M.P

MIN.NO. SFAC 061/2018: MATTERS ARISING

There were no matters arising.

MIN.NO. SFAC 062/2018: EVIDENCE: FUND MANAGER- DAGORETTI SOUTH NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

REPORTS OF THE AUDITOR GENERAL ON CONSTITUENCIES DEVELOPMENT FUND -DAGORETTI SOUTH CONSTITUENCY FOR THE FINANCIAL YEAR 2013/2014, 2014/2015 AND 2015/2016.

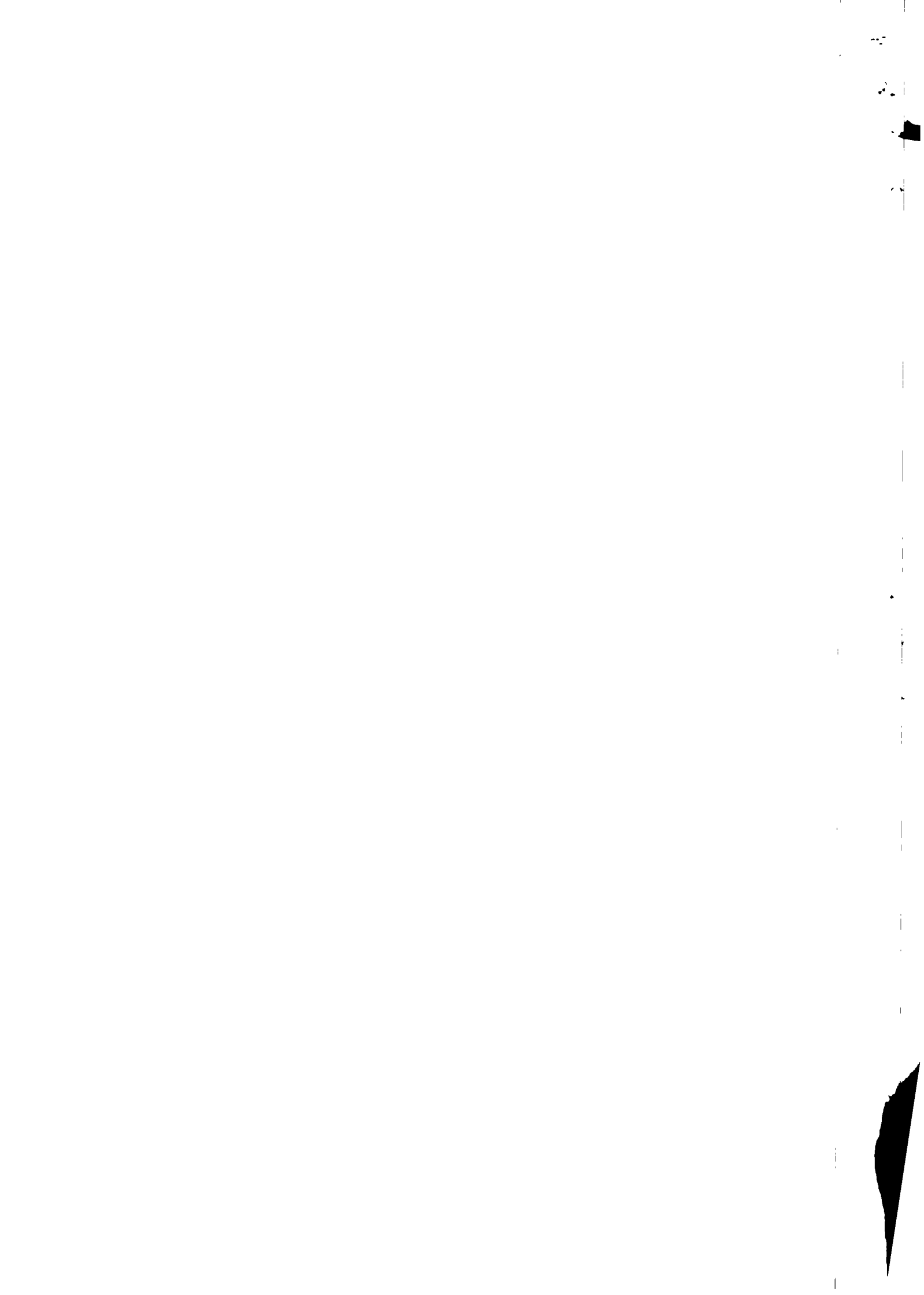
Ms. Susan Nthiiri, Fund Account Manager, appeared before the Committee accompanied by Mr. Japheth Ondimu, former Fund Manager, Dagoretti South Constituency, and gave evidence on:

FY 2013/2014

- (i) Paragraph 1 on Accuracy of the Financial Statements
The matter was reported as resolved
- (ii) Paragraph 2 on unsupported other receipts totaling Kshs. 127,000
The matter was reported as Resolved .

However, the Committee took note of non presentation of the receipts at the time of audit. The Fund Account manager did not give satisfactory reasons why the documents were not availed yet payments had already been made.

- (iii) Bbursary allocations and disbursements
The matter was reported as resolved.



Other matters

- (i) Paragraph 1 on Late Disbursement of funds
The matter was reported as resolved
- (ii) Paragraph 2 on Low Absorption Of Funds
The matter was reported as resolved

COMMITTEE OBSERVATIONS

The Committee observed that:

- (i) There was a delay by fund managers to submit information required by auditors on time. As such, matters which would ordinarily be resolved within the audit cycle keep appearing in the audit report.

Members learnt this delay is occasioned by the fact that all the 17 Constituencies within Nairobi County are served by one accountant at the District treasury.

The NGCDF board is however in consultations with the National treasury to have more officers posted to the District treasury to ease the pressure

- (ii) Stale cheques amounting to Kshs 185,614 as bursaries for needy students, some dating back to March 2014 were reverted to the cash book as receipts due to non-presentation. This raises concerns as to why beneficiaries failed to deposit the cheques yet bursaries are meant for assist the identified needy students.

The NGCDF board reported that it was working with various financial institutions and was considering EFT as an alternative way of disbursing the funds

FY 2014/2015

- (i) Paragraph 1 on Budget and budgetary Controls
The matter was reported as resolved.
- (ii) Paragraph 2 (i) Transfer to Other Government Entities
The matter was reported as resolved
- (iii) Paragraph 2 (ii) Other Grants and Transfers
The matter was reported as outstanding. The CDF committee has sought reallocation of Kshs. 6,000,000.00 earmarked for the Dagoretti Empowerment Centre. The request for reallocation has been received and approved by the board.
- (iv) Paragraph 3 on Revenue
The matter was reported as resolved.
- (v) Paragraph 4 on Accuracy of financial statements
The matter was reported as resolved.



- (vi) Paragraph 5 on Bursary allocations and disbursements
The matter was reported as resolved.
- (vii) Paragraph 6 on un-surrendered imprest
The matter was reported as resolved.
- (viii) Paragraph 7 on failure to remit statutory deductions
The matter was reported as outstanding. The Fund manager reported that the remittances were done in January 2018. The office of the Auditor general undertook to verify that the statutory deductions have been remitted during the 2016/17 audit .

The Committee to make its recommendation on who should be held responsible for penalties arising out of delay in remittance.

Other matters

- (i) Paragraph 1 Budget and Budgetary Controls
The matter was reported as resolved.
- (ii) Paragraph 1 (i) Budget expenditure difference
The matter was reported as resolved
- (iii) Paragraph 1 (ii) Transfers from other government units
The matter was reported as resolved
- (iv) Paragraph 1 (iii) Other Grants and Transfers
The matter was reported as resolved

FY 2015/2016

- (i) Paragraph 1 on Unexplained Amended Comparative Figures
The matter was reported as outstanding.
The Fund Manager to share the response with the OAG within 7 days. The OAG to apprise the Committee on the status of the issue.

Committee recommendation

The Fund Manager to comply with disclosure requirements in the subsequent audit period.

Other matters

- (i) Paragraph 1 on Budget and Budgetary performance
The matter was reported as outstanding.

Committee recommendation

Fund Managers to seek extension from the Board to avoid audit queries as a result of under expenditure/low absorption rate of funds as a result of slow release of funds by the NG-CDF board.

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The NGCDF Board should further relook at the funds disbursement criteria so that Constituencies that have absorbed their funds are not affected by the delays in disbursements and get their funds on time.

(ii) Paragraph 2 on Delay in project implementation

The matter was reported as outstanding. A review of projects implementation status revealed that 30 projects with a total budget of Kshs.53,388,700 approved between 2013/2014 and 2015/2016 had either not started or had not been completed as at 30 June 2016. This was as a result of slow disbursement of funds by NG-CDF Board
However, following the release of the funds, the management has commenced the implementation of pending projects by disbursing the funds to the project management committees.

Committee observations

(i) The Due to the slow release of fund disbursement by the NG-CDF board has affected project implementation in the FY 2013/2014 2014/2015 and 2015/2016.

The NGCDF board reported that the disbursements are done as per receipts from the National Treasury and that the board had outstanding receipts of 4.9bn in the FY 2012/2013 from the National Treasury. This had in-turn affected disbursements to constituencies in the subsequent years.

Committee Resolutions

(i) The office of the Auditor General to verify implementation status of pending projects to which funds have already been released during the 2016/17 audit cycle.

MIN.NO. SFAC 063/2018: MEETING WITH THE UGANDA PARLIAMENTARY COMMITTEE ON COMMISSIONS, STATUTORY AUTHORITIES AND STATE ENTERPRISES

The Committee met the Delegation from the Ugandan Parliament and exchanged ideas on the mandate, and roles of the two Committee's and possible areas where the two Committees can draw and learn lessons from each other. The delegation comprised of the following members:

- Hon. Abigaba Cuthbert Mirember
- Hon. Ameede Agnes
- Hon. Ayebazibwe Justine
- Hon. Byandala Abraham James
- Hon. Namayanja Florence
- Hon. Tairwa Francis (Brig)
- Mr. Karogo
- Ms. Muhangi Dinah



The delegation noted with interest the operations of the National Government Constituency Development Funds , which is entrenched in law, as a possible practice they would recommend borrowing from the study visit.

Members noted that the structure of the Ugandan Parliament oversight committees was a bit different from the Kenya even in regard to implementation of Committee recommendations. For instance it was noted that the Criminal Investigations Department in Uganda attaches an officer to each oversight Committee and this helps in implementing Committee recommendations.

The Ugandan counterparts invited the Committee for an exchange visit where they could learn from the Ugandan Parliament oversight committees.

The Committee resolved to undertake a study Visit to the Ugandan Parliament.

MIN.NO. SFAC 064/2017:

ADJOURNMENT

There being no other business the meeting was adjourned at 13:40 p. m. The next meeting will be held on Tuesday 20th March 2018 at 10.00am.

SIGNED:


HON. KATHURI MURUNGI, M.P

CHAIRPERSON

DATE:

04-04-2018.



MINUTES OF THE 13TH SITTING OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON TUESDAY 20TH MARCH 2018, IN COMMITTEE ROOM 12, MAIN PARLIAMENT BUILDINGS, AT 9.30 A.M.

PRESENT

1. Hon. Kathuri Murungi, M.P. - Chairperson
2. Hon. William Chirchir Chepkut, M.P. - Vice- Chairperson
3. Hon. Mark Lomunokol, M.P.
4. Hon. Erastus Kivasu Nzioka, M.P.
5. Hon. Geoffrey Omuse, M.P.
6. Hon. Irene Kasalu, M.P.
7. Hon. James G.K Wamacukuru, M.P.
8. Hon. Jared Okelo, M.P.
9. Hon. Marwa Kitayama Maisori, M.P.
10. Hon. Mohamed Ali, M.P.
11. Hon. Mwambu M. Mabongah, M.P.
12. Hon. Rehema Dida Jaldesa, M.P.

APOLOGIES

1. Hon. Alfred Agoi Masadia, M.P.
2. Hon. Shakeel Shabbir Ahmed, M.P.
3. Hon. Dennitah Ghati, M.P.
4. Hon. Justus Kizito Mugali, M.P.
5. Hon. Abdi Koropu Tepo, M.P.
6. Hon. Esther M. R. Passaris, M.P.
7. Hon. Mohamed Ali Lokiru, M.P.

IN- ATTENDANCE

NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Assistant Accountant General

OFFICE OF THE AUDITOR GENERAL

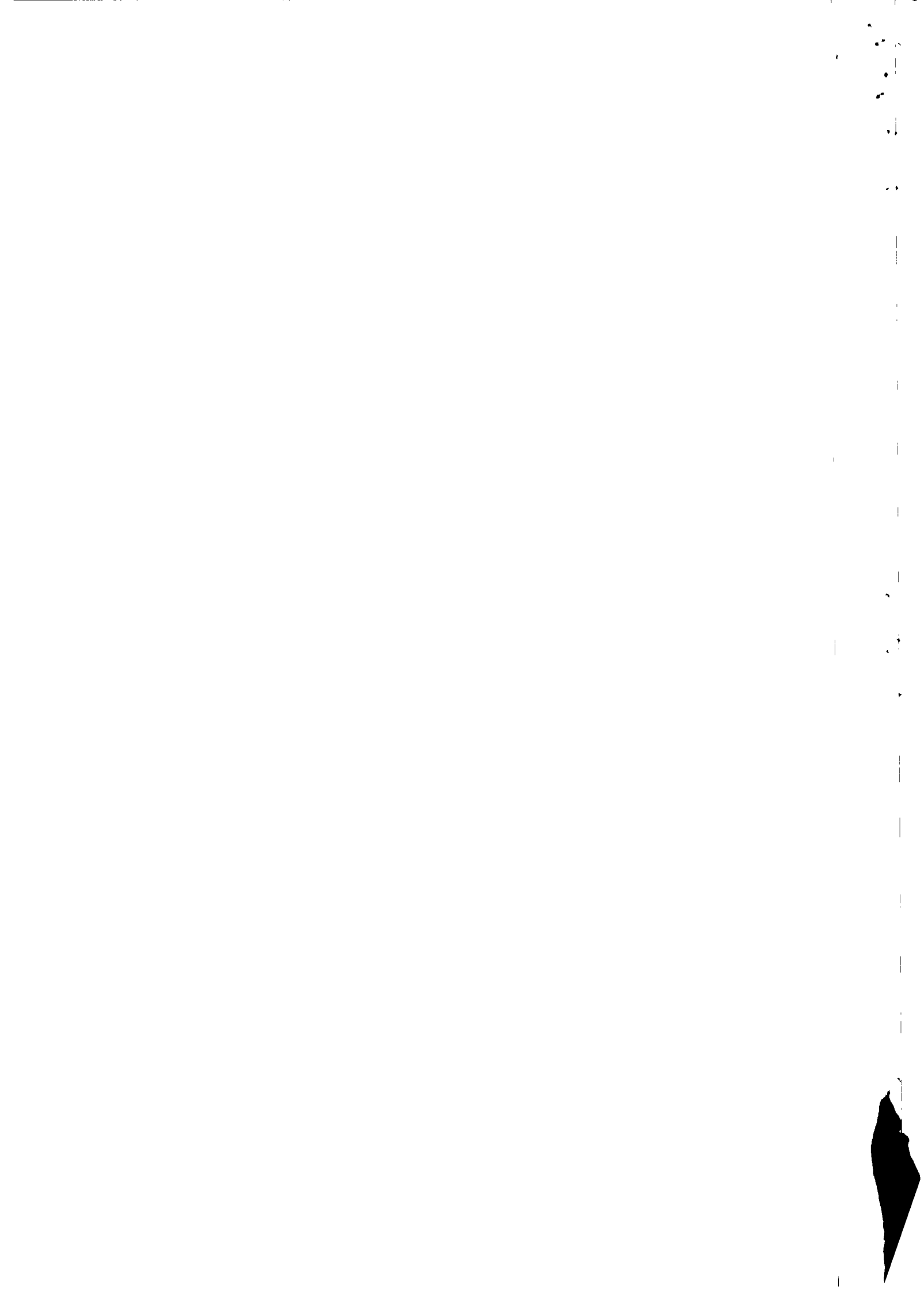
1. Mr. Akaka Ramoya - Assistant Director Audit
2. Mr. Francis N. Kabui - Manager Audit
3. Mr. Maurice O. Oyoo - Manager, Audit

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT GCDF BOARD

1. Ms. Polly Maingi - Chief Accountant
2. Mr. Japheth Ondimu - Accountant

NATIONAL ASSEMBLY SECRETARIAT

1. Ms. Ruth Mwhaki - Third Clerk Assistant.
2. Mr. Robert Ngetich - Fiscal Analyst
3. Ms. Clare Jerotich - Research and policy Analyst
4. Mr. Meshack Mutali - Office Assistant



MIN.NO. SFAC 065/2018: PRELIMINARIES

The Chairman called the meeting to order at 10.00 a.m. and a prayer was said by the Hon. James G.K Wamacukuru, M.P.

He thereafter invited those present to introduce themselves.

MIN.NO. SFAC 066/2018: CONFIRMATION OF MINUTES

The agenda item was postponed to the next sitting. There were thus no matters arising.

**MIN.NO. SFAC 067/2018: EVIDENCE: FUND MANAGER- DAGORETTI
NORTH NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND**

REPORTS OF THE AUDITOR GENERAL ON CONSTITUENCIES DEVELOPMENT FUND -DAGORETTI NORTH CONSTITUENCY FOR THE FINANCIAL YEAR 2013/2014, 2014/2015 AND 2015/2016.

Mr. Aziz M. Juma, Fund Account Manager, appeared before the Committee accompanied by Mr. Gilbert Karani, NG-CDF Clerk of Works and Mr. Nyandiko Erick, NG- CDF Secretary.

The Committee noted with concern that the fund manager did not have sufficient information to be able to respond to issues raised in the Audit report given that he had not served in the Constituency for long, having had four former Fund managers before him.

Committee Resolutions

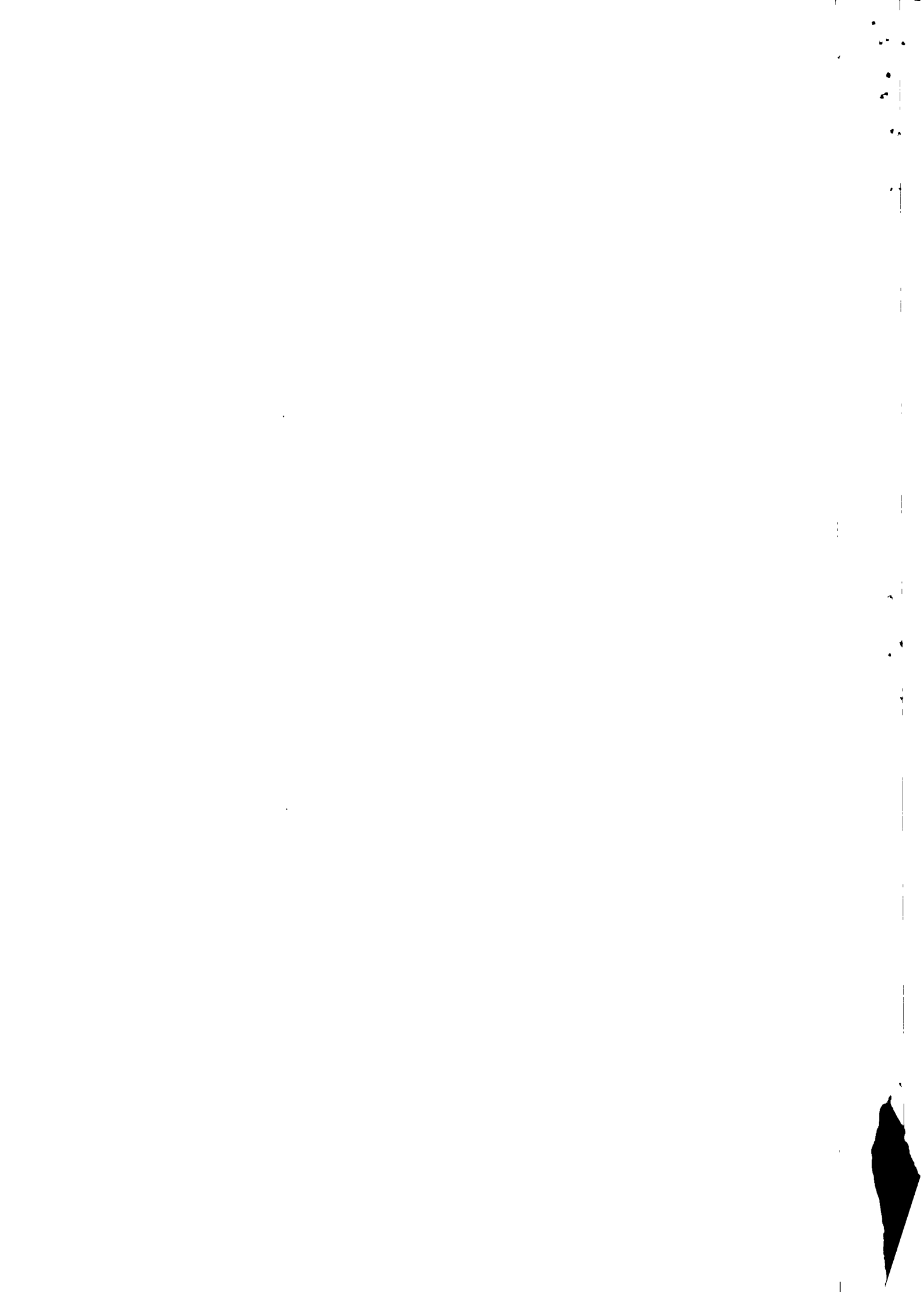
The Committee resolved;

- (i) Not to take evidence from the fund manager .The constituency to be rescheduled to a later date.
- (ii) That the NGCDF board must ensure that fund Managers scheduled to appear before the Committee are in a position to respond to any issues raised and must be accompanied by former fund managers, where applicable, to assist them in responding to any queries they might not be in a position to respond to.
- (iii) That the Chief Executive Officer appears before the Committee in the next sitting.

MIN.NO. DCH 068/2018: ANY OTHER BUSINESS

Hon Irene Kasalu, MP informed the Committee that the National Government Affirmative Action Fund was facing serious challenges and cases of funds misappropriation, which was affecting the implementation of the funds. She therefore requested the Committee to intervene and invite the Chairperson and the Board to respond to various issues of concern as contained in a letter laid before the Committee.

The Committee noted that while indeed the issues raised were serious and required the attention of the committee, the committee could only base its inquiry on the Audited reports of the NGAAF laid before the House while the Departmental committee under which the National



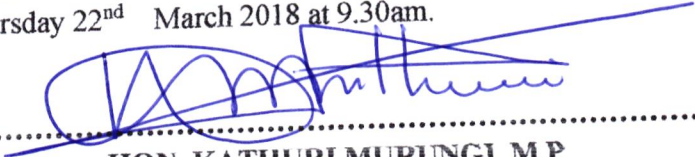
Government Affirmative Action Fund falls could address any policy or other matters relating to the functioning of the Board.

The Committee resolved that the Secretariat requests for the Audited report of the Fund since inception for the Committee to interrogate.

MIN.NO. SFAC 069/2018: ADJOURNMENT

There being no other business the meeting was adjourned at 12:40 p. m. The next meeting will be held on Thursday 22nd March 2018 at 9.30am.

SIGNED:



**HON. KATHURI MURUNGI, M.P
CHAIRPERSON**

DATE:

04-04-2018.



MINUTES OF THE 14TH SITTING OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON THURSDAY 22ND MARCH 2018, IN COMMITTEE ROOM 12, MAIN PARLIAMENT BUILDINGS, AT 9.30 A.M.

PRESENT

1. Hon. Kathuri Murungi, M.P. - Chairperson
2. Hon. Dennitah Ghati, M.P.
3. Hon. Mark Lomunokol, M.P.
4. Hon. Erastus Kivasu Nzioka, M.P.
5. Hon. Geoffrey Omuse, M.P.
6. Hon. Irene Kasalu, M.P.
7. Hon. James G.K Wamacukuru, M.P.
8. Hon. Jared Okelo, M.P.
9. Hon. Marwa Kitayama Maisori, M.P.
10. Hon. Mohamed Ali, M.P.
11. Hon. Mwambu M. Mabongah, M.P.
12. Hon. Rehema Dida Jaldesa, M.P.

APOLOGIES

1. Hon. William Chirchir Chepkut, M.P. - Vice- Chairperson
2. Hon. Alfred Agoi Masadia, M.P.
1. Hon. Shakeel Shabbir Ahmed, M.P.
2. Hon. Abdi Koropu Tepo, M.P.
3. Hon. Esther M. R. Passaris, M.P.
4. Hon. Mohamed Ali Lokiru, M.P.

ABSENT

1. Hon. Justus Kizito Mugali, M.P.

IN- ATTENDANCE

NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Assistant Accountant General

OFFICE OF THE AUDITOR GENERAL

1. Mr. Akaka Ramoya - Assistant Director Audit
2. Mr. Maurice O. Oyoo - Manager, Audit

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT GCDF BOARD

1. Ms. Elizabeth Kitundu - Programme Manager
2. Ms. Polly Maingi - Chief Accountant
3. Ms. Beatrice Otieno - Accountant I

NATIONAL ASSEMBLY SECRETARIAT

1. Ms. Ruth Mwhaki - Third Clerk Assistant.
2. Mr. Robert Ngetich - Fiscal Analyst



3. Ms. Clare Jerotich - Research and policy Analyst
4. Mr. Meshack Mutali - Office Assistant

MIN.NO. SFAC 070/2018: PRELIMINARIES

The Chairman called the meeting to order at 10.00a.m and a prayer was said.

He thereafter invited those present to introduce themselves.

MIN.NO. SFAC 071/2018: CONFIRMATION OF MINUTES

The agenda item was deferred. There were thus no matters arising.

MIN.NO. SFAC 072/2018: EVIDENCE: FUND MANAGER- KIBRA NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

REPORTS OF THE AUDITOR GENERAL ON CONSTITUENCIES DEVELOPMENT FUND -KIBRA CONSTITUENCY FOR THE FINANCIAL YEAR 2013/2014, 2014/2015 AND 2015/2016.

Mr. Jimnah Macharia, Fund Account Manager, appeared before the Committee accompanied by Mr. Aziz Juma, former Fund Manager, Kibra Constituency, and gave evidence on:

FY 2013/2014

- (i) Paragraph 1 on Accuracy of the Financial Statements
The matter was reported as resolved

- (ii) Paragraph 2 on Cash and Cash equivalents
The matter was reported as unresolved . The Committee noted that ledgers had not ben availed to the office of the Auditor general and resolved that the fund manager avails the documents to the OAG within 7 days of the sitting.

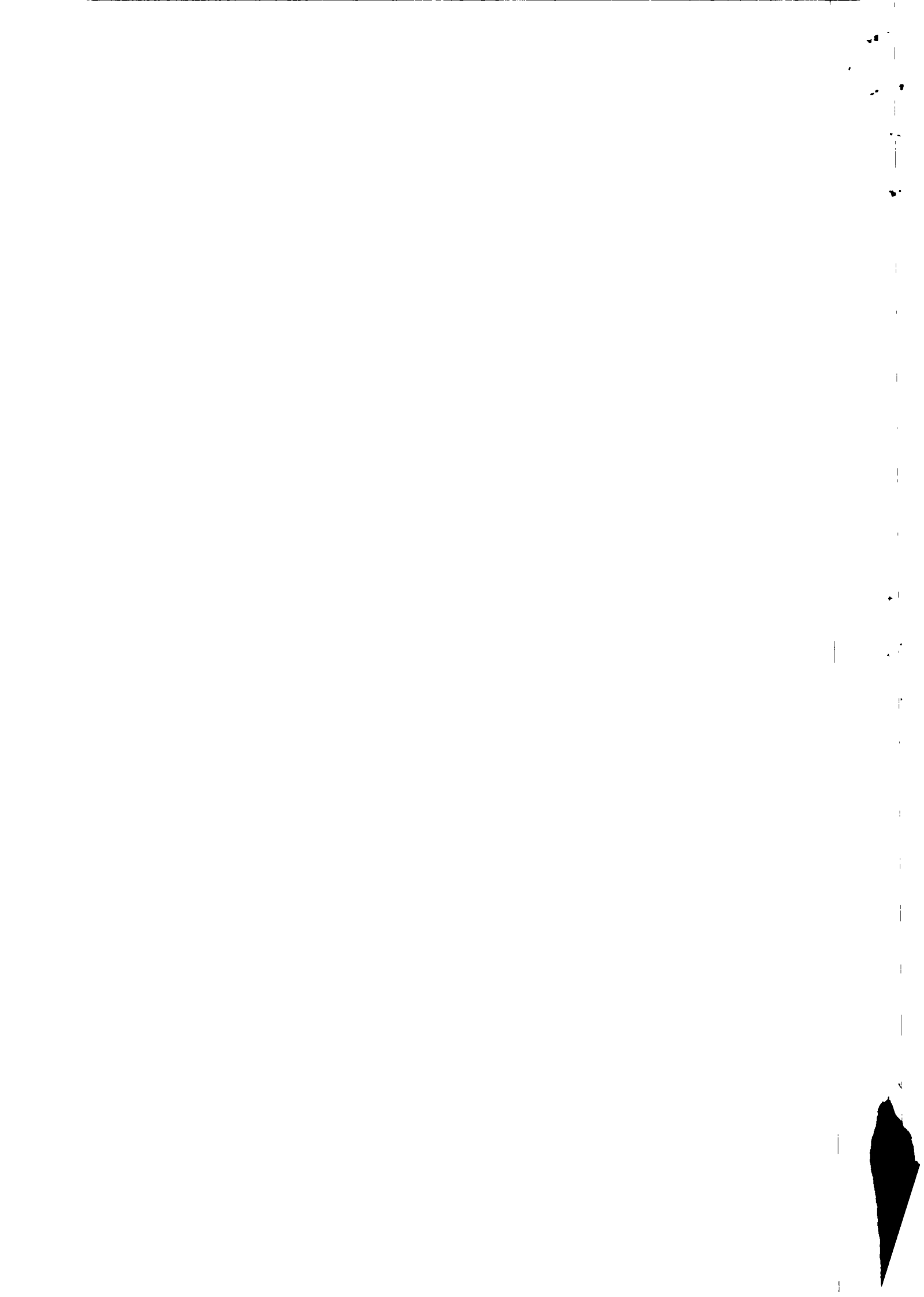
FY 2014/2015

- (i) Paragraph 1.0 on Budget and budgetary Controls
The matter was reported as resolved.

- (ii) Paragraph 2.0 (2.1) Cash and Cash equivalents
The matter was reported as outstanding as the constituency had not provided any information on any funds that may have been inherited from the former Langata constituency. However, the Fund manager reported that the constituency had not inherited any funds.

The Committee resolved that a copy of the bank statements for the larger Langata Constituency be availed to the office of the auditor general for verification within 7 days of the sitting.

- (iii) Paragraph 2.0 (2.2) Cash and Cash equivalents
The matter was reported as resolved.



- (iv) Paragraph 3.0 on Inaccuracies of the financial statements
The matter was reported as resolved.
- (v) Paragraph 4.0 on Bursary allocations and disbursements
The matter was reported as resolved.
- vi) Paragraph 5 on nugatory expenditure
The matter was reported as resolved.

FY 2015/2016

- (i) Paragraph 1 on Unexplained Comparative Figures
The matter was reported as resolved
- (ii) Paragraph 2 on Bank Balance
The matter was reported as resolved

Other matters

- (i) Paragraph 1 on Budget and Budgetary performance
The matter was reported as resolved.
- (ii) Paragraph 2 on Bursaries to Students
The matter was reported as resolved.

The Committee however noted with concern that Bursary cheques worth Ksh 3,274,006.95 in the FY 2015/2016 were stale and had been reversed in the cash book.

The committee recommended that the fund Managers should make proper follow up once bursary cheques are issued to ensure that the beneficiary institutions receive them as the Board explores other means of disbursement as resolved in previous meetings.

The Committee was also informed that the NGCDF board is no longer releasing Bursaries towards mock examinations in line with the Ministry of Education policy guidelines banning mock examinations.

COMMITTEE OBSERVATIONS

The Committee observed that;

- i. The slow release of fund disbursement by the NG-CDF board has affected project implementation in the FY 2013/2014 2014/2015 and 2015/2016. This has been due to outstanding receipts of 4.9bn in the FY 2012/2013 from the National Treasury which has been carried forward affecting project implementation in subsequent years.

The NGCDF board, Treasury and the Parent Ministry, Ministry of Devolution and Planning are in talks to ensure the pending receipts by the board are released



Members noted that during the induction retreat of members of PAC/ PIC and SFAC held in January 22-25th 2018, the National Treasury committed to be releasing Ksh.2 bn every week to constituencies in the current financial year.

The National Treasury should follow through on that commitment.

ii. The Committee has noted with concern that in some instances, the funds are released to the Constituencies at the close of the financial year, that is on 29th June but still appear as audit queries yet the circumstances of non-implementation of planned projects are beyond the fund managers and constituency committees. The Committee will therefore make a recommendation on release of funds in its report, to address this delay.

The National Treasury and the NGCDF Board should in the meantime ensure that funds are released in good time.

MIN.NO. SFAC 073/2018: ANY OTHER BUSINESS

The Committee was informed that the Chairperson had received an invitation to participate the upcoming Conference on Ethics and Integrity for Public Sector Leaders and Accounting Officers scheduled to take place from 9th to 13th April 2018 at the Birmingham International Convention Center, Birmingham City, United Kingdom.

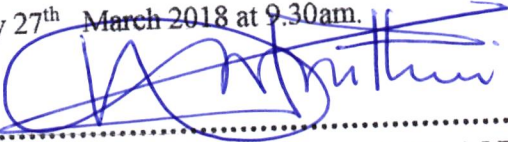
The Committee resolved that a request be made to the organizers to extend an invitation to 5 other members who would accompany the Chairperson, and thereafter nominated the following members to form the delegation

1. Hon. William Kamuren Chepkut, M.P. -Leader of the delegation
2. Hon. Dennitah Ghati, M.P.
3. Hon. Mark Lomunokol, M.P
4. Hon. Jared Okelo, M.P.
5. Hon. Rehema Dida Jaldesa, M.P.

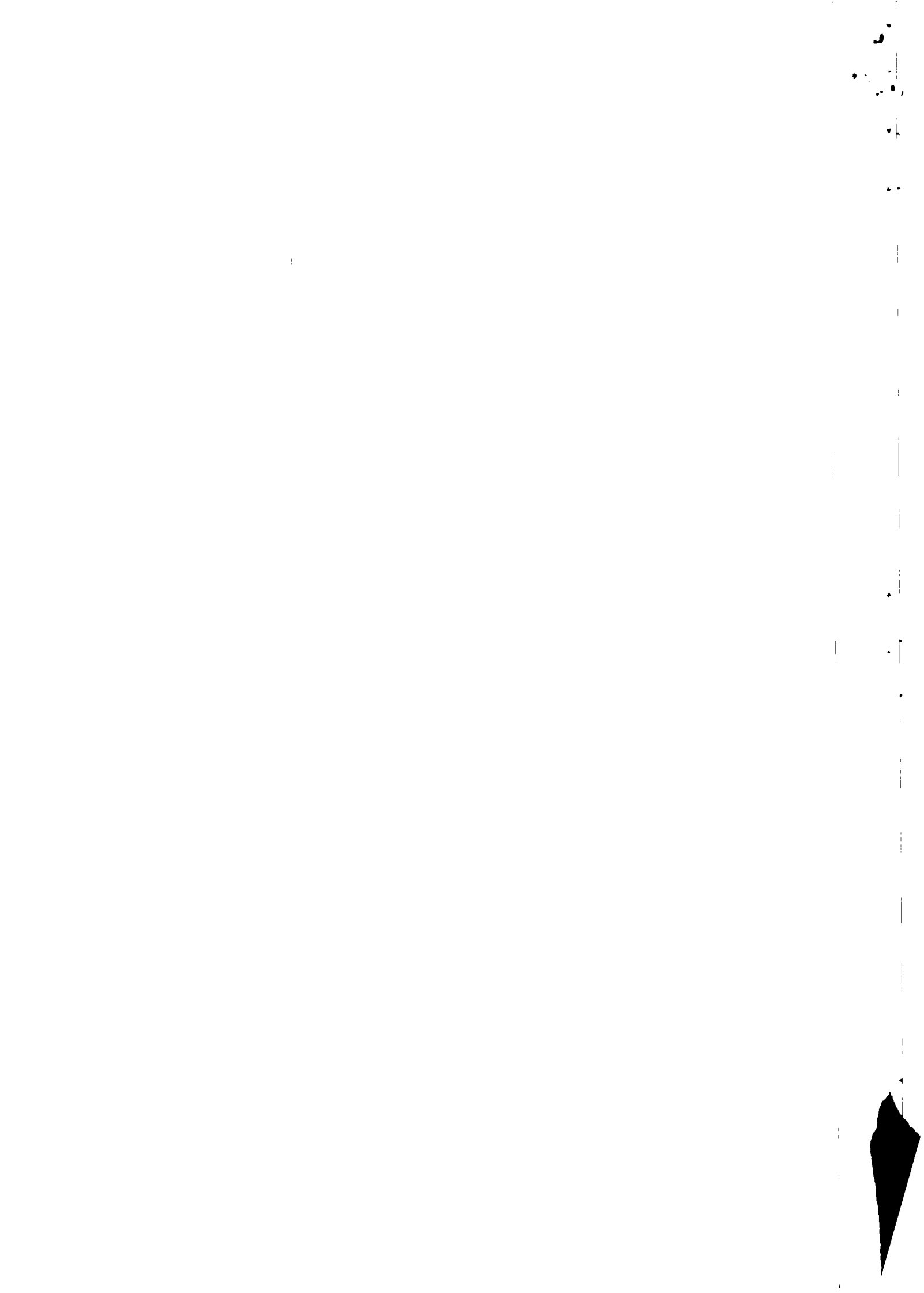
MIN.NO. SFAC 074/2018: ADJOURNMENT

There being no other business the meeting was adjourned at 13:05 p. m. The next meeting will be held on Tuesday 27th March 2018 at 9.30am.

SIGNED:


HON. KATHURI MURUNGI, M.P
CHAIRPERSON

DATE: 04-04-2018



MINUTES OF THE 15TH SITTING OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON TUESDAY 27TH MARCH 2018, IN COMMITTEE ROOM 12, MAIN PARLIAMENT BUILDINGS, AT 9.30 A.M.

PRESENT

1. Hon. Kathuri Murungi, M.P. - Chairperson
2. Hon. William Chirchir Chepkut, M.P. - Vice- Chairperson
3. Hon. Alfred Agoi Masadia, M.P.
4. Hon. Mark Lomunokol, M.P.
5. Hon. Shakeel Shabbir Ahmed, M.P.
6. Hon. Erastus Kivasu Nzioka, M.P.
7. Hon. Irene Kasalu, M.P.
8. Hon. Jared Okelo, M.P.
9. Hon. Marwa Kitayama Maisori, M.P.
10. Hon. Mwambu M. Mabongah, M.P.

APOLOGIES

1. Hon. Dennitah Ghati, M.P.
2. Hon. Justus Kizito Mugali, M.P.
3. Hon. Esther M. R. Passaris, M.P.
4. Hon. Geoffrey Omuse, M.P.
5. Hon. Mohamed Ali Lokiru, M.P.
6. Hon. James G.K Wamacukuru, M.P.
7. Hon. Mohamed Ali, M.P.
8. Hon. Rehema Dida Jaldesa, M.
9. Hon. Abdi Koropu Tepo, M.P.

IN- ATTENDANCE

NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Assistant Accountant General
2. Mr. Moses Gakuru - Assistant Accountant General

OFFICE OF THE AUDITOR GENERAL

1. Mr. Akaka Ramoya - Assistant Director Audit
2. Mr. Maurice O. Oyoo - Manager, Audit

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT GCDF BOARD

1. Ms. Polly Maingi - Chief Accountant
2. Ms. Christine Mwangolo -Ag. SMFO

NATIONAL ASSEMBLY SECRETARIAT

1. Ms. Lucy Kimathi - Senior Clerk Assistant
2. Ms. Ruth Mwihaki - Third Clerk Assistant.
3. Mr. Robert Ngetich - Fiscal Analyst



- | | | |
|----|---------------------|-------------------------------|
| 4. | Ms. Clare Jerotich | - Research and policy Analyst |
| 5. | Ms. Noelle Chelagat | -Media Relations officer |
| 6. | Mr. Meshack Mutali | - Office Assistant |

MIN.NO. SFAC 075/2018: PRELIMINARIES

The Chairman called the meeting to order at 10.00a.m and a prayer was said.

He thereafter invited those present to introduce themselves.

MIN.NO. SFAC 076/2018: CONFIRMATION OF MINUTES

The agenda item was deferred. There were thus no matters arising.

MIN.NO. SFAC 077/2018: EVIDENCE: FUND MANAGER- MAKADARA NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

REPORTS OF THE AUDITOR GENERAL ON CONSTITUENCIES DEVELOPMENT FUND -MAKADARA CONSTITUENCY FOR THE FINANCIAL YEAR 2013/2014, 2014/2015 AND 2015/2016.

Mr. Job Mutini, Fund Account Manager, appeared before the Committee accompanied by Ms. Agnes Mwangi, member of staff, Makadara Constituency, and gave evidence on:

FY 2013/2014

(i) Paragraph 1 on Accuracy of the Financial Statements

The matter was reported as resolved

The Committee noted that the constituency had at the time of audit not recruited accounting staff hence the analysis had not been finalized at the time of audit. The NGCDGF board reported that it has subsequently issued guidelines on staff recruitment and qualifications for Constituencies offices staff and is dealing with constituencies that are yet to comply with employment guidelines on the merits of each case.

(ii) Paragraph 2 on Bursary Allocations and disbursements

The matter was reported as resolved

(iii) Paragraph 3 on Cash and Cash equivalents

The matter was reported as resolved

The Committee was however informed that the discrepancies in the books was due to the fact that the Constituency was at that time in the process of migrating its bank account from Cooperative bank to Equity bank. During this period therefore, the two accounts still had cash but the amounts were eventually reconciled.

The NGCDF board reported that there is a six month transition period in such circumstances to allow for any cheques to clear. The operation of two accounts was therefore not irregular



Other matters

(iv) Paragraph 1.1 on Delayed project implementation

The matter was reported as unresolved.

The Committee resolved that the fund manager should provide details of the reallocation of Kshs 7,000,000 from Purchase of Constituency bus to Huruma girls Purchase of School bus since the allocated amount allocated to Huruma girls was Kshs 6,000,000 as opposed to the Kshs 7,000,000 initially allocated to a constituency bus..

The Committee further resolved that the Fund manager provides evidence of the request for the change of activity for the Kshs 4, 482,785 initially allocated to construction of Prefabricate houses to renovation of staff houses

The NGCDF board reported that the project was a conditional grant from the Ministry to the constituency but the board gave a policy on construction of permanent houses. This therefore necessitated the Constituency to request for a change in the project from change from construction of prefabricated Houses to renovation in order to meet the Boards requirements.

FY 2014/2015

(i) Paragraph 1.0 on Unsupported expenditure

The matter was reported as resolved.

The Committee however noted with concern that the issue of late submission of documents and failure to provide documentation during the time of audit has continued to emerge as a key issue and noted that failure to provide documents is in contravention of Sec 62 of Public Audit Act

Other matter

(ii) Paragraph 2.0 (i) Transfers to other government entities

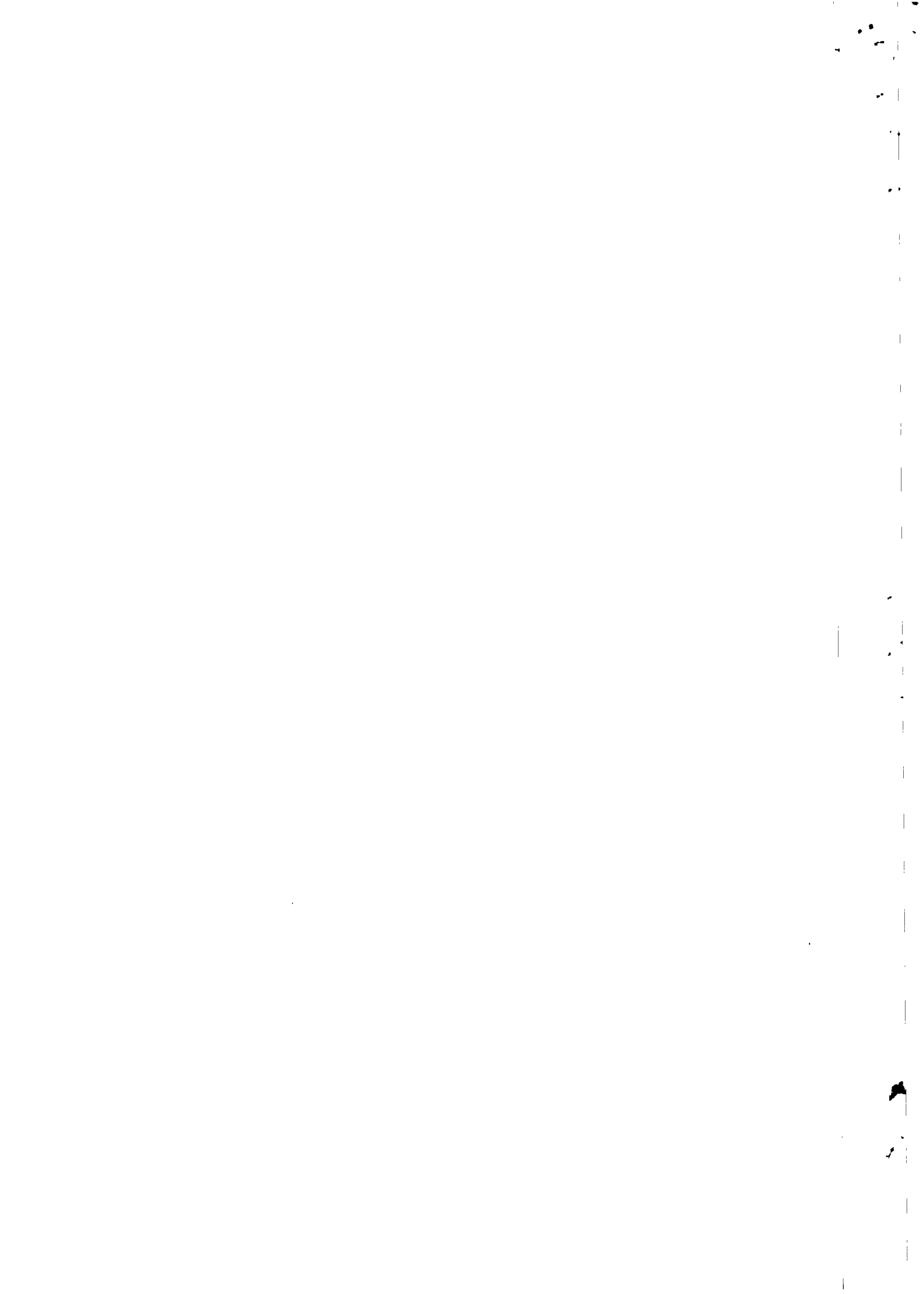
The matter was reported as unresolved.

The Committee noted that an amount of Kshs 3,049,985 was used without approval for a project that had not been budgeted yet the project was fully paid for. The Committee resolved that the NGCDF Board to provide an explanation on how the project was implemented without necessary approvals as required by the Act.

(iii) Paragraph 2.0 (ii) Other grants and transfers

The matter was reported as unresolved as there was not adequate explanation provided for the over expenditure of Kshs 1,579,000 on bursaries.

The committee further noted that bursaries are allocated a maximum of 35 % of the Constituency allocation and this over expenditure was outside the approved margins. The Committee resolved that that the NGCDF Board should take note of the contravention of the law by the fund manager and take necessary action.



- (iv) Paragraph 2.0 (iii) Failure to implement Projects
The matter was reported as resolved

FY 2015/2016

2018

- (i) Paragraph 1 on Unexplained amended comparative figures
The matter was reported as resolved

Other matters

- (ii) Paragraph 1 on budget performance
The matter was reported as resolved .

The Committee however noted that the funds were received late hence affecting project implementation.

The Committee recommended that the Board should ensure that the fund managers utilize exit meetings with the Office of the auditor general in order to ensure that the management responses and the final position is correctly captured in the audit report

- (iii) Paragraph 2 on Transfers to Other Government Entities
The matter was reported as resolved.

- (iv) Paragraph 3 on Other grants and transfers
The matter was reported as resolved.

- (v) Paragraph 4 on Bursaries to students
The matter was reported as resolved.

MIN.NO. DCH 078/2018: ANY OTHER BUSINESS

1. The Committee resolved that the media relations office coverage should ensure that committee sittings are adequately covered and the committee activities publicized going forward.

2. Members were informed that the committee had scheduled meetings in Kisumu County on 4th and 5th April 2018 in order to meet the Fund managers from Kisumu East, Kisumu Central, Kisumu West and Seme Constituencies on the audited reports for the FY 2013/14, 2014/15 and 2015/16 .

MIN.NO. DCH 079/2018: ADJOURNMENT

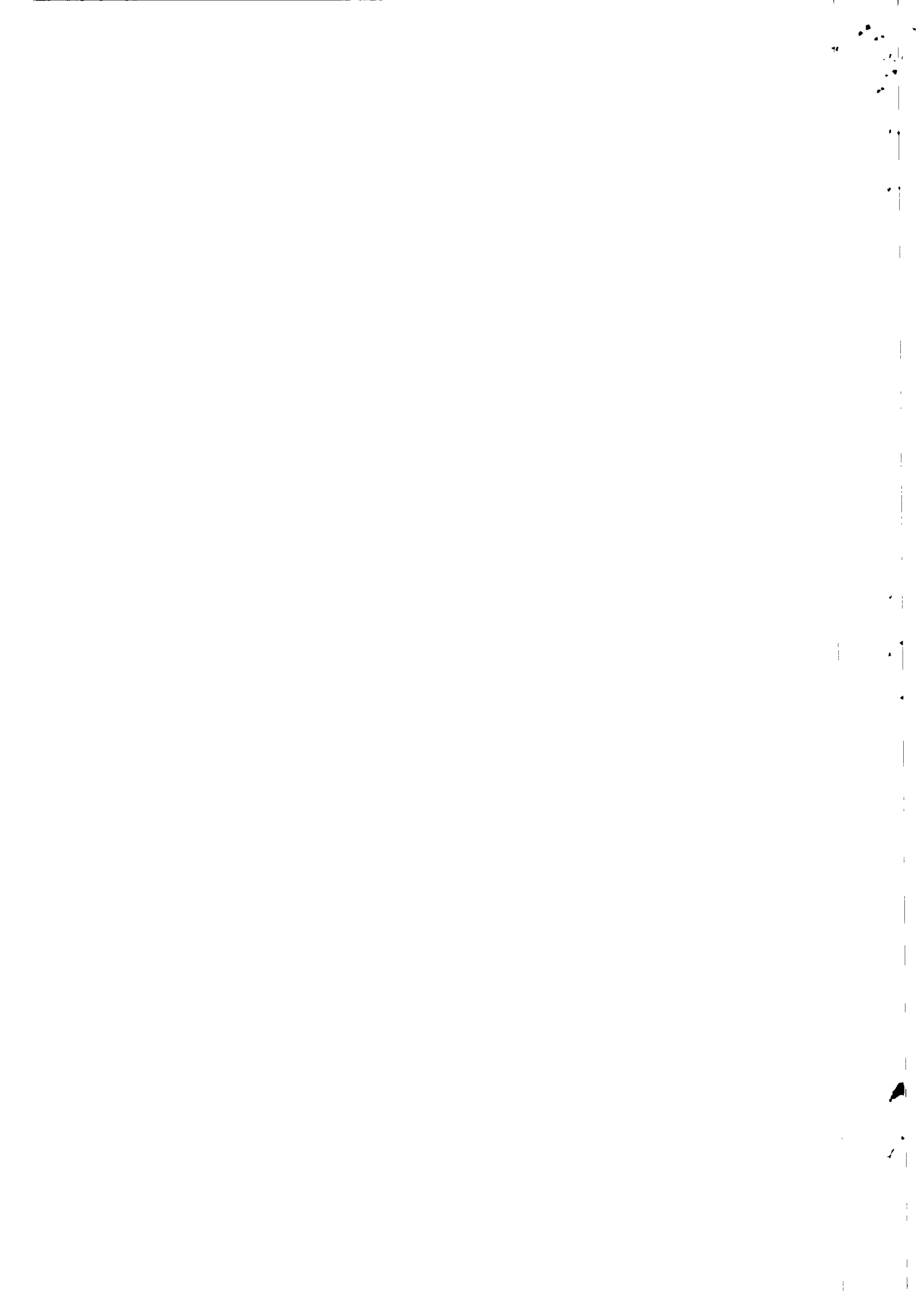
There being no other business the meeting was adjourned at 12:55 p. m. The next meeting will be held on notice.

SIGNED:

HON. KATHURI MURUNGI, M.P

CHAIRPERSON

DATE: 04-04-2018.



MINUTES OF THE 23RD SITTING OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON WEDNESDAY 16TH MAY 2018, AT BOGOL INYA CONFERENCE ROOM, WESTON HOTEL, NAIROBI COUNTY, AT 9.00 A.M.

PRESENT

1. Hon. Kathuri Murungi, M.P. - Chairperson
2. Hon. Mark Lomunokol, M.P.
3. Hon. Dennitah Ghati, M.P.
4. Hon. Shakeel Shabbir Ahmed, M.P.
5. Hon. Geoffrey Omuse, M.P.
6. Hon. James G.K Wamacukuru, M.P.
7. Hon. Marwa Kitayama Maisori, M.P.
8. Hon. Mwambu M. Mabongah, M.P.

APOLOGIES

1. Hon. William Chirchir Chepkut, M.P. - Vice- Chairperson
2. Hon. Alfred Agoi Masadia, M.P.
3. Hon. Erastus Kivasu Nzioka, M.P.
4. Hon. Irene Kasalu, M.P.
5. Hon. Justus Kizito Mugali, M.P.
6. Hon. Jared Okelo, M.P.
7. Hon. Esther M. R. Passaris, M.P.
8. Hon. Mohamed Ali Lokiru, M.P.
9. Hon. Mohamed Ali, M.P.
10. Hon. Rehema Dida Jaldesa, M.
11. Hon. Abdi Koropu Tepo, M.P.

IN- ATTENDANCE

NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Assistant Accountant General
2. Mr. Tom Ndhine - Assistant Accountant General

OFFICE OF THE AUDITOR GENERAL

1. Mr. Francis N. Kabui - Liaison Officer, OAG
2. Mr. Maurice Oyoo - Auditor
3. Mr. Benjamin Mayenga - Auditor

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT GCDF BOARD

1. Ms. Polly Maingi - Chief Accountant/Parliamentary Liaison

NATIONAL ASSEMBLY SECRETARIAT

1. Ms. Lucy Kimathi - Senior Clerk Assistant
2. Ms. Ruth Mwhaki - Third Clerk Assistant.
3. Mr. Robert Ngetich - Fiscal Analyst
4. Ms. Clare Jerotich - Research and Policy Analyst

- | | |
|---------------------------|--------------------|
| 5. Mr. Josephat Bundotich | - Serjeant at Arms |
| 6. Mr. Benson Mwiti | - Security Officer |
| 7. Mr. Ian Otieno | - Audio Recording |
| 8. Mr. Meshack Mutali | - Office Assistant |

MIN.NO. SFAC 110/2018: PRELIMINARIES

The Chairman called the meeting to order at 9.25 a. m and a prayer was said. He thereafter invited those present to introduce themselves.

MIN.NO. SFAC 111/2018: CONFIRMATION OF MINUTES

Minutes of the proceedings of the ICPAK conference on Public Finance Management held which was held at Travellers Beach Resort, Mombasa on Wednesday, 25th April to Friday 27th April, 2018 were confirmed as a true record of proceedings of the meeting on a proposal by the Hon. Marwa Kitayama Maisori, M.P and seconded by the Hon. Dennitah Ghati, M.P.

Minutes of the 22nd sitting held on 17th April, 2018 were confirmed as a true record of proceedings of that meeting on a proposal by the Hon. James G.K Wamacukuru M.P and seconded by the Hon. Marwa Kitayama Maisori M.P

MIN.NO. SFAC /2018: MATTERS ARISING

Under MIN.NO. SFAC 107/2018 on NG-CDF Board report on the construction of Mau Mau Police Post in Westlands Constituency, the Committee noted that public funds were lost in the purchase of land under riparian zone.

The Legal Counsel was tasked to advise on specific provisions of CDF Act 2003 and any other laws that were operational at that time, which would form the basis of recommendations in the Committee report to be tabled.

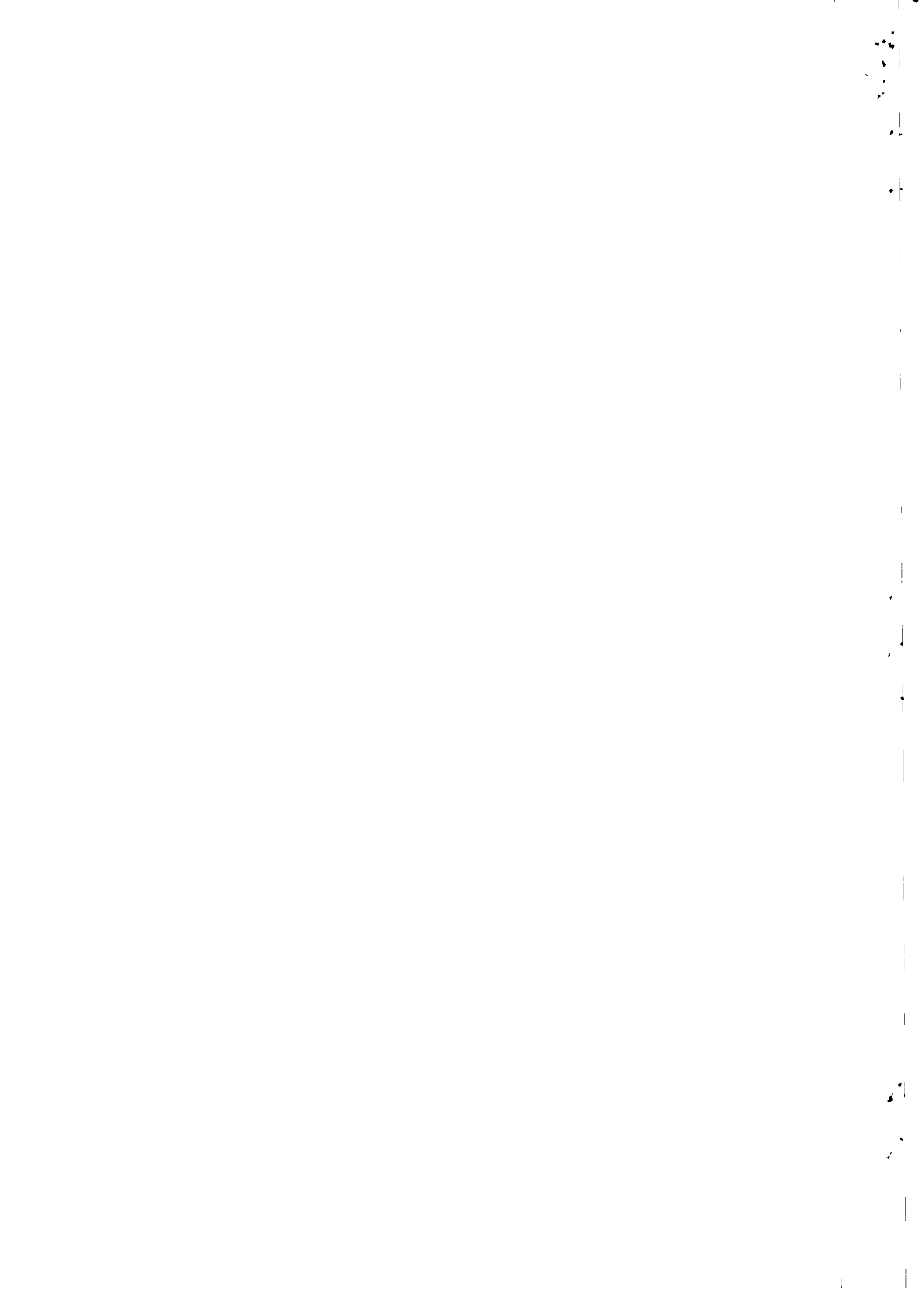
MIN.NO. 111/2018: EVIDENCE: FUND MANAGER– DAGORETTI NORTH NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

REPORTS OF THE AUDITOR GENERAL ON CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI NORTH CONSTITUENCY FOR THE FINANCIAL YEARS 2013/2014, 2014/2015 AND 2015/2016.

Mr. Aziz Juma, the current Fund Account Manager, appeared before the Committee accompanied by Mr. Alex M. Kioko former Fund Account Manager, and gave evidence on:

FY 2013/2014

- (i) Paragraph 1 on Accuracy of Financial Systems
The matter was reported as resolved
- (ii) Paragraph 2 on Cash and Cash Equivalents



The fund manager reported that no funds were inherited/received from the former Dagoretti Constituency. The Kshs. 37,546,274 was an error which was subsequently corrected. Unfortunately the corrections were done after the report had been released.

The Committee observed that the matter of funds from the former Dagoretti North Constituency had not been adequately addressed, and resolved that the fund manager provides evidence that the funds were never transferred to Dagoretti North Constituency

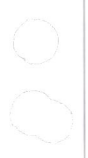
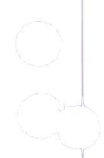
(iii) Paragraph 3 on Award of Contracts

The matter was reported as satisfactory.

The Committee however raised concerns over the use of the 10% variation in use of the Engineers estimates to award contracts as it was denying the lowest bidders the contracts, and awarding tenders to the highest bidders as evidenced in the table below.

<i>Name of Project.</i>	<i>Tenders Received.</i>	<i>Tender Amount.</i>	<i>Firm awarded the Tender .</i>	<i>Awarded Amount-Kshs.</i>
<i>1. Proposed Construction of Boundary Wall in several schools.</i>	<i>i. Muani Contractors</i>	<i>19,321,018</i>	<i>Muani Contractors</i>	
<i>(Engineers Estimate kshs.17,691,934)</i>	<i>ii. Eremo Stores</i>	<i>8,233,780</i>		<i>19,321,018</i>
	<i>iii. North Gate Investments</i>	<i>23,552,950</i>		
	<i>iv. Wandua Nyachae</i>	<i>15,576,470</i>		
<i>2. Proposed renovation of Toilets in several schools</i>	<i>i. Muani Contractors</i>	<i>6,468,902.40</i>	<i>True Base Multi Services Ltd</i>	<i>6,319,800.00</i>
<i>(Engineers Estimate kshs.5,791,350)</i>	<i>ii. True Base Multi Services Ltd.</i>	<i>6,319,800.00</i>		
	<i>iii. Chobwoka Enterprises Ltd.</i>	<i>9,882,300.00</i>		
	<i>iv. Kajake Investments Ltd.</i>	<i>4,542,384.00</i>		
<i>3. Routine Maintenance of various roads within Kawangware</i>	<i>i. Lawrence Africa Contractors</i>	<i>11,817,865.00</i>	<i>Uniscope Kenya Ltd</i>	<i>10,528,160</i>
<i>(Engineers Estimate kshs.10,600,000)</i>	<i>ii. Quota Frontier Technologies</i>	<i>8,775,153.00</i>		
	<i>iii. Uniscope Kenya Ltd</i>	<i>10,528,160</i>		
<i>Cummulative Effect</i>				<i>36,168,978.00</i>

Total engineers estimate Kshs.34,083,284



The Committee resolved that the Fund Accounts Manager need to furnish the the Auditor General the technical analysis to justify the award of the tenders which were all 10% above the engineer's estimates.

(iv) Paragraph 4 on Irregular Sitting allowances

The matter was reported as resolved

The Fund manager clarified that the payment of the irregular sitting allowance was paid to the Personal Assistant to the MP and not the Member of Parliament as had been indicated.

(v) Paragraph 5 on Compensation of Employees

The matter was reported as resolved

Other Matter

(vi) Paragraph 1 on Bursary Allocation and Disbursements

The matter was reported as resolved

FY 2014/2015

(i) Paragraph 1 on Budget and Budgetary Control

The matter was reported as resolved

(ii) Paragraph 2 on Implementation of Projects

(a) Transfers to other government agencies

The matter was reported as resolved

(b) Other grants and transfers

The matter was reported as resolved

The Office of the Auditor General highlighted the issue of the Fund managers taking long to submit management responses.

Concern was also raised with the District Accountants not adequately assisting the fund managers to do their work better.

The Committee noted that since devolution of services, the District Accountants are currently not overwhelmed with work and there is therefore no justification as to why they are not adequately facilitating Fund managers during Audit thereby affecting the quality of Audit and resultant audit reports.

The Committee recommended that the NG-CDF Board to engage the Cabinet Secretary in charge of the National Treasury to rectify the inefficiencies and ensure District Accountants play their role in facilitating the Fund Accounts Managers.

(iii) Paragraph 3 on Revenue

The matter was reported as resolved

The Committee however raised concerns that even in the current financial year ending June 2018, there are still delays with constituencies having not received their current allocations. The Board informed the Committee that the first disbursement for 2017/18 Financial year was released in February 2018.

The NGCDF Board reported that they do not release funds if the Constituency has more than 10 million unspent in the constituency account. Further, the pending release of funds from the National Treasury to the NGCDF Board has continued to affect subsequent release of funds to Constituencies.

(iii) Paragraph 4 on Compensation of Employees

The matter was reported as resolved

(v) Paragraph 5 on unsupported expenditure

The matter was reported as resolved

(vi) Paragraph 6 on Cash and Cash equivalents

The matter was reported as resolved.

The Committee however raised concerns with the failure by most Fund Accounts Managers to submit relevant documents to the Auditor General during audit Period, which contrary to provisions of Section 62 (2) of the Public Audit Act 2015.

The Committee will make recommendations in its final report.

FY 2015/2016

(i) Paragraph 1 on Presentation and Accuracy of Financial Statements

3.1 Presentation of Financial Statement

The matter was reported as resolved.

The Fund Manager committed to comply with reporting standards in the Current FY

(ii) Paragraph 1.2 on Comparative figures

The matter was reported as resolved.

Paragraph 1.3 on Differences between balances in the Financial statements and supporting schedules

The matter was reported as resolved.

(iv) Paragraph 2 on Cash and Cash equivalents

The matter was reported as resolved.

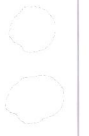
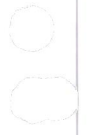
The Committee took note of non submission of relevant documentation to the Auditors during the audit window.

Other Matters

(v) Paragraph 1 on Budget and Budgetary Performance

The matter was reported as resolved

(vi) Paragraph 2 on Projects not Implemented



The matter was reported as resolved

The Committee observed that failure to disburse funds to the Constituencies on time has continued to affect implementation of projects, and that the issue is amongst the audit queries raised by the Auditor General.

MIN.NO. SFAC 112/2018: ADJOURNMENT

There being no other business the meeting was adjourned at 1.40 p. m. The next meeting will be held at 3.00 pm.

SIGNED: 

HON. KATHURI MURUNGI, M.P
CHAIRPERSON

DATE: 28/05/2018.



MINUTES OF THE 24TH SITTING OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON WEDNESDAY 16TH MAY 2018, AT BOGOL INYA CONFERENCE ROOM, WESTON HOTEL, NAIROBI COUNTY, AT 2.30 P.M.

PRESENT

1. Hon. Kathuri Murungi, M.P. - **Chairperson**
2. Hon. Mark Lomunokol, M.P.
3. Hon. Dennitah Ghati, M.P.
4. Hon. Shakeel Shabbir Ahmed, M.P.
5. Hon. Geoffrey Omuse, M.P.
6. Hon. James G.K Wamacukuru, M.P.
7. Hon. Marwa Kitayama Maisori, M.P.
8. Hon. Mwambu M. Mabongah, M.P.

APOLOGIES

1. Hon. William Chirchir Chepkut, M.P. - **Vice- Chairperson**
2. Hon. Alfred Agoi Masadia, M.P.
3. Hon. Erastus Kivasu Nzioka, M.P.
4. Hon. Irene Kasalu, M.P.
5. Hon. Justus Kizito Mugali, M.P.
6. Hon. Jared Okelo, M.P.
7. Hon. Esther M. R. Passaris, M.P.
8. Hon. Mohamed Ali Lokiru, M.P.
9. Hon. Mohamed Ali, M.P.
10. Hon. Rehema Dida Jaldesa, M.
11. Hon. Abdi Koropu Tepo, M.P.

IN- ATTENDANCE

NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Assistant Accountant General
2. Mr. Tom Ndhine - Assistant Accountant General

OFFICE OF THE AUDITOR GENERAL

1. Mr. Francis N. Kabui - Liaison Officer, OAG
2. Mr. Maurice Oyoo - Auditor
3. Mr. Benjamin Mayenga - Auditor

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT GCDF BOARD

1. Ms. Polly Maingi - Chief Accountant/Parliamentary Liaison

NATIONAL ASSEMBLY SECRETARIAT

1. Ms. Lucy Kimathi - Senior Clerk Assistant
2. Ms. Ruth Mwhaki - Third Clerk Assistant.
3. Mr. Robert Ngetich - Fiscal Analyst
4. Ms. Clare Jerotich - Research and Policy Analyst

- | | |
|---------------------------|--------------------|
| 5. Mr. Josephat Bundotich | - Serjeant at Arms |
| 6. Mr. Benson Mwit | - Security Officer |
| 7. Mr. Ian Otieno | - Audio Recording |
| 8. Mr. Meshack Mutali | - Office Assistant |

MIN.NO. SFAC 113/2018: PRELIMINARIES

The Chairman called the meeting to order at 3.15 p.m and a prayer was said. He thereafter invited those present to introduce themselves.

MIN.NO. SFAC 114/2018: EVIDENCE: FUND MANAGER- LANG'ATA NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

REPORTS OF THE AUDITOR GENERAL ON CONSTITUENCIES DEVELOPMENT FUND – LANGAT'A CONSTITUENCY FOR THE FINANCIAL YEARS 2013/2014, 2014/2015 AND 2015/2016.

The NGCDF Board informed the Committee of a Fraud case which took place in the Financial year 2012/2013 where the constituency lost Ksh. 21,439,997. The fraud involved one its former employees of the Board who was working in the constituency. The matter is still in court since 2013.

Ms Phyliss Chibayi, Fund Account Manager, appeared before the Committee accompanied by Mr. Benjamin Mayenga, and gave evidence on:

FY 2013/2014

(i) Paragraph 1 on Cash and Cash equivalents

The matter was reported as unresolved as the matter related to the above mentioned case. The Committee was informed that the money was lost through transactions that happened in Cooperative Bank of Kenya.

The Committee resolved to invite the Cooperative Bank of Kenya Board to explain the circumstances under which the money was obtained fraudulently.

(ii) Paragraph 2 on Bursary Allocation and Disbursements

The matter was reported as resolved

(iii) Paragraph 3 on Fraud Case

The matter was reported as resolved

(iv) Paragraph 3 on Award of Contracts

The matter was reported as resolved.

(v) Paragraph 4 on Irregular Sitting allowances

The matter was reported as resolved

- (vi) Paragraph 5 on Compensation of Employees
The matter was reported as resolved

Other Matter

- (vii) Paragraph 1 on Bursary Allocation and Disbursements
The matter was reported as resolved

FY 2014/2015

- (i) Paragraph 1 on Budget and Budgetary Control
The matter was reported as resolved

- (ii) Paragraph 2 on Budget versus Actual Expenditure in the Year
The Office of the Auditor General stated that the matter remained as unresolved because they have not received the bank statements from the Constituency.

The Board informed the Committee that the employee who made payment amounting to Ksh. 3,000,000 as out of court settlement from emergency kitty had deserted duty and could not be traced to date.

The Committee recommended that the Board report the issue to the DCI and EACC to take up the matter.

- (iii) Paragraph 3 on Transfer to other government agencies
The Office of the Auditor General stated that the matter remains unresolved because it did not have the necessary Project approval.

The Office of the Auditor General stated that they had not seen the project approval and they needed to study the approval to ascertain its validity.

- (iv) Paragraph 4 on Other Grants and Transfers
The Office of the Auditor General stated that the matter was reported as resolved.

- (v) Paragraph 4 on Unaccounted for Imprests
The Office of the Auditor General noted that the matter was resolved.

- (vi) Paragraph 5 on Cash and Cash equivalents
The Office of the Auditor General reported that the matter was not resolved because the Auditors had not been provided with the bank statement from Cooperative Bank of Kenya on the funds related to the Fraud Case (CC 453 of 2013) against the bank.

- (vii) FY 2015/2016

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(i) Paragraph 1 on Unexplained Comparative figures
The Office of the Auditor General reported the matter as resolved.

(ii) Paragraph 2 on Bank Balance

The Office of the Auditor General reported that the matter remains unresolved since the bank statements were not provided to the Auditors from Cooperative Bank of Kenya on the funds related to the Fraud Case (CC 453 of 2013) against the bank.

The Committee observed with great concern that the constituency has a lot of irregularities.

Other Matters

(iii) Paragraph 3 on budgetary performances

The Office of the Auditor General reported the matter as resolved.

(iv) Paragraph 2 on Non-implementation of projects

The Office of the Auditor General reported the matter as resolved.

The Committee resolved to engage the Cooperative Bank of Kenya on the fraud resulting in the lost of over Kshs. 21million.

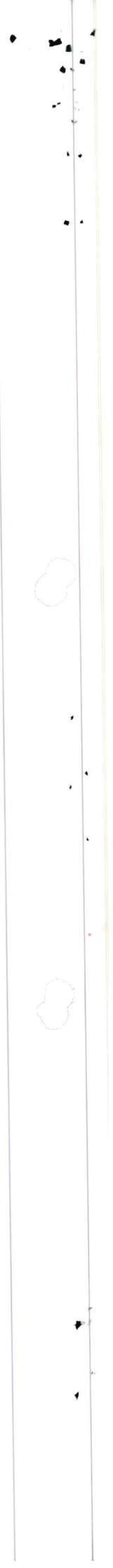
MIN.NO. SFAC 115/2018: ADJOURNMENT

There being no other business the meeting was adjourned at 4.15p. m. The next meeting will be held at 9.00 pm on Thursday, 17th May, 2018.

SIGNED:


**HON. KATHURI MURUNGI, M.P
CHAIRPERSON**

DATE:

MINUTES OF THE 25TH SITTING OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON THURSDAY 17TH MAY 2018, AT BOGOL INYA CONFERENCE ROOM, WESTON HOTEL, NAIROBI COUNTY, AT 9.30 A.M.

PRESENT

1. Hon. Kathuri Murungi, M.P. - **Chairperson**
2. Hon. Mark Lomunokol, M.P.
3. Hon. Dennitah Ghati, M.P.
4. Hon. Shakeel Shabbir Ahmed, M.P.
5. Hon. Geoffrey Omuse, M.P.
6. Hon. James G.K Wamacukuru, M.P.
7. Hon. Marwa Kitayama Maisori, M.P.
8. Hon. Mwambu M. Mabongah, M.P.

APOLOGIES

1. Hon. William Chirchir Chepkut, M.P. - **Vice- Chairperson**
2. Hon. Alfred Agoi Masadia, M.P.
3. Hon. Erastus Kivasu Nzioka, M.P.
4. Hon. Irene Kasalu, M.P.
5. Hon. Justus Kizito Mugali, M.P.
6. Hon. Jared Okelo, M.P.
7. Hon. Esther M. R. Passaris, M.P.
8. Hon. Mohamed Ali Lokiru, M.P.
9. Hon. Mohamed Ali, M.P.
10. Hon. Rehema Dida Jaldesa, M.
11. Hon. Abdi Koropu Tepo, M.P.

IN- ATTENDANCE

1. Hon. Waihenya Ndirangu, M.P - Roysambu Constituency

NATIONAL TREASURY

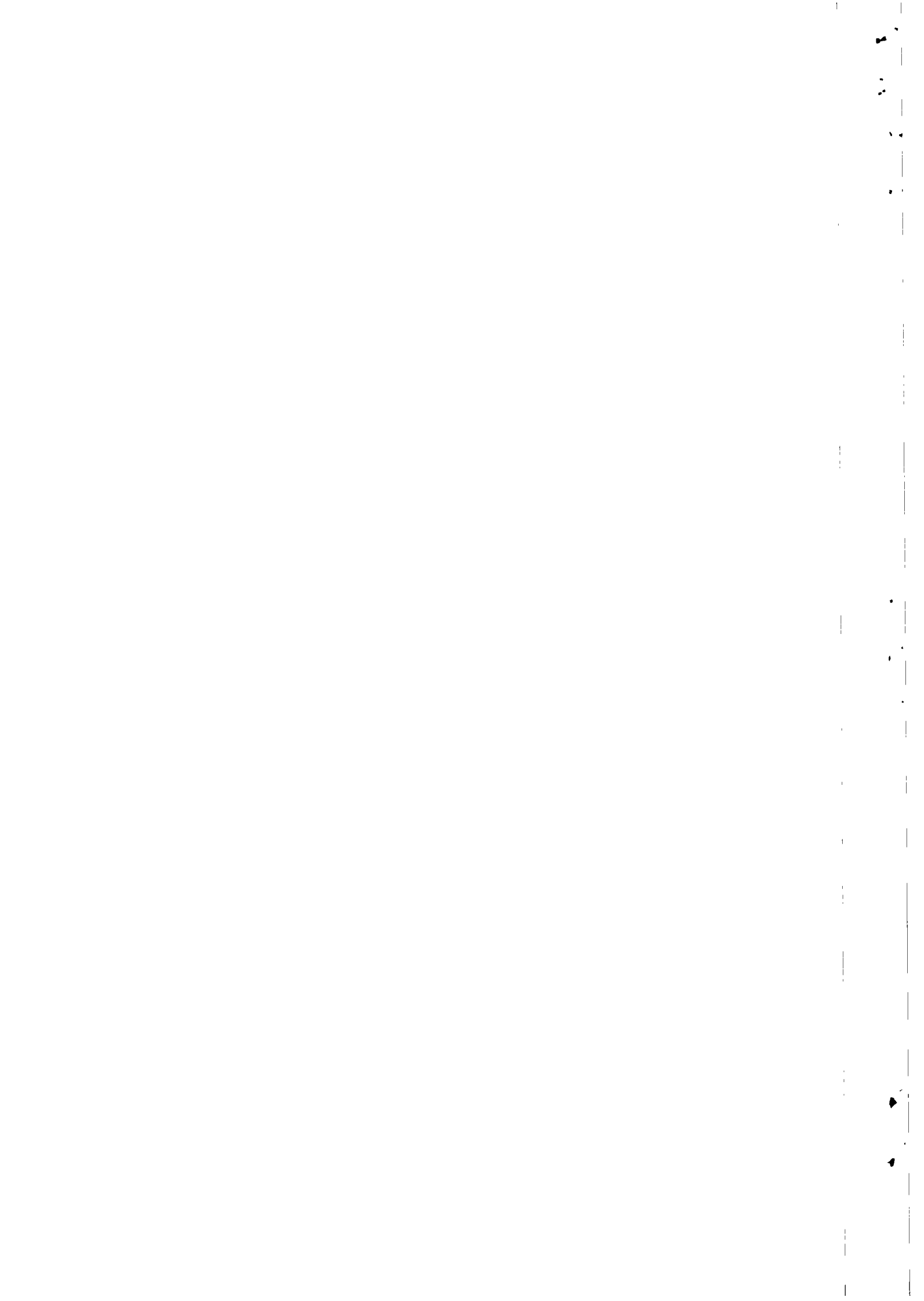
1. Mr. Geoffrey Mwitari - Assistant Accountant General
2. Mr. Tom Ndhine - Assistant Accountant General

OFFICE OF THE AUDITOR GENERAL

1. Mr. Francis N. Kabui - Liaison Officer, OAG
2. Mr. Maurice Oyoo - Auditor
3. Mr. Benjamin Mayenga - Auditor

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT NCDF BOARD

1. Ms. Polly Maingi - Chief Accountant/Parliamentary Liaison
2. Ms. Christine Mwangolo - Ag. Senior Manager, Field Operations



NATIONAL ASSEMBLY SECRETARIAT

- | | |
|---------------------------|-------------------------------|
| 1. Ms. Lucy Kimathi | - Senior Clerk Assistant |
| 2. Ms. Ruth Mwhaki | - Third Clerk Assistant. |
| 3. Mr. Robert Ngetich | - Fiscal Analyst |
| 4. Ms. Clare Jerotich | - Research and Policy Analyst |
| 5. Mr. Josephat Bundotich | - Serjeant at Arms |
| 6. Mr. Benson Mwiti | - Security Officer |
| 7. Mr. Ian Otieno | - Audio Recording |
| 8. Mr. Meshack Mutali | - Office Assistant |

MIN.NO. SFAC 116/2018: PRELIMINARIES

The Chairman called the meeting to order at 9.30 a.m and a prayer was said. He thereafter invited those present to introduce themselves.

MIN.NO. SFAC 117/2018: EVIDENCE: FUND MANAGER– ROYSAMBU NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

REPORTS OF THE AUDITOR GENERAL ON CONSTITUENCIES DEVELOPMENT FUND – ROYSAMBU CONSTITUENCY FOR THE FINANCIAL YEARS 2013/2014, 2014/2015 AND 2015/2016.

Ms. Mary Wanyika, Fund Account Manager, appeared before the Committee accompanied by Ms. J. Wangechi, Fund Account Manager, and Githunguri and gave evidence on:

FY 2013/2014

(i) Paragraph 1 on Late Disbursement of Funds

The matter was reported as resolved as documentary evidence has already been provided and verified.

(ii) Paragraph 2 on Bursary Allocation and Disbursements

The matter was reported as resolved as documentary evidence has already been provided and verified.

The Committee raised concerns over measures put in place to ensure bursary procedures are streamlined to limit cases of stale and cancelled cheques.

FY 2014/2015

(i) Paragraph 1 on Budget and Budgetary Controls

The Office of the Auditor general reported the matter as resolved.

(ii) Paragraph 2 on Low absorption of Funds

The matter was reported as resolved as the evidence produced had been verified by the OAG

(iii) Paragraph 3 on Implementation of Projects (Transfers to other government agencies)

The matter was reported as resolved as the project approvals from the Board was awaited.

(iv) Paragraph 4 on Other Grants and Transfers

The Office of the Auditor General stated that the matter had been resolved.

(v) Paragraph 5 on Bursary Disbursements

The Office of the Auditor General reported the matter had been resolved.

Additional information

- The Area MP who joined the meeting informed the Committee Roysambu constituency has made it a requirement that for any student to receive a bursary in the second round they must present a acknowledgement of receipt of the first cheque. This has led to significant decrease in unremitted /stale cheques in the constituency.

The Committee to recommend on presentation of previous bursary cheque acknowledgement receipt before award of bursary in the second round in its report.

The Committee to further recommend that in the bursary forms, a column on fees and fees arrears be included. This will assist the Bursary Committee to prioritize and award to needy cases.

(vi) Paragraph 6 on Cash and Cash equivalents

The Office of the Auditor General reported the matter as resolved

FY 2015/2016

(i) Paragraph 1 on Presentation and disclosures of Financial Statements (Comparative balances)

The matter was reported as resolved.

The National treasury reported that the template in use for reporting was introduced in the financial year 2013/2014, but due to changes in the international financial reporting systems, the template gets continually improved. Consequently, the National Treasury capacity builds on reporting matters on yearly basis.

(ii) Paragraph 2 on Other inaccuracies

The matter was reported as resolved.

(iii) Paragraph 3 on Cash and Cash equivalents

The matter was reported as resolved.

Other Matters

(iv) Paragraph 3 on Budget and Budgetary Controls

The matter was reported as resolved.

Additional information

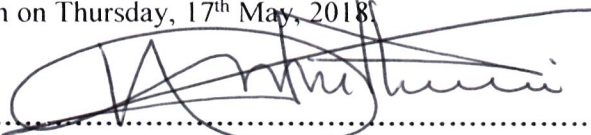
- The office of the Auditor reported that since CDF funds don't lapse, this sometimes makes it hard to track the funds by the Auditor general's office.
- The Committee however takes note of the recurring audit query on under expenditure, which is occasioned by late receipt of funds from the Board.
- The fund manager presented that sometimes the procurement process is delayed due to the fact that they rely on county works officers for approval. This consequently affects project implementation especially in cases where there was late disbursement of funds.
- Some cases of low absorption in the constituency has been due to cases of land grabbing of public utility land which affects the implementation of projects, which eventually present themselves as audit queries.

The Committee noted the land issues affecting the constituency especially grabbing of public utility land which has affected project implementation, and proposes to make a recommendation in its report

The Office of the Auditor General recommend that the Constituency makes an official communication to the OAG explaining the challenge of under absorption of funds especially in construction of schools on grabbed public utility land.

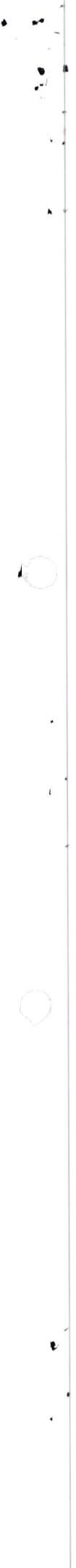
MIN.NO. SFAC 118/2018: ADJOURNMENT

There being no other business the meeting was adjourned at 4.15p. m. The next meeting will be held at 9.00 pm on Thursday, 17th May, 2018

SIGNED: 

**HON. KATHURI MURUNGI, M.P
CHAIRPERSON**

DATE: 28/05/2018



MINUTES OF THE 26TH SITTING OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON THURSDAY 17TH MAY 2018, AT BOGOL INYA CONFERENCE ROOM, WESTON HOTEL, NAIROBI COUNTY, AT 2.30 P.M.

PRESENT

1. Hon. Kathuri Murungi, M.P. - Chairperson
2. Hon. Mark Lomunokol, M.P.
3. Hon. Dennitah Ghati, M.P.
4. Hon. Shakeel Shabbir Ahmed, M.P.
5. Hon. Geoffrey Omuse, M.P.
6. Hon. James G.K Wamacukuru, M.P.
7. Hon. Marwa Kitayama Maisori, M.P.
8. Hon. Mwambu M. Mabongah, M.P.

APOLOGIES

1. Hon. William Chirchir Chepkut, M.P. - Vice- Chairperson
2. Hon. Alfred Agoi Masadia, M.P.
3. Hon. Erastus Kivasu Nzioka, M.P.
4. Hon. Irene Kasalu, M.P.
5. Hon. Justus Kizito Mugali, M.P.
6. Hon. Jared Okelo, M.P.
7. Hon. Esther M. R. Passaris, M.P.
8. Hon. Mohamed Ali Lokiru, M.P.
9. Hon. Mohamed Ali, M.P.
10. Hon. Rehema Dida Jaldesa, M.
11. Hon. Abdi Koropu Tepo, M.P.

IN- ATTENDANCE

NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Assistant Accountant General
2. Mr. Tom Ndhine - Assistant Accountant General

OFFICE OF THE AUDITOR GENERAL

1. Mr. Francis N. Kabui - Liaison Officer, OAG
2. Mr. Maurice Oyoo - Auditor
3. Mr. Benjamin Mayenga - Auditor

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT NCDF BOARD

1. Ms. Polly Maingi - Chief Accountant/Parliamentary Liaison
2. Ms. Christine Mwangolo - Ag. Senior Manager, Field Operations

NATIONAL ASSEMBLY SECRETARIAT

1. Ms. Lucy Kimathi - Senior Clerk Assistant
2. Ms. Ruth Mwihaki - Third Clerk Assistant.



- | | |
|---------------------------|-------------------------------|
| 3. Mr. Robert Ngetich | - Fiscal Analyst |
| 4. Ms. Clare Jerotich | - Research and Policy Analyst |
| 5. Mr. Josephat Bundotich | - Serjeant at Arms |
| 6. Mr. Benson Mwiti | - Security Officer |
| 7. Mr. Ian Otieno | - Audio Recording |
| 8. Mr. Meshack Mutali | - Office Assistant |

MIN.NO. SFAC 119/2018: PRELIMINARIES

The Chairman called the meeting to order at 3.30 p.m and a prayer was said. He thereafter invited those present to introduce themselves.

MIN.NO. SFAC 120/2018: EVIDENCE: FUND MANAGER– KASARANI NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

REPORTS OF THE AUDITOR GENERAL ON CONSTITUENCIES DEVELOPMENT FUND – KASARANI CONSTITUENCY FOR THE FINANCIAL YEARS 2013/2014, 2014/2015 AND 2015/2016.

Mr. Elias M. Mate , Fund Account Manager, appeared before the Committee accompanied by Mr. Hassan K. Kassim and Mr. Ayaan Mahadhi, Fund Account managers and gave evidence on:

FY 2013/2014

(i) Paragraph 1 on Opening Balances

The matter was reported as unresolved .

The Fund manager submitted that Kasarani constituency was split from the larger Kasarani (new Kasarani, Ruaraka, Roysamby & Mathare) and there was no bank account or bank balances left to the new Kasarani constituency. The constituency opened a new CDF Account A/C No 1180261612372 Name: Kasarani Constituency Development Fund Bank: Equity Bank Limited Branch: Kasarani and the CDF Board allocated the constituency it's first administrative disbursement of Kshs. 2,000,000 which was effected by the bank on 11th December 2013. The Constituency did not inherit any balances from the old Kasarani Constituency.

The Fund manager further submitted that the former bank account for the larger Kasarani Constituency was taken over by the Ruaraka Constituency since most ongoing projects fell under the newly created Ruaraka Constituency hence the account was left there.

The office of the Auditor General submitted that there was no documentary evidence availed to the Office of the Auditor general to prove that there were no bank balances.

The National Treasury submitted that Treasury only authorizes opening of a new bank Accounts upon request by the board.

The Committee observed that despite the Constituency opening a new account as submitted, there were no attempts to clear the audit query which has been reappearing since 2014 and neither have there been attempts to access the bank record to verify and clear the audit query.

The Committee recommended that the Board should furnish the Office of the Auditor General with bank statements (Closing balances) of the old Kasarani constituency prior to the split and all documents on resolutions touching on how the transfer of assets was done.

FY 2014/2015

(i) Paragraph 1 on Budget and Budgetary Controls

The Office of the Auditor general reported that the matter had been resolved.

(ii) Paragraph 2 on Compensation of employees

The matter was reported as unresolved as Constituency Development Fund spent Kshs.2,073,915 towards compensation of employees compared to Kshs.584,200 in 2013/2014 resulting in an increase of Kshs. 1, 489,715 or about 72%, the increase has not been justified.

The Committee resolved that the Board should furnish the Office of Auditor General with justifiable reasons for the increase.

(iii) Paragraph 3 on Cash and Cash equivalents

The matter was reported as unresolved as the constituency submitted that The Constituency did not inherit any balances from the old Kasarani Constituency. No documentary evidence has been availed to the auditors for verification.

(iv) Paragraph 4 on Substandard toilet works at Athi Primary School

The Office of the Auditor General stated that the matter was reported as unresolved as subsequent visits to the site showed that the works were substandard even if the project has been handed over.

The Committee noted that there were no evidence (pictorial) to show the completed project.

The Committee to make its recommendation in the final report

(v) Paragraph 5 on Inaccuracies of Accounts

The Office of the Auditor General noted that the matter was unresolved as no explanations have been provided on the funds that might have been inherited from the former Kasarani Constituency.

The Committee recommended that the Board should furnish the Office of the Auditor General with bank statements (Closing balances) of the old Kasarani constituency prior to the split and all documents on resolutions touching on how the transfer of assets was done.

Other Matter

(vi) Paragraph 1 on Implementation of Projects(2.1-Transfers to other government agencies
The Office of the Auditor General reported that the matter as resolved

(vii)Paragraph 2.2 on Other grants and transfers
The Office of the Auditor General reported that the matter as resolved

(viii)Paragraph 2.2 on Failure to Implement Projects
The Office of the Auditor General reported that the matter as resolved

FY 2015/2016

(i) Paragraph 1 on Presentation of Financial Statements
The matter was reported as resolved.

(ii)Paragraph 2 on Comparative Balances
The matter was reported as resolved.

(iii)Paragraph 3 on Statement of Cash flow
The matter was reported as unresolved as the amended cash flow statement had not been availed to the Office of the Auditor general prior to the meeting for verification.

Committee recommended that the statement be availed to the Auditor General for verification.

The same has however been presented and the Auditors can clear the accounts.

The Committee noted with concern the delay by Fund managers in availing records for verification by the Auditor Generals Office.

(iv)Paragraph 4 on Opening Account balances
The Office of the Auditor General noted that the matter was unresolved as no explanations have been provided on the funds that might have been inherited from the former Kasarani Constituency

The Committee recommended that the Board should furnish the Office of the Auditor General with bank statements (Closing balances) of the old Kasarani constituency prior to the split and all documents on resolutions touching on how the transfer of assets was done.

(v) Paragraph 5 on Cash and Cash equivalents

The Office of the Auditor General noted that the matter was resolved as the explanations given and documents provided were satisfactory

(vi) Paragraph 6 on Other grants and Transfers

The Office of the Auditor General noted that the matter was resolved the explanations given and documents provided were satisfactory

Other Matters

(vii) Paragraph 1 on Budget and Budgetary Controls

The matter was reported as resolved.

(viii) Paragraph 2 on Project Implementation(2.1 Non implementation of Projects

The matter was reported as resolved.

(ix) Paragraph 3 on Environmental Impact Assessment on Njiru Secondary School

The matter was reported as unresolved as the school is located about 100 meters from the Njiru sewer outfall and just 200 meters from the Njiru quarry. Construction of phase one of the classrooms was about 60 % by the time of audit.

Management did not however present for audit review environmental impact assessment report of the project given its location next to the two facilities. In the absence of the environmental impact assessment report, it is not possible to confirm the extent to which the school will be impacted by the two facilities.

The Fund manager reported that at the time the project begun, there was no dumping site and therefore no need for an EIA. The construction work commenced before the dumping begun. By the time the project is complete, the other projects in contention are to be moved.

The Committee resolved to Conduct an inspection visit to the School then make a recommendation.

The Committee further resolved that the NGCDF Board presents a status report on projects running from the larger Kasarani Constituency, this includes Pending projects, Board allocations, and a status report on what transpired with the funds in the accounts at the time of transition and the current status of the account.

Further, that the NGCDF Board investigates the issue of the accounts raised in the audit query and reports back to the Committee. This applies to other Nairobi Constituencies during the transition period since the matter of former accounts cuts across all Nairobi Constituency during the transition from the old to the new accounts.

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MIN.NO. SFAC 121 /2018:

ADJOURNMENT

There being no other business the meeting was adjourned at 4.36p. m. The next meeting will be held at 9.00 pm on Friday, 18th May, 2018.

SIGNED:


HON. KATHURI MURUNGI, M.P

CHAIRPERSON

DATE:

28/05/2018.

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MINUTES OF THE 27TH SITTING OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON FRIDAY 18TH MAY 2018, AT BOGOL INYA CONFERENCE ROOM, WESTON HOTEL, NAIROBI COUNTY, AT 9.30 A.M.

PRESENT

1. Hon. Kathuri Murungi, M.P. - Chairperson
2. Hon. Mark Lomunokol, M.P.
3. Hon. Dennitah Ghati, M.P.
4. Hon. Shakeel Shabbir Ahmed, M.P.
5. Hon. Geoffrey Omuse, M.P.
6. Hon. James G.K Wamacukuru, M.P.
7. Hon. Marwa Kitayama Maisori, M.P.
8. Hon. Mwambu M. Mabongah, M.P.

APOLOGIES

1. Hon. William Chirchir Chepkut, M.P. - Vice- Chairperson
2. Hon. Alfred Agoi Masadia, M.P.
3. Hon. Erastus Kivasu Nzioka, M.P.
4. Hon. Irene Kasalu, M.P.
5. Hon. Justus Kizito Mugali, M.P.
6. Hon. Jared Okelo, M.P.
7. Hon. Esther M. R. Passaris, M.P.
8. Hon. Mohamed Ali Lokiru, M.P.
9. Hon. Mohamed Ali, M.P.
10. Hon. Rehema Dida Jaldesa, M.
11. Hon. Abdi Koropu Tepo, M.P.

IN- ATTENDANCE

NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Assistant Accountant General
2. Mr. Tom Ndhine - Assistant Accountant General

OFFICE OF THE AUDITOR GENERAL

1. Mr. Francis N. Kabui - Liaison Officer, OAG
2. Mr. Maurice Oyoo - Auditor
3. Mr. Benjamin Mayenga - Auditor

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT NCDF BOARD

1. Ms. Polly Maingi - Chief Accountant/Parliamentary Liaison
2. Ms. Christine Mwangolo - Ag. Senior Manager, Field Operations



NATIONAL ASSEMBLY SECRETARIAT

1. Ms. Lucy Kimathi - Senior Clerk Assistant
2. Ms. Ruth Mwhaki - Third Clerk Assistant.
3. Mr. Robert Ngetich - Fiscal Analyst
4. Ms. Clare Jerotich - Research and Policy Analyst
5. Mr. Josephat Bundotich - Serjeant at Arms
6. Mr. Benson Mwiti - Security Officer
7. Mr. Ian Otieno - Audio Recording
8. Mr. Meshack Mutali - Office Assistant

MIN.NO. SFAC 122/2018: PRELIMINARIES

The Chairman called the meeting to order at 9.28 a .m and a prayer was said. He thereafter invited those present to introduce themselves.

MIN.NO. SFAC 123/2018: EVIDENCE: FUND MANAGER– EMBAKASI SOUTH NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

REPORTS OF THE AUDITOR GENERAL ON CONSTITUENCIES DEVELOPMENT FUND – EMBAKASI SOUTH CONSTITUENCY FOR THE FINANCIAL YEARS 2013/2014, 2014/2015 AND 2015/2016.

Mr. Alex Kioko ., Fund Account Manager, appeared before the Committee accompanied by Ms. Elvilla Kebaya and informed the Committee that that most of the documents had been carried by the EACC for ongoing probes that were ongoing since 2013/2014 and therefore the responses to the audit queries had been made from incomplete statements.

The thereafter submitted that:

FY 2013/2014

(i) Paragraph 1 on Accuracy of Financial Statements

The matter was reported as unresolved as the Office of the Auditor General had not seen the source documents that the figures were generated from.

The fund manager submitted that the source documents were not available and they were reconstructing records from scanty information available (Bank statements, available vouchers and information on the project files available)

The NGCDF board further submitted that the handover done by the former Fund manager was not sufficient as some the documents in existence at the time were taken by the EACC.

The NGCDF Board reported that the EACC was investigating allegations on issues to do with bursary and other projects. The Communication done by the EACC was directly to the constituency and not through the Board.

The Committee resolved not to examine the reports for the constituency due to the fact that responses were not prepared using financial statements as most documents had been taken away by EACC. The Board informed the Committee that no copies had been obtained as a back up.

The Committee therefore suspended the consideration of the reports and resolved that:

1. **The Ethics and Anti-Corruption Commission to be invited on Tuesday, 26th June, 2018 to appear before the committee to give status report on the investigations under the Constituency;**
2. **The NGCDF Board to appear before the Committee on Tuesday, 26th June, 2018 to give a report on all the disbursements made within the three years and the specific project status for the entire three years under consideration 2013/2014, 2014/2015 and 2016/2017 for Embakasi South Constituency;**
3. **The NG-CDF should ensure that the suspended Fund Account Managers are present during the meeting. In addition, the Provincial Accountant through the PS, National treasury should be available during the sittings.**
4. **The Committee to schedule an inspection of Projects in the Constituency**

MIN.NO. SFAC 124/2018: ADJOURNMENT

There being no other business the meeting was adjourned at 11.50. m. The next meeting will be held at 2.00 pm on Friday, 18th May, 2018.

SIGNED:


HON. KATHURI MURUNGI, M.P
CHAIRPERSON

DATE:
28/05/2018.



MINUTES OF THE 28TH SITTING OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON FRIDAY 18TH MAY 2018, AT BOGOL INYA CONFERENCE ROOM, WESTON HOTEL, NAIROBI COUNTY, AT 2.30 P.M.

PRESENT

1. Hon. Kathuri Murungi, M.P. - **Chairperson**
2. Hon. Mark Lomunokol, M.P.
3. Hon. Dennitah Ghati, M.P.
4. Hon. Shakeel Shabbir Ahmed, M.P.
5. Hon. Geoffrey Omuse, M.P.
6. Hon. James G.K Wamacukuru, M.P.
7. Hon. Marwa Kitayama Maisori, M.P.
8. Hon. Mwambu M. Mabongah, M.P.

APOLOGIES

1. Hon. William Chirchir Chepkut, M.P. - **Vice- Chairperson**
2. Hon. Alfred Agoi Masadia, M.P.
3. Hon. Erastus Kivasu Nzioka, M.P.
4. Hon. Irene Kasalu, M.P.
5. Hon. Justus Kizito Mugali, M.P.
6. Hon. Jared Okelo, M.P.
7. Hon. Esther M. R. Passaris, M.P.
8. Hon. Mohamed Ali Lokiru, M.P.
9. Hon. Mohamed Ali, M.P.
10. Hon. Rehema Dida Jaldesa, M.
11. Hon. Abdi Koropu Tepo, M.P.

IN- ATTENDANCE

NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Assistant Accountant General
2. Mr. Tom Ndhine - Assistant Accountant General

OFFICE OF THE AUDITOR GENERAL

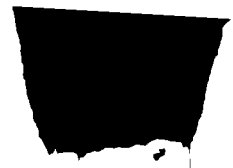
1. Mr. Francis N. Kabui - Liaison Officer, OAG
2. Mr. Maurice Oyoo - Auditor
3. Mr. Benjamin Mayenga - Auditor

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT NCDF BOARD

1. Ms. Polly Maingi - Chief Accountant/Parliamentary Liaison
2. Ms. Christine Mwangolo - Ag. Senior Manager, Field Operations

NATIONAL ASSEMBLY SECRETARIAT

1. Ms. Lucy Kimathi - Senior Clerk Assistant



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| 2. Ms. Ruth Mwhaki | - Third Clerk Assistant. |
| 3. Mr. Robert Ngetich | - Fiscal Analyst |
| 4. Ms. Clare Jerotich | - Research and Policy Analyst |
| 5. Mr. Josephat Bundotich | - Serjeant at Arms |
| 6. Mr. Benson Mwiti | - Security Officer |
| 7. Mr. Ian Otieno | - Audio Recording |
| 8. Mr. Meshack Mutali | - Office Assistant |

MIN.NO. SFAC 125/2018: PRELIMINARIES

The Chairman called the meeting to order at 2.48 p.m and a prayer was said.He thereafter invited those present to introduce themselves.

MIN.NO. SFAC 126/2018: EVIDENCE: FUND MANAGER– EMBAKASI NORTH NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

REPORTS OF THE AUDITOR GENERAL ON CONSTITUENCIES DEVELOPMENT FUND – EMBAKASI NORTH CONSTITUENCY FOR THE FINANCIAL YEARS 2013/2014, 2014/2015 AND 2015/2016.

Mr. George Juma Onesmus, Fund Account Manager, appeared before the Committee accompanied by Ms. Leah Waithira Guchu and Ms. Eleanor M. Githongori and gave evidence on

FY 2013/2014

- i. Paragraph 1 on Purchase of school bus for Kariobangi North Girls Secondary School
The matter was reported as resolved.
- ii. Paragraph 2 on Low absorption of funds
The matter was reported a resolved.
Paragraph 3 on Bursary allocations and disbursements
The matter was reported a resolved.

FY 2014/2015

- i. Paragraph 1 on Budget and Budgetary Controls
The matter was reported as resolved.
- ii. Paragraph 2 on Cash and Cash equivalents

The matter was not resolved.

The Committee recommends that that the constituency clears the matters with the pending issues with the auditor.

- iii. Paragraph 3 on Bursary allocations and disbursements

The matter was reported as unresolved.



- **The Committee recommended that the Fund Account Manager should forward supporting documentation (minutes) on cancellation of cheques amounting to Ksh. 1,253,878 to the Auditor General for clearance of the issue.**
- **The Committee farther recommended that the NG-CDF Board should streamline the issuance of Bursary Cheques and come up with guidelines to ensure issuance of cheques is uniform across the constituencies which will reduce on the recurring audit queries under unrepresented and stale cheques.**
- **The office of the Auditor General should also insist on getting acknowledgement slips from institutions to ascertain that the bursary expenditure is utilized effectively.**

iv. Paragraph 4 on Road Construction of Works

The Committee heard that

The Matter was reported as unresolved as the files for Cinema Road, Dandora Phase 11, AP Road-Dandora Phase V, Maitu Njeri Road-Dandora Phase 1 and DO Road – Dandora Phase 111 are under investigations by the anti-corruption authority. This investigation arose as a result of giving two different roads the same names done by KERA and NGCDF leading to one community member presenting his complain to the EACC.

The Committee noted that there were no payment vouchers; there is similar naming of the roads and lack of an Inventory of the documents that the EACC collected.

The Committee resolved that Ethics and Anti-Corruption Commission be invited on Tuesday, 26th June, 2018 to appear before the committee to give status report on the investigations under the Constituency;

In addition, the Fund Account Manager should furnish the Auditor General with an inventory of all documents that were taken away by the EACC.

v. Paragraph 5 on Construction of Cardinal Otunga Road

The matter was reported as unresolved as the fund in 2015/2016 paid Kshs.1,200, 000 to a firm for grading and murraming of Cardinal Otunga Road (0.6Kms). In 2014/2015, the fund made a payment of Kshs.4, 782, 349 for tarmacking, drainage and construction of sideways paths in respect of the same road. Physical verification did not however confirm grading and murraming works on the road.

The fund manager reported that said road was therefore tarmacked as opposed to grading and murraming and the road is verifiable and still in good condition.

The Committee resolved that the Fund Account Manager should submit the Joint contract between KERRA NGCDF Board and photos of the project before and after the project was completed to the Auditor General for verification

vi. Paragraph 6 on Education Projects

The matter was not resolved.

The Committee was informed by the auditor general that physical verification of the perimeter wall in Ushirika Secondary School despite additional expense of Ksh. 1,088,870 on improvement of the same in the financial year 2014/15 did not reveal any changes to warrant the expenditure.

In addition, no documents were available at the time of audit having been handed to EACC.

1. **The Committee resolved that Ethics and Anti-Corruption Commission be invited on Tuesday, 26th June, 2018 to appear before the committee to give status report on the investigations of under the Constituency ;**
2. **The Board should issue guidelines to ensure that Fund Accounts Managers make copies of any documents that are submitted to any agency.**

vii. Paragraph 7 on Education Projects (Kitchen at Dandora Girls Secondary School)

The matter was reported as unresolved as the expenditure amounting to Ksh. 1,530, 968 towards construction of the kitchen could not be ascertained

The Committee resolved that Ethics and Anti-Corruption Commission be invited on Tuesday, 26th June, 2018 to appear before the committee to give status report on the investigations under the Constituency ;

viii. Paragraph 8 on Procurement works

The matter remains unresolved.

The amount involved required that the tender be advertised in newspapers of national wide circulation and not locally as was done.

The Committee to make its recommendations.

ix. Payment of unutilized office space

The matter remains unresolved.

Committee to recommend surcharge of Ksh. 700,000.00 which was spend

x. Unremitted statutory deductions

The matter remains unresolved



The Committee to recommend that;

1. **Fund Accounts Manager need to ensure that all statutory remittances are done on time to avoid penalties**
2. **The NG-CDF Board to engage with the PS Treasury to ensure additional treasuries are established to serve Constituencies in Nairobi County. The Committee noted with concern that currently, all the 17 constituencies in Nairobi are served by one Provincial Accountant**
3. **The NG-CDF Board need to devolve its oversight roles, to mitigate most issues raised in the audit reports.**

xi. Other Matters

- a. Budgetary and budget control

The matter was reported as resolved

- b. Implementation of projects

The matter was reported as resolved

MIN.NO. SFAC 127 /2018: ADJOURNMENT

There being no other business the meeting was adjourned at 6:40 p.m

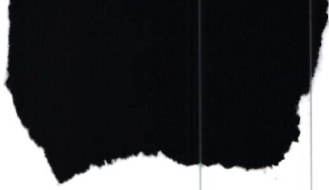
SIGNED:



**HON. KATHURI MURUNGI, M.P
CHAIRPERSON**

DATE:

28/03/2018.



MINUTES OF THE 35TH SITTING OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON FRIDAY 8TH JUNE 2018, AT THE WALNUT 3 CONFERENCE ROOM, PANARI HOTEL AT 9.00 A.M.

PRESENT

1. Hon. Kathuri Murungi, M.P. - **Chairperson**
2. Hon. Dennitah Ghati, M.P.
3. Hon. Geoffrey Omuse, M.P.
4. Hon. Esther M. R. Passaris, M.P.
5. Hon. Irene Kasalu, M.P.
6. Hon. Mwambu M. Mabongah, M.P.
7. Hon. Marwa Kitayama Maisori, M.P.
8. Hon. Justus Gesito Mugali, M.P.
9. Hon. Rehema Dida Jaldesa, M.
10. Hon. Erastus Kivasu Nzioka, M.P.
11. Hon. James G.K Wamacukuru, M.P.

APOLOGIES

1. Hon. William Chirchir Chepkut, M.P. - **Vice- Chairperson**
2. Hon. Alfred Agoi Masadia, M.P.
3. Hon. Mohamed Ali Lokiru, M.P.
4. Hon. Mohamed Ali, M.P.
5. Hon. Abdi Koropu Tepo, M.P.
6. Hon. Jared Okelo, M.P.
7. Hon. Mark Lomunokol, M.P.
8. Hon. Shakeel Shabbir Ahmed, M.P.

IN- ATTENDANCE

NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Assistant Accountant General

OFFICE OF THE AUDITOR GENERAL

1. Mr. Maurice Oyoo -Manager, Office of Auditor General
2. Ms. Sharon Wangari - Manager, Office of the Auditor General
3. Francis Kabuu- Liaison Officer, Office of the Auditor General

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT GCDF BOARD

1. Ms. Polly Maingi - Chief Accountant/Parliamentary Liaison
2. Ms. Christine Mwangolo - Ag. Senior Manager, Field Operations

NATIONAL ASSEMBLY SECRETARIAT

- | | |
|-----------------------|-------------------------------|
| 1. Ms. Lucy Kimathi | - Senior Clerk Assistant |
| 2. Ms. Ruth Mwhaki | - Third Clerk Assistant. |
| 3. Mr. Peter Mwaura | - Legal Counsel |
| 4. Mr. Robert Ngetich | - Fiscal Analyst |
| 5. Ms. Clare Jerotich | - Research and Policy Analyst |
| 6. Mr. Naserian Kaare | - Serjeant at Arms |
| 7. Mr. Benson Mwitii | - Security Officer |
| 8. Mr. Ian Otieno | - Audio Recording |
| 9. Mr. Meshack Mutali | - Office Assistant |

MIN.NO. SFAC 151/2018: PRELIMINARIES

The Chairman called the meeting to order at 9.20 a.m and a prayer was said. He thanked the Members present for availing themselves and informed reminded them of the heavy task of the day, where the Committee was to examine reports of the auditor general for the F/Y 2013/14, 2014/15 & 2015/16 for NG-CDF for the remaining seven Constituencies in Nairobi County. He thereafter invited those present to introduce themselves.

MIN.NO. SFAC 152/2018: EVIDENCE: FUND MANAGER- RUARAKA NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

REPORTS OF THE AUDITOR GENERAL ON CONSTITUENCIES DEVELOPMENT FUND – RUARAKA CONSTITUENCY FOR THE FINANCIAL YEARS 2013/2014, 2014/2015 AND 2015/2016.

Mr. Job Tuta, the Fund Account Manager of the CDF (February 2017 to date) appeared before the Committee accompanied by Mr. Josuah Oreso, the previous Fund Account Manager (June 2014 to January 2017) and gave evidence on:

FY 2013/2014

- i) Paragraph 1 on Use of Goods and Services

The matter was reported as resolved .

- ii) Paragraph 2 on Differences Between the Financial Statements and Supporting Schedules

The matter was reported as resolved .

FY 2014/2015

- (i) Paragraph 1 on **Budget and Budgetary Controls**

The Office of the Auditor general reported that the matter as resolved.

ii Paragraph 2 on **Implementation of Projects**

Transfers to Other Government Entities

The Office of the Auditor general reported that the matter as unresolved

1.1 Other Grants and Transfers

The Office of the Auditor general reported that the matter as unresolved.

However, the Committee observed that the issue on under absorption of funds was a recurring audit query that arose from late disbursement of Funds by the National Treasury. The Board submitted that they had held discussions with the National Treasury geared towards timely disbursement of funds, where treasury had committed to be releasing Ksh. 2Billion per week towards CDF. However, this was not honoured based on the current release of up to Ksh.22 Billion by May, 2018 for the financial year 2017/18. The Board further submitted that only 66 constituencies had received the whole amount of their budget of Ksh. 86M each by May, 2018.

(ii) Paragraph 3 on Revenue

The Office of the Auditor general reported that the matter as unresolved

(iii) Paragraph 4 on Irregular payments to a non employee through the constituencies payroll

The Office of the Auditor general reported that the matter as unresolved.

The Committee was informed that Mr. Josuah Orero was the Fund Account Manager who effected payment, and was no longer an employee of the Board. The Board further submitted that his dues had not been paid out.

The Committee noted that the payment amounting to Ksh.900, 000.00 was irregular and recommended that the officer who effected the irregular payment be surcharged

(iv) Paragraph 5 on Failure to produce documents to support acquisition of Assets

The Office of the Auditor General reported the matter resolved.

The committee notes the late provision of documents for audit by the Fund manager which is against the provisions of the Public Audit Act.

On budget underperformance, the Committee recommended timely release of funds by the National treasury. In case of delays in release of Funds, the Office of Auditor General need to clearly state the reasons for under absorption of Funds and/budget underperformance.

The Committee noted the Board's Policy that disallows release of Funds to Constituencies with more than Ksh. 10 million in their accounts, which contradicts prudence in use of public funds. This means that Fund Accounts managers must use all means to ensure that their accounts are below the set amounts to be eligible for the next release.

The Committee further recommends that the Board review its current policy that prohibits release of funds to Constituencies with more than Ksh. 10 million in their accounts.

FY 2015/2016

- (i) Paragraph 1 on Inconsistent Values/Figures
The Office of the Auditor General reported the matter resolved.
- (ii) Paragraph 2 on Unexplained amended Comparative figures
 - 2.1 Unexplained comparative figures
The Office of the Auditor General reported the matter resolved.
 - 2.2 Transfers from CDF Board
The Office of the Auditor General reported the matter resolved.
- (iii) Paragraph 3 on budget and budgetary performance
The Office of the Auditor General reported the matter unresolved.
- (iv) Paragraph 4 on Implementation of Projects:-
Transfers to other government agencies
The Office of the Auditor General reported the matter unresolved
- (v) Paragraph 5 on Other grants and Transfers
The Office of the Auditor General reported the matter unresolved
- (vi) Paragraph 6 on Revenue
The Office of the Auditor General reported the matter resolved.
- (vii) Paragraph 7 on Bursary Disbursements
The Office of the Auditor General reported the matter resolved.
**On Non presentation of bursary cheques, the Committee noted the delay in presentation of bursary cheques and wrong names on cheques leading to cancellation.
The Committee to make a recommendation in its report**

MIN.NO. SFAC 153/2018: EVIDENCE: FUND MANAGER– EMBAKASI CENTRAL NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

REPORTS OF THE AUDITOR GENERAL ON CONSTITUENCIES DEVELOPMENT FUND – EMBAKASI CENTRAL CONSTITUENCY FOR THE FINANCIAL YEARS 2013/2014, 2014/2015 AND 2015/2016.

Mr. Elias Mate, the current Fund Account Manager (December 2013 to date) accompanied by Mr. Onesmus Juma (previous Fund Account Manager) appeared before the Committee and gave evidence on:

FY 2013/2014

The Office of the Auditor General reported the matters as resolved as the Constituency had adequately responded queries and availed relevant documentation for verification.

FY 2014/2015

i) Paragraph 1 on Budgetary and Budgetary controls

The Office of the Auditor General reported the matter as resolved .

ii) Paragraph 2 on Implementation of Projects

2.1 Transfers to other government agencies

The Office of the Auditor General reported the matter as resolved .

2.2 Other Grants and Transfers

The Office of the Auditor General reported the matter as unresolved .

The Committee observes that late disbursement of funds continues to affect project implementation. The Committee will make its recommendation in its report.

iii) Paragraph 3 on Revenue

The Office of the Auditor General reported the matter as unresolved . Due to late disbursement of Funds

iv) Paragraph 4 on Low absorption of Funds

The Office of the Auditor General reported the matter as un resolved . Low absorption of funds

v) Paragraph 5 on Bursary allocations and disbursements

The Office of the Auditor General reported the matter as resolved .

FY 2015/2016

i) Paragraph 1 on unexplained comparative figures

The Office of the Auditor General reported the matter as resolved .

ii) Paragraph 2 on Bank Balances

The Office of the Auditor General reported the matter as resolved .

iii) Paragraph 3 on Development of a strategic plan

The Office of the Auditor General reported the matter as resolved

iv) Paragraph 4 on Budget and Budgetary Controls

The Office of the Auditor General reported the matter as unresolved.

v) Paragraph 5 on Non implementation of Projects

The Office of the Auditor General reported the matter as as resolved .

vi) Paragraph 6 on Revenue

The matter was reported as resolved .

The NGCDF board submitted that it does not release funds to a constituency that has a balance of 10 million (is a board resolution) in the account administrative balance vide aboard resolution. The amount is meant to mitigate against cash flow problems.

The Committee observes that this resolution affects constituencies that are on course in implementing their projects by holding on to their funds, and recommended review of the policy.

**MIN.NO. SFAC 154/2018: EVIDENCE: FUND MANAGER– EMBAKASI EAST
NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND**

REPORTS OF THE AUDITOR GENERAL ON CONSTITUENCIES DEVELOPMENT
FUND – EMBAKASI EAST CONSTITUENCY FOR THE FINANCIAL YEARS
2013/2014, 2014/2015 AND 2015/2016.

Mr. Victor Omondi, the current Fund Manager(December 2017 to date) accompanied by previous Fund Account Managers, Ms. Susan Nthiri (December 2013 to December 2017) and Mr. Onesmus Juma (previous fund accounts manager before the split) appeared before the Committee and gave evidence on:

FY 2013/2014

- i) Paragraph 1 on accuracy of the Financial Statement
- ii) Paragraph 2 on Bursaries Allocation and Disbursement

The matters were reported as resolved

The Committee however notes the need to streamline bursary disbursements to reduce incidences of stale cheques.

FY 2014/2015

- i) Paragraph 1 on Budgetary and Budgetary controls

The matter was reported as unresolved .

The Fund manager reported that the under expenditure was due to late disbursement of funds

- ii) Paragraph 2 on Implementation of Projects 2(i) Transfers to other government entities
The matter was reported as resolved .

- iii) Paragraph 2 (ii) on Other Grants and Transfers

The matter was reported as unresolved . Documents to support the Ksh. 1,998,060.00 were not provided.

- iv) Paragraph 3 on Revenue

The matter was reported as unresolved. **This is due to late disbursement of funds**

- v) Paragraph 4 on Low absorption of Funds

The matter was reported as resolved

- vi) Paragraph 5 on Bursary allocations and Disbursements

The matter was reported as resolved

- iv) Paragraph 6 on Acquisition of Assets

The matter was reported as resolved

FY 2015/2016

- i) Paragraph 1 on presentation and disclosures of the financial statements

The matter was reported as resolved

- ii) Paragraph 2 on Bank Balance

The matter was reported as resolved

Other Matters

iii) Paragraph 1 on Budget and Budgetary controls

The matter was reported as unresolved. Due to late disbursement of funds.

The National Treasury reported that it would release the whole allocation for the NGCDF in the remaining two weeks before the close of the financial year.

iv) Paragraph 2 on Bursaries to students

The matter was reported as resolved

v) Paragraph 3 on Revenue

The matter was reported as resolved

The Committee to make recommendations on Bursary in its report.

MIN.NO. SFAC 155/2018:

ADJOURNMENT

There being no other business the meeting was adjourned at 2.13 p. m. The next meeting will be held at 3.00 pm.

SIGNED:

HON. KATHURI MURUNGI M.P.
CHAIRPERSON

DATE: 21/06/2018

MINUTES OF THE 36TH SITTING OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON FRIDAY 8TH JUNE 2018, AT THE WALNUT 3 CONFERENCE ROOM, PANARI HOTEL AT 3.30 P.M

PRESENT

1. Hon. Kathuri Murungi, M.P. - **Chairperson**
2. Hon. Dennitah Ghati, M.P.
3. Hon. Geoffrey Omuse, M.P.
4. Hon. Esther M. R. Passaris, M.P.
5. Hon. Irene Kasalu, M.P.
6. Hon. Mwambu M. Mabongah, M.P.
7. Hon. Marwa Kitayama Maisori, M.P.
8. Hon. Justus Gesito Mugali, M.P.
9. Hon. Rehema Dida Jaldesa, M.
10. Hon. Erastus Kivasu Nzioka, M.P.
11. Hon. James G.K Wamacukuru, M.P.

APOLOGIES

1. Hon. William Chirchir Chepkut, M.P. - **Vice- Chairperson**
2. Hon. Alfred Agoi Masadia, M.P.
3. Hon. Mohamed Ali Lokiru, M.P.
4. Hon. Mohamed Ali, M.P.
5. Hon. Abdi Koropu Tepo, M.P.
6. Hon. Jared Okelo, M.P.
7. Hon. Mark Lomunokol, M.P.
8. Hon. Shakeel Shabbir Ahmed, M.P.

IN- ATTENDANCE

NATIONAL TREASURY

1. Mr. Geoffrey Mwitari - Assistant Accountant General

OFFICE OF THE AUDITOR GENERAL

1. Mr. Maurice Oyoo -Manager, Office of Auditor General
2. Ms. Sharon Wangari - Manager, Office of the Auditor General
3. Francis Kabui- Liaison Officer, Office of the Auditor General

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT GCDF BOARD

1. Ms. Polly Maingi - Chief Accountant/Parliamentary Liaison
2. Ms. Christine Mwangolo - Ag. Senior Manager, Field Operations

NATIONAL ASSEMBLY SECRETARIAT

- | | |
|-----------------------|-------------------------------|
| 1. Ms. Lucy Kimathi | - Senior Clerk Assistant |
| 2. Ms. Ruth Mwihaki | - Third Clerk Assistant. |
| 3. Mr. Peter Mwaura | - Legal Counsel |
| 4. Mr. Robert Ngetich | - Fiscal Analyst |
| 5. Ms. Clare Jerotich | - Research and Policy Analyst |
| 6. Mr. Naserian Kaare | - Serjeant at Arms |
| 7. Mr. Benson Mwiti | - Security Officer |
| 8. Mr. Ian Otieno | - Audio Recording |
| 9. Mr. Meshack Mutali | - Office Assistant |

MIN.NO. SFAC 156/2018:

**EVIDENCE: FUND MANAGER– KAMUKUNJI
NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND**

REPORTS OF THE AUDITOR GENERAL ON CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY FOR THE FINANCIAL YEARS 2013/2014, 2014/2015 AND 2015/2016.

The Chairperson acknowledged the presence of the Member of the National Assembly for Kamukunji Constituency Hon. Abdi Yusuf Hassan, M.P who was present in the meeting.

The Board submitted that the previous Fund Account Manager, Mr. Kenneth Njonjo did not turn up and that Mr. Farah Keinan, the current Fund Account Manager (January 2014 to date) had prepared responses on 2013/14 F/Y from the records that were available.

FY 2013/2014

1. **Bursary Allocation-** The matter was reported as resolved
2. **Irregular payment for construction of sheds at Maziwa Chicken and vegetable market**

The matter was reported as unresolved.

The sitting Member of the National Assembly for Kamukunji Constituency Hon. Abdi Yusuf Hassan, M.P who was elected into office in 2011 informed the Committee that the previous holders of the office did not hand over any documents on the expenditure, and that the market is non-existence, yet the issue is a recurring audit issue. He urged the Board to expedite the issue to avoid it recurring in subsequent audit report.

The Board submitted that the issue is under investigation by the Ethics and Anti-corruption Commission since 2010.

The Committee recommended that the EACC expedite the matter.

FY 2014/2015

- 1. Budget and Budgetary Controls**
- 2. Transfer to Other Government Entities**
 - *Implementation of projects*
 - *Other Grants and Transfers*

The Office of the Auditor general reported that the matter as unresolved. Committee noted that this was due to late disbursement of funds

- 3. Accuracy of the Financial Statements- issue resolved**

F/Y 2015/16

All issue raised were accounting issues which were reported as resolved save for **Irregular payment for construction of sheds at Maziwa Chicken and vegetable market** which was carried forward from 2013/14 F/Y and which was under EACC.

MIN.NO. SFAC 157/2018:

**EVIDENCE: FUND MANAGER– EMBAKASI
WEST NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND**

Mr. Alfred Mwangi, the Fund account manager (December 2017 to date) accompanied by Mr. Ellena Githongori, FAM (November 2013 to November 2017) submitted that:

2013/14 F/Y

- 1. Accuracy of Financial Statements-** Issue reported as resolved by the OAG
- 2. Disbursement of CDF Funds-** Issue unresolved. Committee noted that this was as a result of late disbursement of Funds by the Board
- 3. Bursary allocations and Disbursement-** Issue reported as resolved by the OAG

Committee to recommend that all disbursed bursary cheques must be receipted by the beneficiary institution, stating the details of beneficiary. This acknowledgement document should be amongst the documents that the OAG should rely on to clear bursary expense while undertaking audits.

- 4. Acquisition of Assets -**Issue reported as resolved by the OAG

5. **Other Payments-** issue remain unresolved as documents to support the expenditure were not availed.
6. **Other Payments-** Unresolved. Committee noted that this was due to late disbursement of Funds

2014/15 F/Y

1. **Budget and Budgetary Controls-** Unresolved due to late disbursement of Funds
2. **Bursary allocation and disbursements- Issue reported as resolved by the OAG**
 - a. **Implementation of Projects**
 - i. **Transfer to other Government Entities**
 - ii. **Other Grants and Transfers**
 - iii. **Failure to Implement Projects**
3. **Compensation of Employees - Issue reported as resolved by the OAG**

Unresolved due to late disbursement of Funds

2015/16 F/Y

1. **Presentation and Disclosures**
 - **Failure to Disclose Reasons for Material Variances-** Accounting matter which was reported as resolved
 - **Failure to Disclose Other Pending Payables-** unresolved due to late disbursement of funds
2. **Use of Goods and Services-** Issue still unresolved due to lack of supporting documents
3. **Non-Current Assets-** Issue reported as resolved by the OAG
4. **Discrepancy in Budget Figures-** issue unresolved due to late disbursement of Funds
5. **AIE Disbursements-** Issue reported as resolved by the OAG
6. **Procurement of Goods and Services-** Issue unresolved.
Committee noted that the tender sum required advertisement in newspapers of nationwide circulation as provided in Public Procurement and Asset Disposal Act
7. **Budget Performance-** unresolved due to late disbursement of funds

MIN.NO. SFAC 158/2018:

EVIDENCE: FUND MANAGER– STAREHE NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

Ms. Jane Wairimu, the current Fund Manager (February 2017 to date) accompanied by Mr. Josuah Orero, Fund Account Manager (January 2011 to May 2014 & May 2016 to January 2017) and Mr. Johnson Maina, Fund Account Manager (May 2014 to April 2015) gave evidence on the following:

2013/14 F/Y

1. Accuracy of the financial statement – issue unresolved.

Committee noted that the query relates to conformity to IPSAS accounting standards of reporting.

2. Transfers to other Government units- Issue unresolved.

The current Fund account manager informed the Committee that she was in the process of reconstructing the books of accounts to clear the query. She further informed the Committee of transition hiccups from Starehe Constituency to Starehe and Mathare constituencies all being funded by the same budget, hence creating the mix up.

3. Stalled Projects- Issue reported as resolved by the OAG

4. Unutilized Facilities- Issue reported as resolved by the OAG

5. Cash and Cash Equivalent- issue unresolved pending reconstruction of books of accounts

2014/15 F/Y

- | | | |
|--|---|---------------------------------|
| 1. Differences between the figures reflected in the financial Statement and figures reflected budget proposal documents with the CDF Board. | } | issues unresolved |
| 2. Accuracy and financial statements | | Pending reconstruction of books |
| 3. Transfers to other Government Units | | account |
| 5. Other Grants and Transfers | | |
| 6. Substandard works at the Gevanjee public Toilet- Issue reported as resolved by the OAG | | |

2015/16 F/Y

1. Presentation and disclosure of the financial statements

- i. **Inconsistent values/figures-** resolved
- ii. **Comparative balances-** resolved
- iii. **Statement of cash flow-** unresolved pending reconstruction of books of account

2. Cash and Cash Equivalent- unresolved

3. Transfer from CDF Board – resolved

4. Failure to erect Signage- resolved

5. Other matter

Budgets and Budgetary Performance

1.1 Budgetary Performance- Unresolved due to late disbursement

1.2 Transfers to Other Government Entities- Issue reported as resolved by the OAG

MIN.NO. SFAC 159/2018:

EVIDENCE: FUND MANAGER- MATHARE NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

Mr. Kevin Macaketch, the current FAM(February 2018 to date) accompanied by Mr. John Tuta, FAM (November 2015 to December 2015) and Mr. Joshua Orero, FAM (March 2013 to November 2015) appeared before the Committee and gave evidence on:

2013/14 F/Y

Other Matters

- 1. **Late Disbursement of Funds-** which remains unresolved arising out of late disbursement of funds
- 2. **Bursary Allocation and Disbursements-** which remains unresolved. The FAM informed members of challenges experienced during this period when the constituency was split into two(Mathare and Starehe).

2014/15 F/Y

- 1. **Budget and Budgetary controls**
- 2. **Transfers to other Government Entities**
- 3. **Other Grants and Transfers**
- 4. **Failure to implement projects**
- 4. **Bursary allocations and Disbursements**
- 5. **Cash and cash equivalents**

issues reported as unresolved. Committee noted that late disbursement of Funds by the Board as the reason for the query

2015/16 F/Y

- 1. **Presentation and disclosures of the financial statements.**
- 2. **Unexplained Comparative figures**
- 3. **Cash and Cash Equivalents**
- 4. **Budget and Budgetary Performance-** unresolved due to late disbursement of Funds

Issues reported as resolved by the OAG

The Committee noted that most of the issues audit queries arose from late disbursement of Funds by the Board, Stale cheques and failure to submit the requisite documents during the audit period.

MIN.NO. SFAC 160/2018:

ADJOURNMENT

There being no other business the meeting was ended at 7:50 p. m.

SIGNED:

**HON. KATHURI MURUNGI, M.P
CHAIRPERSON**

DATE: 21/06/2018