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② Paper laid by the
Hon. John Mbadia,
Chairperson, Public
Accounts Committee
Moses Lemuna
20/4/2023

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT-SECOND SESSION

PUBLIC ACCOUNTS COMMITTEE

REPORT ON PROCUREMENT OF EXTERNAL AUDIT SERVICES FOR THE OFFICE
OF THE AUDITOR-GENERAL FOR THE FINANCIAL YEARS 2018/2019 AND 2019/2020

THE NATIONAL ASSEMBLY PARLIAMENT BUILDING	
DATE: 20 APR 2023	Thursday
TABLED BY:	Hon. John Mbadia, MP Chairperson, PAC
CLERK AT THE TABLE:	Moses Lemuna

Directorate of Audit, Appropriations and other Select Committees
The National Assembly,
Parliament Buildings, Main Parliament Building
NAIROBI

April 2023

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CHAIRPERSON'S FOREWORD

The Public Accounts Committee derives its mandate from Standing Order 205 (2) of the National Assembly, which provides that "the Public Accounts Committee (PAC) shall be responsible for the examination of the accounts showing the appropriations of the sum voted by the House to meet the public expenditure and of such other accounts laid before the House as the Committee may think fit". The primary mandate of PAC is therefore to oversight the expenditure of public funds by ministries/departments/agencies, to ensure value for money and adherence to government financial regulations and procedures. The Committee executes its mandate on the basis of annual and special audit reports prepared by the Office of the Auditor-General (OAG).

Pursuant to the provisions of Article 226(4) of the Constitution, the National Assembly is required to appoint a professionally qualified accountant to audit the Office of the Auditor-General.

In fulfillment of the requirement of the above provision, the Committee received a recommendation of award of Tender of the said services from the Office of the Clerk of the National Assembly. The Committee observed the progress made on the procurement of External Audit Services. The Committee further observed that an offer had been made to M/s PFK Kenya Limited Liability Partnership (LLP) subject to approval by the National Assembly pursuant to Article 226 (4) of the Constitution.

It is against this backdrop that the Committee having satisfied itself that due process was followed, resolved to recommend to the National Assembly the approval of the award of hire of External Audit Services for the Office of the Auditor-General with respect the Financial Statements for the period 2020/2021 and 2021/2022 and the Mortgage and Car Loan Scheme Fund from the financial Year 2017/2018 to 2021/2022 to M/s PFK Kenya Limited Liability Partnership (LLP) pursuant to the provisions of Article 226(4) of the Constitution.

On behalf of the Public Accounts Committee (PAC), and pursuant to provisions of Standing Order, it is my pleasant privilege and honour to commit this Report of the Committee to this August House for adoption.

Hon. CPA John Mbadi Ng'ongo EGH, MP

PREFACE

Mandate of the Public Accounts Committee

The Public accounts Committee (PAC) established under Standing Order 205 is responsible for examination of the accounts showing the appropriates of the sum voted by the House to meet the public expenditure and of such other accounts laid before the House as the Committee may think it.

Objective of the Report

The Objective of this Report is to inform the House on the process followed in identifying a professionally qualified accountant who will provide external audit services to the Office of the Auditor-General for the period 2020/2021 and 2021/2022 and the Mortgage and Car Loan Scheme Fund from the financial Year 2017/2018 to 2021/2022.

Committee Membership

Chairperson

Hon. CPA John Mbadi Ng'ongo, EGH, MP

Nominated

Orange Democratic Movement Party

HOMA BAY COUNTY

Vice- Chairperson

Hon. Nicholas Tindi Scott Mwale, MP

Butere Constituency

Democratic Movement Kenya Party

KAKAMEGA COUNTY

Members

Hon. Dr. Wilberforce Ojiambo Oundo, MP
Funyula Constituency

Orange Democratic Movement Party

BUSIA COUNTY

Hon. Dr. Paul Otiende Amollo, SC, MP, EBS
Rarieda Constituency

Orange Democratic Movement Party

SIAYA COUNTY

Hon. Nabwera Daraja Nabii, MP
Lugari Constituency

Orange Democratic Movement Party

KAKAMEGA COUNTY

Hon. Amina Udgoon Siad, MP
Garissa County

Jubilee Party

GARISSA COUNTY

Hon. Samuel Kinuthia Gachobe, MP
Subukia Constituency
United Democratic Alliance Party
NAKURU COUNTY

Hon. (Dr.) Edwin Mugo Gichuki, MP
Mathioya Constituency
United Democratic Alliance Party
MURANG'A COUNTY

Hon. David Kiplagat, MP
Soy Constituency
Unite Democratic Alliance Party
UASIN GISHU COUNTY

Hon. Gabriel Gathuka Kagombe, MP

Hon. Eckomwas Mwengi Mutuse, MP
Kibwezi West Constituency
Maendeleo Chap Chap Party
MAKUENI COUNTY

Hon. Mohamed Aden Adow, MP
Wajir South Constituency
Orange Democratic Movement Party
WAJIR COUNTY

Hon. Gabriel Gathuka Kagombe, MP
Gatundu South Constituency
United Democratic Alliance Party
KIAMBU COUNTY

Hon. Victor Kipng'etich Koech, MP,
Chepalungu Constituency
Chama Cha Mashinani Party
BOMET COUNTY

Hon. Yakub Adow Kuno, MP
Bura Constituency
UPIA Party
TANA RIVER COUNTY

1.5 **Committee Secretariat**

Oscar Namulanda

Principal Clerk Assistant II

Abdirahman Gele Hassan

First Clerk Assistant

Lenny Muchangi

Legal Counsel II

Lilian Mwikali Mutiso

Third Clerk Assistant

Nimrod Mate Njue

Third Clerk Assistant

CPA Cyrille Mutali

Third Fiscal Analyst

Henry Gichana

Research Officer III

Luka Mutua

Serjeant At Arms

Yusuf Abdi

Hansard Reporter III

Mark Mbuthia

Audio Officer III

Faith Jully Malala

Public Communication Officer III

Peter Atsiaya

Media Relations Officer III

1. Introduction

- 1) Article 226(4) of the Constitution provides that, the accounts of the Office of the Auditor-General shall be audited and reported on by a professionally qualified accountant appointed by the National Assembly.
- 2) In fulfillment of the requirement of the above provision, the National Assembly tendered through Request for Proposal for Provision of External Audit Services for the Office of the Auditor General. The open tender was advertised on 16th February 2023 in the Daily Nation, the Standard, and also in the relevant websites i.e www.parliament.go.ke and the Public Procurement Information Portal www.tenders.go.ke
- 3) The Tender submission and opening date was on 28th February 2023 at 11.00 am. The Tender document required bidders to submit separate technical and financial bids.
- 4) A Tender Opening Committee was appointed by the Accounting Officer on 23rd February 2023 pursuant to section 78 of the Public Procurement and Asset Disposal Act, 2015 to oversee the tender opening process.
- 5) The following eight (8) firms responded by submitting their bids:-

BIDDER NO.	BIDDER'S NAME
1	Ekv & associate
2	BDO East Africa Kenya
3	Kigo Njenga & Co.
4	Kiarie Kangethe & Co.
5	PKF Kenya LLP
6	Baker Tilly
7	Mazars LLP
8	Ambale Ogot & Company LLP

- 6) A Technical Evaluation Committee was appointed by the Accounting Officer on 23rd February 2023 pursuant to Section 46 of the Public Procurement and Asset Disposal Act, 2015 to evaluate the bids submitted by the eight (8) firms.
- 7) The Evaluation Committee concluded the evaluation exercise on 20th March 2023 and submitted the Evaluation Report to the Head of the Procurement Function as per the provisions of the Public Procurement and Asset Disposal Act, 2015.