

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF THE

KENYA NATIONAL ASSEMBLY
LIBRARY
MAIN BUILDING

PUBLIC ACCOUNTS COMMITTEE

ON THE

**GOVERNMENT OF KENYA
ACCOUNTS**

FOR THE YEAR

2007/2008

KENYA NATIONAL ASSEMBLY
LIBRARY
MAIN BUILDING

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PREFACE

Mr. Speaker Sir,

On behalf of the Public Accounts Committee (PAC) and pursuant to the provisions of Standing Order 181(3), it is my pleasant privilege and pleasure to present to this House the report of the Committee on the government expenditure for 2007/2008 financial year.

Mandate of the Committee

The Committee derives its mandate from Standing Order 187(1) which states that:-

“There shall be a select committee to be designated the Public Accounts Committee for the examination of the accounts showing the appropriation 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 main objective of the Committee is to ensure that public funds are well utilized and the public realizes value for money in all government expenditure. The basis of the Committee's execution of its mandate is annual and special audit reports prepared by the Kenya National Audit Office.

Committee Membership

The Committee was constituted during the Third Session of the 10th Parliament in June 2009 when new Parliamentary Standing Orders came into force and comprises the following:-

The Hon. (Dr) Boni Khalwale, M.P. **(Chairman)**
The Hon. (Dr) Julius Kones, M.P. **(Vice Chairman)**
The Hon. Martha Karua, M.P.
The Hon. Daniel Muoki, M.P.
The Hon. Charles Onyancha, M.P.
The Hon. Alex M. Mwiru, M.P.
The Hon. Boaz K. Kaino, M.P.
The Hon. Francis C. Ganya, M.P.
The Hon. (Dr) Nuh Nassir Abdi, M.P.
The Hon. David Ngugi, M.P.
The Hon. Edick Anyanga, M.P.

The new Standing Orders mandate the Membership of a Public Accounts Committee to serve for a period of three calendar years and the Committee constituted thereafter to serve for the remainder of the parliamentary term. This is a deviation from the previous Standing Orders where membership was constituted at the beginning of every session. In the circumstances thereof, the current Committee Membership will serve until the end of the term of the Tenth Parliament.

Among the major challenges the Committee has been experiencing in the execution of its mandate are failure to raise quorum in time and the inability of some members to be present at sittings till conclusion of business. This is largely owing to the fact that all the Committee Members serve in other committees and have to attend to

business of those Committees, considering that a Member risks being removed from a committee for failure to attend four consecutive sittings pursuant to the new Standing Orders.

The above notwithstanding, the Committee discharged its mandate as provided for by the Standing Orders.

Committee Workload

It will be noted that in the previous years, the Committee had a huge backlog of the Controller & Auditor General's reports to deal with. This was mainly occasioned by a relatively weak Parliamentary Committee system from independence time until the late nineties when there were constitutional reforms that saw the strengthening of Parliament as an institution through the establishment of the Parliamentary Service Commission (PSC).

Mr. Speaker Sir,

I am glad to report to the House that with the tabling of these reports (2006/2007 and 2007/2008), the Committee has cleared the backlog and is now up date in the examination of the reports of the Controller & Auditor General and Members are upbeat in examining the 2008/2009 financial year report. Allow me Mr. Speaker to thank the entire Membership of this Committee and previous Committees for their hard work and commitment without which, the backlog would have continued bogging down the Committee.

Evidence taken during the Session

The Committee held a total of one hundred sittings during the period under review, ninety five percent of which involved examining Accounting Officers on audit queries raised by the Controller & Auditor General. The Committee also discussed cross cutting issues with the Big Five namely; the Attorney General, the Head of Public Service and Secretary to the Cabinet, the Permanent Secretaries, Ministries of Finance and State for Public Service and the Controller & Auditor General. The Committee also took evidence from the Accounting Officer, Interim Independent Electoral Commission of Kenya (IIECK) on the Controller & Auditor General's reports on the accounts for 2004/2005 and 2005/2006 financial years which it could not take the previous year as the Electoral Commission of Kenya (ECK) had been disbanded. All minutes of the Committee's sittings on evidence taking are attached to this report.

The Committee received both oral and documentary evidence during its sittings and made fact-finding tours where necessary to collect additional evidence. The fact-finding tours made involved:-

- (i) Customs Bonded Warehouses in Mombasa where goods with customs value of Kshs.679,046,383.00 and Kshs.566,428,551.00 could not be accounted for;
- (ii) Project for the rehabilitation and reconstruction of Machakos Turn Off–JKIA Section of the Nairobi, Mombasa Road.