

REPUBLIC OF KENYA
MACHAKOS COUNTY ASSEMBLY

OFFICIAL REPORT

Tuesday, 7th May, 2019

The House met at 10.56 a.m.

[The Speaker (Hon. (Mrs.) Mwangangi) in the Chair]

PRAYERS

Hon. Speaker: Good morning, Hon. Members. We start the business for today; Mr. Clerk, proceed.

COMMUNICATIONS FROM THE CHAIR
BUDGET ESTIMATES FOR 2019/2020

Hon. Speaker: Hon. Members, under this communication, I have two matters that I wish to bring to your attention. The first one is on the budget estimates for the financial year 2019/2020. Hon. Members, Section 129(2)(a) of the Public Finance Management Act provides that, the County Executive Committee Member for Finance shall submit to the County Assembly the budget estimates, supporting documents and any other Bills required to implement the budget, except the Finance Bill, by 30th April in that year.

Hon. Members, further, Section 129(3) of the Public Finance Management Act provides that each County Assembly Clerk shall prepare and submit to the County Assembly the budget estimates for the County Assembly and a copy shall be submitted to the County Executive Committee Member for finance.

Further, Hon. Members, pursuant to those provisions, the Clerk of the County Assembly and the Executive Committee Member for Finance submitted their respective budget estimates for respective arm of the County Government for the Financial Year 2019/2020 on 30th April, 2019.

Hon. Members, under Standing Order 206(3) of this Assembly it is provided that; upon being laid before the Assembly, the Budget Estimates shall be deemed to have been committed to the respective Sectoral Committee without question being put, for each such committee to deliberate upon according to their respective mandates.

Hon. Members, Standing Order 206(5) provides that the Budget and Appropriations Committee shall discuss and review the Estimates and make recommendations to the Assembly, taking into account the recommendations of the Sectoral Committees, the views of the County Executive Committee member responsible for finance and the public as well.

Hon. Members, accordingly the Budget Estimates are hereby committed to the Budget and Appropriations Committee and also to the sectoral committees pursuant to Standing Orders 206(3) and (5) for the necessary processing.

ACQUISITION OF E-PASSPORTS BY ALL CIVIL SERVANTS

Hon. Members, the second communication is on acquisition of e-passports by all civil servants. Hon. Members, the Office received a circular from the Head of Public Service in the Executive Office of the President of the Republic of Kenya. The circular is as follows; that the current machine-readable passports are in the process of being phased out that all civil servants are supposed to acquire e-passport and the deadline given is 31st August, 2019 and after that the old passports will no longer be used as travel documents.

The general rule Hon. Members on international travel requires that a passport should have at least six months validity period before travelling and most of the countries will therefore not issue a visa or permit to a traveler to enter their country unless the passport is set to expire at least six months after the final date of travel.

Hon. Members, noting that the machine-readable passports will cease to be a valid as from 1st September, 2019, any machine-readable passport which is already outside the six months validity will cause you problem especially when you are travelling. So, therefore, Hon. Members you are reminded to make the necessary arrangements to acquire the e-passports if you haven't done so and that will enable avoid inconveniences which may face you when you may need to travel and it is already stated in the circular that the Ministry of Foreign Affairs will not facilitate visa issuance for the old passports. Please be notified accordingly. Thank you.

PAPERS LAID

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE COUNTY EXECUTIVE OF MACHAKOS FOR THE YEAR ENDED JUNE, 2016

Hon. Speaker: Hon. Members, on this Order, we have three Papers as listed, first by Hon. Joseph Musau, and two by Hon. Stephen Mwanthi. Hon. Joseph Musau. Oh, it is Hon. Agatha; you are holding brief for him. Proceed.

Hon. (Ms.) Mutunga: Yes. Thank you Madam Speaker, I am standing in for Hon. Joseph Musau, MCA for Mbiuni ward. Madam Speaker, I beg to lay the following Paper on the Table of the Assembly today, Tuesday, 7th day of May, 2019; the report of the Auditor general on the financial statements of the county Executive of Machakos for the year ended June 2016. Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Agatha. Hon. Steve Mwanthi.

REPORT ON PETITION BY SOLAR PHOTO ELECTRICITY KENYA LIMITED

Hon. Mwanthi: Thank you, Madam Speaker. Hon. Speaker, I wish to lay on the Table of the Assembly today, Tuesday the 7th day of May, 2019; the report of Finance and Revenue Collection Committee on the Solar Photo Electricity Kenya Ltd. Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Stephen Mwanthi; proceed, I understand the next one is also by you.

REPORT ON FINANCIAL STATEMENT OF THE COUNTY GOVERNMENT OF
MACHAKOS FOR 2016/2017

Hon. Mwanthi: Thank you, Madam Speaker. Hon. Speaker, I wish to lay on the Table of the Assembly today Tuesday, the 7th day of May, 2019; the report of Finance and Revenue Collection Committee on the Report of Income and Expenditure for the County for the Financial Year 2016/2017. Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Stephen Mwanthi.

NOTICES OF MOTIONS

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE COUNTY
EXECUTIVE OF MACHAKOS FOR THE YEAR ENDED JUNE, 2016

Hon. Speaker: Hon. Members, under this Order, we have three businesses again as listed in the appendix starting with Hon. Joseph Musau, I presume Hon. Agatha will continue holding brief.

Hon. (Ms.) Mutunga: Thank you, Madam Speaker. I am standing in for Hon. Joseph Musau MCA for Mbiuni ward.

Hon. Speaker, that aware that Article 229(7) of the Constitution of Kenya, 2010 states that Audit Reports shall be submitted to Parliament or the relevant County Assembly;

Further aware that pursuant to Article 229(8) of the Constitution, within three months after receiving an audit report, the Parliament or the County Assembly shall debate and consider the report and take appropriate action;

Cognizant that the Committee on Public Accounts and Investments Committee is established pursuant to Standing Order 185 and is mandated to examine reports, accounts and workings of the County Public Investments;

Remembering that in October 2018, the Committee undertook interrogation exercise of the Audit Report on Financial Statements of County Executive of Machakos for the year ended June 2016;

Hon. Speaker, I wish to give Notice of Motion that this Hon. House discusses and approves the Report of Auditor General on the Financial Statements of County Executive of Machakos for the year ended June, 2016.

Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Agatha. Hon. Steve Mwanthi.

REPORT ON PETITION BY SOLAR PHOTO ELECTRICITY KENYA LIMITED

Hon. Mwanthi: Thank you, Hon. Speaker.

That aware that Section 15 of the County Governments Act, 2012 provides that a person has a right to petition the County Assembly to consider a matter within its authority including enacting, amending or repealing any of its legislation;

Aware that the Assembly received a petition from Solar Photo Electricity Kenya Ltd as per Standing Order 194 on 12th June, 2018;

Aware that the Company's prayer was that the Assembly intervenes and have the County Executive pay him Ksh. 18,607,732.00 for supply and delivery of pipes and fittings to Masinga Sub-County Water and Irrigation Department through LPO No. 2571246;

Noting that the petition was referred to the Finance and Revenue Collection Committee and aware that the Committee investigated the matter and has compiled a report;

Hon. Speaker, I wish to give notice of the motion that this Hon. House approves the report of Finance and Revenue Collection Committee on petition by Solar Photo Electricity Kenya Ltd.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you, Hon. Stephen Mwanthi; please proceed with the next business.

REPORT ON FINANCIAL STATEMENT OF THE COUNTY GOVERNMENT OF MACHAKOS FOR 2016/2017

Hon. Mwanthi: Thank you, Madam Speaker.

Hon. Speaker, that aware that section 166 of the Public Finance Management (PFM) Act requires every accounting officer of a County Government entity to prepare a report for each quarter of a financial year in respect of the entity and submit the report to County Treasury;

Aware that the County Treasury should consolidate the quarterly reports and submit them to the County Assembly not later than a month after the end of the quarter;

Further aware that the County Treasury submitted a consolidated report of Income and Expenditure for the financial year 2016/2017 to the Assembly for consideration;

Noting that the County Assembly Standing Orders defines the mandate of the Finance and Revenue Collection Committee to include all matters relating to the management of county public finance and revenue collection;

Aware that the committee analyzed the report of submitted by the Department of Finance and Revenue Management and made recommendations;

Hon. Speaker, I wish to give notice of the motion that this Hon. House discusses and approves the Report of Income and Expenditure for the County for the Financial Year 2016/2017 as tabled by the Finance and Revenue Collection Committee.

Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Steve Mwanthi.

STATEMENTBUSINESS FOR THE HOUSE FOR 7TH TO 8TH MAY, 2019

Hon. Speaker: Hon. Members, under this Order, we have one business by the Hon. Mark Muendo, Majority Leader.

Hon. (Ms.) B. Nzioki: Thank you, Madam Speaker. I am standing on behalf of Majority Leader.

Hon. Speaker: Go ahead Hon. Betty.

Hon. (Ms.) B Nzioki: Thank you, Madam Speaker. Madam Speaker, I stand under Standing Order 41(2)(a) where during the Statement Hour a member of the House Business Committee designated by the Committee for that purpose, shall for not more than ten minutes, present and lay on the table, a statement informing the House of the business coming before the House.

Hon. Speaker, the House Business Committee met on 6th May, 2019 and balloted business for this week pursuant to the provisions of the Standing Order 151 as follows:

Tuesday, 7th May, 2019
Morning at 10.00 a.m.

Report of Public Accounts and Investment Committee on Report of Auditor General on Financial Statements of Machakos County Government for the year ended 30th June, 2016.

Afternoon at 2.30 p.m.
Report of Finance and Revenue Collection Committee on Petition by Solar Photo Electricity Kenya Ltd by Hon. Stephen Mwanthi, Chairperson.

Wednesday, 8th May, 2019
Morning at 10.00 a.m.

Report of Finance and Revenue Collection Committee on Financial Statements of County for Financial Year 2016/2017 by Hon. Stephen Mwanthi, Chairperson.

Afternoon at 2.30 p.m.
Report of Environment, Lands, Energy and Natural Resources Committee on Mumbuni Dam in Kibauni Ward by Hon. Robert Kisini, Chairperson.

Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Betty.

MOTION

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE COUNTY EXECUTIVE OF MACHAKOS FOR THE YEAR ENDED JUNE, 2016

Hon. Speaker: Hon. Members, under this Order we have one business by the Hon. Joseph Musau; presumably Hon. Agatha continues to do the work for Hon. Joseph Musau.

Hon. (Ms.) Mutunga: Thank you, Madam Speaker.

Madam Speaker, that aware that Article 229(7) of the Constitution of Kenya, 2010 states that Audit Reports shall be submitted to Parliament or the relevant County Assembly;

Further aware that pursuant to Article 229(8) of the Constitution, within three months after receiving an audit report, the Parliament or the County Assembly shall debate and consider the report and take appropriate action.

Cognizant that the Committee on Public Accounts and Investments is established pursuant to Standing Order 185 and is mandated to examine reports, accounts and workings of the County Public Investments;

Remembering that in October 2018, the Committee undertook interrogation exercise of the Audit Report on Financial Statements of County Executive of Machakos for the year ended June 2016.

Madam Speaker, I wish to move the Motion that this Hon. House discusses and approves the Report of Auditor General on the Financial Statements of County Executive of Machakos for the year ended June 2016.

Thank you, Madam Speaker. I call Hon. Paul Museku, MCA for Mumbuni North, to second this motion.

Hon. Museku: Thank you, Madam Speaker. I stand to second the motion thank you.

Hon. Speaker: Thank you, Hon. Museku. Hon. Agatha, continue.

Hon. (Ms.) Mutunga: Thank you, Madam Speaker. I once again stand in for Hon. Joseph Musau as the chair of this committee and member for Mbiuni ward.

1.0 INTRODUCTION

Madam Speaker, the report of Auditor General on the Financial Statements of County Executive of Machakos for the year ended 30 June, 2016 was received in the office of the Clerk pursuant to Article 229(7) of the Constitution that states that Audit Reports shall be submitted to Parliament or the relevant County Assembly.

The report was committed to Public Accounts and Investments committee pursuant to Standing Order 185(2)(b) and (c) that states that “the Public Accounts and Investments Committee shall be responsible for examination of reports, accounts and workings of the County Public Investments and whether the affairs of the public investments are being managed in accordance with sound financial or business principles and prudent commercial practices---

Hon. Speaker: Hon. Members, some of the Members are looking at me as if there are questions on their faces. Hon. Kiilu, what is the question?

(Hon. Kiilu spoke off record)

I thought so and I looked at you.....Hon. Kamulu, do you have a similar question? You know you beat the National Assembly and went forward although Mheshimiwa Mitaa feels they did it earlier. May be we beat the Senate but the fact is that you beat a National Parliament on going online so do not disappoint. Just continue doing it.

(Laughter)

When the gadgets fail, just let us know so that we give you an alternative; briefly. So we are alright and every Member is alright? Let us proceed, Hon. Agatha.

Hon. (Ms.) Mutunga: Thank you, Madam Speaker.

2.0 COMMITTEE MANDATE

Madam Speaker, the Public Accounts and Investments Committee is established pursuant to Standing Order 185(1) and (2), that states that ‘there shall be a select committee to be designated the County Public Accounts and Investment Committee which shall be responsible for:

- a) The examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit.
- b) The examination of the reports, accounts and workings of the County Public Investments;
- c) The examination, in the context of the autonomy and efficiency of the County Public Investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices.

3.0 COMMITTEE MEMBERSHIP

Madam Speaker, the Public Accounts and Investment Committee comprises of the following Hon. Members:

1. Hon. Joseph Musau – Chairperson
2. Hon. Winfred Mutua – V/Chairperson
3. Hon. Agatha Mutunga
4. Hon. Alice Nzioka
5. Hon. Johana Munyao
6. Hon. Josephat Kasyoki
7. Hon. Peter Mutiso

4.0 GUIDING LEGAL PROVISIONS ON AUDIT REPORTS

Madam Speaker, Article 229(5) of the Constitution provides that “the Auditor-General may audit and report on the accounts of any entity that is funded from public funds.” Article 229 (8) of the Constitution states that “within three months after receiving an audit report, the parliament or the County Assembly shall debate and consider the report and take appropriate action.”

Article 201(d) and (e) of the Constitution provides that the principles of public finance includes prudent and responsible use of public money and responsible financial

management and clear fiscal reporting. Article 226(2) of the Constitution states that the accounting officer of a county public entity is accountable to the County Assembly for its financial management.

Article 226(5) of the Constitution is emphatic that “if the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not.’

Article 232(1)(a), (e) and (f) of the Constitution provides that values and principles of public service includes high standards of professional ethics, accountability for administrative acts and transparency and provision to the public of timely, accurate information.

5.0 COMMITTEE SITTING AND EVIDENCE TAKING

Madam Speaker, on 25th September, 2018 the committee held a meeting with the County Secretary of Machakos County, Mr. Francis Mwaka who had been accompanied by other officers from the Department of Finance. The invitation was to respond on various queries raised in the Audit report pursuant to Article 226(2) of the Constitution that provides that the Accounting Officer of a County public entity is accountable to the County Assembly for its financial management.

6.0 DETAILS OF THE FINANCIAL STATEMENTS

Non-submission of a Trial Balance

Madam Speaker, the County Executive has not provided a total balance to support figures in the financial statements for the year ended 30 June, 2016. In the circumstances, completeness, accuracy and authenticity of the balance reflected in the financial statements could not be confirmed.

Response

Madam Speaker, the Accounting Officer admitted the query and responded as follows; that the financial statements for the financial year under review were prepared from IFMIS data extracts. IFMIS has the reporting module from where notes to the financial statements are run, these notes are summaries of various ledger balances which are consolidated per vote line so as to give the figure for a particular item such as Compensation of employees, use of goods and services and so forth.

To support these figures, the system is able to generate payment details which are reconciled with the cash book and bank statement for purposes of ensuring that only actual payments are used in generation of the financial statements hence quality and reliability of the financial statements.

The trial balance provided during the audit therefore contained summaries of the various ledger balances which were grouped into the main items as presented in the financial statements.

Observations

Madam Speaker, the committee observed that data extracts and corresponding payment details extracted from the IFMIS system led to harmonized and accurate figures for the financial statement. However, the Accounting Officer although he availed accurate information to the Auditor, it was not in the recommended format, hence incomplete and unauthentic.

Recommendations

Madam Speaker, the committee recommends that pursuant to Section 47 of the Public Audit Act 34 of 2015, in the next audit report all elements of financial statements should be presented in the proper form and content as prescribed by the Public Sector Accounting Standards Board.

Accounts payable and other liabilities

- i. Contrary to the guidelines issued by the Public Sector Accounting Standards Board under provisions of Section 194 of the Public Finance Management Act, 2012, no disclosures have been made of outstanding accounts payables – pending bills totaling Ksh. 1, 812,966,935 in the financial statements as at 30 June 2016. Further, information available indicates that the pending bills amount of Ksh. 1,812,966,935 include bills for the 2013/2014 and 2014/2015 financial years as analyzed: You can see the Table below and you can go through it. I am not reading the contents of the Table---

Hon. Speaker: Proceed, Hon. Agatha.

Hon. (Ms.) Mutunga: Thank you, Madam Speaker.

- ii. Including in the pending bills amount of Ksh. 1, 812,966,935 as to the 30 June, 2016 is an amount of Ksh. 320,000,000 whose details are reported as “ward roads phase 11 & 111” dated 23rd October, 2014. However, there is no corresponding local service order, or local purchases orders and contract documents to confirm the suppliers and nature of goods and services supplied. In the circumstances, it has not been possible to confirm whether goods and services worth Ksh. 320,000,000 were supplied or rendered to the County Government and if the pending bills of Ksh. 320,000,000 are valid.
- iii. Had the pending bills of Ksh. 1,812,966,935 been settled, the financial statements for the year ended 30 June would have reported a deficit of Ksh. 2,011,630,218 instead of the current deficit of Ksh. 198,663,283. Failure to pay bills in the year they relate distorts the financial statements for the year and adversely affects the budgetary provisions for subsequent years where they have to be charged. The management has not provided explanations for the delay in settlement of the long overdue pending bills. A movement schedule showing bills that have been cleared in the first half of 2016/2017 Financial year has been provided to the auditors for review. Further, a supplementary budget is being prepared to clear the long outstanding bills for 2013, 2014 and 2015.

Hon. Speaker: Hon. Agatha, the Chair allows you to read the report as you seated. I appreciate it is a long report and I do not want you to be overly tired.

(Applause)

Hon. (Ms.) Mutunga: Thank you, Madam Speaker.
(*Hon. (Ms.) Mutunga took her seat*)

Hon. Speaker: Let the Serjeant at Arms make it comfortable for you to read from where you are seated. Just sit back and relax.

(*Laughter*)

The mic should be able to come to you.

Hon. (Ms.) Mutunga: Thank you, Madam Speaker. I really appreciate.

Response

Madam Speaker, the Accounting Officer responded that, the County had pending bills as at June, 2016. A schedule of invoices showing the details of the merchants and services /goods provided /supplied has since been provided to the auditors for review.

Hon. Speaker: Point of Order; Hon. Masesi, what is the issue?

Hon. Masesi: Madam Speaker, the Hon. Member has displaced the Minority Leader as you can see.

Hon. Speaker: It is alright, I allowed her to do it. Go ahead. Hon. Minority, Leader, sit next to the Member. She had to sit there because she has to reach a proper mic to address the House.

(*Laughter*)

(*Hon. Kamitu vacated his designated seat*)

Hon. Minority Leader, all these seats are yours and all these seats are available. So for the convenience of the House, Hon. Agatha is seated where she is seated to read the long report when she is seated. Proceed, Hon. Agatha.

Hon. (Ms.) Mutunga: Thank you, Madam Speaker.

Committee observations

Madam Speaker, the committee disapproved the above response since it did not capture specific details as per the audit query. Again, the documents asserted to have been given to the Auditor, was done long time after the audit exercise, hence the said documents had no consequence.

The committee noted that the Accounting Officer contravened Section 197(1)(k) that states that 'a public officer employed by the national government or a national government entity commits an offence of financial misconduct if, without lawful authority, the officer fails to

provide any information in the officer's possession, or under the officer's control, in relation to the financial management, financial performance.

Further, from 2013 to 2016, the Assembly has been getting information from respective departments on pending bills while doing budget estimates and at the same time the Assembly has been appropriating monies for pending bills in all fiscal years. Failure to disclose pending bills raises doubt if actually the bills were paid in full or not.

The issue of supplementary budget according to the committee was immaterial because pending bills were catered for in the main budget of all the fiscal years from 2013 to June 2016. The committee also noted that in the absence of contract documents to confirm authenticity of Ksh. 320,000,000 for roads, the money was either not spent as stated or it was misappropriated.

Further, a report tabled by the committee on transport in March, 2015 on Phase 1 and 2 road projects indicated that the work done did not match the budget allocation for that Fiscal Year.

Committee recommendation

Madam Speaker, the relevant bodies should investigate if the contractors for phase 1 and 2 road projects provided services and goods as per the BoQs and if they were all paid and if not, then appropriate action by making the officers concerned liable. The same bodies should also investigate if all monies appropriated by the Assembly from 2013 to 2016 for the purpose of offsetting pending bills were actually paid and then take appropriate action.

Discrepancies in the Financial Statements

3.1 Cash and Cash Equivalents

Cash and cash equivalent balance of Ksh. 412,292,923 as at 30 June, 2016 reflected in the statement of assets differs with the related balance of Ksh. 428,442,741 shown in the statement of cash flows by Ksh. 16,149,818. The accuracy of cash equivalents balances could therefore not be confirmed under the circumstances.

Management response

Madam Speaker, during the financial year under review, the county's cash equivalents amounted to Ksh. 412,292,923 as presented in the financial statements under statements of Assets. The reported difference of Ksh 16,149,818 is basically the accounts receivable which were missed on in the Statement of Cash Flow as presented in the Financial Statements leading to Cash and Cash Equivalents amounting to Ksh. 428,442,741.

Committee observations

Madam Speaker, the committee observed that the Ksh. 16,149,818 that was missing from the statement was an omission for accounts receivable and recommended the accounting officer to be thorough in making entries to the statements. Hence the committee was satisfied by the response.

Recommendations

Madam Speaker, the Accounting Officer, for the purpose of future audit reports should keenly scrutinize the financial statements to avoid loss of details and insufficiency of information which may adversely affect the interpretation of the prepared financial statement.

3.3.2 Other Revenues

The statement of receipts and payments reflects other receipts totaling Ksh.1,121,680,950 for the year ended 30 June 2016. Included in this amount are receipts totaling Ksh. 992,420,829 on account of local revenues collected from its Local Authority Integrate Financial and Operations Management System (LAIFOMS). However, a comparison of Point of Sale (POS) system revenue reports for the same period indicates receipts of Ksh. 1,226,506,277, resulting in unexplained difference of Ksh. 234,085,448 analyzed as follows; you can see the table below.

Although the management has attributed the discrepancies between the two systems to integration issues that require reconciliation upon every subsequent upload, no reconciliations have been undertaken. Further, the system event logs module which records and monitors individual user activity in the system have not been enabled despite being provisioned.

Consequently, there is no audit trail on the individual user activity in the system. From the foregoing, it is not possible to confirm the completeness and accuracy of the reported local revenues of Ksh. 1,121,680,950

Management response

Madam Speaker, the difference arose due to errors of mis-posting and double postings especially when there was a system down time and the Point of Sale gadgets failed to generate receipts .This has been reconciled and necessary reversals done in the BCX system. This issue of LAIFOMS event logs module being inactive has been reported to the Local Authority reform Program and is been worked on.

Committee observations

Madam Speaker, it was a surprise to the committee that from all the 8 Sub-counties, the Local Authority Integrate Financial and Operations Management System (LAIFOMS) recorded less revenue than the actual collection from the station. A total of Ksh. 234,085,448 was therefore not reflected in the system. Again the system event logs module which records and monitors individual user activity in the system was not enabled despite being provided for.

The committee attributed this as a malicious calculation to fraud Ksh. 234,085,448. This is because the system administrator chose to disable the system so that crucial financial information could be missed in the system.

Recommendations

Madam Speaker, the committee recommended that relevant bodies should investigate on the intentions behind the system failure that resulted to Ksh. 234,085,448 not be reflected by LAIFOMS and prosecute any officer who might have participated in the whole process.

3.3.3 Fund Accounting –Kenya Roads Board

Included in the proceeds from domestic foreign grants figure of Ksh. 207,987,365 in the statement of receipts and payments and as disclosed under note 3 to financial statements is an amount of Ksh. 85,984,411 received from Kenya Roads Board on account of road maintenance. This amount was banked into the County development bank account No. 1000170751 at Central bank of Kenya alongside other development funds.

This is contrary to the fund accounting guidelines which requires the fund to be accounted for separately and distinct from the receiving entity transactions under transfers to other government units. Further, no explanations have been given for the continued non-utilization of the funds for the intended purposes. Consequently, the residents of the County are being denied access to good roads with the continued delay in utilization of funds.

Management response

Madam Speaker, during the financial year under review, amount received from Kenya Roads Board was Ksh.85, 984,411 as reported in the financial statements. However, by the end of the financial year, the amount had not been spend .It was spend in Financial Year 2016/2017.

Committee observations

Madam Speaker, the management had flouted fund accounting guidelines by failing to account for the fund separately from other County government's transaction as require by the fund accounting guidelines.

Further, the management failed to utilize the money within 2015/2016 financial year and this translates to denying citizens of Machakos county timely road services. There was no sufficient explanation as to why such monies for road services were not utilized despite continued cry of citizens of Machakos to get roads. The management did not satisfy the committee with its response.

Recommendations

Madam Speaker, the County Government of Machakos should utilize funds as budgeted in every financial year and strictly abstain from delayed a service which is denying citizens of Machakos timely services.

4.0 Expenditure

4.1 Use of Goods and services Items with Significant Increase

The statement of receipts and payments reflects expenditures of Ksh. 1,320,636,885 on use of goods and services for the period ended 30 June, 2016 (2015 – Ksh. 1,312,706,987). A review of the individual expenditure items has revealed that expenditure on utilities, supplies & services and fuel oil and lubricants items increased significantly in the year under review as follows: You can see the Table shown.

The significant increases have not been explained by the management as you have seen in the Table.

Management response

Madam Speaker, during the financial under review, amount reported under fuel oil and lubricants was Ksh. 116, 144,822 up from Ksh. 47,187,363 representing 146 per cent increase---

Hon. Speaker: Hon. Members, are you assisting? Okay. Hon. Agatha, I know it is tedious and tiring just go slowly because you are relaxed now you can read it as it is written.

Hon. (Ms.) Mutunga: Thank you, Madam Speaker.

.....representing 146 per cent increase as compared to the amount incurred during financial year 2014/2015. This arose from payment of Ksh. 114,771,218 under development in the department of Transport (County Fleet management program).

Committee observation

Madam Speaker, the Accounting Officer did not provide any convincing information to support the large increase in the expenditure for utility supplies and services, fuel and lubricants. In addition there is no correlation in saying that Ksh. 114,771,218 was paid for County Fleet services and the above response is misplaced. Failure to provide convincing information made the committee to doubt the truth of the response provided.

Recommendations

Madam Speaker, the relevant bodies should investigate on the truth of the above response since there was no supportive information to justify the huge increase in the usage of funds in both the utilities services and fuel and lubricants across the two financial years.

4.2 Insurance Costs

Madam Speaker, the statement of receipts and payments and as disclosed under Note 13 to the financial statements reflects an expenditure of Ksh. 95,063,121 in respect to insurance costs for the financial year ended 30 June 2016 (Year 2014/15 – Ksh. 21,605,239) an increase of Ksh. 73,457,882. However, the ledger in support of the insurance cost includes payment amounting to Ksh. 10,160,831 for which payee details have not been provided.

Further, a comprehensive list of motor vehicles, plant, equipment and machinery insured during the year for which the premium was generated against has not been provided for audit review. In the circumstances, it was not possible to confirm the validity and regularity of the insurance cost of Ksh. 95,063,121 for the year ended 30 June 2016.

Management Response

Madam Speaker, during the financial year under audit, the County Government incurred Ksh. 95,063,121 on insurance premiums Ksh. 73,457,882 higher compared to 2014/ 2015. This came about due to payment of pending bills relating to insurance premiums of prior period(s). Further, the County Government acquired more motor vehicles and machineries such as Faw Trucks during the year under review. This highly contributed to the increase in insurance costs as compared to the previous year.

Committee observation

Madam Speaker, the Accounting Officer only responded on the increase in insurance costs across the financial years in question. However the Accounting Officer did not provide information as to why details of payee in the ledger were not availed to the Auditors. Again, the Accounting Officer did not provide critical details on comprehensive list of motor vehicles, plant, equipment and machinery insured during the years in question. In this case the committee noted that by not providing this critical information, it is just a cover up to hide un warranted expenditures.

Recommendations

The relevant bodies should investigate this matter further and demand to be provided with details of payee and comprehensive list of motor vehicles, plant, equipment and machinery insured that was not availed to the Auditors during the time of Audit.

4.3 Compensation of Employees

The County Executive does not have in place an approved staff establishment and the related salary structures. Consequently, there is no objective criterion for staff placements and compensation of employees costs amounting to Ksh. 3,667,736,979 for the year under review.

Management Response

Madam Speaker, at the time of audit there was no standard approved staff establishment and salary structure as the County Government inherited staff from the defunct Local Authorities and National Government with different staff establishment and salary structures.

The County Government is carrying out Capacity Assessment & Rationalization of the Public Service (CARPS) for its entire staff with the objective of developing a uniform staff establishment and salary structure.

Committee observation

Madam Speaker, the County has no staff establishment and salary structure as observed by the Auditor General. This situation is prone to abuse by individuals in the office for personal gains and as a result lead to poor service delivery and unnecessary ballooning of wage bill in addition to providing a space for accommodating ghost workers.

Further, the committee on labor, public service and ICT has for a long time requested for the said staff establishment but all in vain. The committee noted that by paying Ksh. 3,667,736,979 as compensation to employees without a corresponding staff establishment is NOT in order since it implies appropriating funds that are not supported by documentation.

Recommendations

Madam Speaker, the relevant bodies should investigate and establish the particular details of the employees who were compensated Ksh. 3,667,736,979 without a supportive staff establishment report and take appropriate action to all officers involved.

4.4 Acquisition of Assets

(i) Construction of Buildings

Note 18 to the financial statements discloses expenditure of Ksh. 301,226,698 in respect to construction of buildings for the financial year ended 30 June 2016 (Year 2014/15- Ksh. 372,060,868). However, a schedule provided in support of the figure has not broken down the cost into individual and itemized identifiable units. Consequently, the validity, propriety and accuracy of the construction of buildings expenditure of Ksh. 301,226,698 for the year ended 30 June 2016 could not be confirmed.

Response

Madam Speaker, the County Government engaged in refurbishment of health facilities and construction of new community hospitals across the County under the sub item Construction of Non-residential Buildings. Various facilities were contracted out to different contractors to

carry out the necessary works based on their respective contracts. Details of these contractors and the facilities they did are available in the system (IFMIS).

Committee observation

Madam Speaker, there was no proper coordination between the department of finance and the office of the auditor general during the time of audit. Although it was alleged that the information about the works contracted was available in IFMIS as reported by the management, the concerned Departments failed in their duty to timely avail all necessary information to the office of auditor general during the time of audit.

Recommendations

Madam Speaker, unless the Accounting Officer has malicious reasons of withholding information during the time of audit, any crucial information required by auditors to perform their duty should in future be availed in full for purposes of financial accountability and transparency.

Construction of Roads

Disclosed also in Note 18 to the financial statements is an amount of Ksh. 480,736,742 in respect to construction of roads for the year under review (Year 2014/2015 – Ksh. 739,233,510). The expenditure is broken down into contractors and associated tendering costs, labour cost for works done in house and capital grant for road maintenance of Ksh. 364,500,082, Ksh. 30,252,253 and Ksh. 85,984,407 respectively.

However, the schedule provided does not have a breakdown of the respective amount relating to individual roads constructed. Consequently, the validity, propriety and accuracy of the expenditure of Ksh. 480,736,742 on construction of roads could not be confirmed.

Response

Madam Speaker, the County Government incurred Ksh. 480,736,742 on construction of roads. New roads were done (tarmacking) as well as upgrading of murram road to attain all weather status. These roads were done by various contractors and their relevant details are available in the system (IFMIS).

Committee observation

Madam Speaker, an itemized list of all the roads constructed was not provided to the auditors. Although it was alleged that the information about the roads done was available in IFMIS as reported by the management, the department of finance is under obligation to provide to the office of auditor general all necessary information required during the time of audit. The response provided by the Accounting Officer is an indication of non-responsibility to a great extent.

Recommendation

Madam Speaker, the Accounting Officer should for purposes of future audit reports, provide sufficient information in the proper format to the auditors in order to lift the level of accountability in the respective departments.

(iii) Construction of Civil Works

Similarly and as disclosed at Note 18 to the financial statements is an amount of Ksh. 924,561,359 in respect to construction of civil works for the year under review (Year 2014/2015 Ksh. 279,779,337). However, the schedule provided does not have a breakdown of the respective amount relating to individual civil works project undertaken. Consequently, the validity, propriety and accuracy of the expenditure of Ksh. 924,561,359 on civil works projects could not be confirmed.

Management Response

Madam Speaker, the County Government incurred Ksh. 924,561,359 on construction and rehabilitation of civil works. These civil works were done by various contractors and their relevant details are available in the system.

Committee observation

Madam Speaker, an itemized list of the civil works undertaken was not provided to the auditors. Although information about the civil works done was available in the system as reported by the management, the department of finance should have provided all necessary information required to the office of auditor general during the time of audit.

The committee noted that by providing integrated information on civil works and failing to provide itemized list is a calculated move to hide critical accounting details. Hence, the committee found the response given by the Accounting Officer in adequate.

Recommendations

Madam Speaker, the Accounting Officer for the purposes of future reports should provide all fine details and in the proper format to the Auditors since this will improve our level of accountability and transparency.

5.0 Budget Performance and Disclosures

5.1 Governor's Expenditure

During the year under review, the Governor's Office approved development budget and expenditure stood at Ksh. 44,734,109 and Ksh. 34,584,587 respectively resulting in under absorption of Ksh. 10,149,522 or 22.7 per cent of the approved budget. No explanation has been rendered for the under absorption.

Management Response

Madam Speaker, during the year under review, the County Government had budgeted to raise receipts amounting to Ksh. 10,944,613,332 from exchequer, grants and local sources. As presented in the receipts and payments. The County management was to raise Ksh. 8,302,648,068 from all possible sources. Further, as presented in the statements of assets, comparative figures indicated that the County had Cash and Cash Equivalents amounting to Ksh. 605,820,763 which were then carried forward to fund the budget of the year under review.

Therefore, summing revenue raised during the year and the cash equivalents brought forward implies that the County had Ksh. 8,908,468,831 available to fund the said budget for the year which translates to 81 per cent of the budget. In light of the above therefore, it is apparent that the county's budget could not be funded to the tune of 19 per cent.

The shortfall of the targeted revenue led to financial constrain and therefore the County could not achieve 100 per cent budget performance hence the under absorption in Office of The Governor's development budget.

Committee observation

Madam Speaker, the County Government collected less revenue from local sources than it had targeted. This means that either all revenue collected is not banked 100 per cent or the County Government of Machakos has not fully exploited its revenue streams or there is no adequate reinforcement in the field of revenue collection.

Recommendations

Madam Speaker, the County Government of Machakos should sharpen its financial collection monitoring by ensuring that all revenue streams are harnessed fully and that no revenue losses result from corrupt and irresponsible officers, corrupting of revenue collection gadgets, right from revenue collection source to banking

5.2 Local Revenue

The summary statement of appropriation recurrent and development reflects local revenue budget of Ksh. 2,371,633,578. However, only Ksh. 1, 121,680,950 was realized resulting in an under collection of Ksh. 1,252,952,628 or 53 per cent of the approved budget. Further, and in comparison with the year 2014/2015 (Ksh. 1,262,462,637), there was a decline of Ksh. 140,781,687 or 11.1 per cent. The management has not provided satisfactory explanations for the under-performance.

Management Response

The County Government targeted to collect Ksh. 2.3 Billion during the year under review. This budget was arrived at on the strength of finance bill which was approved by the County Assembly during the budget cycle. However, some of the approved rates were challenged by stakeholders which then rendered implementation of the same difficult whose impact negatively affected achievement of the budget hence the under-performance.

Committee observation

Madam Speaker, the County department of finance and revenue collection had not put measures to enhance revenue collection. The County Finance Bill, 2015 had been challenged in Court due to lack of public participation making it difficult to implement some of the rates.

Recommendations

Madam Speaker, Machakos County has all the potential to achieve revenue target owing to its wide range of revenue streams. The County should therefore sharpen its financial collection monitoring and close supervision. The County can also engage private revenue collectors who should also be given a revenue collection target.

5.3 Development Budget

The summary statement of appropriation: development reflects an approved budget of Ksh. 5,703,312,440 with the actual absorption of Ksh. 2,622,787,316 resulting in an under-

utilization of Ksh. 3,080,525,124 or 54 per cent of the approved budget. The management has not rendered satisfactory explanations for the under absorption.

An analytical review of the individual expenditure items approved budget verses actuals absorption is as detailed out below. You can see the Table as shown.

Management Response

During the year under review, the County Government had budgeted to raise receipts amounting to Ksh. 10,944,613,332 from exchequer, grants and local sources. As presented in the receipts and payments, the County managed to raise Ksh. 8,302,648,068 from all possible sources. Further, as presented in the statements of assets, comparative figures indicated that the County had Cash and Cash Equivalents amounting to Ksh. 605,820,763 which were then carried forward to fund the budget of the year under review.

Therefore, summing revenue collected during the year and the cash and cash equivalents brought forward implies that the County had Ksh. 8,908,468,831 available to fund the said budget for the year which translates to 81 per cent of the budget. In light of the above therefore, it is apparent that the county's budget could not be funded to the tune of 19 per cent.

The shortfall of the targeted revenue led to financial constrain and therefore the County could not achieve 100 per cent budget performance hence the under absorption in Office of The Governor's development budget.

Committee observation

Madam Speaker, there was under absorption of the development budget which was a result of under collection of revenue from local sources. This under absorption is also an indication of poor planning and that the county government was not ready for budget implementation.

The management did not give the committee strategies that it intends to put in place to increase revenue collection in future and therefore this problem is likely to recur.

Recommendations

Madam Speaker, there is need for the County Government of Machakos to do proper planning for all intended projects before a budget for a particular year is released. Again realistic strategies should be put in place to boost revenue target which contributed to under absorption during the year in question.

6.0 Unresolved Prior Year Matters

6.1 Assets inherited from the Defunct Local Authorities in Machakos County

As reported in the previous years, the County's financial statements do not include the assets of the defunct local authorities within Machakos County although the County Government took possession of them. In addition, the Transition Authority (now defunct) did not formally handover the assets of the defunct local authorities in Machakos to the County Government.

Further, there are no ownership documents to the assets such as title deeds and log books among others. Consequently, it has not been possible to confirm the carrying values of these assets and their ownership status.

Management Response

Madam Speaker, as stated in the audit report, the assets inherited from the defunct local authorities have not been included in the financial statements of 2013/14 and 2014/15 since the transition authority are yet to do an official handing over of the same, when the values of the assets can be established. Therefore the figure of Ksh. 1,918,988,625 reported in the financial statements for two financial years are for the ones the County government acquired during the period.

Committee observation

Madam Speaker, no report of document was tabled before the committee to show any attempt by the management to engage the relevant authorities on the matter. The ownership of the assets in question belonging to County of Machakos continues to remain in limbo since 2013. There is sense of irresponsibility in making follow up by the Accounting Officers of the various Departments where the stated Assets fall into.

The committee was concerned that failure by the County Government of Machakos to obtain ownership documents of its assets may indicate that these assets went to the hands of undisclosed individuals.

Recommendations

Madam Speaker, the Committee recommends that the County Secretary should within 90 days finalise the arrangement of official handing over of all assets inherited from defunct council. Further within the same period, he should ensure that all ownership documents of the said assets are obtained.

7.0 CONCLUSION

Madam Speaker, the management of public funds is an issue the Kenyan population is passionate about. A fundamental objective of every government is maintenance of fiscal discipline, resource mobilization, strategic resource allocation, and efficient delivery of public services. When the devolved system of government was adopted in Kenya, the importance of establishing strong and effective public financial systems at the County level became inevitable.

There has been considerable effort towards establishing the foundations of a sound PFM system in many areas within the devolved system of government in Kenya. Although implementation of the PFM systems in the Counties is still in its formative stages, considerable achievements have been made in many fronts.

It is therefore my privilege and pleasure on behalf of Public Accounts and Investments Committee to table before this Hon House the report on Financial Statements of County Executive of Machakos for the year ended June, 2016 for discussion and adoption. Thank you, Madam Speaker.

(Applause)

Hon. Speaker: Thank you, Hon. Agatha. It is quite an achievement you have made. It is a long report you have done it very well and Hon. Members also sat patiently and listened to you.

(Question proposed)

Hon. Members, I now invite you to debate the report. Hon. Museku.

Hon. Museku: Thank you, Madam Speaker. First and foremost, I would like to give big thumbs up to the chairman and the entire team of the public accounts committee for having taken their time and gone through the financial statement report as provided by the auditors for the period ended June 2016. Madam Speaker, before I put a few comments forward it is important for me to point out to this Hon. House that audit reports and audited reports reflect the health of an institution financially.

Normally, what happens is that we put ourselves in a financial position, we come out with procedures which should be followed through various ways like the Public Finance Management Act which should be the one guiding most financial institutions in the funds government entities on how to utilize government funds. Utilizing that basis, the executive goes ahead or the County Assembly goes ahead and implements those procedures of accounting. What the auditor does is to come and ask did you implement them as they have been stated. Did you follow the laid down procedures? Did you follow the laid down rules?

If you followed them, you have no problem because the auditor will come and say ‘I audited the reports and I found the financial position of that particular entity reflecting a true and fair view position of that financial institution.’ Hon. Members, the report we have here the auditor report did not give the opinion which they gave did not show that the audited accounts of the executive for this financial year reflected a true and fair view financial position of accounts and then they go ahead and give the reasons as to why they are determining that.

Madam Speaker, pointing that a few of the issues which I managed to highlight they talked about pending bills Ksh. 1.8 billion which from the period 2014/ 2015/2016 had accumulated up to 20th June. These are bills pending to people; contractors who have come and provided services to this county and have not been paid totaling to Ksh. 1.8 billion not reflected anywhere in our financial statements. By not being reflected in financial statements therefore, it means that our financial records as they are today as at that point was Ksh. 1.8 billion less.

If we were showing for example we have got any deficit, if we were showing that we have got any money sitting, all those things which we are trying to show are not true until you absorb Ksh. 1.8 billion which you are supposed to pay out. What does that mean Hon. Members? If the County Government as of 30th of June, 2016 wanted to have its books reflecting a true and fair view they would have had to pay Ksh. 1.8 billion and if you look at the absorption of the development budget for that year was Ksh. 2.6 billion. What does that mean?

It means that they should not have done any development project apart from maybe Ksh. 800, 000 and the rest should have been utilized first of all to clear the pending bills. We must come out with a way of clearing pending bills because Madam Speaker, up to today these bills continue to accumulate and very few of these bills Madam Speaker, have been cleared up to now. We keep saying budget in budget out; the respective departments while they are doing...right now we are undergoing the budget cycle, need to look at the genuine pending bills which are there and provide them in the budget so that this Hon. House can approve for those contractors to be paid.

This is joking around or playing around with people’s lives and I will be requesting this Hon. House and the budget committee Hon. Speaker, during these years financial budget we must make sure that we incorporate funds to clear pending bills and assist the people whose bills are pending so far.

(Applause)

That will not only help ourselves but also help the executive in ensuring that their financial statements reflect a true and fair view position.

Revenue collection discrepancy; Ksh. 234, 085, 448, Madam Speaker; pages 10 to 12. If you have the point of sale documents reflecting more collection than what has been shown as input in the system by Ksh. 234 million, what that means Hon. Members is that Ksh. 234 million was physically collected but that amount did not find itself in to our banks. Systems are made in such a way that they have something we call audit trail so that if you are having an input in the system, it will be able to pick your user details when you log in---

Hon. Speaker: Point of order Hon. Museku...

Hon. Museku: For me?

Hon. Speaker: Not for you; for the House. Please resume your seat. Hon. Steve Mwanthi.

PROCEDURAL MOTION
EXTENSION OF SITTING TIME

Hon. Mwanthi: Thank you, Madam Speaker. I am standing on point of Standing Order 27 to request for extension of time Madam Speaker.

Hon. Speaker, aware that Standing Order 27(2) provides that the Speaker, shall interrupt business at 12.30 p.m. for the morning sitting;

Aware that Standing Order 27(3) provides that the House may resolve to extend its sitting time;

Aware that Standing Order 27(4) requires motion to extent sitting time to be moved at least 30 minutes before the time appointed of adjournment;

Hon. Speaker, I beg to move the motion that the House resolves to extend its sitting time until the business in discussion is over.

Thank you, Madam Speaker. I call upon Hon. Cosmus Masesi to second the motion.

Hon. Speaker: Thank you, Hon. Steve Mwanthi. Hon. Cosmus Masesi.

Hon. Masesi: Thank you, Madam Speaker. Madam Speaker, I stand to support the motion being that we have a very key report before us. Madam Speaker, I support fully for us to be given enough time to make us go through the report. Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Cosmus Masesi. Hon. Members, I think the report speaks for itself. We just need time to complete it. Don't we? We need the extension of time.

(Question put and agreed to)

(The House resumed business as per the Order Paper)

So, we extend time Hon. Members. Hon. Museku, proceed.

Hon. Museku: Thank you, Madam Speaker, thank you, Hon. Steve for extending time for me to continue. Thank you, very much. I was on the issue of revenue collection Madam Speaker and I was talking about a discrepancy of Ksh. 234 million where I was saying Hon. Speaker that, physical money was collected, Ksh. 234 million was collected but did not find itself in the system.

The audit report reflects that, in the system there is an inbuilt functionality of audit trail which implies that, when you log into that system and you are transacting into that system, your user details will be picked and if somebody needs to find out who changed this or who deleted this, they can be able to do that by checking through the audit trail. Madam Speaker, you can see in the report it says that, that functionality had not been enabled. The IT Department had not enabled that functionality.

Which means therefore that it was not possible for somebody to trace who it is who did not upload revenue into the system. That, Madam Speaker, speaks volumes of the kind of person you are dealing with in the IT Department who was given the mandate of implementing this very important program of revenue collection. If we have a system which cannot be able to show audit trail, then we cannot sit back and say we have a system in place. That is a very grave commission.

We have heard about Kenya Roads Board, page 13, Ksh. 85 million of Kenya Roads Board banked in the normal development account whereas the procedures clearly states that, if it is a grant and it is given for a specific use, it should not be co-mingled with the other normal development funds.

The only way you can be able to say the person who was co-mingling these funds was co-mingling it so that they can be able to misappropriate it. There is no other way you can look at it. You are told to account for money in account B, do not put it in the pool account A and you are aware about that, then you take the money and you put it in the pool of account A not account B. That means you do not want people to find out what is this that you are doing and Kenya Roads Board, Hon. Members, because we are going to do the budget this year again, they get grants, we are going to see them allocated grants again this year.

We have seen Hon. Members, Kenya Roads Board been given selectively. I will be urging you even as I contribute on this Motion that, unless we get prior itemized roads, what Kenya Roads Board is going to work on in the coming financial year, we do not approve any funds for them. We cannot be approving funds and they only go to certain Wards and they do not go to all the Wards. This time round we would like to see the budget for them, which specific items they are going to be doing.

There is a significant increase in the use of goods and services of Ksh. 146,000, page 14, 15. How do you increase goods and services expenditure cost by 146 percent? Remember everything has to move in a logical way. If there is an increase, it has to follow either an inflation rate or a growth rate. A 146 percent increase in goods and services! Insurance costs, Ksh. 10 million on page 16 and whose payee details are not known. You paid somebody you do not know, Hon. Members! What that report is telling you is that money was paid to somebody we do not know. How do you pay somebody money to entity which is not known? When you are told payee details were not known, what does that mean? It means Ksh. 10 million was paid to ghosts.

Up to today there is no staff establishment as salaries structure. It has been highlighted from previous audits what we are looking at now here is 2016 audit. Up to today we do not have

a staff establishment and salaries structure 2019. So, this observation is an observation which should be revisited by the audit of 2017, 2018 and the audit of 2018/2019 because up to now we still do not have that staff establishment. We are still incurring Ksh. 3.6 to Ksh. 4 billion in terms of salaries and wages without actually identifying or knowing who is the particular person being paid.

How this is difficult Hon. Members, I do not understand because to me a staff audit is very simple, is to call the CECs and the COs and I tell them, 'give me the people in your Department.' They will sit down, they will call their people, they will write them down and they will provide them to you, you will take them, you will print the payroll from the system and tick and find out who is there and who is not there. What has taken from the year 2014, 2015, 2016 when this report is being done up to now that we do not have a staff establishment. I think, Hon. Members, that is something we need to look at carefully.

Construction of roads, Ksh. 480 million, page 20. Contractors Ksh. 364 million, labor cost, Ksh. 30 million. No schedule provided reflecting which contractors were paid and for which roads. How do you incur Ksh. 364 million and you cannot be able to provide a list of I did this road, that road, this road. Accounting dictates that, if you are utilizing funds then you must be able to on demand show how you utilized it.

What the auditor is saying here is, he demanded to be shown how this Ksh. 364 million was utilized and was not given of the contractors who were paid neither the roads which were done. That is a grave issue.

Civil works, again no supporting schedule; Ksh. 924 million and that is a billion of civil works done and they cannot be able to say these are the civil works we did. There is no schedule reflecting that. Somebody somewhere said that, under-collection of revenue on page 24 was as a result of dispute of the Finance Bill passed by the Assembly of that time where some people contested some issues.

What would have been expecting is the revenue by caption and then showing that this caption which was supposed to collect this much was contested and therefore we could not collect that much but when you give a generalized format and say, the Finance Bill was contested therefore we could not collect revenue. That is not right, Madam Speaker.

If you look at page 25, my final submission is that, page 25 shows you we had an under-absorption of the development budget of that time by 54 percent and an over absorption of salaries and wages by 2 percent. You look at page 25 and you will be able to see on that table which is provided there, that under compensation of employees, it is over absorption by 2 percent but when you go down there to other grants and transfers plus acquisition of assets, both of them show an under-absorption of more than 50 percent; 40 percent and 54 percent.

We are earning salaries but the funds which we are being given for development are not being done. We are paying everybody 100 percent even overpaying but when it comes to funds which have been set aside to do development projects for our people, we are doing it a 50 percent.

Hon. Members, my take on this report is that, as I say, a financial report always shows you the financial health of an institution and therefore by the Committee need to be taken seriously, so if at all we are going to turn around the financial health of our County Government. These are serious and weighty issues which have been raised and I hope that, the necessary recommendations which have been done here, this House will support the report fully so that we can be able to highlight all these issues and make sure that, we have accountability.

That is all we are asking for accountability. You are given funds, account for them and get a better report. This is an adverse report and a repeat adverse report can lead to very serious consequences. Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Museku. Hon. Kamitu.

Hon. Kamitu: Thank you very much, Madam Speaker. Madam Speaker, I am standing here as the Leader of Minority and say the sentiments that have been brought by our Deputy Speaker, Hon. Museku, truly they should be taken seriously. He has given out the procedures in regards to financial management and for that effect Madam Speaker, I have gone through all this report and in every page there are those recommendations, observations, management responses from the various Departments and Madam Speaker, my humble request for us to be very procedural because the Committee was also procedural, but now for us, my appeal to this House, as we discuss this report, I would, through your leadership Madam Speaker, I would request that because this report is touching all the Departments and the respective COs are present. When I am talking about the COs, it is on the side of the Executive.

Having said that I have gone through this report Madam Speaker, there are some reports which are missing, some appendices that also should support some of these financial statements of the Auditor General. So as I stand I would have waited Madam Speaker for other Members to discuss but as I stand because now the Executive through the report of the Auditor General, there are issues that are pointing to the Executive and taking in consideration that we have got some Chief Officers who are recently employed or came in.

My humble request through your guidance Madam Speaker is that, I will request this House, maybe even through amendment, if we could take time and give the Executive 30 days for them to respond to this important document that has been brought in front of this House so that we may take out any ambiguity, any doubt, any question because we have got those people now in their respective offices. That is my observation Madam Speaker.

For us to be seen as a House, we join hands to work together as a House but not saying that we should hide mistakes. That is not the thing, Madam Speaker, but I am saying, through the observation and through this report, there are those appendixes, some answers we should be getting from the Executive. So, I would request this House, Madam Speaker, humbly through my highest appeal, if we could give the Executive, from your own guidance, a period so that every Department will respond and will come with appendixes where these questions are rising. That is my observation and that is my appeal, Madam Speaker. Thank you, Madam Speaker.

Hon. Speaker: I heard you making an appeal to the Chair, Hon. Minority Leader and the House; let me just guide you accordingly. What we have before this House is a report of the PAIC Committee that went through the report of the Auditor General for the financial year ending June 30th, 2016. Now what would have happened and if you look at the Public Finance Management Act, the Accounting Officer for the County Executive is the County Secretary and the County Secretary on the record of this report was summoned and you can see he is giving responses.

What the County Secretary ought to have done, if he felt incapacitated to respond accordingly, he would have sought for time before that committee, he would have gone and consulted the particular CO or whichever other person for whichever Department so that he gives

the report which is complete to the Committee. Now, at this particular point we cannot do what the Minority Leader is asking that we do because it will be out of order.

What this House will do and what it is required to do is to go through this report and look at the recommendations and the House can agree to vote against the recommendations with reasons or it can agree to vote for the recommendations with reasons then from there the Chair will direct what is to happen to the report. So, we proceed with that guidance. We continue with the debate on the report. Hon. King'ori.

Hon. King'ori: Thank you, Madam Speaker. I want to support the report; it is well articulated and also recommendations are well put but said all that, we need to go further to interrogate the report so that we can know whether even those contracts which are said to have been done whether they were done on the ground. For one, like what I have seen in Mavoko, there were no roads made by KRB and money was issued for the same. The same case applies to this year, 2018/2019; there was a road to be done in my ward which was done poorly even the way it was done, it was not to the standards it is supposed to.

I am going to request to this House, the Committee to go and check whether those roads were made up to the standards as per the BoQ. I also want to add my voice that, those people who work for this County and they do shoddy jobs do things un-procedurally should be taken to court and we should also stamp our authority as this House, as Hon. Members, as the peoples' representatives that every penny which is being used, we are talking of corruption, if corruption is live in Machakos, then something should be done and this report talks very well of things which are happening on the ground.

If you want to stamp out corruption, we should start with ourselves starting with our House, that is Machakos County. The Executive have no excuse at all that they should use un-procedural ways to enrich themselves in the expense of the people of Machakos. I would request, like page 15, I think, you see everything is raising, even the insurance cost which does not even add up to what we are insuring.

Madam Speaker, I think it is the high time we say enough is enough. Even if we have a handshake with the Executive, it is not to mean that we steal with them. No. We have to oversight them; we have to do our jobs. Thank you, Madam Speaker.

Hon. Speaker: Hon. Members, there is a consultation that I am seeking from the Table of the Clerks and I see Members still want to continue contributing. Hon. Mitaa, what is your position, your debate?

Hon. Mitaa: Thank you, Madam Speaker. First, I congratulate the Committee Public Accounts and Investments Committee for what they have brought to the House. However Madam Speaker it is my humble request, I think this Committee is a bit weighty and I can see the mood of the Hon. Members.

Hon. Speaker: Do you see or do you feel it?

Hon. Mitaa: I feel that the mood in this House; maybe Madam Speaker, there is need for, if you allow, for some sort of extension before we conclude on the business of this report. If possible, I know that you have the powers, we are not supporting illegality, Madam Speaker and

at the same time I feel that we also do not need to.....as much as I respect the Committee, we do not need to rush on some issues Madam Speaker.

You have seen especially on page 28, there is a recommendation they have given the Executive, a period of 90 days to attain something concerning the report and my feeling is, if I can add my input on that, instead of 90 days, if we can have that period and at the same time we update the report, Madam Speaker. It is my humble request Madam Speaker. Thank you.

Hon. Speaker: I hear you. Hon. Mulatya.

Hon. Mulatya: Thank you, Madam Speaker. I start by congratulating the Committee for a job very well done. Our work is oversight and I think Madam Speaker, I will totally support Hon. Mitaa from Kangundo Central to seek for some extension. Madam Speaker, myself if also I read the mood of the Members in the House, I think from where we are standing right, now we really need to support each other, the Executive and this side and if we can just give them even 21 days is enough for them because this report is long overdue. So that at least we can compile all the documents to go hand in hand with this.

We have been engaging the Executive all these Hon. Members since the handshake and it is working not for the Hon. Members but for the people who elected us. So, Madam Speaker, I seek humbly that we give them extension for at least 21 days. Thank you, Madam Speaker.

Hon. Speaker: We are now on a different plate; not contributing to the debate, we are on a different plate and I am just listening to your views. Hon. Museku.

Hon. Museku: Thank you, Madam Speaker. I am hearing what the Hon. Members are putting before the House which they have every right to put. My question is; what is procedural? We have a report which has been done by a Committee. The procedure of the House is what I am talking about. The Committee has sat down, the Committee has listened to views from both Hon. Members and from the Executive and from the Auditor. It is important for the Hon. House to understand the procedure of what PAIC does.

It sits down after the audit report is brought to void, it sits down and it summons the office of the Auditor General and it summons the Finance Department. The CO or the CEC of Finance and Hon. Members and sits down on a hearing and it does a report. I am looking at the procedure. Once a report is tabled before the House, it becomes property of the House. That report, once it has been read, if I am not wrong, cannot be withdrawn from the House unless and otherwise directed.

So, Madam Speaker, my opinion is that, what we the Hon. Members can do is they can debate on the report and reject the findings---

(A Hon. Kamitu spoke off record)

Let me finalize on what I am saying.

Hon. Speaker: Hon. Minority Leader; just a moment.

Hon. Museku: Hon. Members, can debate on the report and reject the findings of the

Committee. You have the power to say that, this report which has been brought before this House, you do not approve it. Remember it has been brought before you for approval.

So, a report which has been presented before the House, Madam Speaker, cannot be withdrawn after it has been read and debated upon, a question can only be put and we reject the report. If we reject the report that is the end of the report and it will go back to the Committee but to withdraw the report Madam Speaker, after it has already been contributed on, is what I would like to get clearance on. Thank you, Madam Speaker.

Hon. Speaker: Alright. Hon. Ngunga.

Hon. Ngunga: Thank you Madam Speaker for giving me this opportunity for also giving my views on this but as a matter of procedure Hon. Museku was saying the mandate of this House is only to debate the report, either reject or approve. But you see from where you sit Madam Speaker, you know you have powers when Members gather information that has come prior to the findings of the Committee that they feel were not represented in the views here, Members have a way of requesting the Speaker to actually send the report back to the Committee so that the relevant bodies or Departments can be able therefore to be summoned and bring the relevant information that is missing.

Madam Speaker, as the my two colleagues have said, it is true that this is not a way of trying to compromise anybody but you see a situation arises where for example we are debating a report but information is already around that some of the documents that we find are missing here are available and so it is just a matter of according the relevant Department an opportunity to see that before we make conclusions, whether they can be able to service the Committee with the proper documents.

So, Madam Speaker, it is procedural for this House to request you to send back this report. It is not a matter of rejecting, to send back this report to the Committee for the Committee to be able to get more information. One of the issues that have risen is that, most of the times that most of these Departments have been called to come over to Committees, quorum has been lacking. So---

Hon. Speaker: Do you sit in that Committee, Hon. Ngunga?

Hon. Ngunga: I was in the sitting that was writing the report, Madam Speaker.

Hon. Speaker: You were in the sitting that was writing the report?

Hon. Ngunga: Yes. I was invited.

Hon. Speaker: I am looking the Membership here.

Hon. Ngunga: I was invited, Madam Speaker, I am not a Member of the PAC but I was invited in the report writing. So, I am saying, it will not be un-procedural Madam Speaker, if you had directed that this report finds its way back to the Committee so that they will be able to summon those Members and see whether they have any extra information before we take any action. Thank you, Madam Speaker.

Hon. Speaker: Hon. Kisini.

Hon. Kisini: Thank you, Madam Speaker. I want to applaud the Committee for highlighting most of the things which have been brought in broad daylight---

Hon. Speaker: Hon. Kisini, please contribute on the matter at hand.

Hon. Kisini: I want to say---

Hon. Speaker: On the issue of the House should proceed with this debate or should put it in abeyance and for what reason and under what procedure.

Hon. Kisini: I am confused.

(Laughter)

My confusion comes because this report which was tabled in front of us, honestly, in all the Departments and I want to summarize it into three sections. There was nothing which has made us happy. When we came to the expenditures, the expenditures were overboard and they were even some recommendations that we even invite the relevant bodies to act.

When we come to the revenue, the report says that we have never reached the target and even some money that had been collected is missing and cannot be accounted for and when we also come to the acquisitions of the assets, some of them have been done some have---

Hon. Speaker: Hon. Kisini, there is a point which is on the floor. Other than contributions from the debate, I asked for the members views as to whether we proceed with motion or we do not and why.

Hon. Kisini: We---

Hon. Mulatya: Point of information, Madam Speaker.

Hon. Speaker: I will come back to you Hon. Mulatya, Hon. Maitha. Sorry Hon. Kisini, finalize on that point on whether we proceed or not.

Hon. Kisini: My point is; let us follow the law.

Hon. Speaker: Alright, thank you, Hon. Kisini. Hon. Maitha.

Hon. Maitha: Thank you, Madam Speaker. Madam Speaker, I want to support Hon. Museku when he says when a matter comes before the House it is a property of the House and the only time it can come back to the House again if for us, for you to put the question we reject it and then after six months the same report comes back and we discuss it. Thank you, Madam Speaker.

Hon. Speaker: Hon. Daniel Mbevi.

Hon. Mbevi: Thank you, Madam Speaker. First, I want to support the report and congratulate the committee for this good work they have done and the findings they have seen but I would like to request if the report can be referred a bit to the committee based on the concern on page 24 where by the Assembly, during the budget cycle.let me read the reason why I think it should be referred back to the committee for some consideration.

'This budget was arrived at by the strength of Finance Bill which was approved by the County Assembly during the budget cycle. However some of the approved rates were challenged by stakeholders which then rendered implementation of the same difficult whose impact negatively affected achievement of the budget hence under performance.'

As I stand here Madam Speaker, the current Finance Bill, we have proposed I think from my area where I represent Mlolongo, as I stand here, there are some concerns of my electorates who are planning to come and challenge some rates which are being imposed on them. There is a new rate of the landlords of Ksh. 14,600 which the county is collecting from the electorates or the property owners and plot owners.

Hon. Speaker: Hon. Daniel Mbevi, please is brief on what you want to submit on.

Hon. Mbevi: So, I think it can be reconsidered again based on that because probably my electorates are already planning to come and challenge that rate; probably it might lead us back to this failure again. Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Mbevi. Hon. Margaret.

Hon. (Ms.) Mwikali: Thank you, Madam Speaker. I wish to congratulate the committee and thank God for this House because that committee was given a job to do and they did it well, they brought the report to the House. I think the only way we could do away with report is to reject it and have it come again because and have it come I don't know when but we don't have much choice when it comes to reject the committee report and give it back and give back the report to the committee.

So, Madam Speaker, either the House rejects the committee report in totality or we debate it and agree on the resolutions of this committee. Thank you, Madam Speaker.

Hon. Speaker: Hon. Members, I just want to give you some ideas on what maybe you need to do. If you refer to Standing Order 55 on motion is possession of the Assembly. 'After the question has been proposed on a motion, the motion shall be named to be in the possession of the House and such motion shall not be withdrawn without leave from the House.' Please keep that in mind.

I will refer you to Standing Order 92 which is on adjournment of debate. 'A member who wishes to postpone to some future occasion the further discussion of a question which has been proposed from the Chair may move 'that the debate be now adjourned.'

As we are talking now, I do not have such a motion; I only have a motion which is debate on a report that is on the table and remember once the motion one the question is proposed it is a property of the House, it is you who will decide what you want to do and vie

given you the necessary guidelines and don't make things hard for anybody. Remember you still need to do your oversight and do it properly and you have been debating matters here I have not had any occasion to address this particular matter but it is your debate, it is your motion, it is the property of this House. Tell me what you want to do with it. Hon. Cosmus Masesi.

ADJOURNMENT UNDER STANDING ORDER 92

Hon. Masesi: Thank you, Madam Speaker. Madam Speaker, first and foremost, I would like to support and congratulate fully the committee; it has given us a thorough report on the Auditor General report. Madam Speaker, we have seen that we are missing very key---

Hon. Speaker: If you want to halt or defer the debate, move the necessary motion and then you debate and I will put the question and the members will vote accordingly. I have guided you accordingly.

Hon. Masesi: Thank you, Madam Speaker. Madam Speaker, I don't know which Standing Order to quote but I would like---

Hon. Speaker: I have just read it out to you unless Hon. Masesi you were not listening. I have read the Standing Order to Members.

Hon. Masesi: Madam Speaker, I stand under Standing Order 92, which reads Madam Speaker 'after the question of a motion the mover of which has no right of reply has been proposed, a Member rising in his or her place may claim to move that the question may not be put unless the Speaker is on the notion that such a motion is an abuse to the proceedings of the Assembly or an infringement of the rest of the Members, the question that, the question that be now put shall be put for shall be decided without amendment or debate if that question is agreed to the Speaker shall immediately put the question according subject to paragraph 3 Standing Order 50.' Madam Speaker---

Hon. Speaker: Are you reading the correct Standing Order?

Hon. Masesi: Madam Speaker, I move that the debate be adjourned due to the reasons.....Madam Speaker, due to the many questions and documents which have not been given by the executive. Madam Speaker, it is a concern that you always advise us on the consequences of our decisions after already we have done mess and Madam Speaker in the spirit of handshake, I do request that we could adjourn and maybe Madam Speaker you advise us and make sure that we do not land on some consequences on the issues in terms of development in future Madam Speaker on how we could access money from the CoB, Madam Speaker. I wish to call upon Hon. Mitaa to second my motion, Madam Speaker.

Hon. Speaker: Hon. Mitaa.

Hon. Mitaa: Thank you, Madam Speaker. As I stated earlier, Madam Speaker, the issue is before us is a bit weighty so Madam Speaker, with that guidance, I support the motion by Hon. Masesi, Thank you, Madam Speaker.

(Applause)

Hon. Speaker: Hon. Members, when you are moving or when you are supporting this motion, please ensure that you give reasons and make sure that you are convinced yourself of the reasons you are giving even as you move to convince your colleagues so you do not sound hollow. Remember you are on the HANSARD. So if you are standing up to contribute on the issue that this debate be adjourned, give your reasons and let the reasons be convincing to yourself and to others so that after you debate for the motion to adjourn then I will put the question. Hon. Mueni.

Hon. (Ms.) Mueni: Thank you, Madam Speaker. I support the report and the report is very clear even if we defer it. The report is for 2015/2016 and you people understand that we are---

Hon. Speaker: There are no people here.

Hon. (Ms.) Mueni: Hon. Members. You are not in this House permanently; you are going like the people who were discussing that motion. So, I don't know, Madam Speaker, you just defend me because I think am talking my mind so---

Hon. Speaker: Every Member here should talk their mind.

Hon. (Ms.) Mueni: Yes and what he or she thinks is right. This motion we defer it but we are not changing where the money has gone; this motion we defer it and the money is not collected well and the people have not worked well so---

(Hon. Ngunga spoke off record)

Hon. Speaker: In what Standing Order Hon. Ngunga? What Standing Order has the member breached? Just inform her.

Hon. Ngunga: She is infringing a procedure, Madam Speaker, because we are beyond where she is taking us. We already are talking about adjournment; whether we are adjourning the debate or not.

Hon. Speaker: She is within the relevant motion because she is saying the debate should continue. So, she is within the issue in the table right now. She is in order. Hon. Mueni, proceed.

Hon. (Ms.) Mueni: Thank you, Madam Speaker. Yes, I am saying we continue with the debate because the report is very clear and it is report which is here in the House and it is in the Auditor General's office and we are not changing anything, Madam Speaker. So, whether we change it because we are feeling that the report is not good to ourselves but it is good because it's what has been done to the County. Thank you, Madam Speaker.

Hon. Speaker: Thank you Hon. Mueni. Hon. Malatya.

Hon. Mulatya: Thank you once again, Madam Speaker. Madam Speaker, there is no perfection in this world. Madam Speaker, we are not saying that this report is cancelled; we are just giving a mere 21 days, Madam Speaker, for them to get the necessary documents and if they do not within the time limit the report will just be back in the House and we are going to reject it and then the necessary steps will be taken, Madam Speaker. So, I support the adjournment of the motion Madam Speaker.

(Applause)

Hon. Speaker: Hon. Katumo.

Hon. Katumo: Thank you, Madam Speaker. This thing had been taken down; it was too long but now it is too down.

Hon. Speaker: They will do it.

Hon. Katumo: Please to make---

Hon. Speaker: Available.

Hon. Katumo: Thank you, Madam Speaker. Hon. Members, you know I got out and when I came and the climate had changed; the House environment was different but I want to say something. I have been here for long and some of this games we are playing will not take us very far. You see procedurally, the parliamentary tradition dictates to us when a report is presented in this House, we debate then we work on the outcome not when it is not concluded. I want to say and congratulate the committee because always when a report becomes a property of this House or arrives in this House, you are given some timelines to work on it and do you do the necessary procedures to make sure you get the right information.

As I stand here, I don't want to support some of these decisions that we are making for the sake of satisfying ourselves for the moment. They go a long way in affecting us as Members who we represent our people. Now I have heard members say we are giving them 21 days; who are we giving 21 days and for what reason? What else do they have that we did not receive and we are going to receive?

Now I read this report when the presenter was going through and there are areas they said they were giving contradicting information. In other places, you could not identify the one who has been paid; we are not talking about last year. Members should not forget that we are not talking about last financial year but we are talking about two financial years back. Now, what we should do as a House is to make sure we keep the executive and those people who are responsible and are charged with this duties, on their toes to make them do the right thing not to hide them to make them look good when they are not.

Madam Speaker and Hon. Members, you see, I have to say this; as Hon. Mueni has said, she is talking her mind. I saw some Hon. Members entering, trying to convince others; you can do whatever you want and it does not matter. You see whether you are trying to influence issues, whether you think you know that you can change and you can work the Assembly the way you want but the truth will remain the truth.

Whether money was misappropriated, whether the money was used for its rightful use; you cannot change and therefore I want to remain to say that I don't support this trend that we are taking; that we are withdrawing, extending. It does not work. Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Katumo. Hon. Caleb Mule.

Hon. Mule: Thank you, Madam Speaker. The Hon. Member has spoken his mind and we are also speaking our mind. Madam Speaker, the issue in question here or the issue on the floor is weighty and I think we need more time; we need to give the executive time to bring the documentation and furnish this House with the documents that are missing. Again, Madam Speaker, the report was tabled today and we need also time to interrogate the report. Madam Speaker, I strongly suggest that we defer the report. Thank you.

Hon. Speaker: Hon. King'ori.

Hon. King'ori: Thank you, Madam Speaker. I am of the opinion that the integrity of this House is in question and what I want to talk today is that what we shall do today will follow us tomorrow and I know this report is not favourable to the executive but it is the right report for the people of Machakos. It might not be favourable to them today but it will make change to the community when it will acted on and we are elected, 40 of us and 19 are nominated called Members of the County Assembly who oversight the executive. We cannot compromise this report for the benefit of handshake; this handshake is wrong. Thank you, Madam Speaker.

(Loud consultations)

Hon. Speaker: The Member has finalized his address, Hon. Ngunga. The Member has sat down and finished his contribution. Hon. Museku.

Hon. Museku: Thank you, Madam Speaker. As I always say speak your truth, quietly and keenly and that is what I am going to speak today. I gave a good preamble before my submissions and I told Hon. Members that what the auditor has done, you cannot undo. The recommendations made by an auditor and I am speaking on a financial point of view as a financial guru myself; once an auditor has given a recommendation, that recommendation can only be implemented.

Once an auditor has said the financial position of this.....he has a report out Hon. Members, which he is saying as far as its concerned, those financial statements did not reflect a true and fair view position, regardless of what we debate here, that is not going to change the auditor report. I want to make it very clear to Hon. Members here to understand the weight of the thing we are talking about. When we say there are documents to be provided---

(Loud consultations)

Hon. Speaker: Hon. Ngunga, wait. Let the member finalize his submission.

Hon. Museku: When we say we give 21 days, Hon. Members, that will only be adding fuel to the fire; it will raise more questions than answers. When I look at this report the Hon.

Committee has given very good recommendations; it is saying the concerned departments should investigate and find out whether these things were okay. That is a recommendation which is leading wide open for people to take options. It is not saying this person or that person; I want you to look at the recommendations which have been done and tell me why we are refusing the recommendations of a committee which has sat done and is saying the recommendation of the committee.

For example, Hon. Mbevi talked about the issue of the Finance Bill. The committee recommended that the good things that have been put in place for revenue collection should be enhanced; is that a wrong recommendation? The committee is giving specific recommendations which are not adverse to anybody. Remember this report Hon. Speaker.....the committee sat on the 25th of September, 2018 and from 25th of September, 2018 to today Hon. Members is how many days?

They sat down with the executive and the audit committee; they have been sitting down for nearly a year now. This report is coming down from the 25th of September to May 2019. September, October, November, December, January, February, March, April and May and that is eight months. All the documents which were provided for later on, the committee has said these documents were provided but we say in future they should be providing those documents on time; it is there in the report, Hon. Members. Read it.

There is nothing adverse about this report. I am financial guy and I know what I am talking about. This report is not incriminating anybody; this report is giving recommendations on the way forward and there is nothing adverse about the recommendations of this report. If we now try to adjourn, it will raise eyebrows in the public. Why is it that a PAIC report has been brought before the Hon. House by the committee and the Hon. House has declined it?

It will be adding fuel to the fire and raising more questions than answers because in those 21 days nobody will go to the Auditor General and change the report; the report from the Auditor General will remain as it is until Christ comes. So Hon. Members, I am requesting you we debate on this report, line item by line item and you can be able to refuse a recommendation in a specific area and my humble request is not to turn the whole report back because it is a report which as far as I am concerned is giving a position of an audit position. Thank you, Madam Speaker.

Hon. Speaker: Thank you, Hon. Museku. Hon. Kalumu.

Hon. Kalumu: Thank you Madam Speaker for granting me the chance to contribute on this matter. Well, I will start by thanking the committee for well elaborated---

Hon. Speaker: Please address the issue of adjourning the debate Hon. Kalumu.

Hon. Kalumu: Yes, the committee does it work very well and I would support the sentiments of Hon. Museku in this way. Madam Speaker, the report of the Auditor General is out and we cannot change it and we cannot paint it black and say let us have a black eye on that. If we do that, our integrity as the House of Machakos County will be in question. The only thing we can do, Madam Speaker is to discuss the motion and then determine whether we will reject the report or we will support it. Thank you, Madam Speaker.

Hon. Speaker: Thank you for being brief and unto the point Hon. Kalumu. Hon. Kamitu. I will want to put the question on adjournment

Hon. Kamitu: Thank you, Madam Speaker. I am standing here once again supporting my earlier statements Madam Speaker, that the subject matter and I would request this House to adjourn because this Hon. House is not refusing the Auditor's report this Hon. House is not even refusing the report by the committee but as I said earlier, Madam Speaker, we are short of some appendices and we are short of some information from the executive, Madam Speaker.

The subject matter, my humble request, Madam Speaker; if there are some questions that we need to get some answers from the accounting officers and this House is present, the Chief Officers are very present and my humble request, once again, Madam Speaker, is for us to adjourn so that where we have a shortfall of those answers, they can be brought to this House to remove any ambiguity, doubts and we move forward as a House.

(Applause)

That is my contribution now, Hon. Speaker.

Hon. Speaker: Thank you. It is good I can see the hand of Hon. Agatha, the mover of the motion. Please contribute on the adjournment.

Hon. (Ms.) Mutunga: Thank you, Madam Speaker. I would not wish to say we adjourn but I continue Madam Speaker, it reminded me about a King in the Bible that this Hon. Members read; Pilato, when it came to such an issue, so I would stand in the same position for not adjourning this motion but if you would allow me to be given water and basin to wash, that I am not part and parcel of this motion being adjourned.

So, the members of PAIC committee are not a parcel of this motion to be adjourned but we will not be accountable; we have washed our hands. Thank you, Madam Speaker.

Hon. Speaker: I have heard you Hon. Agatha. In fact, I was waiting to hear from a member of that committee to tell us that they were not ready with the report.

(Question of adjournment put and agreed to)

(Applause)

ADJOURNMENT

Hon. Speaker: Hon. Members, at this point the sitting of the House is adjourned to continue at 2.30 p.m. on the 7th day of May, 2019, Thank you.

The House rose at 1.30 p.m.