

MACHAKOS COUNTY ASSEMBLY**OFFICIAL REPORT****Wednesday, 30th March, 2016**

The House met at 10.04 a.m.

*[Temporary Deputy Speaker (Mr. Raphael Mutuku) in the Chair]***PRAYERS**

Hon. Temporary Deputy Speaker: Hon. Members, I can see there is no quorum and guided by Standing Order 31, I order the bell to be rung for ten minutes.

(Bell rung for 10 minutes)

The bell can stop, clerk you can proceed.

MOTIONS**AUDITOR GENERAL'S REPORTS FOR YEAR ENDED 30TH JUNE, 2014**

Hon. Kalunde: Mr. Speaker, Sir, on behalf of Members of the Machakos County Assembly Public Accounts and Investments Committee, I beg to move the adoption of the report of the Auditor-General on the financial statements of County Government of Machakos, for the sixteen (16) months period ended 30th June, 2014, financial statements of the municipal council of Machakos, Yatta and Mavoko Water and Sewerage Company Limited, the financial operations of Machakos County Executive and County Assembly for the period 1st July 2013 to 30th June, 2014.

The Public Accounts and Investments committee is a Select Committee established under Standing Order 185 and is responsible for the examination of the working of public accounts and investments. The committee was constituted by the Assembly on 30th April, 2013 pursuant to Standing Order 185.

Committee Mandate

Pursuant to Standing Order 185 (1) and 185 (2), 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.

Provided that the Committee shall not examine any of the following, namely:

- (i) Matters of major County or National Government policy as distinct from business or commercial functions of the public investments;
- (ii) Matters of day-to-day administration; and
- (iii) Matters for the consideration of which machinery is established by any special statute under which a particular county public investment is established.

Committee Membership

Mr. Speaker, Sir, this report was deliberated and approved by the undersigned Committee members.

1. Hon. Joseph Kalunde -Chairperson
2. Hon. (Ms.) Margaret Ndalana -Vice Chairperson
3. Hon. (Ms.) Ann Wairimu -Member
4. Hon. Winston M.Kanui -Member
5. Hon. Mutua Mutuku -Member

The committee acknowledges the assistance of the following members of staff in collecting the evidence, analyzing reports and organizing the final report.

1. Ruth Mwaniki - Senior Clerk Assistant
2. Susan Kiluva - Clerk Assistant III
3. Susan Kanini - Senior Internal Auditor
4. Dalmas Masila - Senior Research Officer
5. Nora Mwendwa - Public Communications Officer

The committee also acknowledges the technical assistance of the staff from Kenya National Audit Office (KENAO) during the report interrogations.

Kenya National Audit Office

1. Mr. Lamech Achika
2. Mr. Henry Maneng'ene
3. Mr. Peter Ndegwa
4. Mr. Samuel Nyamwamba

Committee Sitings and Evidence Taking

a) Evidence Taken During the Session

The Committee commenced its sittings on 31st August, 2015 and held several sittings in which almost all the relevant Accounting Officers appeared before the Committee to explain and respond to queries which had been raised by Auditor General in the audit report. The committee also had an opportunity to site visit some of the projects mentioned in the report that had either stalled or raised great concern during the interrogation. For instance, the committee visited some green houses in the sub-counties to see how they were being utilized and tractors in the yard at the Machakos Agriculture offices. The committee also toured the stalled project meant for the Governor's office.

Although almost all the Accounting Officers appeared in the committee to provide the required information during the interrogation, the committee noted with great concern that some of the officers delayed to avail the required supporting documents or information. This greatly affected the schedule of the committee.

Mr. Speaker, Sir, allow me to thank the Members of the committee for their efforts, commitment and exemplary performance in ensuring the successful production of this report. Mr. Speaker, Sir, the committee has documented their observations and given their recommendations through consensus after thorough deliberations. The committee hopes that their recommendations and those given by the Auditor General will be implemented fully.

General Observations and Recommendations

Stated here below is a summary of the Committee's observations and recommendations on some of the main queries raised in the report of the Auditor General:-

a) Delay by Accounting Officers in responding to issues raised by the auditors during the audit period.

During the time of audit, the Auditor General issued management letters to Accounting Officers to respond to audit queries before the final audit report was produced. However, there were several cases where the Accounting Officers delayed to respond to the management letter, leading to audit queries that would have otherwise been avoided. In this regard, the committee recommends that Accounting Officers must respond promptly to management letters issued by the Auditor General otherwise such officer should be sanctioned by the appointing authority.

b) Outstanding Imprest

Cases of outstanding imprests were reported in the County Executive. In this regard, the Committee recommends that:-

- i. Accounting Officers must immediately take the necessary steps to ensure that all outstanding imprests are fully recovered
- ii. In the event that there is failure to account for or surrender the imprest, the amount should be recovered from the salary of the defaulting officer.

c) Undertaking projects without baseline survey

During the period under review, The County Government undertook several projects without undertaking baseline survey to identify the need for such projects. For instance the government procured one hundred and forty (140) units of Nissan Tiida, thirty four (34) units of Subaru Outback, two (2) Land Cruisers and one (1) Prado all at a cost of Kshs.32,855,000. It is not clear how the need for the vehicles was identified and how the vehicles were to be utilized. The committee recommends the county government to consider undertaking baseline surveys before undertaking projects that require high expenditures.

d) Non Compliance to Public Procurement and Disposal Act, 2005 and Regulations 2006

The committee noted that due to the formative problems facing the County Government, most procurement of goods and services was done through direct or restricted tendering. The committee however observed that the County Government has so far employed adequate staff and trained such staff to deal with matters of procurement. The committee also established that a procurement plan was in place both at the Assembly and also at the Executive. The committee strongly recommends that the provisions of the Public Procurement and Disposal Act, 2005, the Regulations, 2006 and the procurement plan should be followed to the latter. The committee further recommends that in future, all officers who contravene the Public Procurement and Disposal Act, 2005 and Regulations, 2006 would be surcharged.

Acknowledgement

The Committee would like to appreciate the Speaker and the Clerk of the Machakos County Assembly for facilitating its operations. The committee also wishes to appreciate the officers who were invited to give evidence. Further, the committee is indebted to the secretariat of Machakos County Assembly and the Kenya National Audit Office (KENAO) for the services rendered. The commitment and dedication of all the parties mentioned above made the programme of the committee smooth and production of this report successful.

Mr. Speaker, Sir, on behalf of the committee, I now wish to table the report and urge the House to adopt it and the recommendations therein. Thank you very much Mr. Speaker. I believe that the report is a big one and I believe that if the members can be supplied with the report, they can read it and be discussed perhaps later. Thank you Mr. Speaker, sir.

Hon. Temporary Deputy Speaker: Yes Hon Kathinzi.

Hon. Kathinzi: Thank you Mr. Speaker for catching my hand. Mr. Speaker, I would like to congratulate the chair of that particular committee for trying; you have seen he is trying. When you see the document he is reading against his age, he has tried and we need to appreciate that. Mr. Speaker, this document is a voluminous document which I trust and believe we would want to do justice to our people and ensure that there is good quorum in this House to be able to

discuss in and out. It is good that we are able to form some small semi groups to go through it because this is not a very urgent document. As you can see, it is a report for the period running from 1st July 2013 to June, 2014.

Once again Mr. Speaker, as I try to support the chair, he has indicated that people be supplied with the document then perhaps we discuss it later or give it a whole day, because it has good information. Some of the information has just been hearsay; some of the reports have been taken to EACC, others are lying in the courts; other people have been convicted guilty, they have been jailed, but they are still working on our offices, Mr. Speaker. These are the issues why I am trying to emphasize that we lobby all the members of this Assembly perhaps today or tomorrow in the afternoon, you give us a little bit of time we go through it; we try to call the chief officers, try to ventilate the issues in and out so that we can deliberate on these issues in and out.

This is a very sensitive document; it is not a document whereby I can just move a motion that we have a television station for the county. This is money and I see everywhere the money is written, it is written in terms of millions and we are here because of those millions and billions, Mr. Speaker. Therefore, my kind request is that as much we would want to move the House forward in terms of deliberations of the issues at hand, Mr. Speaker with your kind attention, even now when we do not have good quorum in the House, it is good that you give instructions to the Clerk that every member be issued with this document as soon as possible and an indication that we need to go through this document so that when we deliberate it, Mr. Speaker we can be able to be reading from one page.

In addition Mr. Speaker, as you can see the indication that there is separation of the recurrent expenditure and development expenditure for that particular financial year, it is imminent to note that, now the citizens are very clever. The electorates who brought us into this Assembly, perhaps like yesterday in my ward, people said 'we won't listen to you, please give us a document of projects which are completed by the county government ranging between Kshs. 300 million to Kshs. 400 million for one particular ward.'

Mr. Speaker, people are now informed and they are informed because they were not involved in the mess which the chair is now trying to report. So it is good that we now come up with strategies, we convene maybe in the afternoon and we move this House to greater heights. Thank you, Mr. Speaker.

Hon. Temporary Deputy Speaker: Hon. Collins Mbithi.

Hon. Mbithi: Thank you Mr. Speaker. Getting my sentiments from the previous speakers, it cannot be put any better. I want to congratulate the committee for PIC and PAC for the job well done and still echo the sentiments of Hon. Kathinzi. This document clearly shows the state of the county then and possibly now. My personal feeling is that it can only be debated when we have a full House other than being listened by empty chairs. I want to second the proposal of Hon. Kathinzi that we adjourn and maybe it be scheduled for this afternoon or tomorrow afternoon so that the Hon. Members can have an input of what is contained in this

document and to be very precise Mr. Speaker, I have tried to be ahead of the chair PIC and PAC when he was reading and there are contentious issues which have to be elaborated and be discussed by these Hon. Members still in this document. So it is my humble request that we can maybe push it to either this afternoon or tomorrow for the sake of the Hon. Members and Machakos county at large. Thank you.

Hon. Temporary Deputy Speaker: Hon. Isaac Muinde

Majority Leader (Hon. Muinde): Thank you Mr. Speaker. Mr. Speaker, finally the cat is out of the sack. This is what has been ailing this government 2013 to 2015; perhaps things are even worse now. This is a report by the PIC and PAC committee, with the assistance of the Kenya National Auditor's office. Mr. Speaker, the earlier two speakers seated next to me have just said it; I only want to urge that members will not be even ready today, not even tomorrow. This is a bulky document; it needs and analysis, further interrogation. If you so direct Mr. Speaker, this should be debated next week on Tuesday so that members can analyze this document over the weekend.

Of course in the afternoon today, we have another report coming for the fiscal year 2016 /2017 from the budget committee, but considering the weight here Mr. Speaker, a lot has been happening in terms of implementation of Bills and motions and any decisions made by this House. For the last three years, Mr. Speaker if you have taken time to read ahead of the chair because he was a little bit slow, you will realize that there is so much to be desired.

Mr. Speaker, I plead with you that you so direct that this report be debated on Tuesday next week although I do not know the current status in terms of the coming recess but we need to have all the members of the Assembly here. Those who want to defend can defend; those who want to tear can do so, but Mr. Speaker, value for money. The tax payers' money of the people of Machakos has gone to the drain- a lot, and I wish that this report is not just debated by this House but the recommendations by PAC and PIC can be further implemented in terms of prosecuting the culprits. Money for the people of Machakos has been stolen and the evidence is here, Mr. Speaker.

I plead with you without repeating myself that you allow all members to have this document and interrogate it further. We do not need to call the chief officers back; they are already done with the committee. We only need to read the report, adopt it, make further recommendation and pursue the thieves who have stolen the money of the people of Machakos. Thank you Mr. Speaker.

Hon. Temporary Deputy Speaker: Hon. Members, before I give directions I can give Hon. David Manyolo one minute.

Hon. Manyolo: Thank you Mr. Speaker, Sir, and the house at large. I first congratulate the committee for PAC; I know they had hard work to go through all this and because as the

earlier speakers have stated, we have no rush, let us give ourselves ample time to go through this document.

This is the backbone of our people because I have tried to go through it; it talks of huge amounts of money being misused. Some cannot be traced, so Mr. Speaker, Sir, give us ample time and as Hon. Kathinzi had stated, if it is possible we may have a committee of whole house that we may be taken through the document carefully, slowly, so that every member can understand whatever is within the document then from there we bring the motion to the House then we discuss, because it seems most of the departments have stolen our monies and these monies belong to our electorates and when we go down to the electorates, they are also crying; 'what have you done for the last three years?' and yet we do pass budgets here and the budgets are not fully implemented. So Mr. Speaker, Sir, can you please guide us because this thing is essential to us. Thank you Mr. Speaker, sir.

Hon. Temporary Deputy Speaker: Hon. Members, I am persuaded by the previous speakers that indeed the document is voluminous. I direct that the report be referred back to the House Business committee for re-balloting. Hon. Members, this is a report before the House and this is a full house, it is not any other house, so as the House Business committee ballots it again, I urge Members to lobby the other members to be in the House so that we can have a healthy debate. Clerk you can proceed

MACHAKOS TREE PLANTING DAY

Hon. Temporary Deputy Speaker: Hon. Edrick Ngunzi?

(Member not in the House)

In the absence of the member, the motion is referred back to the House Business committee for re-balloting.

ADJOURNMENT

Hon. Temporary Deputy Speaker: Hon. Members, in the absence of any other business, the House adjourns and I direct the Clerk to ensure all members are supplied with this report the soonest possible. Thank you.

The House rose at 10.50 a.m.