

COUNTY ASSEMBLY OF NAKURU

THE HANSARD

Tuesday 27th June 2017

Assembly Building

The House met at 3.20pm

[The Temporary Speaker (Hon. Jostine Kihumba) in the Chair]

PRAYERS

MOTION

PUBLIC INVESTMENT AND ACCOUNTS COMMITTEE REPORT ON THE AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR COUNTY GOVERNMENT OF NAKURU FOR THE SIXTEEN MONTHS PERIOD ENDED 30TH JUNE 2014

Hon. Peter Palang'a: Madam Temporary Speaker, on behalf of the Members of the Nakuru County Assembly Public Investments and Accounts Committee, I beg to move the Motion THAT, the House adopts the Report of the Auditor General on Financial Statements for Nakuru County Government for the Sixteen (16) Months Period Ended 30th June 2014.

Madam Temporary Speaker, there are assets and liabilities that were omitted from the assets register right after inception of the County Government of course having taken over from the then Local Authorities. We have had some assets which were missing therefore were to form opening balances of the County Government and from the auditors views, there is missing of some assets and liabilities that affected the opening balances of the money by then.

Madam Temporary Speaker, there is this item and Members I want to draw your attention here as well. That there were some funds by the time of transition when the County Government was taking over, there were some funds held by the Local Authorities. These funds were supposed to have been transferred to the County Government.

Within the Report, the Auditor General found that some of the funds that were supposed to have been transferred part of it was withheld within those respective accounts. In our inquiries Members, we found that on the inception of the County Governments, there were some changes of signatories to those bank accounts and the Committee noted that, notably the County Secretary, was incorporated as a signatory to those bank accounts.

Our efforts as a Committee to find out how it operated were futile and therefore we could not establish on whether that money was used or not. Therefore this Committee Members has

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recommended for forensic audit. That we need some further audit on such accounts so that we establish how that amount of money was used.

And notably where possible, we have recommended for Ethics and Anti-Corruption to have some of the members investigated so that the reports are given thereafter.

Members, the Committee goes down to make some observations on various aspects the way it was enlisted by the Auditor General and in the interest of time, I wish to make some general recommendations this Committee has come up with which in our view, if implemented we feel that we will bring sanity and some of the assets that have been encroached which are land and some vehicles may be recovered.

So quickly Members allow me to go through some of the recommendations. And these recommendations Members have been drawn for each and every item. They are only 8 so let me go through and give you honourable Members an opportunity to make your contributions. And finally, I sincerely request that you adopt this Report which will really enable us, as a County to have sanity and value for money for our assets.

Among the recommendations Madam Temporary Speaker are;

Forensic audit should be done to ascertain the assets and liabilities of the County Government of Nakuru. A special audit specifically to find out where these assets are or who could have bought those assets. And there are some assets particularly land that have been encroached by private developers so we feel that the forensic audit will unveil this kind of malpractice.

We recommend that the County government should at all-time maintained and update assets register, in our interrogation we found that the assets register for this County government at times is not updated for we keep buying vehicles and other assets but this registers are not updated.

The County government should scrutinize all the inherited debts before making payments to ensure that the said debts were in existence by checking the services provided, when they were provided and also check the invoices and the LPOs to the same.

I want to emphasize so that you understand, this county since we took over has been paying debts and it is surprising that even in this House we have been passing the budget to pay those debts without the Nitti gritty details of who are being paid and whether they did that job?, when they did that job?, which services were they providing and the LPOs and invoices attached to them. The committee found out that some of this debts were being paid but in quotes, we really need to ascertain whether those people gave the services they are being paid for.

We have recommended that for the County government to continue paying it is only worthwhile for us and the county government to establish if someone did the work? What time did he do that job and the kind of job done and the invoices and LPOs attached to it for payment and scrutinize so as to save this county from losing money in the name of paying debts

The Chief Officer in charge of Finance and Economic Planning should at all-time submit all documents to the auditors to avoid some of this questions, by the time of audit some of the

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documents were not submitted to the auditors and they keep on raising questions later on, so we recommend that all documents must be provided to the auditors at the time of audit.

All conditional grants should be utilized for the intended purpose, you realize in the audit report there is that grant given to the Nakuru County Referral Hospital (PGH) and some of this money were diverted to undertake some other activity elsewhere and not within the PGH. We recommend at any time when we are given money by the national government then that money should be utilized on the intended purpose and should not be diverted to other undertakings.

Public Service Management should always maintain the data for all its employees both permanent and casuals, indicating the station, terms and conditions of employment. In the report it was evident that in terms of the wage bill, the Auditor General had raised an issue on it.

In our interrogation as a Committee we found out that it was not clear on where some of the employees were working, their terms and condition of employment and this was specifically on casuals. I wish to move the Motion and beg Hon. Mujing'a to second. I wish also to urge members to look into the Motion carefully as they debate it. Thank you.

Hon. Mujing'a Kariuki: Thank you Madam Temporary Speaker, I stand to support the Motion because of the general recommendations that they have made but my worry is, who is going to supervise the implementations of the Report because if the report for 2014 is going to be put when we have only 2 days to go to an indefinite recess I am wondering who is going to implement it. The Report of the PIAC is very good and I wish to second the Motion.

(Question proposed)

Hon. Peter Macharia: Thank you Madam Temporary Speaker, I stand to support the Motion but first of all I want to commend the Committee for a job well done. But it looks a little weird to discuss a report of 2014 and we are already in 2017, three years down the line. But because of the timelines and we are told to support it.

The Report is well compiled; for example this issue we are seeing pending bills of Kshs 27 million...we do not know it is for which ministry specifically, as the Chairman has said they are grants which have been combined so we cannot know which is which.

I think the PIAC Committee that will come after this Assembly should investigate and give details of how to go about it. I welcome the forensic audit because money has been squandered. A lot of money will come at the close of the year and we do not know where this money is being channeled to.

I support this Committee being the first committee since 1963 to try and scrutinize issues dealing with audit issues in this Nakuru County. I say *heko kwa* committee and Madam Temporary Speaker I pray to God that the Chairman and the entire committee comes back because you are now aware that in 2016/2017 money has been used. Now you will have more experience and I pray that you Hon. Palang'a comes back so that you rescue Nakuru County. Thank you very much Madam Temporary Speaker we love you so much may God bless you.

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The Temporary Speaker (Hon Jostine Kihumba): Yes hon Florence

Hon Florence Njoroge: Thank you Madam Speaker, I just want to comment on something although I am not feeling Okay. Maybe the independent aspect of it is getting hotter and hotter in Nakuru as the days to General Election goes by. I want to support the Report and more so I want to give a pat on the back for the Chairman PIAC and its Members. Although this Report should have been done as soon as yesterday, if you look at the first recommendation; Forensic audit to ascertain the assets and liabilities of the county Government of Nakuru; unless there was sabotage on the same and maybe the transition government did not do their job. Down the lane four years later we do not know the liabilities and assets of Nakuru County. This is a baggage that we are going to carry forward to the Second Assembly.

When I go through the recommendations and as the chairperson of Implementation Committee, this work should have been done at least annually so that the Implementation committee would have gone deep to oversee the implementation of this Report. All said and done, I hope and as my colleagues have stated, we pray hard that the chairman comes back because we need the implementation of these recommendations. Otherwise if they are not implemented, if the County Assembly does not follow up, I am afraid the incoming county government leaders will have lapses and all is not going to be well. Otherwise I do support the Report.

The Temporary Speaker (Hon Jostine Kihumba): Thank you very much Hon Florence; Chairman are you okay

Hon Peter Palang'a: As a point of information to all Members; I know it is also a concern to us as a committee in terms of the timeliness. Apparently the Auditor General report gets to us almost a year or two years later and that is why this Report is being tabled late. I wish also to mention and I want to believe and as Hon Florence has informed me and I want to go on record that we have really had a lot of frustrations from this Assembly for the purpose of tabling this Report. We had done this Report sometimes back and I pushed for its tabling two weeks ago and until today it is being presented here for adoption. Not only this report but there is another Report done by this committee completed last year and that Report to date as we go for recess has not been tabled before this House.

So we have really had a lot of frustrations when they present the reports at their will. I want to go on record by saying we are served this county diligently despite challenges we have faced. In terms of time, it is not out of our wish. I am also proud this Report has seen the light of the day though I do not know how it will be implemented, otherwise it has been a huge task for this Report to be tabled here.

(Question proposed)

(Question put and agreed to)

ADJOURNMENT

We stand adjourned until tomorrow at 9.30 am

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(House rose at 3.40pm)