REPUBLIC OF KENYA

BOMET COUNTY ASSEMBLY

THE FIRST ASSEMBLY – FOURTH SESSION

REPORT OF THE

PUBLIC ACCOUNTS & INVESTMENTS COMMITTEE

ON THE

FINANCIAL OPERATIONS OF THE COUNTY ASSEMBLY

FOR THE

YEAR 2013/2014

Table of Contents.

Acronyms

IPPD	Integrated Payroll and Personnel Database.
IT	Information Technology.
ICT	Information and Communication Technology.
IFMIS	Integrated Finance Management Information System.
PAC/PIC	Public Accounts & Investments Committee.
CASB	County Assembly Service Board.
MCA	Member of County Assembly.
ICPSK	Institute of Certified Public Secretaries of Kenya.
FY	Financial Year.

PREFACE

Mr. Speaker Sir,

On behalf of the Members of the Bomet County Assembly Public Investments and Accounts Committee, I beg to move the adoption of the Special Report of the Committee on the audit queries raised by the Auditor General on the Financial Operations of the County Assembly of Bomet for the period ending 30th June, 2014.

The Public Investments and Accounts Committee is a select Committee established under the Standing Order No. 189 and is responsible for the examination of the workings of public accounts and investments. The Committee was constituted by the Assembly in 2013 pursuant to Standing Order No. 189.

Committee Membership.

The PAC/PIC Committee as currently constituted comprises of the following Honourable Members:-

1. Hon. Samson Towett -Chairperson.
2. Hon. John Chepkwony - V/Chairperson.
3. Hon. Reuben Langat - Member.

4. Hon. S. Changmorik Koech -Member.
5. Hon. Benard Ngeno -Member.
6. Hon. Leah Chepkoech - Member.
7. Hon. Robert Serbai - Member.

Mandate of the Committee.

The Committee is mandated to do the following: -

i. The examination of accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and such other accounts laid before the County Assembly as the Committee may think fit.

ii. Examine the reports and accounts of the county public investments;

iii. Examine, in context of the autonomy and efficiency of the public investments, whether the affairs of the public investments are being managed in accordance with sound financial or business principles and prudent commercial practices.

The Committee shall however not examine:-

a) Matters of major Government policy as distinct from business or commercial functions of the public investments;
b) Matters of day-to-day running and
c) Matters for the consideration of which machinery is established by any special statute under which a particular public investment is established.

The Committee has power, under the provisions of Article 195 of the Constitution of Kenya to summon witnesses, examine them on oath and receive evidence.

Despite a few challenges that were noted, the Committee discharged its mandate as provided for by the Standing Orders.

Allow me Mr. Speaker to thank the entire Membership of this Committee for its hard work and commitment which made the taking of evidence and production of this report a success.

It is therefore my pleasant duty and privilege, on behalf of the PAC/PIC Committee, to table this report on the Financial Operations of the County Assembly of Bomet for the FY 2013/2014 for debate and consideration.

Signed .... Date ....

HON. SAMSON TOWETT

CHAIRPERSON

PAC/PIC COMMITTEE.

Committee Membership and Ownership.

We, Honourable members of the PAC/PIC committee do hereby append our signatures to this report to affirm our approval and confirm its accuracy, validity and authenticity:-

NO.	NAME	DESIGNATION	SIGNATURE
1.	Hon. Samson Towett	Chairperson	
2.	Hon. John Chepkwony	Vice Chair	
3.	Hon. Reuben Langat	Member	
4.	Hon. Benard Ngeno	Member	
5.	Hon. Leah Chepkoech	Member	
6.	Hon. Robert Serbai	Member	
7.	Hon. Stephen Changmorik	Member	

Background.

The Public Accounts and Investments Committee has the mandate to examine audit reports on the financial transactions of the County Governments, both Executive and County Assembly under Standing Orders No. 189.

The audit objective was to ascertain whether the systems formulated and applied by the County Assembly were reliable for the management of the County Assembly's finances in the delivery of services to the local residents.

The Audit covered the County Assembly of Bomet for the period 1 July 2013 to 30 June 2014. The terms of reference set for the audit included verifications and confirmations of transactions in respect but not limited to the following areas:

- Budgetary control and performance.
- Annual operational/Activity plans.
- Cash and bank balances.
- Procurement and procurement of goods, works and services.
- Allowances including travelling and accommodation expenses for local and foreign trips.
- Cash and bank balances.
- Motor vehicle running expenses and fuel.

- Non-current assets.
- Human resources

The County Assembly of Bomet received the Auditor General's report which was then tabled and referred to the Public Accounts & Investments Committee. Subsequently the PAC/PIC Committee sat and resolved to invite the Accounting Officer and other witnesses to answer all the audit queries raised in respect of the Financial Operations of the County Assembly for the FY 2013/2014.

Committee Proceedings

The Committee held one meeting on 15th December, 2015 at 8.30 am during which time the Principal Finance Officer and her team responded to all the audit queries on the Financial Operations of the County Assembly for FY 2013/2014. She also took her time to explain in detail all the measures the County Assembly has put in place to ensure that public funds are used as per the law to benefit the residents of Bomet County.

During its sitting, the Committee closely examined and heard evidence from the witnesses and also reviewed various documents and received written evidence from the Accounting Officer.

While taking evidence, the Committee was guided by the existing procedures and modalities of operation of the Bomet County Assembly derived from the Constitution of Kenya, 2010; Bomet County Assembly Standing Orders, common practices and rulings and directives of the Chair.

The Legal Framework.

Article 226 (1) (5) of the Constitution of Kenya, 2010 stipulates 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."

The Committee is glad to note the enactment of the Public Finance Management Act and calls on the Appointing Authority to strictly apply provisions of this Act to ensure fiscal discipline over public funds.

In this report, the Committee has applied Sections 226(1) (5) of the Constitution of Kenya, 2010.

THE PAC/PIC REPORT ON THE ISSUES RAISED BY THE AUDITOR GENERAL FOR THE YEAR 2013/14.

1.0 Integrated Payroll and Personnel Data (IPPD).

Issues Raised

In the Auditor General's report for the period under review, it was noted that the County Assembly has not implemented IPPD for payroll and human resource data processing and instead depends on the County Government systems. Therefore, they are not independent and there is no segregation of duties to control the system users.

Management Response.

In their response to the Committee, the Principal Finance Officer stated that during the time of audit, the IPPD system had not been implemented in the County Assembly, however, the request for the installation had been sent to the Ministry of Devolution and Planning. In this regard, there has been good progress on the same and the IPPD system was installed in August, 2015 and implemented immediately. The County Assembly is therefore currently independent in terms of management of payroll since it is being run by County Assembly's Human Resource Department. The National Treasury has facilitated the process by providing modem.

The G-Pay system (Internet Banking) had not been put in place due to the fact that the Assembly did not operate an account at Central Bank of Kenya during the time of audit but now the County Assembly operates an account at the Central Bank of Kenya.

Committee Observations.

The Committee noted that the Assembly has implemented the IPPD systems and the Internet Banking is operational. On this note the Committee observed that the system could improve the internal controls of the Assembly and thus increase operational efficiency.

The Committee further noted that the implementation of the systems has created the necessary independence for the Assembly.

Committee Recommendations.

i. The County Assembly Service Board should prepare human resource manuals to guide in recruitment, job placements among other aspects.
ii. The Assembly should ensure that the IPPD is properly managed and ensure that the Human Resource Department is well staffed with skilled personnel.

1.1 IT Control Environment and ICT Governance.

Issues Raised

i. The County Assembly has not formulated a County Assembly ICT Framework.
ii. The Assembly has not developed some of the key ICT documents such as ICT policies and procedures, ICT strategic Plan, Business Continuity Policies (BCP) and Disaster Recovery Plans (DRP).
iii. ICT Steering Committee has not been constituted to address these issues.

Management Response.

The Accounting officer responded that the ICT framework has been improved since the Assembly has developed various policies including ICT Master Plan, ICT policies and procedures. He further stated that the Assembly is now in the process of forming an ICT steering committee to address the issues. Furthermore, the ICT department is now well staffed since the CASB has employed four Permanent Staff.

Committee observations

The committee noted with concern that the County Assembly delayed in putting in place necessary ICT structures to address the issues.

Committee Recommendations.

i. The Committee recommends that ICT Master Plan and ICT Policies and Procedures should be developed and placed before Assembly for approval.
ii. The Committee further recommend that the Accounting Officer should complete the process of forming an ICT Steering Committee within one month of tabling this report.

2.1 IFMIS AND G-PAY.

Issue raised.

The Committee noted that the County Assembly had not installed IFMIS and therefore maintained a manual cashbook and vote Book which contravenes Section 8 (2) (a) of the County Government Public Finance Act 2012.

Management Response.

The witnesses responded that during the time of audit, the IFMIS system had not been installed and implemented due to poor infrastructure network but at the moment the challenge has been addressed and the system is now operational and all transactions are now captured in the IFMIS.

E-Procurement which is now mandatory in all government entities' procurement transactions has been implemented since the beginning of the current financial year 2015/2016. The County Assembly staff working in the finance department have received enough training on the use of IFMIS from IFMIS

Academy which is being sponsored by the National Treasury.

On the implementation of internet banking (formerly GPAY), it is true that the system had not been put in place during the time of audit due to the fact that the assembly didn't operate an account at Central Bank. The County Assembly has so far made tremendous progress since then and a team from CBK has installed internet banking. Staff from key department have been assigned passwords for the operationalization of the IFMIS i.e Finance, Procurement, ICT and Clerk's Office. Key staff who have undergone training includes;-

1. Stella Chemutai - Principal Finance Officer.
2. Clara Chebet - Senior Accountant.
3. Nathan Ngetich - Accountant.
4. Benjamin Langat - Accountant.
5. Geofrey Maritim - Senior Internal auditor.
6. Richard Cheboin - Auditor.
7. Clement Kirui - Principal ICT Officer.

Committee Observation

It was noted with concern that the county Assembly maintained a manual cash book and vote book which is prone to abuse.

However, the Committee was satisfied that progress had been achieved through computerization of the process.

Further, the Committee noted with appreciation that staff had been trained for the job.

The Committee observed that key staff from other key departments seemingly have not received enough training on IFMIS.

Committee Recommendations.

i. The County Government should enhance ICT capacity so as to facilitate faster implementations of projects.
ii. ICT governance documents should be formulated and adopted by the Management of the County Assembly to help fast-tract the implementation of the e-governance.

iii. Key staff who have not received training on IFMIS should be facilitated to undergo training immediately.

3.1 Unsupported Expenditure on Salaries and Allowances

Issue Raised.

The Auditor General's report highlighted the fact that the County Assembly incurred expenditure totalling to Kshs 83,685,308 in respect of salaries and allowances for MCAs, County staff and casual labourers during the financial year. However, the expenditure was not supported with documents such as monthly payroll, signed wages schedules of the casual labourers, personal files and the respective payment vouchers used to effect cash transfers to the payees respective bank accounts.

Management Response.

The officers responded that during the Financial Year 2013/14, the management of the payroll was done by the County Executive. All the documents relating to the salaries were kept at County Executive. Therefore during the time of audit a letter was written to the County Secretary to avail the documents which were needed for audit exercise. However, the documents have been released to the Auditor General for audit verification. Furthermore the Chief Finance Officer of the County Treasury had also noted that the documents relating to salaries should be audited in their office. Currently the County Assembly of Bomet is independent and it runs its own Payroll.

Committee Observation.

The committee noted that it was wrong for the County Executive to maintain the Assembly's payroll contrary to the spirit of separation of powers.

Committee recommendations.

i. All documents such as monthly payroll, signed wages schedules of the casual labourers, personal files and the respective payments vouchers used to effect cash transfers to the payees respective bank accounts should be kept and availed when required.
ii. The County assembly must properly manage all financial transactions and especially salaries and

allowances to County Assembly Members and staff.

4.0 Overpayment of Per Diem Allowances Kshs 1,085,300

Issues Raised.

The Committee noted with concern that Members of the County Assembly and other officers were overpaid amounts totalling to Kshs 1,085,300 as a result of miscalculations of the number of days they attended various workshops on Capacity Development held on diverse dates in three different venues. Further, the Auditor could not establish how the claimants travelled from Bomet to Kericho as no work tickets were attached to the payment voucher.

Management Response.

The officers responded as follows:

i) The team that attended the training in Mombasa travelled back from 2nd August, 2013 as per the Bus Ticket. However, due to mechanical problems on the way, the team of MCA's and staff arrived on 3rd August, 2013. The total night outs therefore were seven (7) days.

ii) The Training Program in Kericho ended at 6.00 pm and not 2.00 pm as stated in the Auditor General's report. This necessitated the participants to spend the night of 13th October, 2013 in Kericho hence, the payment of 4 night-out allowances.

iii) The initial invitation indicated that the participants would report on 26th September, 2013. However, the program was changed to 26th and reporting day was on 25th September, 2013.

iv) The Members attending the workshop travelled by private means and each was re-imbursed Kshs.2,000 as travel costs. This was based on rates approved by the County Assembly Service Board.

Committee observation

The Committee scrutinised the documents tabled and was in agreement that they were authentic. The Committee Members were in agreement that the issue had been properly explained. The Committee however noted that the exchange of the supporting documents between the Assembly and the Auditor General may not have been smooth.

Committee Recommendation.

The Committee recommends that proper and efficient communication channels should be established between the Assembly and the Auditor General (e.g. email, courier services, etc) to ensure prompt exchange of documents and information.

5.0 Outstanding Temporary Imprest.

Issue Raised.

Records maintained by the County Assembly of Bomet reflected outstanding imprests of Kshs 1,050,000 as at 30 June 2014.The imprests had been issued to members of the County Assembly for Ward Administration expenses. No evidence was availed to show how the amounts paid as Ward Expenses was arrived. In the absence of surrender documents, the propriety of the expenditure could not be confirmed.

Management Response.

The Accounting Officer indicated that due to undeveloped infrastructure at the ward level, there was delay in surrendering of standing imprests. The imprests were issued to meet expenses to meet operating expenses at the wards and the same had not been surrendered as at the time of audit. However, the same has since been surrendered. The surrendered documents were forwarded to the Auditor General for audit verification.

The Committee observation.

The committee noted that the County Assembly financial control needed to be improved to ensure that proper planning is in place for prudent management of scarce resources.

Committee Recommendation.

The Committee agreed with the Accounting Officer that indeed the ward offices were not fully operational at the time. It was therefore, out of nobody's fault that there was delay in accounting for imprests. However, the Committee made it known that this should not be an excuse in the future to delay accounting of imprests issued.

6.0 Doubtful Expenditure on Travelling and Allowances

Issues Raised

The Committee noted that the County Assembly paid Kshs. 1,700,400 to thirty six (36) Members of the County Assembly and other (20) County Assembly Officers in respect of per diem allowances and transport cost while attending a workshop on

Transformational Leadership held at a Hotel in Nakuru County between 28 July and 3 August 2013. A law firm was awarded a contract to conduct the workshop at a contract sum of Kshs 2,959,300.There was no evidence that the law firm was contracted through the prescribed procurement process. The expenditure was not approved by the County Assembly Service Board and the Assembly has declined to pay the law firm the contract amount and the Law firm has subsequently sued the Assembly.

Management Response.

The Accounting officer responded that it was true that the workshop was not properly procured. Therefore the bill incurred has not been settled because the Assembly noted that the procurement process was flawed.

It was reported that though there were three quotations from different suppliers namely Wamalwa, Abdi & Company Advocates, Musyoki Mogaka & Co. Advocates and Braintrust International Limited, the Assembly felt that the right procedure was not adhered to due to the following reasons;

i. Evaluation of tenders and Tender award was hurriedly done on 20th August, 2013, the day Wamalwa, Abdi & Co. Advocates was notified of her successful prequalification to offer legal services.

ii. It was further reported that the Contract was entered on 21st August, 2013 between the two parties, the former Clerk Mr. Daniel Nkere, had already requested Wamalwa, Abdi & Co. Advocates to supply and deliver 1450 copies of 29 selected statutes and copies of Vision 2030 booklets on 20th August, 2013.

iii. Furthermore, the Committees attention was drawn to the fact that this matter is already in Court.

iv. It was submitted also that the participants from Bomet County Assembly were paid full per diem hence they were supposed to cater for their own accommodation. In view of the above, the officer confirmed that the Assembly did not procure for full board conference hence participants were supposed to seek for their accommodation in their place of choice.

Committee observation

After perusal of the documents the Committee appreciated the fact that the matter is still in court but nonetheless noted the following;

i. The then Accounting Officer may have floated the procurement procedures.
ii. The participants were paid full per diem hence they ought to have paid for their own accommodations.

In view of the above the Committee made the following recommendations;

i. Since the matter is in court, the process should be allowed to its conclusion.
ii. The members and staff who spent the night at Merica Hotel should settle the bill.
iii. All procurement of goods and services should be done in line with the Public Procurement and Disposal Act, 2015.
iv. Due to the fact that the case is already in court, the County Assembly should make a budgetary provision to gather for any cost that may arise in the event it loses the case.
v. In the event of any culpability at the end of the case, the PAC/PIC may have to make a decision as to the next course of action.

7.0 Unsupported expenditure on travelling and accommodation.

Issues Raised

The County Assembly incurred an expenditure totalling Kshs 598,000 in respect of two night-out allowances for thirty three (33) MCAs and fifteen (15) County assembly officers who were involved in public participation workshop in Kericho town.

i. The Assembly has not explained why the public participation for Bomet County was held in Kericho County.
ii. No travel documents were availed to support the expenditure on travel totaling Kshs 43,000.
iii. The specific venue where the meeting was held in Kericho was not disclosed.

Management Response.

The Accounting officer explained that the expenditure of Kshs. 598,000 was legally incurred in respect of a retreat which took place at Taidys Hotel Kericho on 28th to 29th June, 2014. Members of the County Assembly were deliberating on a bill on public participation. The Legal officers took the members through the Bill explaining in details what each provision of the bill is all about. The Standing Orders No. 113 of the County Assembly of Bomet do require members to consider bills and other legislative proposals before publication.

The officer stated further that the transport of Kshs. 1,000 paid to each member was approved by the CASB.

The venue for the training was at Taidys Hotel, Kericho which was procured through competitive process.

Committee Observations.

The committee after serious deliberation was satisfied with the response of the Accounting Officer but decried the fact that the payment voucher did not have clear narration

Committee recommendations

i. The county Assembly should ensure payment vouchers have clear narration, and properly examined.
ii. The sections of voucher preparation, examination and internal audit should be manned by competent and qualified staff.

8.0 Irregular payment of allowances to MCAs and County Assembly Staff members Kshs 388,500.

Issues Raised

The Committee noted that the County Assembly paid Kshs 388,500 in respect of per diem allowances to MCAs and other County Staff members who took part in report writing in respect of Alcoholic Bill on 11 March 2014 and County Fiscal Strategy Analysis on 12 March 2014 at the Hotel. The meeting was held in a hotel which is within their work stations. No satisfactory explanation has been given as to why the participants were paid night outs.

Management Response.

The accounting officer responded that the Members of County Assembly had to go and deliberate on the alcoholic bill at Tenwek Greenhouse Hotel. The Legal Committee was deliberating on the matter as per the standing orders. They made the resolution to have an overnight meeting at Tenwek Greenhouse Hotel.

Payment of allowances was necessary since MCA had to work overnight to meet the deadline of the County Fiscal Strategy Paper. Hence the allowance was not per diem as stated by the auditor.

Committee Observation

The Committee noted that it was erroneous for the members and staff to be paid Per Diem allowance while working within their area of jurisdiction.

To deter the above from recurring the Committee recommends that all monies paid out to MCAs and staff as per diem while they attended a meeting within Bomet should be recovered.

8.1 Workshop on Devolution

Issue Raised

The Assembly incurred expenditure totalling Kshs 1,734,000 in respect of per diem allowances to thirty(30) MCAs, thirteen (13) members of staff of the County Assembly who attended 4 days' workshop on Devolution and Legislative Process in Kisumu between 19 and 23 November 2013.The Assembly also incurred expenditure totalling Kshs 2,590,000 in respect of per diem allowances to thirty five (35) MCAs for attending another workshop on Devolution and Legislative Process at a Hotel in Mombasa from 16 to 22 December 2013.No explanation has been provided for attending similar workshops in two subsequent months. Further, no documentary evidences were provided to support the expenditure on travel.

Management Response.

The theme for the training at Sunset Hotel was about devolution and legislative process where members were taken through the new era of devolution and how best to play their legislative role of oversight, representation and legislation. Participants underwent induction, procedures for enacting bills and legislative process.

Whereas the training at Sai Rock Hotel Mombasa was about devolution, legislative process, bill making and budget making process. This training was informed by the fact that the budget making process is tedious and it was the first time members of the county assembly were involved in the process of making a budget. This training emphasized majorly on leadership, budget making and policy formulation.

The two trainings were therefore different in content and details, thus being beneficial to the members. It is therefore our contention that the expenditure was regular.

Committee Observations.

The Committee after deliberation noted the following;

i. Failure to make proper work plans may leads to unjustified trainings.
ii. Failure to do evaluation on the trainings attended may distort the value of such trainings.

Committee Recommendation

i. All trainings should be approved by the County Assembly Service Board.

ii. Supporting documents must be attached to all expenditures.

iii. Official travel be undertaken using official vehicles. However, members using private means should provide documentary evidence.

9.0 Payment of Foreign Trips Per Diem Allowances of Kshs 8,289,680

Issue Raised

The committee noted with concern that the Assembly incurred expenditure totalling Kshs 8,289,680 in respect of per diem allowances for 52 participants attending a conference on Leadership Integrity and Governance in Tanzania from 29 to 30 May 2014 initiated by the Institute of Certified Public Secretaries (ICPSK).The participants also visited the East Africa Legislative Assembly and the Tanzania parliament up to 5 June 2014.The Assembly contracted Tours and Travel Company to procure returns air tickets and was paid Kshs 1,911,000 without competitive bidding.

Committee Response.

i. The Accounting officer responded that the county assembly of Bomet was invited by ICPSK to attend training on leadership, governance and integrity workshop in Arusha. The facilitators were sourced by ICPSK and not the county assembly as stated. The Institute is established under the Act of Parliament, Cap. 534 of 1988 hence the Assembly's management saw it prudent to accept an invitation from a government institution. The training which was being offered was relevant.

ii. Quotations were sourced from different suppliers namely, Africana Savana Tours Ltd, Shian Tours and Destination Connect. Africana Savana emerged the lowest evaluated bidder.

iii. The participants from Bomet County Assembly were 52 in number comprising of 35 members of county assembly, Hon. Speaker, Clerk of the County Assembly, 13 staff and two guides for the 2 members representing persons with disabilities. The two guides excluded in the list were later forwarded for approval, since it was necessary for them to accompany the two members with special needs.

Committee observations

The Committee was satisfied with the response of the Accounting officers but nonetheless observed that;

i. Value for money may not be achieved when proper work plans are not put in place.
ii. Failure to observe training plans may lead to loss of funds.

Committee Recommendations

i. The Accounting Officer should ensure that all expenditure on foreign travel is properly accounted for.
ii. Clear guidelines should be put in place regarding foreign travel so as to avoid loss of public funds.

10.0 Procurement of goods and services without approved Annual procurement plan

Issue raised.

The County Assembly did not prepare a procurement plan for the period 1 July 2013 to 14 November 2013 for the financial year 2013/2014.

Management Response.

The said Procurement Plan was approved on 14th November, 2013. It was not possible for the assembly to prepare the plan earlier since it lacked capacity at the time. The Assembly was still putting structures in place. Since then the Assembly has consistently prepared Annual Procurement Plans.

Committee observation.

The committee scrutinize the documents and agreed that they were authentic .They were satisfied with the response of the Accounting officer but decried the fact that procurement procedures was not adhered to between July 1 to 14th November, 2013.

10.1 Irregular Procurement of Goods and Services.

Issue Raised.

Examination of procurement records availed disclosed that all procurement committees for the financial year 2013-2014 were appointed on 7 January 2014. All procurements done before then were in contravention of the Public Procurement and Disposal Act, 2005.

Management Response.

The Accounting Officer stated that during the FY 2013/2014, Committees that were approved included Tender Committee, Evaluation Committee and Tender

Opening Committee. There must have been an oversight that led to the Auditors not being given the documents.

Committee Observation.

After perusal of the documents the Committee was satisfied by the response given by the Accounting officer but noted that failure to adhere to procurement laws may lead to loss of public funds.

Committee Recommendation

The County Assembly should and must ensure that all procurements are done within the Law.

11.0 Unsupported Expenditure on Rental Payment.

Issue Raised.

The County Assembly incurred expenditure Kshs 650,000 in respect of rental payments for the speaker's house. However, the` relevant documents in support of the payments including the valuation and lease agreement indicating the details of the house were not availed for audit review. Further, it was not explained how the house was identified as no procurement procedures appear to have been recorded.

Management Response.

The expenditure relates to the rent being paid for the Speaker's Official residence. A valuation was done by the Ministry of Lands, Housing and Urban Development on 8th January, 2014. The valuation report which is attached herewith indicates that the payable rent is Kshs. 60,000/- per month. However, the Land Lord demanded a monthly rent of Kshs. 65,000/- which was agreed upon by the County Assembly and the Landlord as per the lease agreement attached hereto. The Procurement records indicate that there were no variety of houses meeting the specifications of the required house as it can be seen in the minutes of 7th September, 2013 attached herewith. This necessitated the use of direct sourcing.

Committee observation.

The Committee scrutinize the documents provided by the Accounting Officer and was satisfied that they were authentic.

The Committee however noted that the County Assembly ought to have invited an expression of interest to acquire the ideal house for the Speaker which would have met the specifications.

Committee Recommendation.

All procurements should be done competitively as required by the Public Procurement and Disposal Act, 2015.

CONCLUSION.

The County Assembly should always strive to address and refrain from all the anomalies noted in the audit process. This would ensure that effective service delivery to the residents of Bomet is assured. All laid down Government Procedures and Regulations should be adhered to so as to safeguard public resources and ensure that the resources are only utilized for purposes for which they were intended.

MINUTES OF THE 27TH PAC/PIC COMMITTEE MEETING HELD ON 15TH DECEMBER, 2015 AT 9.00 AM IN THE BOARD ROOM.

MEMBERS PRESENT.

1. Hon. Samson Towett - Chairman.
2. Hon. Reuben Langat - Member.
3. Hon. Robert Serbai - Member
4. Hon. Stephen K. Changmorik - Member
5. Hon. Leah Chepkoech - Member.
6. Hon. Benard Ngeno - Member

ABSENT WITH APOLOGY.

7. Hon. John Chepkwony - V/Chair

IN ATTENDANCE.

1. Mr. Rono - Office of the Auditor General.
2. Mr. Oluoch - Office of the Auditor General
3. Stella Chemutai - Principlal Finance Officer
4. Susan Koech - Committee Clerk.

AGENDA.

1. Preliminaries.
2. To examine witnesses on the Financial Operations of Bomet County Assembly for the year ending 30th June, 2014.

MIN. NO. 108/12 /2015 PRELIMINARIES.

The meeting was called to order at 9.30 am with opening prayers led by Hon Leah Chepkoech.

Confirmation of minutes was deferred therefore there were no matters arising.

MIN. 109/12/2015 TO EXAMINE WITNESSES IN RESPECT OF THE FINANCIAL OPERATIONS OF THE COUNTY ASSEMBLY FOR THE YEAR ENDING 30TH JUNE, 2014.

The Chair welcome the members, officers from the Office of the Auditor General and invited witnesses from the County Assembly lead by the Principal Finance Officer. Introductions were done and the business of the day commenced.

Each Audit query was addressed in detail and all comments are contained in a detailed audit report to be prepared for tabling on the floor of the House soon. Finally after long deliberations, it was unanimously

RESOLVED

> That a comprehensive audit report incorporating all comments from PAC/PIC committee in respect of all Financial Operations of the County Assembly for the year ending 30th June, 2014 be prepared and tabled as required by law.

The meeting adjourned at 1.00 pm with prayers led by Hon. Reuben Langat.

Confirmed.. Date.................................

Hon. Samson Towett,

Chair – PIC/PAC COMMITTEE.

Certified ....Date.................................

S. Koech- **Secretary/Committee Clerk – PIC/PAC.**