

BARINGO COUNTY ASSEMBLY

THE HANSARD

The House met on Tuesday 14th March 2023 at 9:40AM

The Deputy Speaker (Hon. Kimosop) in Chair

PRAYERS

The Deputy Speaker (Hon. Kimosop): We could not bow to empty Chair on the other side, Clerk...my attention has been drawn that we do not have quorum, it is becoming a challenge in this House that on such a day when we are expected to be on business, we are struggling to raise quorum. The Majority Leader, Minority Leader and Chief Whip needs to seriously have a discussion on how to whip members to ensure our House functions. Our major reason being here is to transact business of the people of Baringo. We need a proper discussion on this ... I order the quorum bell be rung for five minutes to raise quorum, thank you.

(Quorum bell rung)

Majority Leader do we have the requisite number?

Hon. Lokorio: Mr. Speaker I think we have quorum Mr. Speaker sir,

The Deputy Speaker (Hon. Kimosop): We can proceed, to emphasize in the morning members the issue of quorum is becoming a concern and especially when we have statutory obligations that we have to discharge like the debate of the PIC/PAC report which is becoming a national and county debate featured in majority of dailies. We transact official business which its extension is in the committees. People of Baringo should see that we take the issue of quorum seriously and I still reiterate my earlier concerns to the majority leader and his whip together with minority leader and her whip and the leadership that we do not have quorum hitches we have been experiencing in this House. I expect that to be reported back to this Chair in the afternoon tomorrow. Clerk proceed...

STATEMENTS

STATUS OF RELIEF FOOD PROGRAMME FOR THE COUNTY

The Deputy Speaker (Hon. Kimosop): Statement 009 2022 by Hon. Sharon Keter MCA Baringo County statement sought from the majority leader party. Majority leader

Hon. Lokorio: Thank you Mr. Speaker sir, Hon. Sharon Keter sought statement on status of food security in Baringo, response;

- i. Is Baringo county one of the counties that has benefited from national relief programme? Yes, Baringo was among the counties that benefited from national relief programme with special consideration given to six sub counties (Tiaty East, Tiaty West, Baringo South, Baringo North, Mogotio and Baringo Central) as per evidence in annexed 1

- ii. How far has the national government gone in the initiated process of giving relief food stuff to affected Baringo County residents? So far the national government through the office of county commissioner has received a total of 7020 (50kg) bags of rice and 8940 (50kg) bag of beans in the six sub counties apart from Eldama ravine for the last four months that has gone as long way in supporting institutions that have been affected by drought and other insecurity challenges as shown in annex 1 below.
- iii. Who of the affected has been reached and sufficient has the process been? A total of 233 learning and other institutions in the six sub counties has been reached however there still remain more institutions that require similar support but have not been reached out due to resource constraints.
- iv. Does the department have plans to roll pout supplementary programme on relief food programme as you may be aware that national programme might not be sufficient? Yes, the department of devolution, public service and administration through the directorate of risk management has prepared a supplementary budget proposal of Kshs. 21 million to support procurement of food stuffs that will complement the ongoing effort by the national government and other stakeholders in addressing drought situation in the county for the next three to six months. In addition the department has procured 810 (50kg) bags of maize and 430 (50kg) bags of beans that has been planned to support 56 ECDE centers that are; hard to reach, affected by insecurity, stand alone or those that did not benefit from current school feeding programme as attached in annex 1. Further collaboration with other stakeholders the department has been able to coordinate cash transfer programme and other drought response intervention including; water trucking to learning institutions, health facilities and communities by BCG especially in affected areas of Mogotio, Baringo north, Baringo south, Tiaty east and Tiaty West as attached in annex 2. Management of moderately acute malnutrition (MAM) in all 7 sub counties at 102 facilities targeting 4,468 children under 5 years, 3,049 pregnant or lactating women achievement 31st January 2023, 6,837 children, 4464 People living with disability (PWDS) with support for WFP as attached in annex 3. UNICEF support rehabilitation of 20 water sources in partnership with Baringo county water department benefitting 60,000 (12916 male, 13147 females, 17466 boys, 16471 girls) people. Provision of water pumps, solar panels costing Kshs. 28,212,400. UNICEF supporting WASH Non Food Items (NFI) cost Kshs. 5,295, 402. Some of the items include jeri cans, puri tablets, soaps and buckets. The conducted 2 cycles of mass screening (august 2022 and February 2023) and supporting KRCS to manage emergency nutrition commodity, Save the children cash transfer targeting HH in Tiaty East and Marigat Ksh 2,040,000 and non food items amounting ksh 1,050,000 as attached in annex 4

Vaccination of livestock against modifiable diseases i.e. FMD, CCCP, PPR ,LSD, anti-rabies. 40,000 cattle FMD 40,00 shaots CCPP, 30,000 cattle LSD 5,000 dogs rabbies, 125,000 shoats PPR supported by BCG and FAO.

Attached to this report are annexes that give detailed information I beg to table

The Deputy Speaker (Hon. Kimosop): Very well the Majority Leader has tabled the answer and according to the notes to this statement we were required to have this statement today. The initial answer was not satisfactory and it was required to be signed by the CECM in charge of devolution and the several annexure attached to this report.

The member who had requested this question if she is now satisfied with this answer. And as our culture members can comment

Hon. Sharon: Thank you Mr. Speaker for this opportunity. The answer that has been given today I can say it is an improvement from the answer that was given last week on Tuesday however I am still wondering was my question only directed to the school feeding program. My question was on the entire county and the answer has been narrowed to the school feeding program I will allow my colleagues to weigh in this matter all that I can say is that it is a better answer

The Deputy Speaker (Hon. Kimosop): very well, you have left it hanging because you have not stated if it satisfactory but I will allow members to give their contributions. I will give member of Saimo soi because it is mention in the statement. Hon. Cherombor.

Hon. Chebon: Thank you Mr. Speaker I thank the Hon member for bringing up this issue. Surely even to my own observation the CEC just dwelt on the issue of feeding program and not the parents. The issue of the person who died the question was very specific what has happened to the family up to now. We have not been informed what happened to the child but I can confirm to you that nobody from the government has reached that family. The person answering this statement has generalized and given us a lot of literature but not given us the status on the real issues Mr. Speaker to me the answer is not satisfactory

The Deputy Speaker (Hon. Kimosop): Hon. Sitei.

Hon. Sitei: Thank you Mr. Speaker for giving me this opportunity. I want to congratulate Hon Sharon for seeking this statement. I congratulate the department for the improved response however as Hon Cherombor had said it would have been better if we saw the intervention of what the county government has done to the specific government so that as we move forward we know what our government is doing to sort out this challenge.

Mr. Speaker this question was specific to Saimo Soi but not limited to that specific area, in the response you heard the majority saying feeding to ECDE centers that have been affected by insecurity. All of us are aware that Chepkesin, Chepkew is heavily affected and Kapgetio is closed and even my ward Kalabata which is heavily affected this schools do not appear. I don't want to blame anybody but there must be a deliberate effort to make sure that all the areas that are affected by insecurity, hunger and drought are well taken care of going forward so that every citizen of Baringo without any discrimination is well taken care of

Mr. Speaker this is a better answer and the tradition of these House has been taken care of. The CEC has signed however the forwarding letter has been signed by a stranger by the name Luka Kipyegen I would have wished that it was fully owned by the CEC for accountability

The Deputy Speaker (Hon. Kimosop): Thank you Hon. Sitei. Hon. Sam limo.

Hon. Limo: Thank you Mr. Speaker, the County Government has tried despite our wishes that they should have covered ever part of our ward we must admit that they have tried. Mr. Speaker disaster is a national thing, the president pronounce that we have disaster of drought and famine in this country. We wish that most of the response should come from the national government because the county government is limited. What they have done is to their ability, I have seen that they have identified some beneficiaries from specific sub locations affected to benefit from the cash transfers, and that is part of the response.

Currently Mr. Speaker with the World Food Program and international loan, they have eliminated the distribution of relief food to the communities and have changed to cash transfer. They are targeting individuals and every month they are giving them around Kshs. 6,000 or Kshs. 5,000 just like relief food. Mr. Speaker if you see the mentioned areas, the areas of Baringo North, Baringo South, Tiaty East and West. Therefore there is something which is being done to be precise.

Mr. Speaker what we want to urge the County Government through the majority leader is to ensure that they also reach specific places where there is outcry of the Members in the communities.

There are places that we have outcry like Kalabata as mentioned by Hon. Sitoi and other places that have been seen as affected by the drought, so this is also the duty of the individual Hon. Member to pursue it through the County Government of Baringo and present his issues directly as it is affecting his Ward.

Mr. Speaker generally the report is good and it has touched many Wards, I don't even want to mention that the only school that I have is missing in the list of high schools that have benefited from Tiaty but it has tried because the rest have benefited therefore the question which was raised by Hon. Keter meant to give us knowledge on how the County Government is responding, what the donors have done and we have seen it. Mr. Speaker the answer is satisfactory to some extent. Thank you.

The Deputy Speaker (Hon. Kimosop): Thank you Hon. Sam Limo. Members with all fairness this is a response with data, annexures and properly signed by the CEC. Members now can build on this and if there will be any other queries this House is still open for further engagements.

I am happy that the Executive were pushed to the level that they were able to provide with fairness a more comprehensive data with annexures so we can leave it there but the Assembly is still open for further engagements. What is the point of order Majority Leader.

Hon. Lokorio: Mr. Speaker you did not bring out clearly the fact that the report was well done ...

The Deputy Speaker (Hon. Kimosop): No, you are out of order.

Hon. Lokorio: Mr. Speaker I thank Hon. Sam Limo Lourien and I was impressed because...

The Deputy Speaker (Hon. Kimosop): I have already pronounced myself on this statement and the procedure was that you had the floor and it was not your statement but you were only giving

an answer. The owner of this was Hon. Sharon and she has responded and Members have also given their opinions.

Ideally you should have raised your hand now in your capacity as the MCA of Barwessa but you did not. Clerk!

MOTION

REPORT OF THE PIC/PAC COMMITTEE ON THE AUDITOR GENERAL'S REPORT ON FINANCIAL STATEMENTS OF THE BARINGO COUNTY ASSEMBLY FOR THE YEAR ENDED 30TH JUNE 2019

The Deputy Speaker (Hon. Kimosop): We have a motion by the Chairperson Public Accounts and Investments Committee.

Hon. Sam Limo

Hon. Limo: Mr. Speaker, is it in order for the Chair PAIC to scare us with a voluminous document even before he reads. We will get tired. Can you kindly ask him to bring a summarized report before he reads? Thank you.

(Laughter)

The Deputy Speaker (Hon. Kimosop): Chairman, you have been accused of scaring the House with a voluminous report but I think, let's hear the Chairman. Maybe you are judging the book by the cover.

Hon. Sialo: Thank you Mr. Speaker. I move the motion that this House adopts the report of the Public Accounts and Investments Committee on the report of the Auditor General on the Financial Statements of the Baringo County Assembly for the year ended 30th June, 2019. I ask Members not to be worried. Today I have summarized my report and I only have a report of about 38 pages. This voluminous document is just evidence that was collected by my Committee and I will table them so that just in case a Member wants to find out the evidence, it's on the floor of the House.

The Deputy Speaker (Hon. Kimosop): Just for the sake of Sam Limo, the document that will be tabled will not be read in this House. So the House should not be scared because we have an abridged version and we have the voluminous version. Proceed and table the voluminous report and then you can proceed to read the abridged version.

Hon. Sialo: Thank you Mr. Speaker. Our report has Four Chapters and for the sake of our records, I will go through each chapter. Chapter one comprises of Introduction, Committee Mandate, committee composition and acknowledgement.

Mr. Speaker, Pursuant to the tabling of the Auditor General's report on the financial operations of the Baringo County Assembly for the period 1st July 2018 to 30th June 2019 and its eventual commitment to the Public Accounts and Investments Committee to peruse, make findings and draw up recommendations for the House, it is my privilege to present the Committee's report to the House for adoption. This is in pursuit of the provisions of Article 229 (7) and 229 (8) of the

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Constitution of Kenya 2010 and Standing Order 191 (2) (a) of the Baringo County Assembly Standing Orders.

The Committee perused the report before inviting witnesses to make their responses on the queries as raised by the Auditor. The hearings were held at the Kenya School of Government, Kabarnet Campus between 23rd January, 2023 and 27th January 2023.

Mr. Speaker, It is also noteworthy to inform the House that the format of this report differs from other reports that members are used to in that instead of having blanket findings and recommendations at the tail end of the report, the findings [witness responses and Committee observations] and the recommendations for each issue/query raised by the auditor are placed immediately after the issue/query so that each issue is tackled independently.

Mr. Speaker, The Committee retreated to Kisumu from Wednesday 15th February 2023 to Saturday 25th February 2023 for report writing on the reports of the Auditor General on the Financial Operations of the Baringo County Assembly as well as the Baringo County Executive for the period ended 30th June 2019.

Mr. Speaker, Pursuant to the provisions of the Baringo County Assembly Standing Orders No 191(2) the Public Accounts and Investments Committee has two main functions which are;

- i) Examination of the Accounts showing the Appropriations of the sum voted by the House to meet the Public Expenditure and of such other accounts laid before the House as the Committee may think fit
- ii) Examination of the workings of Public investments

Mr. Speaker, the Baringo County Assembly Standing Orders further provide in Standing Order 191 (6) that the Committee shall discharge the following functions;

- a) Examine the reports and Accounts of the Public Investments;
- b) Examine the reports, if any, of the Auditor General on the Public Investments and;
- c) Examine in the context of 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.

Mr. Speaker, the Committee as currently constituted comprises the following Honorable members of the Baringo County Assembly;

- | | |
|-------------------------------|--------------------|
| 1. Hon. Mark Sialo Kimiring | - Chairperson |
| 2. Hon. Clement Lomaring'oria | - Vice Chairperson |
| 3. Hon. Kennedy Kiprono | - Member |
| 4. Hon. Linah Chebet | - Member |
| 5. Hon. Ayub Kibet | -Member |
| 6. Hon. Loice Kipseba | -Member |

7. Hon. Solomon Makal

-Member

The Committee was also assisted by quite a number of secretariat as listed.

Mr. Speaker, the Committee acknowledges the support of the County Assembly led by the Speaker for the ample time given to the Committee to be able to carry out fact finding, conduct hearings, analyze the report and make recommendations on the Auditor General's report to the House.

The Committee also extends its appreciation to the office of the Clerk, Baringo County Assembly for facilitating the Committee to undertake the various activities that preceded the presentation of report.

Mr. Speaker, The Committee also appreciates the technical support received from the Office of the Auditor General, South Rift Hub, for assisting the Committee to understand further the Audit queries and taking the lead role of prosecuting the queries during the hearings.

Last but not least I wish to appreciate the Members of the Committee and the secretariat, for their commitment, hard work, sacrifice and input in form of ideas, manifested during field fact finding visits, witness presentation hearings and report compilation that have made this report successful.

Mr. Speaker, chapter two comprises of the detailed Audit Queries, Management Responses, Committee Observations and Committee Recommendations.

Mr. Speaker, It is important to inform the House that the Auditor General gave an adverse opinion on the Financial Operations of the Baringo County Assembly following analysis of documents and other information availed. The adverse opinion was formed based on the following;

Inaccuracies in the Financial Statements;

Omitted Fund Balance

Mr. Speaker, The statement of financial assets and liabilities as at 30th June, 2019 reflects prior year fund balance of Ksh.26,027,362 comprised of a bank balance and outstanding imprests balance of Ksh.12,886,452 and Ksh.13,140,910 respectively. However, in arriving at the balance, management only considered the Exchequer funds received during the year ended 30th June, 2018 and left out the opening fund balance for the year. No plausible explanation has been provided for the anomaly.

In the circumstance, the accuracy and completeness of the fund balance totalling Ksh. 26,027,362 reflected in the statement of assets and liabilities as at 30th June, 2019 has not been confirmed.

Management Response

It is true that the statement of financial assets and liabilities as at 30th June 2019, has not reported the fund balance brought forward of 26,027,362. This is because the outstanding bank balance as at 30th June 2018 of Ksh. 12,886,452 was transferred to the County Revenue Fund (CRF) account as per the attached letter to the Central Bank of Kenya.

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Further, the outstanding imprests of Ksh.13,140,910 as at 30th June 2018 were surrendered soon after the end of financial year.

Annex 1, Copy of letter to CBK to transfer Ksh.12, 886,452 to the CRF Account; copy of bank statement for Assembly Recurrent account; copies of surrender vouchers for Ksh.13,140,910. Those records are captured in our tabled voluminous document and we will go through if time allows us.

Mr. Speaker, the committee noted the following;

- i) Kshs. 12,886,451.25 was transferred to County Revenue Fund as per letter dated 10th July 2018 reference BCA/FIN/3/VOL.4/79
- ii) Kshs. 13,140,910 was surrendered as per annex 1

The committee noted that the matter has been addressed. The committee therefore recommends that the matter stands resolved.

Omitted Bank and Unconfirmed Cash at Hand Balance;

Mr. Speaker, The statement of assets and liabilities as at 30 June, 2019 reflects bank balances totaling Ksh.137, 991 as further disclosed in Note 7 to the financial statements. However, excluded from the balance is Ksh.308, 273 held in the County Assembly's operations bank account as at 30 June, 2019 and disclosed in Note 5.8 to the financial statement. The Note further reflects prior year aggregate bank balance of Ksh.21, 501,204.00 which however, amounts to Ksh.8, 614, 752 after casting its constituent balances. The variance amounting to Ksh.12, 886, 452 has not been explained.

In addition, contrary to the requirements of the International Public Sector Accounting Standards Board template for Cash Basis reporting, the reported bank balance excludes unpaid contract retention monies amounting to Ksh.619, 413.60 as at 30 June, 2019. Further, the Board of Survey certificate for the Nil cash at hand balance as at 30 June, 2019 was not presented for audit.

In view of these anomalies, the accuracy and completeness of the bank balance amounting to Ksh.137, 991 reflected in the statement of assets and liabilities as at 30 June, 2019 has not been confirmed.

Mr. Speaker, the management responded that, the amount of Ksh. 137,991 represents the closing balance of the Recurrent Bank account held with Central Bank of Kenya. This is the only payments account for the County Assembly and the balance represents the closing cash balance for the year.

The bank balance of Ksh.308,273 held at the Kenya Commercial Bank Operations Account number 1142302326 was reported in note 5.8 (other disclosures). It could not be reported in the statement of assets and liabilities as it did not relate to the cash and cash equivalents as at the end of the period under review.

The purpose of this account is to receive any monies due to the Assembly e.g. refunds or compensation from insurance companies or unutilized imprest floats by members or staff. The

Assembly does not spend any of these monies from this Operations Account since it only executes its approved budget based on the annual appropriation Act and the approved annual cash flow plan from the Recurrent Bank Account held at the Central Bank of Kenya. At the end of every financial year, any bank balance in this Operations account is transferred to the County Revenue Fund (CRF) account held at the Central Bank of Kenya.

The bank balance of Ksh.308, 273 was returned to the County Revenue Fund Account held at the Central Bank of Kenya through the letter Ref: BCG/CT/BANK/02/VOL.III/72 dated 30th July 2019 from the County Treasury to the Kenya Commercial Bank, Kabarnet Branch.

The retention money of Ksh. 619,413.60 could not be reported among the bank balances in the statement of assets and liabilities since it was being reported by the County Executive on behalf of the County Assembly since they maintained the Deposits/Retention account and paid development expenditure for both the County Executive and the County Assembly.

It is true that note 5.8 reflects prior year aggregate bank balance of Ksh. 21,501,204.00. However, after re-casting its constituent balances, the aggregate bank balance amounts to Ksh.8, 614, 752 Therefore, the variance amounting to Ksh.12,886,452 was a casting error. The financial statements have been amended and the error corrected.

It is true that the cash at hand balance as at 30 June, 2019 was nil as per the attached Board of Survey certificate.

It is important to note that the County Assembly does not handle cash transactions such as collection of Revenue and thus do not have cash at hand at the end of financial year.

In Annex 2 is the Copy of letter Ref: BCG/CT/BANK/02/VOL.III/72 dated 30th July 2019 from the County Treasury to the Kenya Commercial Bank, Kabarnet Branch.

Copy of Board of Survey certificate for the Nil cash at hand balance as at 30 June, 2019 and Copies of bank statement totaling Ksh. 8, 614,752.

Mr. Speaker, the committee observed the following;

- i. The bank balance of Ksh.308, 273 held in operation account was returned to the County Revenue Fund Account held at the Central Bank of Kenya through the letter Ref: BCG/CT/BANK/02/VOL.III/72 dated 30th July 2019 from the County Treasury to the Kenya Commercial Bank, Kabarnet Branch.
- ii. Board of Survey certificate for the Nil cash at hand balance as at 30 June, 2019 was not presented for audit but was availed during witness hearing
- iii. The financial statements for 2018/2019 financial year reflected a casting error of Kshs. 12,886,452 which was amended after audit process

Mr. Speaker, the committee recommends as follows;

- i. The County Assembly of Baringo Accounting officer should at all times present required documents during the audit process as stipulated in the Public Audit Act 2012; section

62(1)(b)(c)(d), failure to which section 62 (2) of Public Audit Act 2012 be applied. The section states that a person who contravenes the above section commits an offense and liable on conviction to a fine not exceeding five million shillings or to imprisonment for a term not exceeding three (3) years or both.

- ii. The County Assembly of Baringo Accounting officer should prepare financial statements in accordance with section 164 of Public Finance Management Act 2012 that requires that at the end of each financial year, the accounting officer of a County Assembly should prepare financial statements in accordance with standards and formats prescribed by Public Sector Accounting Standards Board.

Unconfirmed Imprest Balances;

Mr. Speaker, The statement of financial assets and liabilities as at 30 June, 2019 reflects accounts receivables- outstanding imprests (Cash Balances) totalling Ksh.104, 210 as further disclosed in Note 8 to the financial statements. However, verification of the imprests register revealed imprests totalling Ksh.1, 065, 600 resulting to an unexplained variance of Ksh.961,390 between the two sets of records. Further, documents to validate the reported surrender of the opening imprest balance totalling Ksh.13, 140,910 were not presented for audit verification and therefore it was not possible to confirm how the balance was surrendered.

In view of these anomalies, the accuracy and completeness of the outstanding imprest balance totalling Ksh.104, 210 as at 30 June, 2019 could not be confirmed.

The Management responded that the outstanding imprest balance as at 30th June 2019 was Ksh. 104,210 and not Ksh. 1,065,600.

The amount of Ksh. 1,065,600 from the Imprest Register was part of Ksh. 13,140,910 which was issued in 2017/18 financial year but was surrendered in 2018/19 financial year except for Ksh. 223,200 which was raised but cancelled yet had been recorded in the Imprest Register. This anomaly has since been corrected in the Register.

The opening imprest balance totaling Ksh.13,140,910 have since been surrendered as per attached surrender documents.

In Annex 3 are the Schedule for Ksh. 104,210 outstanding as at 30th June 2019, Schedule for Ksh. 1,065,600 of outstanding imprests as at 30th June 2018, Copies of surrender vouchers for Ksh. 842,500, Copy of Imprest Warrant for Kshs. 223,300 cancelled and Schedule of imprest surrenders totaling to Ksh.13,140,910

Mr. Speaker, the committee observed that there was unsurrendered imprest at the end of financial year contrary to PFM Regulations 2015 sections 93(4)(b)

Mr. Speaker, the committee recommends that the Accounting officer of the County Assembly should at all-time ensure that imprest is processed in accordance with the following PFM Regulations 2015;

- i. Section 93(4) (b) which states that before issuing temporary imprest to an officer, the accounting officer should ensure that the officer does not have an outstanding imprest.

- ii. Section 93(5) states that all accounting officer ensure that the holder of temporary imprest accounts or surrender the imprest within 7 working days after returning to duty station.
- iii. Section 93(6) states that where the imprest holder fails to account for or surrender the imprest on due date the accounting officer shall take immediate actions to recover full amount from salary of defaulting officer with interest of prevailing central bank rate.
- iv. Section 93(7) states that if the accounting officer does not recover the temporary imprest from defaulting officer as provided for in this regulation, he or she commits an offence as provided under this act.

Inaccurate Statement of Cash Flows;

Mr. Speaker, The statement of cash flows for the year ended 30 June, 2019 reflects closing cash and cash equivalents balance amounting to Ksh.242,201 which, however, differs with the Ksh.137,991 balance reflected in respect to the account in the statement of financial assets and liabilities as at 30th June, 2019. No plausible explanation has been provided for the variance of Ksh.104,210 between the two statements. In addition, the statement of cash flows excludes adjustments totaling Ksh.13, 036, 700 made in accounts receivables during the year under review.

Further, the statement of cash flows reflects a Nil opening cash and cash equivalents balance which, however, differs with the actual closing balance of Ksh.26, 027, 362 reflected in the statement for the year ended 30 June, 2018 as well as the balance amounting to Ksh.12,886,452 reflected in the statement of financial assets and liabilities as at 30 June, 2019.

Management has not provided any plausible explanation for the differences.

In view of these anomalies, the accuracy and completeness of the statement of cash flows for the year ended 30 June, 2019 has not been confirmed.

Mr. Speaker, the Management responded that the variance of Ksh.104,210 between the closing cash and cash equivalents balance amounting to Ksh.242,201 in the statement of cash flows for the year ended 30 June, 2019 and the Ksh.137,991 balance reflected in respect to the account in the statement of financial assets and liabilities relates to outstanding imprest balance, as per attached schedule, which is part of the cash and cash equivalents to be reported in the statement of cash flows as indicated in note 8 to the financial statements.

In addition, the adjustments in accounts receivables were subsequently made in FY 2019/2020 in the statement of cash flows.

It is true that the statement of cash flows as at 30th June 2019, reflects a nil opening cash and cash equivalents balance. This is because out of the closing balance of Ksh.26,027,362 reflected in the statement for the year ended 30 June, 2018 ,the outstanding bank balance as at 30th June 2018 of Ksh. 12,886,452 was transferred to the County Revenue Fund (CRF) account as per the attached letter to the Central Bank of Kenya while the outstanding imprests of Ksh.13,140,910 as at 30th June 2018 were surrendered soon after the financial year.

In Annex 4 is the Schedule of outstanding imprest of Ksh.104, 210, Copy of letter to CBK to transfer Ksh.12,886,452 to the CRF Account and schedule of surrender vouchers for Ksh.13,140,910 (refer to Annex 1 for surrender vouchers).

Mr. Speaker, the committee observed as follows;

- i. Kshs.12,886,452 was transferred to the County Revenue Fund (CRF) account as per the attached letter to the Central Bank of Kenya
- ii. Outstanding imprests of Ksh.13, 140,910 as at 30th June 2018 were surrendered after the financial year.

The committee noted that the matter has been addressed. The committee therefore recommends that the matter stands resolved.

Unexplained Payroll Variances;

Mr. Speaker, The statement of receipts and payments for the year ended 30 June, 2019 reflects compensation of employees payments totalling Ksh.344,704,862 as further disclosed in Note 2 to the financial statements. However, re-computation and verification of the payroll payments in the Integrated Payroll and Personnel Database (IPPD) system revealed expenditures totalling Ksh.341,384,383 resulting in an unexplained variance of Ksh.3,320,479. Further, Pay As You Earn (PAYE) schedules presented for audit reflected payments totalling Ksh.80,911,004. However, re-computation of the PAYE payments reflected in the County Assembly's payroll revealed expenditures totalling Ksh.72,533,454 resulting to an unexplained variance of Ksh.8,377,550 between the two sets of records.

Consequently, the accuracy and completeness of compensation of employees payments totalling Ksh.344,704,862 reflected in the statement of receipts and payments for the year under review could not be confirmed.

Mr. Speaker, the management responded that, It is true that the expenditure for compensation of employees is Ksh.344,704,862 as per the statement of receipts and payments for the year ended 30 June, 2019 and Note 2 to the financial statements as supported by the schedules of payment vouchers for salaries. Therefore, the reported variance of Ksh.3,320,479 does not arise.

The variance of Kshs.8, 377, 550 between the PAYE schedules presented for audit and the auditor's re-computation of PAYE payments reflected in the County Assembly's payroll, was occasioned by the following two reasons:

1. Payment voucher No.002/1 of Ksh.5, 666, 225.50 being payment of net salaries to Kenya Commercial Bank was erroneously captured as PAYE in the schedules presented for audit.
2. A payment of fringe benefit tax of Ksh.2,638,906.84 for FY 2018/2019 was not captured in the payroll summary as they are computed outside payroll.

In Annex 5 is a Schedules of salaries payment vouchers totalling Ksh.344,704,862, Copy of payment voucher No. 002/1 of Ksh.5,666,225.5 and payment schedule for fringe benefit tax of Ksh.2,638,906.84

Mr. Speaker, the committee observed as follows

- i. Fringe benefit taxes were computed outside Integrated Payroll and personal Database (IPPD).
- ii. Ksh.5, 666,225.5 being payment of net salaries to Kenya Commercial Bank was erroneously captured as PAYE in the schedules presented for audit.

Mr. Speaker, The committee recommends that the county Assembly should ensure all employees are paid under Integrated Payroll and personal Database (IPPD).

Unconfirmed Returns to County Revenue Fund;

Mr. Speaker , The statement of assets and liabilities as at 30 June, 2019 reflects comparative cash and cash equivalents balance totaling Ksh.12,886,452, as further disclosed under Note 7 to the financial statements. Documents presented for audit indicated that the balance was returned to the County Revenue Fund (CRF) account at the end of the 2017/2018 financial year. However, no refund statement was prepared and forwarded to the Controller of Budget as required by Section 136(2) of the Public Finance Management Act, 2012. Further, no disclosure on return of the funds to the CRF was made in the Supplementary Estimates for the year under review.

In the absence of evidence, the reported return of Ksh.12, 886, 452 to the CRF could not be confirmed.

Mr. Speaker, the management responded that, a refund statement was prepared by the County Treasury vide letter Ref: BCG/CT/COB/VOL.2/(122) dated 18th July 2018 (copy attached) and forwarded to the Controller of Budget as required by Section 136(2) of the Public Finance Management Act, 2012.

The funds of Ksh.12, 886, 452 returned to the CRF account could not be considered in the Supplementary Estimates for the year under review since this appropriation that had not been spent at the end of the previous financial year lapsed on 30/06/2018 and the unspent amount repaid to the CRF and a refund statement prepared and forwarded to the Controller of Budget as per Section 136(1) and 136(2) of the Public Finance Management Act, 2012. Further the County Allocation of Revenue Act of 2018 provided Ksh 745,949,448 as the expenditure ceiling for the County Assembly.

In Annex 6 is a Refund statement for Ksh.12, 886, 452 to the Controller of Budget and a Letter to return Ksh. Ksh.12, 886, 452 to the County Revenue Fund

Mr. Speaker, the committee noted that the returned statement from CRF by the County Treasury vide letter Ref: BCG/CT/COB/VOL.2/(122) dated 18th July 2018 was presented to the committee during witness hearings.

Mr. Speaker, The committee recommends that in line with Public Audit Act, 2015 the accounting officer undertakes administrative actions against officers who failed to provide documents to the auditors in accordance with section 156(1) of Public Finance Management Act and provides a status report to committee within 60 days of adoption of this report.

Unsupported Insurance Costs;

Mr. Speaker, The statement of receipts and payments for the year ended 30 June, 2019 reflects use of goods and services payments totalling Ksh.230,331,453 as further disclosed in Note 3 to the financial statements. Included in the payments are insurance costs totalling Ksh.23,960,504. However, Management did not present for audit supporting documents, such as insurance policies, valuation reports, listings of staff covered under the medical policy and service level agreements (SLA) with the insurers.

In the absence of relevant evidence, the occurrence, measurement and validity of the expenditure totalling Ksh.23,960,504 reported to have been incurred on insurance costs during the year under review has not been confirmed.

Mr. Speaker, the management responded that, the insurance payments of Ksh.23, 960,504 is comprised of the following policies:

1. Medical insurance- Kshs.21,655,882 which is supported by the attached policy document, services level agreement, contract and list of beneficiaries;
2. Group Life insurance-Kshs. 1,043,785 which is supported by attached contracts and debit notes for two insurance firms contracted i.e CIC Life Assurance Ltd and Britam Life Assurance Ltd
3. Motor vehicle insurance-Kshs. 1,260,837 which is supported by attached contracts and debit notes for three insurance firms contracted i.e Intra Africa Assurance Ltd, Jubilee Insurance Co. Ltd and UAP Insurance Tanzania Ltd.

In Annex 7 is the Schedule of insurance payments and copies of payment vouchers totaling Ksh. 23,960,504 and Policy documents, valuation reports, service level agreement (SLA), list of staff and members.

Mr. Speaker, the committee observed that the Management did not present to audit supporting documents for insurance payments such as insurance policies, valuation reports, listings of staff covered under the medical policy and service level agreements (SLA) with the insurers. However it was presented to the committee during witness hearings.

Mr. Speaker, The committee recommends that in line with Public Audit Act, 2015 the Accounting Officer undertakes administrative actions against officers who failed to provide documents to the auditors in accordance with section 156(1) of Public Finance Management Act and provides a status report to committee within Sixty (60) days of adoption of the report.

Unconfirmed Payments for Motor Vehicles Maintenance;

Mr. Speaker, The statement of receipts and payments for the year ended 30 June, 2019 reflects payments on use of goods and services totalling Ksh.230,331,453, as further disclosed in Note 3 to the financial statements. Included in the payments is expenditure on routine maintenance of vehicles and other transport equipment totaling Ksh.2,358,812. However, reports from the mechanical and transport department showing the repairs and maintenance work done were not

presented for audit. As a result, the occurrence and validity of the expenditure has not been confirmed.

Mr. Speaker, the management responded that, the vehicles were taken to the dealers (Toyota Kenya and CMC Motors) for repairs and maintenance since the vehicles were still under warranty, as per attached sample copies of payment vouchers with quotations/pro-forma invoices.

The expenditure of Ksh.2,358,812 was incurred on routine service, minor repairs, purchase of tyres and batteries. In all cases requisite procurement procedures were adhered to resulting in use of reputable companies including dealers such as Toyota Kenya and CMC Motors.

However, the Assembly has since carried out pre and post inspection of motor vehicles for the repairs and maintenance work done as per attached sample reports.

In Annex 8 are Copies of Pre and post inspection reports for motor vehicles for the repairs and maintenance work done, Sample of payment vouchers and Schedule of payments totaling Ksh.2, 358, 812.

Mr. Speaker, the committee observed that County Assembly of Baringo Accounting Officer did not provide documents to the auditors during audit exercise.

Mr. Speaker, The committee recommends that in line with Public Audit Act, 2015 the Accounting Officer undertakes administrative actions against officers who failed to provide documents to the auditors in accordance with section 156(1) of Public Finance Management Act and provides a status report to committee within twenty one (21) days of adoption of this report.

Unconfirmed Car-Mileage Payments;

Mr. Speaker , Four (4) Members of the County Assembly were paid Ksh.1,524,680 in mileage claims for ten(10) months from September, 2017 to June, 2018 after they, reportedly, transferred their respective Ward Offices to new locations.

The claims were back-dated to September, 2017 which time however, preceded the transfer requests shown as having been submitted by the MCAs to the Clerk of the County Assembly. There was no evidence showing that the MCAs incurred any costs in lease agreements for new offices, or for having terminated any previous leases. In addition, the requests for the transfer of offices made to the Clerk and the approvals granted were not presented for audit.

In the absence of relevant evidence, it is not possible to confirm the regularity and propriety of the car-mileage allowances totalling Ksh.1,524,680 paid to the MCAs.

Mr. Speaker, the management responded that, it is true the County Assembly paid Ksh. 1,524,680 as mileage claims for ten months to four members of County Assembly as Car-Mileage payments.

The Members were paid on their requests as per the attached letters

- i. The Member for Marigat Ward had requested to transfer his office from Koriama to Marigat Skie View Plaza and lease Agreement is provided.

- ii. The Member for Bartabwa Ward cited insecurity in his request to transfer his office from Tunoiwo to Kinyach D.O.s office as per the attached letter to Clerk of County Assembly.
- iii. The Member for Saimo Kipsaraman Ward had requested for a temporary transfer to Poi Centre since the Ward office in Bartolimo was under renovation as per the attached request letter.
- iv. The Member for Barwesa Ward had also requested to transfer his office from Barwesa to Ayatya Centre citing insecurity issues as per the request letter (attached) to Clerk of County Assembly.

In Annex 9 is a Lease agreement for with Marigat ward and three Members' request letters to transfer offices

Mr. Speaker, the committee observed as follows;

- i. The mileage paid for 4 Members of County Assembly were back-dated from September, 2017 to June, 2018 after they transferred their respective Ward Offices to new locations.
- ii. Only one out of four members produced lease agreement as evidence of the transfer. Therefore as a result this led to irregular payments of the other three members contrary to section 42(b) of Public Finance Management (County Government) Regulations, 2015.

Mr. Speaker, the committee recommends that administrative action be taken against the officers who processed the irregular payments as provided for in section 42(b) of Public Finance Management (County Government) Regulations, 2015 which states that an accounting officer should ensure that public funds entrusted to their care are safeguarded and are applied for purposes for only which they were intended and appropriated by the County Assembly.

Other Matter

Prior Year Unresolved Issues

1Uneconomical Expenditure- Domestic Travel and Subsistence;

Mr. Speaker, As reported in the previous year, the County Assembly made domestic travel and subsistence payments totaling Ksh.75, 938,667 during the year ended 30 June, 2018. The expenditure included payments totaling Ksh.13, 889,380 incurred on County Assembly Members and staff who attended meetings held outside the County. The records confirmed that the activities listed could have been held locally at lower costs and with obvious logistical advantages to attendees and significant economic benefits to the local economy. No plausible explanation was provided by Management for holding the meetings away from the County.

In the circumstance, it is not possible to confirm the expenditures totaling Ksh.13,889,380 incurred on travel and subsistence was a proper charge to public funds.

Mr. Speaker, the management responded that, it is true the payments totaling Ksh. 13,889,380 was incurred outside the county for the following reasons;

Most of the activities were induction trainings and report writing meetings which could not be conducted within the Assembly and the county because of convenience and the required conducive environment and concentration away from normal work environment and disruptions.

Mr. Speaker, the committee noted the following;

- i. County Assembly of Baringo members and staff attended various meetings outside County Assembly of Baringo which could have been held locally.
- ii. The County Assembly of Baringo incurred uneconomical expenditure of Ksh. 13,889,380.

Mr. Speaker, the committee recommends;

i. That County Assembly of Baringo Accounting Officer should ensure that where meetings are done within the County Assembly of Baringo premises and where there is need to hold meetings outside the Assembly precincts, the Hon. Speaker's approval is sought as per the Standing Orders of the Assembly and such meetings be held in prequalified cost-effective venues.

ii. That the Accounting officer of the County Assembly of Baringo should develop a policy to allow committees to be facilitated i.e. subsistence allowance, transport cost and conference facilities within the County upon three (3) months of the adoption of this report.

Irregular Expenditure on Air-time;

Mr. Speaker, Records examined indicated that during the 2017/2018 financial year, a vendor was paid Ksh.298, 000 for supply of air-time credit cards for use by the County Assembly's members of staff. However, the payment documents indicated that the vendor was not the one issued with the respective Local Purchase Order (LPO) for the supply, Furthermore, the vendor was not among the suppliers for the item in the County Assembly's database for pre-qualified suppliers.

This was contrary to Section 7(1) of the Public Procurement and Disposal Act, 2015 which requires procuring entities to maintain a list of registered suppliers in various categories. In addition, Regulation 25(3) of the Public Procurement and Disposal Regulations requires that only prequalified suppliers should be invited to tender for supplies of goods and services.

Clearly, the payment made to the vendor was contrary to the Law and Public Procurement Regulations.

No plausible explanation has been provided by Management for accepting and paying for supplies from an unqualified and un-contracted vendor.

Mr. Speaker, the management responded that, it's true that LSO No. 1252219 dated 30th April 2018 was made to Anvicks Enterprise to supply airtime for the month of March 2018. However, the firm declined the order citing financial constraints via a letter attached dated 30th April 2018 and the recommendation of the Accounting Officer to use the other firms awarded tender during the period. However, after Anvicks Enterprise declining to honour the order, a new order No. 2701280 was issued to Bidii Africa Investment Ltd. The LSO No. 1252219 for Anvicks Enterprise was erroneously attached to the payment voucher for Bidii Africa Investment Ltd. This error has since been corrected.

Bidii Africa Investment Ltd was pre-qualified in FY 2015/2016 and during FY 2016/2017 while floating quotations both pre-qualified lists for FY 2015/2016 and FY 2016/2017 were invited to quote because registration of suppliers and service providers is a continuous process as provided in the Public Procurement and Assets Disposals Act, 2015

In Annex 10 is a Letter by Anvicks Enterprise declining LPO No. 1252219, prequalified list of FY 2016/2017 and payment voucher to Bidii Africa Investment

Mr. Speaker, The LSO No. 1252219 for Anvicks Enterprise was erroneously attached to the payment voucher for Bidii Africa Investment Ltd.

Mr. Speaker, the committee recommends that County Assembly of Baringo Accounting Officer should cooperate with internal and external auditors by timely providing relevant supporting documents to avoid unnecessary audit queries.

Report on Lawfulness and Effectiveness in use of public resources

Delay in Construction of County Assembly Offices;

Mr. Speaker, as reported in previous years, Management initiated works on extension of the County Assembly offices at a contract sum of Ksh.40, 000,000 in 2014 with completion due on 21 August, 2015. However, audit verification of the works in September, 2019 indicated that the project was incomplete in spite of the contract period having ended four years earlier. Although the contract period was not extended, Management did not impose any penalties on the contractor for the delay in completing the works. Cumulative payments made to the contractor at the time of the audit amounted to Ksh.39, 064,413 equivalent to 98% of the contract sum. Construction was ongoing but there were no records to show the proportion of works completed.

No satisfactory explanation has been provided by Management for the failure to complete the project in due time.

In the circumstance, the County Assembly has not obtained any value for the funds totaling Ksh.39, 064,413 invested in the project.

Mr. Speaker, the management responded that, it's true that there were some delays in completing the project as anticipated in the contract agreement. The delay was occasioned by some challenges encountered by the contractor who sought extension of the contract duration and which was approved by the Project Manager as per attached letters Ref. CWO/BAR/QS/BCA/SWFT/2019/6/1 dated 19th June 2019 and CWO/BAR/QS/BCA/SWFT/2020/5/1 dated 17th April 2020.

The project has since been completed and handed over to the client as per attached Certificate of Practical Completion and Certificate of Handing Over. The newly completed offices are currently in use by the client.

In Annex 11 is the Request for extension and Contract extension letter for Swift Builders and Certificate of Practical completion and Certificate of Handing Over.

Mr. Speaker, the committee noted the following;

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- i. The construction of Baringo County Assembly offices was extended twice as per the letter CWO/BAR/QS/BCA/SWFT/2019/6/1 and the letter CWO/BAR/QS/BCA/SWFT/2020/5/1.
- ii. The project is complete and currently in use

Mr. Speaker, the committee recommends that County Assembly of Baringo Accounting Officer should ensure that any extension of contract should be done after carrying out an analysis of the Validity of time requested by the contractor and in accordance with the conditions of contract. This will ensure value for money is attained.

Unfunded Pending Bills;

Mr. Speaker, Annex 1 to the financial statements discloses a balance for pending bills totaling Ksh.6, 280,000 as at 30 June, 2019. However, the County Assembly did not have corresponding cash reserves to pay for the goods and services it had consumed. This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which prohibits public entities from engaging in procurement activities for which sufficient funds have not been set aside.

In addition, the names of the creditors and the periods the bills have been outstanding were not included in Other Disclosures in the financial statements as required by the Public Sector Accounting Standards Board reporting template.

Mr. Speaker, the management responded that, the pending bills as reported in financial statement as at 30th June 2019 were Kshs. 6,280,000. They were erroneously captured as pending bills but they were not due. However, after review, the actual pending bills amounted to Kshs. 4,905,459 and the financial statements have since been amended.

The pending bills of Kshs. 4,905,459 as at 30th June 2019 arose due to the fact that the suppliers invoices were presented late in the financial year or after closure of the financial year on 30th June 2019 and therefore could not be paid in FY 2018/2019 and did not arise as a result of unavailability of funds to meet the resulting obligations, as these expenditures had been budgeted for as per attached 2nd Supplementary budget for FY 2018/2019.

These bills were subsequently budgeted for and paid in FY 2019/2020 as per attached copies of payment vouchers.

In addition, the creditors name, amount and the period the bills have been outstanding, were subsequently included in the following year's financial statements.

In Annex 12 are a Copy of Vote book as at 30th June 2019 showing unspent budget balances of Kshs.40, 299,116 and Schedule and copies of payment vouchers totaling Ksh.4,905,459

Mr. Speaker, the committee observed that during the end of financial year 2018/2019 there were unsettled pending bills amounting to Kshs. 4,905,459 resulting from over commitment.

Mr. Speaker, the committee recommends that Baringo County Assembly Accounting officer should ensure procurement of goods works and services of public entity are within approved budget as per public procurement and asset disposal act section 44(a).

Irregular Payments to Devolution Forums;

Mr. Speaker , The statement of receipts and payments for the year ended 30 June, 2019 reflects payments on use of goods and services totaling Ksh.230,331,453 as further disclosed in Note 3 to the financial statements. The amount includes specialized materials and service costs amounting to Ksh.13,264,190 which in turn include Ksh.8,816,860 paid to the County Assembly Forum and Society of Clerks at the Table. However, the two payments were made contrary to Section 37 of the Inter-governmental Relations Act, 2012 which provides that operational expenses for the structures and institutions established by the Act shall be provided for in the annual estimates of the revenue and expenditure for the National Government. Consequently, the expenditure totaling Ksh.13,264,190 was incurred contrary to the Law.

Mr. Speaker, the management responded that, It is true the County Assembly made payments totaling Ksh. 8,816,860 to devolution forums as follows; County Assemblies Forum(CAF) Kshs. 7,118,860, Societies of Clerks at the table (SOCCAT) Ksh. 500,000 and Council of Governors Kshs. 1,200,000.

CAF is a body registered under Societies Act whose membership comprises of the Speakers and members of 47 County Assemblies in Kenya.

The primary mandate of CAF is to promote networking and synergy among the 47 County Assemblies, coordinate intergovernmental relations, and enhance good practice in legislation development. The payments to CAF facilitated members and staff to participate in County Assemblies Sports Association (CASA) games in Machakos and Annual Legislative Summit by County Assembly members in Kisumu.

SOCATT is an Association of the Clerks of County Assemblies and their officers registered under the Societies Act. It is a platform for sharing best practices and harmonizes the legislative procedures and practice across the County Assemblies in Kenya.

COG- promotes visionary leadership, sharing of best practices, offer a collective voice on policy issues and promote inter county consultation.

The payment made to COG facilitated registration fee for members to attend annual devolution conference which was in Kakamega.

Mr. Speaker, the committee observed as follows;

- i. Payments made to SOCATT, CASA, COG,CAF are irregular since it contravenes Section 37 of the Inter-governmental Relations Act, 2012 which provides that operational expenses for the structures and institutions established by the Act shall be provided for in the annual estimates of the revenue and expenditure for the National Government
- ii. There are double payments made to the council of Governors i.e both the County Assembly and the County executive remitted funds to COG.

Mr. Speaker, The committee recommends that the County Assembly of Baringo accounting officer should stop remitting funds to SOCATT, CASA, COG, CAF since Section 37 of the Inter-governmental Relations Act, 2012 provides that operational expenses for the structures and institutions established by the Act shall be provided for in the annual estimates of the revenue and expenditure for the National Government.

Report on Effectiveness of Internal Controls, Risk Management and Governance

Excessive Staff Salary Deductions;

Mr. Speaker, Examination of the IPPD payroll indicated that non-statutory deductions made on the salaries of nineteen (19) officers exceeded the allowable amounts and resulted in irregular salary advances totaling Ksh.754, 973.

Management has not provided any plausible explanation for the excessive deductions which put the officers at the risk of pecuniary embarrassment.

Mr. Speaker, the management responded that, the structure of remuneration of Members of County Assembly is such that the basic salary is a small proportion of the gross salary. Therefore, the net salary is often significant not to cause pecuniary embarrassment.

However, the Assembly management has taken note of this issue of non-compliance with the intention of taking corrective action in future.

Mr. Speaker, the committee noted that some of County Assembly of Baringo staff were drawing net salary less than a third of their basic salary leading to pecuniary embarrassment contrary to the provisions of Section C.1 (3) of the Government of Kenya Human Resource Manual, 2015 which provides that public officers shall not over commit their salaries beyond two thirds (2/3) of basic salary.

Mr. Speaker, The committee recommends that County Assembly of Baringo Accounting officer should always ensure provision of Section C.1 (3) of the Government of Kenya Human Resource Manual, 2015 which provides that public officers shall not over commit their salaries beyond two thirds (2/3) of basic salary be adhered to.

Lack of Information Communication Technology (ICT) Strategic Committee;

Mr. Speaker, Section 1.4 (a) of the ICT Policy for Baringo County stipulates that there shall be a County ICT Advisory Committee to advise Management and link the County ICT function to the National Government's goals as well as the ICT profession. However, there was no evidence to show the existence of the ICT Strategic Committee during the year under review.

Therefore, it is not possible to confirm whether the ICT Strategy that the County Assembly is executing is aligned with the policies adopted by the County Government as well as the National Government or the ICT profession.

Mr. Speaker, the management responded that, the ICT policy referred herein is the one for the County Executive and not the County Assembly. It is true that the County Assembly did not establish an ICT Strategic Committee during the year under review because the policy did not relate to the entity.

The County Assembly is in the process of formulating its own ICT Policy.

Mr. Speaker, the committee noted that County Assembly of Baringo has no IT strategic committee and ICT policy.

Mr. Speaker, the committee recommends that County Assembly of Baringo accounting officer should establish IT Strategic Committee to provide advice on ICT investment priorities, mobilization of resources, ICT strategies, policies and standards in the County Assembly of Baringo within three (3) months of adoption of this report.

Lack of Risk Management Policy;

Mr. Speaker, Section 158(1) of the Public Finance Management (County Government) Regulations, 2015 requires the Accounting Officer to ensure that a County Government entity develops risk management strategies including fraud prevention mechanisms.

However, during the year under review, the County Assembly of Baringo did not have a documented risk management policy to guide management on operational, financial and other types of risks it may be exposed to. Management has not provided a satisfactory explanation for the failure to establish the strategy.

Mr. Speaker, the management responded that, Baringo County Assembly being a devolved level of government operates in a highly regulated/legislated environment with most of its operations including financial transactions being performed in ICT based systems. Therefore, the financial and operational risks are minimal. However, the management will continuously review all its systems with the view of formulating a risk management policy as and when appropriate.

Mr. Speaker, the committee observed that County Assembly of Baringo has no risk management policy.

Mr. Speaker, The committee recommends that the County Assembly of Baringo should develop risk management policy within three (3) months after adoption of this report. This will deal with management of financial and non-financial risk.

General observations, recommendations and conclusion:

General observation;

Mr. Speaker, the committee Observed as follows;

- i. That some of the queries are recurring e.g lack of risk management policy, incomplete extension of the county assembly offices among others. This is an indicator that the County Assembly of Baringo is not keen in implementing recommendations from the previous Audit reports
- ii. That there were un-surrendered imprest at the end of financial year contrary to PFM Regulations 2015 sections 93(4)(b)
- iii. That some of County Assembly of Baringo staff were drawing net salary less than a third of their basic salary leading to pecuniary embarrassment contrary to the provisions of Section C.1 (3) of the Government of Kenya Human Resource Manual, 2015 which provides that public officers shall not over commit their salaries beyond two thirds (2/3) of basic salary
- iv. That some documents were not availed to the Auditor during Audit process creating unnecessary Audit Queries.

- v. That some payments were made outside Integrated Payroll and personal Database (IPPD).
- vi. That Baringo County Assembly has no Risk Management Policy
- vii. That Baringo County Assembly Accounting officer committed beyond the approved budget creating pending bills.
- viii. That Payments made to SOCATT, CASA, COG,CAF are irregular since it contravenes Section 37 of the Inter-governmental Relations Act, 2012 which provides that operational expenses for the structures and institutions established by the Act shall be provided for in the annual estimates of the revenue and expenditure for the National Government
- ix. That the Auditor issued Adverse opinion indicating that Baringo County Assembly financial statements are misrepresented, mis-stated and do not reflect financial performance and financial position.

General Recommendations;

Mr. Speaker, the Committee Recommends as follows;

- i. That Baringo County Assembly management should always ensure that the recommendations from the auditor on every year's financial statements should be resolved six months into the subsequent financial year. This is in accordance with section 164 of Public Finance Management Act which states that financial statements of an entity shall be prepared in format prescribed by Public Sector Accounting Standards Board.
- ii. That the Accounting officer should within three months (3) months of adoption of this report implement recommendation by County Assembly as per section 53(1) of Public Audit Act failure to comply the accounting officer shall be in contempt of County Assembly and upon determination by the County Assembly it may recommend administration sanctions such as removal as accounting officer or reduction in rank.
- iii. That the Accounting officer of the County Assembly should at all-time ensure that imprest is recovered in accordance with the following PFM Regulations 2015;

The Deputy Speaker (Hon. Kimosop: Searjeant at Arm, kindly ensure that the Chairman is served with water.

Hon. Sialo: Thank you Mr. Speaker.

- a) Section 93(4)(b) which states that before issuing temporary imprest to an officer, the accounting officer should ensure that the officer does not have an outstanding imprest.
- b) Section 93(5) states that all accounting officer ensure that the holder of temporary imprest accounts or surrenders the imprest within 7 working days after returning to duty station.
- c) Section 93(6) states that where the imprest holder fails to account for or surrender the imprest on due date the accounting officer shall take immediate actions to recover full amount from salary of defaulting officer with interest of prevailing central bank rate.

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- iv. That County Assembly of Baringo Accounting officer should always ensure provision of Section C.1 (3) of the Government of Kenya Human Resource Manual, 2015 which provides that public officers shall not over commit their salaries beyond two thirds (2/3) of basic salary are adhered to.
- v. That Baringo County Assembly Accounting officer should ensure administrative action against officers who fail to provide documents to the Auditor In accordance with Public Audit Act 2012 section 62(1)(b)(c)(d). Failure to which section 62(2) of Public Audit Act 2012 applies which states that a person who contravenes the above section commits an offense and liable on conviction to a fine not exceeding five million shillings or to imprisonment for term not exceeding 3 years or both.
- vi. That Baringo County Assembly Accounting officer should ensure at all times that procurement of goods, works and services are within approved budget as per public procurement and asset disposal act section 44(2) (a) which states that an accounting officer shall ensure procurements of goods work and services are within approved budget of an entity.
- vii. That County Assembly of Baringo should develop risk management policy within three (3) months after adoption of this report. This will deal with management of financial and non-financial risk.
- viii. That the County Assembly of Baringo accounting officer should facilitate the Internal Audit Section regularly to monitor and evaluate internal control measures and advise the board accordingly to ensure effective financial controls
- ix. The committee recommends that the County Assembly of Baringo accounting officer should stop remitting funds to SOCATT, CASA, COG, CAF since Section 37 of the Inter-governmental Relations Act, 2012 provides that operational expenses for the structures and institutions established by the Act shall be provided for in the annual estimates of the revenue and expenditure for the National Government.

Conclusion;

Mr. Speaker, Baringo County Assembly has an enormous responsibility of legislation, representation and oversight. On these functions, Baringo County Assembly while working within the ambits of the law, the principles of separation of powers, checks and balances should deliver optimally.

The management of the Assembly should strive to ensure compliance with the recommendations of the Auditor in this report to improve the audit opinion and the image of the Assembly.

Finally Mr. Speaker, it is my pleasant duty and privilege, to on behalf of the Public Accounts and Investments Committee move a motion for adoption of the report.

Mr. Speaker. I beg to move and with your permission call Hon. Loice to second.

The Deputy Speaker (Hon. Kimosop): Very well. Hon. Loice, the seconder of the motion you can take the floor.

Hon. Loice: Thank you Mr. Speaker. I second the motion and as the Public Accounts Committee I congratulate us for doing a good job through the leadership of Hon. Sialo. This report is tasking. We went to Kisumu and we were sleeping at midnight but all in all, we have devoted ourselves to do this. Otherwise, in our report we are mentioning the accounting officer all the time and I think he needs to pull up his socks.

The ICT Committee should also be formed in this House and it is even delaying our tablets. As one of the Implementation Committee Member, we need to implement this. I second.

(Question Proposed)

Debate is open, Hon. Sam Limo.

Hon. Limo: Thank you Mr. Speaker, you see Mr. Speaker I was worried when the member came here earlier and for real you have seen the time he has taken which is close to one hour, it means the report is so detailed in a manner that they did not leave any stone unturned to ensure that our public funds are well overseen properly. This is one of the committees Mr. Speaker that should a life and kicking in the County Assembly and not only to oversight the Assembly but to oversight the County Government of Baringo, that is their duty.

Mr. Speaker I want to congratulate the Chair and the Committee of Public and Investment Committee for the well done job, they have done us a very good report, this report Mr. Speaker is what we want to be seeing and reading, despite some questions here and there Mr. Speaker that we might raise like the case of the management, matters of previous Assembly, Member for Bartabwa... Mr. Speaker I was wondering how we can clear those queries Mr. Speaker because the members are not here, we can't get their responses.

Mr. Speaker I have the following reservations; Mr. Speaker, in every organization that is functional and moving the risk management policy is a must, I am even surprised how we have been running this County Assembly of Baringo without risk management policy, that means Mr. Speaker those officers who are assisting us from the clerks they have slept on their duty and we need that Risk Management Policy.

Mr. Speaker I was coming from an NGO background and every organization should have a Risk Management Policy, even the staff themselves must generate a Risk Management Policy for their day to day activities, Mr. Speaker it should be something that we should all be querying and have pointing fingers on the Clerk of the County Assembly of Baringo not even the Board, this is the work of the Clerk to ensure that they have a working Risk Management Policy.

Secondly Mr. Speaker, we have been moving from one hall to another, we moved from the kitchen now we are in up stares, we are wondering when we are going to get to our Assembly Chambers, when are we getting to the Gazetted County Assembly Chambers of Baringo, Mr. Speaker it has taken us long, yesterday out of curiosity I just entered in the chambers just to see what was going on and I could see a lot of wires, cables lying down and they are very dirty and I wondered if really there is anyone working on anything there.

This one Mr. Speaker was queried last year, Mr. Speaker we have been out of that chambers from 2019 and we have been away for four good years now it is the fifth year, we were promised last year that the Assembly will be ready by January, January came and it passed, we also were told by mid of February it will be ready but February came and it went, we then were promised by March it will be ready now March is here and it is going, I think we will be promised April, May June, July and the rest of the months.

Mr. Speaker this issue is with the management and the management is here, it is the Board and the Board is the Speaker yourself sited at that Chair, it would be prudent if you advise the Board to expedite the process of completion, we don't want some queries that it is our own made, some of the queries Mr. Speaker is by our own and therefore we need to complete in time, let us move in by April because it is already Mid-March, we request that by April we get in there we don't want this one to appear again in our reports Mr. Speaker in the coming year.

Thirdly, Mr. Speaker is about payments done outside IPPD, I was wondering who is this person with proper competence and all the rules available can pay anything or anybody outside IPPD, this one is malicious we can term these as malicious payments and we need to dig inside it how much was spent outside IPPD, who was this person paid, for what reason and why, those are some of the questions we want the committee to go further not only to rest on this.

This is a report from the Auditor General and you the Committee of PIC/ PAC must now go deeper because those accounts are here, your Hon. Chair Mr. Speaker was a banker he has a background of accounts, we want to get to the deeper parts of such reports, who knows, maybe our funds were misappropriated where some people may have paid themselves before the last elections, therefore Mr. Speaker we don't want it to go without being told.

Fourth Mr. Speaker, procurement. We have seen the issue of procurement severally. In fact, Mr. Speaker we have been crying on the issue of airtime in this Assembly, the delays because there are third parties and middle men being vendors and suppliers of airtime. And therefore Mr. Speaker we are being told that the supplier did not supply because he was not paid. In which country are you supposed to pay the supplier before he supplies, in which nation? People are supposed to supply even if it is three, four or five months with an agreement then paid for the work he has done.

Therefore Mr. Speaker I think the committee should also go deep. Maybe some people inside the Assembly have camouflaged and have their own companies, you here even they say the company which supplied was not prequalified. I got it right? Yes, it was not prequalified and therefore Mr. Speaker that means Hon. Lokales prepared his own company then secured himself a job to supply our airtime and he was waiting until the money was remitted in his account then he supplied the airtime.

Mr. Speaker we have been up and down on the issue of airtime. Therefore Mr. Speaker we need this thing to be given to Safaricom itself so that we avoid this process of waiting for someone to supply us with airtime. This one Hon. Chair should also be investigated and tell us whose company is this because there are three or four directors. Yes, go deep and give us a report or something we may discuss here. We are even tasked on debating and querying some issues.

Therefore Mr. Speaker I think I should give other Members an opportunity and I want to rest my case that this report is really a very nice report and I support it, thank you Mr. Speaker.

The Deputy Speaker (Hon. Kimosop): Very well let's have now Hon. Sitoi.

Hon. Sitoi: Thank you Mr. Speaker. First allow me to congratulate the team for the well done job. Then Mr. Speaker I want to make an observation and Mr. Speaker this is a very important report and it deserves the full attention of this Assembly. Mr. Speaker I don't know whether I will be in order to request that we defer the debate of this Motion until when we have sufficient numbers in this House to debate the Motion, thank you Mr. Speaker.

The Deputy Speaker (Hon. Kimosop): Maybe to guide, there is a provision in our Standing Orders. You are an Hon. Member of this House, that allows a Member to request for defer of any discussion. If it is an interest, you have you can check that but I think since morning we have been concerned about the quorum. Something that if the rest of the Members can help so that when we have sensitive documents like these, it gets our full attention. So you can be checking with colleagues the provisions that allows defer and there is a procedure for that but meanwhile we will proceed with the debate, Hon. Deputy Majority Leader.

Hon. Lokorio: Thank you Mr. Speaker I rise and want to debate on the account that I represent the honorable people of Barwessa and I want to be clear on that. Mr. Speaker I want to begin by congratulating the able Chair thank you and I must comment this is a very elaborate report Mr. Speaker and I extend my congratulations to the membership of this committee. The work has been well done. Mr. Speaker I have a few comments on this report as we wait to hear if the Hon. Member of Bartabwa will succeed in deferring this discussion.

Meanwhile, Mr. Speaker I have some few comments. If you look at page 17 on unconfirmed payments for motor vehicles. I am concerned amongst other things, Mr. Speaker that gives me a very serious observation and commend that if payments were made on vehicles maintenance that raise a lot of queries, I think we need to look at that and correct Mr. Speaker. This is our Assembly and we must be seen moving forward. Just on the same note Mr. Speaker on car millage payments, there is a query on that again. Mr. Speaker I just want to make a general observation that the report has not favoured us and particularly the accounting officer of this County Assembly and that despite all the challenges, we realized that there has be no serious undertakings that comes from the management and the Chief Executive Officer (CEO) of this Assembly.

Therefore, I think moving forward, even with the challenges that we don't have even space as an Assembly and having postponed the completion of our County Assembly Chamber, there needs to be some seriousness shown on why all the time postponing and of course renewing the contract and all these things. Meanwhile Mr. Speaker, I had even made an observation that as we continue struggling, then why don't we do some serious maintenance of offices and the places that we are already operating from? So I want to say we need some kind of seriousness from our accounting officer and management so that we move forward.

There has been a lot of complaints yes and I am happy that the Hon. Member and the Chair of this committee has come out clearly and pointed out quite a number of anomalies. How I wish

Mr. Speaker that we correct these anomalies and move forward. Thank you I stand to support and commend them for well-done job, thank you Mr. Speaker.

The Deputy Speaker (Hon. Kimosop): Very well Hon. Sharon Keter.

Hon. Sharon: Mr. Speaker I want to agree with Hon. Sitoi on the fact that the matter that is before us is weighty and very important to this House. First and foremost, I want to congratulate Hon. Sialo and the team for the work they have done. They have done a very good job however Mr. Speaker we would require time.

Myself I have looked at the document and I was following when Hon. Sialo was reading but I feel like I need time to go and peruse the document and Mr. Speaker this is a matter that I have raised before. That is, before an Order Paper s placed before this House we need to be given sufficient time so that we can go through it and we give elaborate discussion and perspective towards the Motion or any paper that is before this House.

Mr. Speaker in that regard I want to seek help under Standing Orders 37(1) and (2) where it is provided that an Order Paper should be placed in the website 12 hours before time. Standing Order 37 (1) and (2)...

(Loud Consultations)

The Deputy Speaker (Hon. Kimosop): 37(1) and (2).

Hon. Sharon: Yes, Mr. Speaker that say that; an Order Paper shall be placed on the County Website 12 hours before the matter is placed for discussion and a supplementary Order Paper 1 hour before. Mr. Speaker this was not the case and I will beg us to defer this matter probably to the next session so that we may discuss.

Mr. Speaker looking at this House, we don't have quorum and I will point out Standing Orders 35 which says that; if from the number of Members taking part in an electronic voting or roll call division, it appears that the Members do not themselves constitute a quorum, the vote or division shall be invalid and the business then under consideration shall stand over until the next sitting and the Speaker shall proceed as if his or her attention had been drawn to the absence of the quorum but if after so proceeding a quorum is then present, the next business shall be entered upon.

Mr. Speaker as you can see we don't have the quorum and it should be actually very detrimental if you put this question and we don't have a quorum. I will therefore suggest that you invoke your discretion as it is provided under section 1 if I am not wrong that says; you have the powers and discretion to do anything that is to you will provide justice. Therefore Mr. Speaker I suggest that you differ this matter until afternoon.

The Deputy Speaker (Hon. Kimosop): Hon. Sharon Keter you have raised about three fundamental issues. One, on the circulation of these reports 12 hours and Clerk you need to take note of that and not just in this report but in the subsequent reports. We have an active website I have been checking it so we need to activate our ICT team.

You have also raised the issue of quorum so that if you put a question it could easily be rendered invalid if we do not have quorum and I think I had expecting you the third point to be candid because procedure we have section 52 and maybe you will reflect on that where a Member is expected to draw the attention of the Speaker to the deferring of putting a question.

Hon. Members that would mean that we can have two or three Members to contribute if that is what you intend to do, yes Hon. Keter.

Hon. Sharon: Mr. Speaker I am rising on the point of order 52 (3) despite paragraph 2 the Speaker may on the request of a Member differ the putting of the question to the following day in which the case the Speaker shall there upon nominate a time that the question will be put.

In that regard Mr. Speaker I want to request you to defer this matter until probably in the afternoon whereby we would have heard a good time to look at the document.

The Deputy Speaker (Hon. Kimosop): I think that order is well sorted, well placed and I will then direct that we defer the putting of the question to this matter until today afternoon at 2.30pm. In the interim I will direct Clerk to get Members sufficient copies and Majority Leader and Minority Leader, Majority Whip and Minority Whip ensure that you ensure enough membership in the afternoon at 2.30pm then we will proceed with this discussion.

(Motion deferred)

ADJOURNMENT

Order Members! This House stands adjourned until today at 2.30p.m.

The House rose at 11.55AM