

Wednesday, 18th April, 2018 COUNTY ASSEMBLY OF SIAYA DEBATES

REPUBLIC OF KENYA

SIAYA COUNTY ASSEMBLY

THE HANSARD

Second County Assembly-Second session

Wednesday, 18th April, 2018

The House met at the County Assembly Chamber at 9.30a.m.

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

PRAYER

MOTION

REPORT OF THE PUBLIC ACCOUNTS AND INVESTMENTS COMMITTEE

The Temporary Speaker; Hon. Atieno: Yes, Chair!

Hon. Ochieng: Thank you, Madam Speaker, I wish to move the Motion:

THAT this House adopts the Report of the Public Accounts and Investment Committee, on the Auditor General's Report, on the Financial Statement of the County Assembly, for the Financial Year ended 30th June, 2016 laid on the Table of the House, 29th March, 2018.

Mr. Speaker Sir, on behalf of the Public Accounts and Investments Committee (PAIC) and pursuant to the provision of Standing Order 196, it is my pleasant privilege and pleasure to present to this House the Report of the Public Accounts and Investments Committee findings on the Report of the Auditor General on the Financial Statements for the Financial Year ended 30th June, 2016.

MANDATE OF THE COMMITTEE

The County Assembly Committee on Public Accounts and Investments is established by Standing Order No. 196, and is mandated to conduct;

1. The examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit.
2. The examination of the workings of the County Public Investments.
3. When or while discharging its functions, the Public Investment and Accounts Committee shall further discharge the following functions.
 - a) Examine the reports and accounts of Public Investments.

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- b) Examine reports, if any, of the auditor general on public investments.
- c) Examine the context of the autonomy and efficiency of the public investment whether the affairs of the public investment are being managed in accordance with sound financial or business principles and prudent commercial practices.

This Committee comprises of:

- 1. Hon. William Kinyanyi- Chairperson
- 2. Hon. Susan Okwiri- Vice Chairperson
- 3. Hon. Andericus Odongo Oduor-Member
- 4. Hon. Joseph Wandera-Member
- 5. Hon. Francis Otiato-Member
- 6. Hon. Willis Ochieng-Member
- 7. Hon. Judith Oyugi-Member
- 8. Hon. Leonard Oriaro-Member
- 9. Hon. Abigael Awino-Member

RELEVANT LEGISLATION

What guided us is, the Report contains findings and other relevant details of the audit conducted by the Office of the Auditor General on the financial statements of the County Assembly of Siaya in the Financial Year 2015/2016.

Relevant legislations in the deliberation of this report:

Section 226(1) (5) of the Constitution

Section 226(1) of the new 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.”

Section 149 of the Public Financial Management Act, 2012, outlines the responsibilities of Accounting Officers for the County Government and County Assembly and it categorically states that

“An accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is:

- a) Lawful and authorized
- b) Effective, efficient, economical and transparent.

Section 226(1)(5) of the Constitution of Kenya, Section 156 of the Public Finance Management Act, 2012 further gives Accounting Officers powers to discipline errant officers under their jurisdiction.

The same section of the Act also gives the Appointing Authority powers to discipline errant accounting officers. Section 156(1) of the Act empowers the appointing authority to revoke appointment of errant accounting officers. In this Report, the Committee took into cognizance the above articles of the Constitution of Kenya 2010 and Section 156 of the Public

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Finance Management act 2012, to recommend the investigation and surcharge various persons that may have been responsible for the loss of public funds within our County.

Acknowledgement

The Committee wishes to acknowledge the support received from the office of the Speaker and the Clerk of the County Assembly during the processing of this Report. The Committee further appreciates the cooperation it received from the Clerk of County Assembly of Siaya and their respective staff Members.

Final appreciation goes to the Hon. Members of the County Assembly of Siaya and the secretariat of this Committee, as well as the officers from the Auditor General's office Kisumu who created time out of their busy schedule to attend and participate in the proceedings. Indeed their commitment and devotion to duty have made the work of the Committee and the production of this Report successful.

Madam Speaker, I wish to confirm that the resolutions of the Committee in this Report were unanimous. It is therefore my pleasant duty and privilege, on behalf of the Public Accounts and Investment Committee to table this Report and recommend it to this House for debate and adoption.

**THE AUDITOR GENERALS' REPORT ON THE FINANCIAL STATEMENTS
OF THE COUNTY ASSEMBLY OF SIAYA FOR FINANCIAL YEAR 2015/2016**

BASIS FOR QUALIFIED OPINION ON THE AUDITOR GENERAL'S OPINION

COMMITTEE'S GENERAL OBSERVATIONS

The Committee observed that;

1. The Office of the Auditor general contrary to the Public Audit Act 2015 section 31 (3.a) which states that: The Auditor-General shall include in his or her report under this section— recommendations on how a State Organ or public entity may improve the application of funds in a lawful and in an effective way; did not include his recommendations during compilation of the final audit report for the County Assembly of Siaya.
2. The County Assembly did not co-operate with the Office of the Auditor-General as at the time of audit. Withholding of some of the documents as at the time of audit is contrary to the provision of the Public Audit Act 2015 and that is what resulted into the County Assembly get a disclaimer opinion in the respective Financial year.

GENERAL COMMITTEE RECOMMENDATIONS

The Committee recommends that;

1. County Assembly departments should strive to submit documents to the Auditors at the time of Audit in accordance with the Public Audit Act, 2015.
2. The County Assembly of Siaya should take prompt measures that will ensure the IFMIS system is fully implemented and all required relevant modules are operational.

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CASH AND CASH EQUIVALENTS

The cash and cash equivalent balance as at 30 June 2016 had the following unresolved anomalies;

- (i) Note 13A to the Financial Statements reflect the current account (1143428927) had an overdrawn bank balance of Kshs. 68, 084 as at 30 June 2016 contrary to section 119(4) of the Public Finance Management Act, 2012 which states that an accounting officer shall not cause a bank account to be overdrawn beyond the limit authorized by the County Treasury.

MANAGEMENT RESPONSE

The bank balances of an account are contained in the accounts bank statements. According to the bank statements as at 30th June 2016, the balance was Kshs. 11,624,900.55. This may also be confirmed by a certified certificate of the bank balances that was issued by the bank on 6th June 2016.

By then the county assembly had issued a number of Cheques to various suppliers and service providers which had not been reduced from the provided bank balance. Some of these Cheques which had not gone through had not been presented by our creditors to the bank while the rest had not been collected.

As the assembly communicated to the suppliers for collection and subsequent presentation to the bank, the actual bank balance reduced day by day. The clearances of the Cheques ran from 1st July, 2016 to 31st July, 2016 when the bank balance reduced to an overdraw of Kshs. 44,745.

ITEM	AMOUNT (KSHS.)
Balance as per Bank statement	11,624,900.55
Less payment in cash book not yet recorded in the bank statement	11,669,645.05
Balance as per cash book	44,745.00

Therefore the amended cash book balance is Kshs. 44,745.00 and not an overdrawn balance of Kshs. 68,084. The overdraw was occasioned by a Cheque of Kshs. 46,600 which had been drawn but had never been cleared when the balance was reading nil.

However, the presentation of the Cheque was done after credit for FY: 2016/17 had reflected hence the Cheque never bounced. But since the Cheque was dated 30th June 2016, it had to indicate an overdraw as per the cash book.

Secondly, another significant indicator is that at no time in the financial year did the bank statement indicate any overdraw. However both the bank statement and the cash book records need to be harmonized by any dates.

Appendix:

- i. Bank statements
- ii. Certificate of bank balance

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COMMITTEE DELIBERATION

The committee noted that the over-draw was for Kshs 48,000 and not Kshs 68,000 as indicated. The explanation as to the pending last Cheque worth Kshs. 46,000 would financially conform to the balance in the bank. The cash book balance indicated an overdraw as at that date. Bank statement of the months of June July and August were brought to the committee for scrutiny reviewed to conform to the financial position stated.

COMMITTEE RECOMMENDATION

The committee recommends that a bank reconciliation should be done at the end of every month to avoid such an issue from coming up in subsequent years. The audit issue therefore stands cleared.

- (ii) At the Central Bank of Kenya, Bank Account (100197463) reflected a balance of Kshs.51, 206,487 as at 30 June 2016. However, a review of the reconciliation statement for the account revealed that a total of Kshs.19, 709,298 was shown as un-cleared effects leading to a balance of Kshs.31, 497,189. Further, no certified or bank statement was availed to reflect the actual account balance as at 30 June 2016.

MANAGEMENT RESPONSE

We wish to clarify that the original bank reconciliation statement had an error on un-cleared effects which has been corrected in the adjusted bank reconciliation statement. The un-cleared effect amount has been adjusted from Kshs. 36,498,936.20 to Kshs. 16,263,865.

SIAYA COUNTY ASSEMBLY				
BANK RECONCILIATION STATEMENT FY 2015/16				
	Cash		Bank	
	Kshs.	Cts.	Kshs.	Cts.
Balance as per Bank Certificate			52,040,838	30
Less				
1. Payments in Cash book not yet reflected in the bank statement (un-cleared effects)			16,263,865	23
			35,776,973	07
Add				
3. Payments in the Bank statement not yet recorded in the cash book			15,429,513	70
			51,206,486	07
Reconciled Balance as per Cash book			51,206,486	77

The Kshs. 16,263,865 is made up of items as shown in schedule (iii).

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Appendix

- i. Schedule of payments of un-cleared effects
- ii. Bank Reconciliation statement.
- (iii). No certificate or bank balance statement was availed to reflect the actual account balance as at 30th June 2016.

MANAGEMENT RESPONSE

Real time bank statements are some of the reports which may be generated through the AP (Account payables) IFMIS modules. The bank statements to verify the Central bank Account balances are hereby attached as at 30th June 2016. Therefore it was an oversight, in case it was not used to verify the balance of Kshs. 51,206,486.

COMMITTEE DELIBERATIONS

The bank certificate from the Central Bank not provided as at the time of audit is as a result of the central bank not issuing them instantly when requested unlike the commercial banks. However bank statements can be generated to this expenditures effect and they were issued and verified by the representatives from the office of the Auditor General. The committee however still requested that a request be made by the County assembly to get the Bank certificate from the Central Bank and shares the same with the committee and the Office of the Auditor General.

COMMITTEE RECOMMENDATIONS

The committee recommends that the bank certificate from the central bank be issued to the house in the next 14 days. The management is also advised to seek this certificate at the end of each financial year to avoid a reoccurrence of the same.

(iv)The Assembly did not carry out bank reconciliations in the IFMIS as required. Consequently, it has not been possible to confirm that bank balances of Kshs. 63,660,088 as at 30 June 2016 as fairly stated.

MANAGEMENT RESPONSE

The Assembly could not carry Auto-Reconciliation in the IFMIS system because Cash Management module was not operational in the IFMIS system. So it could not be possible to do auto-reconciliation and instead we did it outside the IFMIS system. To date auto-reconciliation is not possible.

COMMITTEE DELIBERATION

The committee noted that the cash management's module within the IFMIS system hasn't been activated by treasury to date. In as much the office of the auditor general is bound to report as if the system had been rolled out completely and is fully functional.

COMMITTEE RECOMMENDATIONS

The County Assembly should strive to liaise with the treasury in order to ensure that the inactive modules within the IFMIS system are updated. The audit issue stands cleared.

2. COMPENSATION OF EMPLOYEES.

2.1. DUPLICATED SITTING ALLOWANCES.

The statement of receipts and payments reflects an amount of Kshs. 295,656,787 in respect of compensation of employees. However, the payroll of the County Executive reflected sitting allowances paid to Members of County Assembly in the Assembly records.

MANAGEMENT RESPONSE

The financial statement for the year ended 30th June 2016 covers the period from 1st July 2015 to 30th June 2016. In this particular period there was instruction for all the County Assemblies to prepare their financial statements independent from the County Executive.

This implied that all transactions incurred on account of County Assembly budget had to be isolated and consolidated. Therefore if the County Assembly did report on the sitting allowances for Members of the County Assembly in the month of July and August 2015, it was the right action that ought to have been taken.

However, if the County Executive included the sitting allowances for the Members of the County Assembly for the two months in the County Executives independent financial statements, it was a fault because County Assembly is not one of the departments of the County Executive. The fault is without the County Assembly's contribution.

Section 163 of the PFM Act, 2012 only provides for the County Treasury to consolidate the financial statements of all county entities. The Act states that "At the end of each financial year, the County Treasury for the County Government shall consolidate the annual financial statements in respect of all the County Government entities in formats to be prescribed by the Accounting Standards Board".

Therefore in the light of the foregoing, if there was any duplication as mentioned in the findings, it was a commission of an error by the county executive since Members of County Assembly sitting allowances are rightfully part of the County Assembly Budget.

COMMITTEE DELIBERATION

The committee noted this concern and shared the concern with the relevant department within the Executive to know how the issue was recorded by the Executive wing of the County Government during the financial year in question. The committee was informed that this was as a result of misinformation within the two entities as they were creating their financial statements at the year ends. This resulted in duplication of the said transaction within the financial statements of the Assembly and that of the executive.

COMMITTEE RECOMMENDATION

The committee calls for joint consultations within the relevant departments when it comes to transactions cutting across the County Executive and the County Assembly to avoid a replication of the same situation in subsequent years.

2.2. PAYMENT OF SITTING ALLOWANCES

Included in the compensation to employees figure of Kshs. 295,656,787 its Kshs. 5,690,900 paid as sitting allowances irregularly to members of the Assembly contrary to Salaries

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and Remuneration Commission circular SRC/TS/CGOVT/3.16 of 17 November 2013 which set the limit for sitting allowances.

This was the period between 28 August 2015 and 21 September 2015, when the Assembly proceeded on a long recess. However, the members were only entitled to twelve (12) special committee sitting and one(1) plenary sitting which should have amounted to Kshs. 2,867,300 was paid irregularly to members. Further, the following irregularities were noted:

The Assembly's calendar indicated that it adjourned for recess from 30 November to 27 December 2015. However, payment records of sittings allowance (plenary and committee session) for the month of December 2015 reveals that a total of Kshs. 5,055,500 was paid to the members despite only five plenary sittings and sixteen special having taken place in the period under review which ought to have incurred Kshs. 3,810,300. Consequently, the sitting allowances of Kshs. 1,245,200 for extra sittings were irregularly earned and hence ineligible.

In the month of January 2016, thirty five (35) Members of the Assembly received a total of Kshs. 4,026,100 for 20 committee sessions said to have. However, only 16 committee sittings were eligible for payment totaling Kshs. 2,745,600 as no plenary sittings were held the period the Assembly was on recess.

Therefore the four (4) committee sitting allowances paid for the month, Kshs. 1,280,500 were therefore irregularly incurred. In the month of February 2016 twenty five (25) Members of the County Assembly and the Clerk received a total of Kshs. 795,300 for special sittings.

However, available information reveals that only four special meetings were held whose maximum payable allowance was Kshs 453,700 between 1st and 7th February 2016. The resultant difference of Kshs. 341, 600 was paid contrary to Salaries and Remuneration Commission circulars. Consequently, the propriety of Kshs. 5,690,900 paid as sitting allowances as at 30 June 2016 could not be confirmed.

Management Response

During Assembly recess periods, committees normally take the opportunity to hold committee meetings so that they can deliberate on the various Sectoral reports and pending businesses for purposes of presenting those reports to the Assembly upon expiry of recess periods.

Members are only entitled to payment of sitting allowance upon attendance of the committee meetings. The joint meeting between SRC and the County Assembly Speakers Forum held on 12th June ,2013, resolved that MCAs be paid sittings up to a maximum of 8 sittings per week without any distinction between plenary and committee sittings.

The decision was communicated to the County Assemblies Forum (CAF) vide SRC CIRCULAR REF.NO. SRC/ST/CGOVT/3/61 dated 21st June, 2013. The circular provides that there should be no distinction of plenary and committee sittings in the computation of weekly sittings. Therefore based on this circular, the payments were deemed regular unless the circular was invalidated by the other circular dated 27th November 2013.

Committee deliberations

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The committee carefully reviewed the seculars from the Salaries and Remuneration commission advising the Assemblies on the subject above. They were further scrutinized by representatives from the Office of the Auditor general. The management conformed to the advisory as per the SRC secular annexed.

The Committee cleared this audit issue.

3.0 INACCURACIES IN FINANCIAL STATEMENTS

Discrepancies were noted between the details of goods and services reflected at note 5 to the financial statements and those in the ledger as detailed below. I think all Hon. Members have these figures.

Management Response

The varying figures cited in the report are correctly stated. This is so because the details are obtained from different documents. The payment register provides details of what had actually been paid at the end of June, 2015 for the entire Financial Year. Conversely the figures captured in the financial statements are obtained from the IFMIS vote book.

The vote book provided the actual expenditure and Assembly commitments that were still in process and were yet to be paid. Therefore, the variance of Kshs. 4,459,725 between the financial statement and the payment register would be attributed to commitments whose payments were still in progress.

We wish to concur that there was a variance on the use of goods and services of Kshs. 4,459,725 and do hereby confirm to your office. That these funds which had been committed in the IFMIS system were actually treated as part of expenditures on use of goods and services. You can see the IFMIS book below and Hon. Members can go through it.

Committee deliberations

The committee noted that the vote book was the one used to create the financial statements because they contain the commitments to this effect and not the ledgers. The committee also noted that there's been failure to update this information in the ledgers.

Committee recommendations

The committee recommends that moving on, the management should strive to have the ledger updated and the information there in in-sync with the ones of the vote books. The audit issue stands cleared.

3.2 FIXED ASSETS REGISTER

The Assembly did not also maintain a fixed asset register in accordance with the Public Finance Management (County Governments) Regulations, 2015 Section 136 (1). In addition, the fixed assets inherited from the defunct County Council of Siaya were not disclosed nor reported in the financial statements. Consequently, the accuracy of fixed assets registered with a balance of Kshs. 68, 373,040 for the year ended 30 June 2016 could not be confirmed.

Management response. The county assembly maintained fixed assets register and we have appended the list of fixed assets register. Below is the quarterly fixed asset schedule acquired during the financial year 2015-2016. It is in quarters, 1st, 2nd, 3rd and 4th quarter. I think Hon. Members can go through it.

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COMMITTEE DELIBERATION RECOMMENDATION

The fixed assets was presented and were not updated as at the time of audit however they were brought to the committee verified by the representative from the Auditor General and confirmed to be updated. The audit issue stands cleared. The fixed assets inherited from the defunct county council of Siaya were not disclosed nor reported in the financial statements.

Management response

The Transition authority undertaking which ought to have validated the report on assets and liabilities is still in progress. We could not therefore report on the assets because they were still subject to the long awaited report.

COMMITTEE DELIBERATION AND RECOMMENDATION

The committee could not compel the Assembly to avail the status of the fixed assets from the defunct local authority for its still work in progress within the transition authority. The committee recommends that communication be made seeking the status report or the complete report from the transition authority on the status of assets and liabilities inherited from the defunct local authority for compliance by the County Assembly to avoid a reoccurrence of the same in subsequent years.

4.0 PENDING BILLS.

Note 18.1 to the financial statements indicate that the Assembly had accumulated pending bills totaling Kshs. 37,276,900. However, no analysis was provided for audit review to show that these bills in the year they relate distorts the financial statement for the year and also affects Service delivery in the subsequently year/ had these bills been paid, the statement of receipts and payments would have reflected a surplus of 26,389,763.

Management response

The bills that were pending as at 30th June 2016 were in respect of construction works, supply of goods and services and the analysis of which is as provided in the table below. I urge the Hon. Members to go through the table.

COMMITTEE DELIBERATION

The committee noted that the effort towards clearing pending bills should come with disbursements in good time from the National Treasury.

COMMITTEE RECOMMENDATION

The management should strive to clear the payments for supply of goods and services and civil works during the year they fall in to curb the issue of pending bills in the subsequent year and thus distorting project implementation status within the financial years.

Other matters on budget analysis and performance**5.0 BUDGET ABSORPTION**

During the year under review the approved budget for the Assembly was Kshs. 655,923,777 out of which Kshs. 582,029,051 (79%) was recurrent expenditure while Kshs. 73,894,726 (11%) was for development expenditure as shown below. There is a table below.

A review of the budget reflects that the Assembly spent Kshs. 68,373,040 approximately 92% on development vote while 68,373,040 approximately 92% on development vote while Kshs. 523,864,492 or approximately 90% was spent on recurrent. Failure to utilize the full budget may have led to residents of Siaya County not obtaining expected service delivery from the Assembly. Management was in form of a table and Hon. Members can through the table.

Development programs allocations were not spent 100% because by the end of the Financial Year: 2015/2016, the contractors had not completed the works. The contractors for the construction of steel water tank and committee Board rooms sought for extension of contract period. The County Assembly Tender Committee consequently deliberated on the application by the contractors and granted extension for the contract period. The allocations for the uncompleted works were rolled over to the development budget of Financial Year 2016/2017.

COMMITTEE DELIBERATION AND RECOMMENDATION

The committee noted the constraints in the Financial Year against the absorption rates and noted a small lapse that can be increased. The committee recommends that the County Assembly increases its absorption rates for both development and recurrent expenditure in the subsequent years.

Failure to utilize Recurrent Budget fully may have led to not obtaining the expected services.
Management Response

Recurrent Expenditure was also not spent at 100% of the budget allocation; however, the shortfall under expenditure was 9% not 90% as illustrated in the query. The under expenditure was justified because of the following reasons:

- Underutilization of compensation to employees due to recruitment for two months only.
This is in respect to;
Compensation to employees, training experts, insurance costs, purchase of office and general equipment, office and general supplies services and hospitality and services.
- Fluctuation in the foreign exchange rate.
This was in relation to the purchase of Motor vehicle. The dollar rate to Kenya Shillings devalued hence the Kenya Shillings became stronger through revaluation. The budgetary provision for the vehicle was Kshs. 7,000,000 and the actual expenditure was Kshs. 6,929,150,

COMMITTEE DELIBERATIONS AND RECOMMENDATIONS

The committee confirmed the two expenditures and the timing of execution especially for the recruitment of staff during the financial year in question caused the significant under expenditure in the recurrent budget. There was little to that effect that could have been done by the County

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Assembly. The actual expenditure on the motor vehicle compared to the budgeted amount with the fluctuation in exchange rates is also an unsystematic risk associated with such purchases.

The audit issue stands cleared by the committee.

5.1 UNDER/ (OVER) EXPENDITURE. The total recurrent and development actual expenditure was Kshs. 592,237,532 against a budget figure of Kshs. 655,923,777 as analyzed below:

The Temporary Speaker: I wish to propose the question which is that this House adopts the Report of the public accounts and investment Committee on the Auditor General's Report on the financial statement of the County Assembly of Financial Year ending 30th June, 2016 laid on the Table of the House on Thursday, 29th March, 2018.

Hon. Adala: Thank you, Temporary Speaker and the Committee on PAC/PIC that has been adequately represented in the Floor of the House by Hon. Willis Ochieng for having done a good job in terms of having an insight into the status of the Assembly for FY- 2015/16.

My attention has been brought on the absorption rate; mostly if you realize in the first Assembly I was not in but what would arise was absorption rate. Having looked at the Report I want to commend the Assembly for having tried to basically consume up to 92% of the funds that were set for the Assembly.

On the budget analysis and performance; I can see a review of the budget that reflects Kshs. 68 Million which is 92% and I think this is commendable enough, however, we would like to keep it going to 100% and even areas of anomalies have been highlighted by this Report. I am also happy to note that there were various steps that were taken and of course ratified by the auditor general.

Therefore it goes without saying that once this Report and all the gaps that were seen, satisfactory steps were made with the auditor general. Having said that without the fear of contradiction I will just request that going by the mood of this House, you invite the Mover to reply.

Hon. Oriaro: I just wanted to make a few comments before the Mover replies. I am a Member this Committee and the truth is I was in the first Assembly and we really tried playing the holier than thou trends because the Assembly starts with matters of over sighting.

There is no way out which we can pretend to be over sighting the Executive when our back is soiled. In plain we thank the other wing of the Assembly for having played well. Also, you will note that most of our recommendations going by clearance and areas where there are grey areas our part is merely advisory.

The only area that I want to correct because it may be appreciated on the wrong side of history; the issue on page 10 that is on cash and cash equivalent if you were keen because Hon. Adalla did not note that and he wanted the Mover to reply and I want to correct that one and see it alongside the matter on page 10 and 11 that is on cash and cash equivalent and that is the aspect no.3 where management response was received then the Committee then deliberated.

Part 3 no certificate or bank balance statement was availed to reflect the actual balance as at 30th June 2016. You may see Assembly coming up with a recommendation; that the committee

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recommends that the bank certificate from the Central bank be issued to the house in the next 14days. The management is also advised to seek this certificate at the end of each financial year to avoid an occurrence on the same. Go to no.11 on committee recommendation; the County Assembly should strive to liaise with treasury in order to ensure that the inactive modules within the IFMIS system are updated where it is noted that the audit issue is cleared.

On matters of oversight, the Committee moved from one point to another in matters of digging the truth with the administrators and the Assembly. At one point in time that matter was not clear and later on subsequent meetings it was cleared. The earlier matter as recommend to me it should be a typo or mistake; it was an earlier recommendation but later on as we move fourth with our deliberations we realized that the matter was addressed.

The matter on page 11 in so far as recommendation annuls makes void of the recommendation on number 1. I really thank the administration and I want to advice this second Assembly especially on the part of administration that they play clean because this time we want to be tough on the Executive corruption and in-activity is bringing services down.

We are tired OF doing things in the past so Assembly must all the time strive to survive in the neighborhood of the gods so that we are better placed; we have been abused in the media by our brothers in Parliament that we don't know our work.

I am calling upon the Senate to also go through our Report and Hon. Orengo should be number 1 in this to tell the MPs from Siaya County that MCAs in this House are credible ones, intellectually equipped and able to separate the chaff from the grain and that one should be underscored when the Senate addresses this matter. I support.

Hon. Omwende: First and foremost such a Report is sometimes very difficult to deliberate on. The most important thing I will say that I have to support this Report. When such a Report is given because it covers 5years plan how I wish this Report was attached with some key supportive documents that can also give it more flesh that we also be satisfied because some Members were not there but they also need to check out what was there. Thank you.

Hon. Otiato: I support with a bit of reservation, not on the output but I will say as a Member of the Committee it was done... but because precedence has always been set. It will be my request that actually the House adjourns until we be able to get the attachment. It will be unfair once the precedence has been set that we proceed with this one without some attachments.

In this we are told see the attached and it is not attached then the document is not complete. In support of what Hon. Omwende has just said that the way forward is that we should be able to see this attachment so that we can make the right decision.

Hon. Olasi: I stand to support this Report not because it's a Report of the Assembly but the Committee incorporation. After each and every item you will find them telling us that the audit Report turns clear not once not twice then again a very serious Member of the same Committee is again telling the House that he believes that the attachment ought to have accompanied the Report. How I wish he could do that when they were in the process of doing the Report.

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The Temporary Speaker: The Chairman of the Committee, could you let us know what happened to the attachments?

Hon. Ochieng: I wish to state it very clearly that this Report is up to task and it has all the requirements unless otherwise the Hon. Member is not having a copy. I can't just stand here to read a Report which is half baked.

The Temporary Speaker: When I read the Report it says that copies of the Statements are on the back side and I have gone through them and I haven't seen them.

Hon. Ochieng: It is only that it was a very big document that we couldn't attach with this Report here but we tabled it here.

The Temporary Speaker: Chair of the Committee how long will it take to get the copies of the attachments.

Hon. Ochieng: We are liaising with the Clerk attached to this Committee and in 5minutes time those documents will be here. I kindly request this House to adopt this report and the document will be here, it is just taking time because printing copies for all the Members is not that easy or again they can be found in our library.

Hon. Opanga: May I rise on a point of Order? The Hon. Member has said categorically that the document is voluminous and cannot be produced here. I believe this Assembly is not broke, it has money. Whether big or not as a Hon. Member I ought to have had the document to be able to scrutinize and give my honest opinion on the same.

I would kindly request if you allow through your guidance as they prepare the document we know the report is on the House but we would also want to see what the report entails including the attachment. Thank you.

Hon. Wandera: Madam Temporary Speaker, before the aspect of catchment came up--- This report was very comprehensive and self-explanatory and we almost adopted it but my

Hon. Olasi: Hon. Temporary Speaker, Sir, the Hon. Member is not in Order to stand as a contributor unless it's on a point of Order because I was on the floor and I was cut short. It is not in Order for him to speak when I am still on the floor.

The Temporary Speaker(Atieno): Hon. Olasi, can you continue now because we have the documents here and Members can look at them.

Hon. V. Odawa: Hon. Temporary Speaker, Sir!

The Temporary Speaker: Is it a point of Order?

Hon. V. Odawa: Yes, thank you Madam Temporary Speaker. I am wondering why a Member of a Committee can wait until and come to argue on the floor of the House. They should have sorted out this at the Committee level.

I also know that most of us here are not accountants and I really wonder what difference the documents will make because it is just a matter of mathematics. Otherwise, even those who are asking for the documents don't understand what it's all about. Thank you.

Hon. Odero: I don't concur with the Hon. Member who has just spoken. I don't concur with him when he says that nobody is here to verify what is there while am here as an accountant and I would know the balance that is there and confirm with the report.

The Temporary Speaker: Hon. Olasi, can you continue?

Hon. Olasi: Thank you, Madam Temporary Speaker, again these are figures and I don't know how a Hon. Member would say that we cannot interpret figures. That is devaluing this

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House and the Hon. Member ought to have spoken for himself. There is a saying in Luo where I was born and brought up that says “ *Sembe ipimo gi nyamin.* ”

Now, when other Members say that this Report should be thrown away just because another Report was thrown away sometimes back, then it is not in Order! Why do I say so? One, in that particular picture we were demanding just for pictures and here we are talking about figures

Hon. Opanga: Madam Temporary Speaker, point of Order!

Is Hon. Olasi in Order to say that they were demanding a picture for a one to one interaction? How do you give a picture of that!? The issue was attachment of appendixes, so Hon. Olasi should not mislead the House on why the Report was not adopted on that day. As the chair of the said Committee stand to defend and the Hon. Member should be candid enough to give true facts, thank you.

The Temporary Speaker: Hon. Ochieng’.

Hon. Ochieng’: Thank you, Madam Temporary Speaker, I think that now that you have brought the document into the House I therefore think that this should not be the direction taken such that documents are being brought into the House so as to support it or contribute on what is in it.

The Temporary Speaker: Okay, Hon. Members lets continue on contributing on the report if you have something to contribute. You have the documents here and you can check them, you can refer to them as well as consult.

Hon. Olasi: Thank you, Madam Temporary Speaker, and again I must thank the Mover for

Hon. Otieno: Thank you, Madam Temporary Speaker. I think it is in order for the Mover, you cannot just say that the document is there you. We want the document here so that we can verify who is the document for? We want to verify if these figures are for real. We have figures here talking about 48 thousand which was withdrawn....Thank you.

The Temporary Speaker: You can come around and check!

Hon. Olasi: Thank you, Madam Temporary Speaker, it’s not a matter of coming round to check, you can just send a serjeant-at –Arms to bring me one, it is as simple as that!

(Laughter)

As I continue am not defending anything but am supporting the report and not just a report but a good report.

Hon. Omwende: Point of Order!

Madam Temporary Speaker, you need to give direction now and I believe that Hon. Member was standing on a point of Order, but right now he is contributing on the report while he is still on a point of order.

There are key issues here and we have received the report and there are procedures when the report is to be given to the Members, there is a time frame for that.

So I would wish that you allow us to finish the report given that I know you very well and I know how powerful you are. We can also finish with the attachment that so that in the afternoon we can have apple time to discuss this report.

Hon. Olasi: Thank you, Madam Temporary Speaker, allow me to remind the Hon. Member that I was not on a point of Order, I was contributing as far as this particular and I don’t know what has attracted so many point of Orders! So kindly, please allow me to proceed.

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The Temporary Speaker: Can you continue?

Hon. Olasi: Thank you, I was saying that we as the oversight authority if cannot do what is expected of us and here we are yet we are supposed to oversight other department as well as other sectors of the County when our report is not clear. I support this report because it has been cleared by so many so audit processes if not procedures, thank you.

Hon. Oyuago: Thank you, Madam Temporary Speaker, I support the report by PIAC and would like to say that as County Assembly our main role is to oversight.

Therefore, this is the entity that should not need even a single audit query. So we are urging the administration of this Assembly to next time try to play smart because with the issue of audit, it's not just because you squandered the money it may be just that you

Hon. Omwende: Point of Order, Madam Temporary Speaker!
This House is in quagmire as well as in a state of confusion and unless we get the direction from you! Do we have to see the report first and then we proceed?

The Temporary Speaker: This report was given out and you Members went with it home.

Hon. Omwende: We are talking about the attachment because it's when I am receiving it. How best do you think we can contribute, Hon. Temporary Speaker, Sir?

The Temporary Speaker: Okay Members, maybe we adjourn then we come back in the afternoon and take your time and go through the attachments then come back at 2.30 p.m.

(Loud consultations)

Hon Booker: Point of Order, Madam Temporary Speaker! Is it in Order for the Hon. Member to stand up again when you are giving a directive? You have already given a directive that we adjourn until afternoon. Why should this ...

The Temporary Speaker: Thank you, I was still consulting and sit down. So do we agree that we come back in the afternoon and discuss this report? These reports as well as attachments are going to be here so that you can check on them in the afternoon.

Hon. Oriaro: Hon. Temporary Speaker, Sir, that is a question and I wish to react to it. I think this should be by a way of consensus so tupige Kura so that we objectively come out of it.

Hon. Olasi: Madam Temporary Speaker, I have a concern that even if you were to postponed this thing up to I don't know when, it is still not in order to stop a Member who is contributing from contributing. How I wish you leave a Member who is contributing to finish their contribution so that when the report is pushed to the afternoon he/she has been heard.

The Temporary Speaker: Can we all sit down!
Okay, Hon. Oyuago continue.

Hon. Oyuago: You know it's like we are not really taking this issue seriously. I wish you knew the importance of this report because most of you are rising on unnecessary points of order. I really fail to understand why you have to...

(Loud consultations)

Hon. Otiato, stop disturbing me. What is your problem?

Hon. Otiato: Point of Order! Madam Temporary Speaker, protect me. Why am I being attacked by Hon. Oyuago?

The Temporary Speaker: Hon. Otiato, can you seat down.

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Hon. Olasi: Thank you, Madam Temporary Speaker, Member of this particular Committee who could not contribute who was part and parcel of this deliberation and who went out of this County to go and write the report in another County and now they are the same people who are here disturbing the report. Is that in Order?

The Temporary Speaker: Hon. Members, Hon. Otiato can you sit down?

Hon. Otiato: Madam Temporary Speaker, am under attack, can I be given time to defend myself?

The Temporary Speaker: Hon. Otiato, can you sit down? Members remember that we are on a special plenary and we have a time limit for these two reports- the Assembly report and the Executive report which we are supposed to discuss today, tomorrow and even Friday. So I am requesting you to behave yourself and let us continue discussing especially this one so that we deal with the other one tomorrow Friday. Proceed, Hon. Oyuago!

Hon. Oyuago: Thank you; what I was saying is that you know that with audit query it is not a must that the person who was in charge squandered the money or misused the money, maybe he didn't support the document before the auditors and that's why the audit queries were raised.

I would say or request the Members who are asking for attachments that we still have the afternoon session and they can be provided with the attachments so that you go through them during lunch time and hence continue with the deliberations in the afternoon. Thank you.

Hon. Oyugi: Madam Temporary Speaker, this report is very comprehensive and for us as a Committee to have brought it up to this level doesn't mean that the Members will not understand. The issue of attachment is very complex, as a Committee we researched to come up with this report for even to understand the attachment we had the officers from auditor general to explain.

So for the Members the attachments are here and you can go through but it is deeper than that and let us not pretend that we can understand it deeper than the auditors. It will take us a lot of time. Let us accept the report and the attachments are here for anybody to scrutinize whatever is needed and we adopt the report. This report has a time line also, I stand to support!

The Temporary Speaker: Hon. Booker!

Hon. Booker: Hon. Madam Temporary Speaker, I stand to support the report but the issue here was that there were no attachments and given that they are now available I think there is no need of wasting time when what we wanted has been provided.

The Temporary Speaker: Hon. Omoro!

Hon. Omoro: Hon. Madam Temporary Speaker, I would want to advise my fellow Hon. Members that let us try to behave like Hon. Members. Read the writings on the wall and please read between the lines and let us try not to agitate over one thing for long. Let us do it peacefully and adjourn for the afternoon so that we come back to discuss it later.

The Temporary Speaker: Hon. Filly!

Hon. Akoth: Thank you so much, our able Hon. Madam Temporary Speaker. My congratulation goes to the PIC/PAC Committee for job well done. My attention also goes to the budget and expenditure where the expenditure is 9% and is exaggerated to 90% which is very criminal and there is a lot of misinformation.

The Temporary Speaker: Okay, Hon. Members, should we call for adjournment till afternoon?

Hon. Opanga: Thank you, Hon. Madam Temporary Speaker. I rise to support the report but the reason why we wanted the attachment through the attachment and I will go to cash and

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cash equivalents whereby there was an overdrawing of about 44 thousand and in the management response they say that therefore, they amended cash book balance is 44,745 and not an overdrawn balance of 68,084.

In the bank statement the cheque they are saying that was cleared later of 46 thousand that cheque cleared the same day it was banked and it left a balance of 10 shillings in the account and in that the statement was not complete if you check at the statement there is an overprint that was not captured.

That is why we are insisting on the attachment so that at least to be able to protect and support what we can verify. The Committee did a good job but I think here and there I know they might had printing issues, all the same I support. Thank you.

The Temporary Speaker: Hon. Shirley!

Hon. Oyuago: Thank you, Hon. Madam Temporary Speaker. Is it in Order for a Member to speak twice in this House? The other time he stood on a point of Order and again he stood to contribute on the same Motion! Please call upon the Mover to reply.

Hon. Otiato: Hon. Madam Temporary Speaker, I am on a point of Order!

The Temporary Speaker: Hon. Otiato continue!

Hon. Otiato: Hon. Madam Temporary Speaker, just as you have noticed for me I will take it to be very bad and insulting because I am here to represent my people and I will not take anything for granted. Yes, as a Member of this particular Committee it is not my duty to provide the attachment and if we come to the House and I don't have the attachment, is it wrong for me to ask when it is written that an appendix is there?

The only thing we are requesting is that this attachment be produced. Now on this particular issue, given that we have the documents maybe Hon. Opanga is the only person who has seen this document.

Given that we have the whole day we want to make a good judgment on this and according to what we had yesterday even the Mover of what was supposed to be there was of the opinion that tomorrow we discuss the. So I was requesting the Hon. Chair

The Temporary Speaker: Yes, Hon. Adala!

Hon. Adala: Hon. Madam Temporary Speaker, allow me to remind you of Standing Order 102 which says very well that a Member cannot contribute on the same Motion twice, and here we can see that Hon. Otiato is speaking twice.

The Temporary Speaker: Hon. Adala, I have given him the permission

Hon. Adala: Hon. Madam Temporary Speaker, then we are acting in violation of the Standing Order!

The Temporary Speaker: Hon. Adala, can you seat down!

Hon. Adala: I will, based on the Standing Orders 102 for that matter.

Hon. Otiato: Hon. Madam Temporary Speaker. You know people need to take their time and read these Laws. Have not contributed about this document am only talking about the annexures we were discussing. So my request was, you give us 5 or 10 minutes to go through this as you go out and come back so that we proceed.

Hon. Olasi: Point of Order!

Hon. Madam Temporary Speaker, I think part of the report that we have on page seven a Hon. Member of PIC/PAC who has signed can't criticize or have that so many point of Orders the only person who can do that is Hon. Abigael. But a Member who has signed cannot criticize this report and ask for appendixes when he ought to have asked for them when signing at the Committee then he says that if we are to change our Standing Orders so be it!

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Hon. Madam Temporary Speaker, nobody can contribute twice. The Hon. Member was not on a point of Order but instead he was contributing and we can differentiate when a point of Order is raised and when a Member is contributing. Thank you.

The Temporary Speaker: Hon. Members, I think we should adjourn!

(Loud consultations)

Hon. Ochieng’: Thank you, Hon. Madam Temporary Speaker, for giving me this chance to reply. I want to start by thanking this Hon. House for having deliberated on this. And what we have just experienced right now is a show that this Hon. House is to the task of oversight given that this one is also one of the oversight roles that we are supposed to give.

I want to thank all the contributors who have contributed and more so the Committee Members of this Committee because it was not easy to come up with this report. Therefore, I would just request that the Hon. House as we pass this report they go through the other one so that in tomorrow’s deliberation on that report they be equipped and have all the facts to contribute on.

Otherwise, I want to thank them and also appreciate you Hon. Madam Temporary Speaker, for the wisdom to guide this debate however tough it was. Thank you.

(Question put and agreed to)

MOTION

ADJOURNMENT

The Temporary Speaker: We will have the executive report tomorrow and in the afternoon.

Hon. Members there being no other business this House stands adjourned until today April, 18th 2018 at 2.30 p.m. in the chamber.

The House rose at 11.08 a.m.