

REPUBLIC OF KENYA

COUNTY ASSEMBLY OF UASIN GISHU

THE HANSARD

Tuesday, 21st September, 2021

The House Met at the Assembly Chambers at 3.05 pm

[The Deputy Speaker (Hon. Hosea Korir) in the Chair]

PRAYER

PAPER LAID

AUDITOR GENERAL'S REPORT ON FINANCIAL STATEMENTS OF THE UASIN GISHU COUNTY
ENTERPRISE DEVELOPMENT FUND FOR THE YEAR ENDED 30TH JUNE, 2018

The Deputy Speaker (Hon. Hosea Korir): Honourable Ramadhan Ali.

Hon. Werambo: Thank you, Mr. Speaker Sir. I wish to present to this House the Fourteenth Report of the Auditor General's Report on the Financial Statements of Uasin Gishu County Enterprise Development Fund for the Year Ended 30th June, 2018.

(Hon. Werambo laid the Paper on the Table of the House)

The Deputy Speaker (Hon. Hosea Korir): Thank you. The paper is deemed tabled. I therefore direct the Serjeant-at-Arms give to every Member.

Clerk.

NOTICE OF MOTION

AUDITOR GENERAL'S REPORT ON FINANCIAL STATEMENTS OF THE UASIN GISHU COUNTY
ENTERPRISE DEVELOPMENT FUND FOR THE YEAR ENDED 30TH JUNE, 2018

The Deputy Speaker (Hon. Hosea Korir): Honourable Ramadhan Ali.

Hon. Werambo: Thank you again, Mr. Speaker Sir. I wish to Move notice of the following Motion:

That this County Assembly do adopt the Committee on Public Accounts Fourteenth Report of the Auditor General's Report on the Financial Statements of Uasin Gishu County Enterprise

Development Fund for the Year Ended 30th June, 2018 dated 21st September, 2021 and tabled in this Honourable House today 21st September, 2021 with or without amendments.

Thank You.

The Deputy Speaker (Hon. Hosea Korir): Thank you. Clerk.

STATEMENT

DELAYED RESPONSES TO STATEMENTS

The Deputy Speaker (Hon. Hosea Korir): Honourable Members, I had earlier directed that this afternoon we would get a response on a statement that was raised by the Honourable Member for Cheptiret/Kipchamo Ward. However, I cannot see the Leader of Government Business here. I had already given a direction of 14 days' period which has lapsed today, and I expected him to have presented that statement in terms of a small report on that.

I want to give some Members to react over the delay on this statement before I give further direction.

Honourable Member for Kiplombe Ward.

Hon. Werambo: Thank you, Mr. Speaker Sir. This issue of Members giving statements and are not answered, with due respect and through you Chair, should be stopped. I do not remember, since we started this session, a day that a statement has been answered the way it is supposed to be done.

Maybe the Leader of Government Business is not capable. It is good for him to say so, so that we have arrangements for another person who will be active. This is so that, whenever we will have statements, we get responses. We are working for our people and the statements come from our people, but it is as if we are making some jokes or games here. We are not serious, Mr. Speaker.

I repeat with due respect through the Chair; this House is not yet broken. It is still alive and with due diligence, we should offer our people services and this is on a serious note. I would wish that when the Leader of Government comes in, he should explain to us why this is happening because that is what he is supposed to do but it is not being done. Thank you.

The Deputy Speaker (Hon. Hosea Korir): Honourable Member for Ziwa. I have seen you Member for Sergoit.

Hon. Korir, K: Thank you, Mr. Speaker. I also echo what has been said by the Leader of Minority. We need to uphold the dignity of this House because, apart from the Statements that the Honourable Member from Ngeria brought, the Leader of Majority is the one to represent this Assembly and I am wondering why he has failed to bring this report. Today we are in the Assembly and that report was supposed to be discussed as well as many other many reports that, as a Speaker, you have been referring to the people or departments concerned. If the Leader of Majority can demonstrate laxity then what about the other arm of government? Up to today, we still have many queries like quarterly reports, which we do not get on time, and even the report that was brought today by the Leader of Minority.

You will find that the report had been delayed but the Committee has brought it to the House. We were supposed to have discussed the reports that were referred to the Leader of Majority of this Assembly. Mr. Speaker, make sure that whatever is supposed to be answered here should be taken seriously so that we do not fail executing Businesses of this House. Thank you.

The Deputy Speaker (Hon. Hosea Korir): Hon. Member for Sergoit then Hon. Member for Langas then I shall give direction after.

Hon. Keitany: Thank you, Hon. Speaker, for giving us time to discuss the issue of statements. The truth is that our leadership is not doing what they are required to do. I am not saying all of them but especially the Leader of Majority who was supposed to be giving us answers of what we raise. This reminds me of the Kapsinendet field which I raised earlier in 2020, to which I had allocated one million and the department of Youth and Sports decided to come up with an ablution block, which was not required by the institution. That school at the time had three ablution blocks and that was the fourth one and to date that project is incomplete and the field has not been done

Among the issues that I raised, I wanted to know the amount, which was used as well as the plans that the department of Youth had for the Kapsinendet field. It is very painful to hear that another statement has not been answered yet that is the work of our leadership. I remember being told to wait for 14 days and now it is almost two years. Unless otherwise we should pull aside the issue of statements in this Honourable House and then we talk about other things so that our people would not expect reports after 14 days. Thank you, Hon. Speaker.

The Deputy Speaker (Hon. Hosea Korir): Hon. Member for Langas.

Hon. Muya: Thank you very much, Mr. Speaker. I join other honourable colleagues as it has become a concern because Honourable Members need a statement from this House after carrying out a research. Nobody has taken this seriously. For example, the latest statement that was given by the deputy Chief Whip about the issue of promotion, which is all over, was very pertinent. I have not heard anybody talk about it yet our employees are demoralized as they do not have an answer.

I also want to direct this to the House leadership as part of the procedures of this House because it is not only about the issue of statements. If you have watched keenly, nowadays Members shy off from allowing any Motions to be reverted to a given committee. This is because whenever it goes there, it never comes back but it is not only that; you heard this morning that there are reports that have been deposited at the Clerk's office and at the County Secretary's office.

The two arms of government communicate through the two offices but there has been a breakdown of information. What am I saying? Something needs to be done from the leadership level that will allow tracking anything that is being transacted in this Honourable House whether it is a Bill or a Motion. There is no way we can delay a Bill for a whole year, for example, there is an administration Bill. We have gone out for three meetings trying to get somewhere but if we had tracking system, a committee would be put to task. This will ensure that they know when their time is out but if we do not do so, we shall never get reports whenever statements are being sought in this House. We shall never find a Motion that has been reverted to a Committee coming back to the Floor of the House yet they are very important issues.

Having said that, I think we need to discuss about the office of the Leader of Majority and it might be a wake-up call because we need to take each position with the seriousness it deserves. I give him credit to the office of the Speaker and especially the Deputy Speaker, who has been timely making sure that Businesses have been transacted in this Honourable House.

Mr. Speaker, it is a high time that somebody is put to task regarding the work he or she has been given because this is a House of rules.

Members, personally I will go and make sure that a statement has been answered.

The office concerned needs to be put to task. I am not saying that he is not working but if he feels that he is not capable, he does not have time for that.

We need to have, as a leadership, know whom that should be directed to whether it is the deputy or someone else because we are here to represent members of the public, workers and everybody. It is only on the Floor of the House where questions or statement can be raised and answers be given. If we do not do that then we do not qualify to be called a parliament because that is why statement time was given, that is why the Bills are given period.

You can remember because you have the institution memory. During last assembly, there were Bills whose time lapsed; they were never passed by the same assembly. Why? There was no tracking system. Something needs to be done so that we can be seen to be doing what is expected of us. I rest my case.

The Deputy Speaker (Hon. Hosea Korir): Thank you for that contribution. Honourable Tenai, you are the one who was asking for the information, so as at is now, I will not give you that chance because you might also derail the procedure.

I want to give direction That Clerk we develop a tracking system. I want to agree with most Members and I had already given that direction but by tomorrow, we will be communicating which committees sitting on a certain business. In the morning session, we will do that and enquire for how long they have been with that business. From there, we will also give direction when it should be dispensed.

From there if you would have not dispensed, the issue of surcharging comes in. That we are expecting any report and any kind of report when it comes to this honourable House like this report being led by Honourable Ramadhan should either be taken or should not be taken, so long as it has been introduced in this honourable House.

It also shields us when the auditors come. For example, the statement that was sought by the honourable Member for Kipchamo/ Cheptiret he wanted to extend that period again until tomorrow in the afternoon session.

The deputy Leader of Majority is here. You can come and seek some extension from the Floor of the House and it will be subject for discussion.

MOTION

COMMITTEE ON PUBLIC ACCOUNTS 15TH REPORT

The Deputy Speaker (Hon. Hosea Korir): Honourable Ramadhan Ali.

Hon. Werambo: Thank you again, Mr. Speaker Sir. I would wish to present this Motion to this House:

That this County Assembly do adopt the Committee on Public Accounts Fifteenth Report of the Auditor General's Report on the Financial Statements of Uasin Gishu County Emergency Fund Year Ended 30th June, 2018 dated 21st September, 2021 and tabled in this Honourable House today 21st September, 2021 with or without amendments.

Mr. Speaker Sir, here is the 14th report of the public accounts committee on the Auditor-General report on the financial statement of the Uasin Gishu County Enterprise Development Fund, for the year ended 30th June 2018.

COMMITTEE REPORT

1.0 PREFACE

On behalf of members of the County Assembly Committee on Public Accounts and pursuant to the provisions of **Standing Order No. 42** and **191**, it is my pleasure and duty to present to this Honourable House the Committee's report on the financial statements of Uasin Gishu County Enterprise Development Fund for the year ended 30th June 2018.

It has been acknowledged by all Members, Mr. Speaker Sir.

The Deputy Speaker (Hon. Hosea Korir): Order, Honourable Member! Not all the Members.

Hon. Werambo: Only one and this one is out on apology, so we can assume that all Members have acknowledged the report.

The Deputy Speaker (Hon. Hosea Korir): That is not the case, Honourable Member.

Hon. Werambo: One did not sign because she was on apology, which is that she is not feeling well.

4.0 COMMITTEE PROCEEDINGS

The Committee sat on Thursday 18th March 2021 to interrogate the fund manager on the issues raised by the Auditor-General. It then proceeded to deliberate on the findings and report writing on Friday 30th July 2021. The audit matters were: Failure to Disclose Progress of Audit Report and Recommendations, Failure by the Cooperatives to Submit Accounts and Returns, Failure to Provide an Approval Operational Budget. The Committee took into account submissions from Management of the fund and from officers of the office of the Auditor-General.

5.0 AUDITOR GENERAL'S MANDATE AND RESPONSIBILITIES

The Auditor-General has the mandate to Audit and Report on the Accounts of the National and County Governments under Article 229(4) of the Kenya Constitution 2010 and the Public Audit Act, 2015. Further, Section 107 of the Public Finance Management Act, 2012, requires the County Treasury to adhere to the principles of Public Finance.

6.0 COMMITTEE’S MANDATE AND RESPONSIBILITIES

The Committee on Public Accounts is one of the Select Committees established under Standing Order No. 186.

The County Public Accounts Committee is responsible for:

- a) The examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the committee may think fit.
- b) The examination of reports, accounts and workings of the county public investments.
- c) The examination in the context of the autonomy and efficiency of the County Public Investments, whether the affairs of the County Public Investments are being managed in accordance with sound financial or business principles and prudent commercial practices.

7.0 COMMITTEE’S ACKNOWLEDGEMENT

The select Committee on Public Accounts wishes to thank the offices of the Speaker and Clerk to County Assembly for their support during the inquiry of audit queries on the financial operations of Uasin Gishu County Enterprise Development Fund for the year ending 30th June 2018. The Committee also wishes to thank its members for their commitment and effort that ensured the successful and timely production of the report.

The Committee also recognizes the invaluable contribution from the Office of the Auditor-General (OAG) for their advice, comments and contributions that went a long way in enriching the accuracy of the report and thus enhancing its reliability. Finally, the Committee is also indebted to the support received from its secretariat comprising: Internal Audit, Committee Clerks, Hansard staff, Research office and Sergeant At Arms who ensured that the report was produced on time.

8.0. AUDIT MATTERS AND RECOMMENDATIONS

The following are the audit matters as per the Auditor-General’s Report for the year ended 30th June, 2018.

8.1 FAILURE TO DISCLOSE THE PROGRESS OF AUDIT REPORT RECOMMENDATIONS

MANAGEMENT RESPONSE

This has now been attached. *Annex 1*

COMMITTEE OBSERVATIONS

The committee found out that:

1. The fund manager did not provide information when required by the auditors, therefore contravening section 62(1) (b) of the Public Audit Act, 2015 which states that; “without justification, fail to provide information within reasonable time that is required under this Act.”

2. The fund manager did not prepare documentation prior to audit

COMMITTEE RECOMMENDATION

The committee recommends that:

1. In future the fund manager should provide information required during audit time
2. Induction and continuous training of fund management officers to avoid future audit queries.

Mr. Speaker, on this issue we went and discussed it at length and we found out that the time this committee was formed, it was done in a hurry and majority of the people who took the positions there were not acquainted to the financial Act that were supposed to do involving the fund.

On the same, we asked the auditors if there was any loss of funds but they said there was no loss of funds but the problem is the provision of the information required during audit. What they were asked by auditors could not be provided for at that time. That is why we thought of induction and continuous training to our fund management officers in order to avoid future audit queries.

Mr. Speaker on 8 (2), it was failure by the cooperatives to submit accounts and returns.

Management Response

Copies of audited accounts have been attached from the fund cooperatives annex II, from the annex that you have.

Committee Observations

Mr. Speaker Sir, The committee found out that the cooperatives department did not submit audited accounts of the cooperatives societies to the auditors.

Committee Recommendations

Mr. Speaker, the Committee recommended:

1. The fund manager should ensure cooperative societies provide audited accounts and returns in time as per the law.
2. The cooperative department should be carrying out Continuous monitoring and training of cooperative societies on the requirements of the law.

8.3 Failure to Provide an Approval Operational Budget

Mr. Speaker on 8.3, it was query on Failure to Provide an Approval Operational Budget

Management Response

Management response on this: they said approved budget for the fund in the financial year 2017/2018 has been provided as per the Annex 3.

Committee's Observation

Mr. Speaker he committee found out that the fund management did not provided an extract of operational budget after the audit had been done.

Committee Recommendation

1. The fund management should always provide itemized operational budget from the cooperative societies in future in order to avoid recurring audit queries.
2. Training should be done to County Enterprise Development Fund management and their officers on the prudent uses of cooperatives funds to reduce future audit queries.
3. The Cooperatives department should hold regular meetings with the cooperative society committees.

9.0 Conclusion

Mr. Speaker, the Committee concluded that the the three audit matters raised relate to non-submission of documents and records to the office of the Auditor General during audit time. This is contrary to Section 62(1) Public Audit Act 2015, which states that:

(b) “a person shall not; (b) without justification fail to provide information under this Act. (c) Without justification fail to provide information within reasonable time that is required under this Act. (2) A person who contravenes subsection(1) commits an offence and is liable on conviction to a fine not exceeding five million shillings or to imprisonment for a term not exceeding three years or both.”

Therefore, the Committee concludes that the fund management should always adhere to the Public Finance Management Act, 2012, Public Audit Act 2015, Uasin Gishu County Enterprise Development Fund Act, 2016 and all other relevant laws and regulations.

Mr. Speaker, in addition to the report is that what we found out is people were being given a responsibility without much knowledge on what they are supposed to do in terms of handling the issues with cooperative.

Therefore, Mr. Speaker, the management actually said as per now, people have been inducted and the qualified people were put in place the three audit matters raised relate to non-submission of documents and records to the office of the Auditor-General during audit time. This is contrary to section 62(1) Public Audit Act 2015, which states that:

(b) “a person shall not; - (b) without justification fail to provide information under this Act. (c) Without justification fail to provide information within reasonable time that is required under this Act. (2) A person who contravenes subsection(1) commits an offence and is liable on conviction to a fine not exceeding five million shillings or to imprisonment for a term not exceeding three years or both.”

Therefore, the Committee concludes that the fund management should always adhere to the Public Finance Management Act, 2012, Public Audit Act 2015, Uasin Gishu County Enterprise Development Fund Act, 2016 and all other relevant laws and regulations and they have actually corrected the anomalies that were there. Moreover, this was conquered to by the Auditor-General who said actually the issue is totally in line.

Nevertheless, on this also, Mr. Speaker, there was no loss of public funds. Therefore, that is what the committee found out and that is why we gave that conclusion, Mr. Speaker Sir.

I ask Hon. Malot to second on this. Thank you.

The Deputy Speaker (Hon. Korir): Thank you, Hon. Chairperson. Hon. Malot to second this.

Hon. Malot: Thank you, Hon. Speaker. I want to take this opportunity to thank the Committee for the efforts they have done. Before I say anything, I stand to second the report on Public Accounts Committee on the issue of tackling the audit queries.

Hon. Speaker, I believe the department of Cooperative has a fund by the name County Enterprise Development Fund, which amongst our cooperatives have benefited on this fund. Moreover, this is a revolving fund, which is supposed to be returned back. Most of our cooperatives have benefited from this fund.

Hon. Speaker, from the report, it is good that time management is being observed in any other thing that is being done. I believe any enterprise or any institution that work against time never fails in future.

It is high time that our cooperatives never fail in future. It is high time that our cooperatives have their accounts submitted and their returns submitted on time So that we do not have any audit queries arising among our cooperatives.

Most of our cooperatives have been given a go-ahead to appoint an accountant so that they can oversee their daily activities, their returns and the use of their money so that when there is anything that is required in the department, should be submitted on time.

Honourable Speaker, on the issue of operational budget; it is also high time that the department should ensure that audited accounts books are being done also on time. Therefore, somebody who works on time is somebody who works smatter and is in the right direction to provide the correct information.

Hon. Speaker, I believe also that when you work on time management; we have the policies and regulations. We have also procedures that had been put by the department. The cooperatives also have their policies and procedures on how they work on their issues. Moreover, when they follow the policies and procedure, I believe they will be heading to the right direction.

Therefore, the issues of audit queries may not rise if only they work together and work against the time and at the same time follow the rules and the procedure.

Otherwise, Hon. Speaker, I do second the report, which is before us. Thank you.

The Deputy Speaker (Hon. Korir): Thank you, Hon. Malot. A Motion has been moved and seconded. Allow me to proceed and propose a question.

(Question proposed)

The Deputy Speaker (Hon. Korir): Ensuing debate, honourable Members. Virtually I can see you, Hon. Nancy and Hon. Sarah Malel. You can still follow the procedure of the House by raising your hand. I can see you. Hon. Member for Megun!

Hon. Sang, K: Thank you, Mr. Speaker Sir, for this opportunity. The report before us, again like the one we were tackling this morning is a case of – I do not want to say negligence but when report delays, we heard you well this morning giving direction to the Clerk and the Office of the Clerk that if there are any outstanding reports from executive be given to the House on time.

Therefore, Mr. Speaker, I think we are dealing with issues, which are way back. I am a bit hesitant because anything that we delay especially anything that touches on the lives or the livelihoods of our people is so sensitive. We are talking about cooperatives.

Currently we know there is a push by the national leaders and even those vying for national seats especially the presidency.

Mr. Speaker, the new economic model that is been set by the section of by the leadership of the bottom- up Mr. Speaker. The cooperative societies in this county and country at large largely depend on robust management system that is able to provide funds and to follow up those funds to make sure it is used prudently.

Mr. Speaker, whenever we have an audit query over funds, which are directed to cooperatives, it means that somehow deserving cooperatives may not be receiving funding in time, to execute their activities in manner that provide profit to the membership. Therefore, it denies members of those cooperative resources to better their cooperative and their lives.

Therefore, Mr. Speaker, it really worries us as an assembly when we have a committee, when we receive a report in a reputable committee, like Public Account Committee saying that you know funds management was not able to provide crucial information to auditors. I am very worried, Mr. Speaker.

Therefore, let this report that is given us be a wake-p call to managers of this fund, to officer of the fund and even the department itself. This is Because, Mr. Speaker, if we continue like this I am worried that we will not manage our cooperatives well.

We come from a history where virtually all the cooperatives - most of the cooperatives in the country are collapsing. I know the executive members in charge has done a lot to revive the cooperative but my worry is if we continue with this trend then we will see the cooperatives again collapsing and going under.

Therefore, prudent management of this fund will ensure that our cooperatives are alive and they will serve our members well, will serve our constituencies well.

Therefore, Mr. Speaker, I support this report as well as the recommendations and stress that we need to prevail upon the fund manager, the management team, the concerned officer so that we have we have a robust department that manages the funds and even the resources in the cooperatives.

I have a number of cooperative in my wards. I have seen one of the them in the audited report. I am glad to report to this House, Mr. Speaker, that with good follow-up, this cooperative has come up because the department and myself we have been able to see this cooperative moves on.

Therefore, Mr. Speaker, I believe that if all cooperatives in the country are managed well, we will have economic environment. If the county supports the activities that will better the live of people. Therefore, I support this report and request the Members in the House and those and

those follow us in the virtual to make sure that all of us we bring our heads together. We follow up this cooperative so that we will have a society that has a good financial standing.

Mr. Speaker, with those very many remarks, I support.

The Deputy Speaker (Hon .Hosea Korir): Thank you, Hon. Nancy. Then we can proceed, Hon. Members. I put a question.

(Question put and agreed to)

The Deputy Speaker (Hon. Hosea Korir): The ayes have it and I want to say that this report has been taken. I want to congratulate the committee and the able chair to this committee, Hon. Ramadhan Ali. I think, Hon. Members, this is the way to go. If the auditors come and want to audit where this committee went, sat for and for how many days and what the business was, this can be evidenced by this report.

I want to continue to encourage the other committees to submit their reports to this honourable House to approve with or without amendment. Tomorrow we will be getting that schedule of those committees with various businesses that were committed to them and dates that were committed by Hon. Clerk. Thereafter, we will see how they have stayed with the report and bill, for how long. We might also subject that to a bit of some discussion to make some chairs and members very active.

ADJOURNMENT

The Deputy Speaker (Hon. Hosea Korir): There being no other business in this afternoon session, Hon. Members, The Houses stands adjourned until tomorrow at 9:30 am

The House rose at 3:50 pm