

REPUBLIC OF KENYA



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THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – THIRD SESSION

THE PUBLIC ACCOUNTS COMMITTEE

REPORT ON PROCUREMENT OF EXTERNAL AUDIT SERVICES FOR THE OFFICE
OF THE AUDITOR-GENERAL FOR THE FINANCIAL YEARS 2022/2023, 2023/2024
AND 2024/2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	14 AUG 2024
	DAY: WED
TABLED BY:	HON TINSI MWAJE (VICE-CHAIRPERSON)
CLERK AT THE TABLE:	ESTHER NGINYO

NATIONAL ASSEMBLY
RECEIVED
14 AUG 2024
SPEAKER'S OFFICE
P. O. Box 41842, NAIROBI.

Directorate of Audit, Appropriations & General Purpose Committees
Parliament Buildings
NAIROBI

August 2024

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CHAIRPERSON'S FOREWORD

The Public Accounts Committee derives its mandate from Standing Order 205 (2) of the National Assembly, which provides that "*the Public Accounts Committee (PAC) shall be responsible for the 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*". The primary mandate of PAC is therefore to oversight the expenditure of public funds by ministries/departments/agencies, to ensure value for money and adherence to government financial regulations and procedures. The Office of the Auditor-General (OAG) is one such agency.

Pursuant to the provisions of Article 226(4) of the Constitution, the National Assembly is required to appoint a professionally qualified accountant to audit the Office of the Auditor-General.

In fulfillment of the requirement of the above provision, the Committee received a recommendation of award of tender of the said services from the Office of the Clerk of the National Assembly. The Committee observed the progress made on the procurement of external audit services. The Committee further observed that an offer had been made to M/s PKF Kenya Limited Liability Partnership (LLP) subject to approval by the National Assembly pursuant to Article 226 (4) of the Constitution.

It is against this backdrop that the Committee having satisfied itself that due process was followed, resolved to recommend to the National Assembly the approval of the award of hire of external audit services for the Office of the Auditor-General with respect to the financial statements for the period 2022/2023, 2023/2024 and 2024/2025 and the Mortgage and Car Loan Scheme Fund from the financial year 2022/2023 to 2023/2024 to M/s PFK Kenya Limited Liability Partnership (LLP) pursuant to the provisions of Article 226(4) of the Constitution.

On behalf of the Public Accounts Committee (PAC), and pursuant to provisions of the Standing Orders, it is my pleasant privilege and honour to commit this Report of the Committee to this August House for adoption.

Hon. Nicholas Tindi S. Mwale, MP

1.0 PREFACE

1.1 Establishment and Mandate of the Committee

1. The Public Accounts Committee is established under the National Assembly Standing Order (S.O.) 205 and is mandated to examine accounts showing appropriations of sums voted by the House to meet public expenditure and of such other accounts laid before the House as the Committee may think fit.

1.2 Committee Membership

2. As at time of adoption of this report, the Committee comprises the following thirteen (13) Members;
 - i. The Hon. Nicholas Tindi S. Mwale, MP – **Vice Chairperson**
 - ii. The Hon. Eckomas Mwangi Mutuse, OGW, MP
 - iii. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP
 - iv. The Hon. Samuel Kinuthia Gachobe, MP
 - v. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
 - vi. The Hon. Amina Udgoon Siyad, MP
 - vii. The Hon. David Kiplagat, MP
 - viii. The Hon. (Dr.) Edwin Mugo Gichuki, MP
 - ix. The Hon. Gabriel Gathuka Kagombe, MP
 - x. The Hon. Mohamed Aden Adow, MP
 - xi. The Hon. Nabwera Daraja Nabii, MP
 - xii. The Hon. Victor Kipng'etich Koech, MP
 - xiii. The Hon. Yakub Adow Kuno, MP

1.3 Committee Secretariat

3. The secretariat facilitating the Committee comprises the following technical staff;
 - i. Mr. Victor Weke - Senior Clerk Assistant/Lead Clerk
 - ii. Ms. Lilian Mwikali Mutiso - Clerk Assistant III
 - iii. Mr. Mohamed Jelle Abdi - Clerk Assistant III
 - iv. Mr. Jacknorine Bulemi - Clerk Assistant III
 - v. Mr. Cyrille Mutali - Fiscal Analyst III
 - vi. Mr. Henry Gichana - Research Officer III
 - vii. Mr. Lenny Muchangi - Legal Counsel II
 - viii. Mr. Mark Mbuthia - Audio Recording Officer
 - ix. Ms. Yvonne Kendi - Hansard Officer III
 - x. Mr. Hillary Mageka - Media Relation Assistant
 - xi. Ms. Lilian Aluga - Public Communication Officer III
 - xii. Mr. Josphat Bundotich - Principal Sergeant-at-Arms I

2.0 INTRODUCTION

4. Article 226(4) of the Constitution provides that, the accounts of the Office of the Auditor-General shall be audited and reported on by a professionally qualified accountant appointed by the National Assembly.
5. In fulfilment of the requirement of the above provision, the National Assembly tendered through Request for Proposal for Provision of External Audit Services for the Office of the Auditor General. The open tender was advertised on 7th June 2024 in the Daily Nation, the Standard, and also in the relevant websites i.e www.parliament.go.ke and the Public Procurement Information Portal www.tenders.go.ke
6. The Tender submission and opening date was on 18th June 2024 at 11.00 am. The Tender document required bidders to submit separate technical and financial bids.
7. A Tender Opening Committee was appointed by the Accounting Officer on 13th June 2024 pursuant to section 78 of the Public Procurement and Asset Disposal Act, 2015 to oversee the tender opening process.
8. The following two (2) firms responded by submitting their bids:-

BIDDER NO.	BIDDER'S NAME
1	PKF Kenya LLP
2	Nelson and Francis LLP

9. An Ad Hoc Evaluation Committee was appointed by the Accounting Officer on 13th June 2024 pursuant to Section 46 of the Public Procurement and Asset Disposal Act, 2015 to evaluate the bids submitted by the two (2) firms.
10. The Evaluation Committee concluded the evaluation exercise on 3rd July 2024 and submitted the Evaluation Report to the Head of the Procurement Function as per the provisions of the Public Procurement and Asset Disposal Act, 2015.

3.0 THE TENDERING PROCESS

3.1 Advertising

11. The tender was advertised on 7th June 2024 through an open tender in the Daily Nation, the Standard, The Star and People Newspapers (extracts attached appendix I) and also in the relevant websites i.e. www.parliament.go.ke and National Treasury IFMIS Portal.
12. The advertisement provided the responsibilities of the successful firm as follows:
 - (a) Conducting independent audit of the Organization's activities/operations in line with International Standards on Auditing and International Financial Reporting Standards and guidelines by Public Sector Accounting Standards Board;
 - (b) Expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting standards and frameworks, whether the Organization has maintained proper books of accounts, and whether the accompanying financial statements give a true and fair view of the financial position of the office of the Auditor General;
 - (c) Reviewing and evaluating the Organization's internal control and risk management

- system and advising Management and the Board on adequacy/effectiveness of the system, and proposals for its improvement;
- (d) Reviewing adequacy of the Organization's Information Systems and related infrastructure;
 - (e) Providing any other value-addition services consistent with the audit of the Organization.

3.2 Pre-Bid Meeting

13. A pre-bid meeting with interested bidders was held on Thursday, 13th June, 2024 to elaborate on the requirements of the tender. Two (2) bidders submitted their tender documents within the bid submission deadline and were opened by the Tender Opening Committee.

3.3 Bid Response

14. The two (2) proposals were subjected to an evaluation process as per the criteria outlined in the Request for Proposal Tender Document issued to the bidders. The Evaluation Report is attached as appendix III.
15. The following are the key highlights of the Evaluation Report:-

- a) The Evaluation Committee resolved to undertake the evaluation process in the following four (4) stages;
 - (i) Preliminary/Mandatory Evaluation
 - (ii) Technical Evaluation
 - (iii) Financial Evaluation
 - (iv) Determination of the highest combined score.
- b) Nelson and Francis LLP was disqualified at the preliminary /mandatory evaluation stage for the following specified reasons;

Bidder No.	Bidder's Name	Reasons for disqualification
B2	Nelson and Francis LLP	(i) The tax compliance certificate was invalid upon verification in the TCC Checker online. The status of the certificate indicated withdrawn. (ii) The certificate of independent proposal determination submitted was not duly signed and stamped (iii) The self-declaration form that the person/tender is not debarred in the matter of Public Procurement and Asset Disposal Act 2015- SDI submitted was not duly signed and stamped (iv) The self-declaration form that the person/tender is not engaged in any corrupt or fraudulent practices SD2 submitted was not duly signed and stamped

Bidder No.	Bidder's Name	Reasons for disqualification
		(v) The declaration and commitment to the Code of Ethics form submitted was not duly signed and stamped

- c) PKF Kenya LLP met all the preliminary/mandatory and therefore proceeded to the technical (2nd) stage of the evaluation which involved allocating technical scores.

Bidder No.	Bidder's Name	Reasons for qualification
B1	PKF Kenya LLP	Met all preliminary/mandatory requirements

- d) The following firm was responsive to the technical requirements of the RFP tender Document having scored above the set pass mark of 75%;

Bidder No.	Bidder's Name	Total score	Total score/4 evaluators = Average score
B1	PKF Kenya	320	80

- e) The RFP tender Document provided that only bids that scored above the set pass mark of 75% would have their financial bids opened hence the bids for the one (1) responsive firm was opened on 1st July 2024 in the presence of the bidder's representative as follows;

Bidder No.	Bidder's Name	Technical Score	Breakdown costs (Kshs.)			Financial Proposal Amount Inclusive taxes (Kshs.)
			Audit services for the Financial Years 2022/2023, 2023/2024 and 2024/2025	Mortgage and car loan scheme for the F/Y 2022/2023, 2023/2024 and 2024/2025	Taxes (Kshs.)	
B5	PKF Kenya	80	22,606,341.00	2,958,894.00	3,526,239	25,565,235.00

- f) The RFP tender Document provided the formulae for computing the weighted combined technical and financial score with a view to determining the highest-ranked score.
- g) Upon application of the specified formulae as per the criteria, the results of the weighted combined score for the firm is as follows;

Bidder No.	Bidder's Name	Technical Score (a)	Weighted Technical Score (b)= (a weighted to 80%)	Financial Proposal Amount (Kshs.) (c)	Weighted financial score (d)=c weighted to 20%)	Total Weighted Score E =b +c
B1	M/s PKF Kenya	80	80/100x 80 =64	25,565,235	25,565,235/25,565,235x 20=20	64+20=84

- h) The highest-ranked firm is **M/s PKF Kenya LLP** with a combined score of 84 points and a total consultancy fee of **Kshs.25,565,235;**
- i) The Evaluation Committee recommended the highest-ranked firm, **M/s PKF Kenya LLP** for consideration of the award in line with section 86-1(b) of the Public Procurement and Assets Disposal Act, 2015.
- j) Through Professional Opinion No. NA/2023-2024/112 dated 5th July 2024 the Accounting Officer considered and approved the award to **M/s PKF Kenya LLP** at a Total Consultancy fee/cost of **Kshs.25,565,235.00** for the provision of external audit services for the office of the Auditor General (OAG) with respect to the Financial Statements for the period 2022/2023, 2023/2024 and 2024/2025 and the mortgage and car loan scheme fund from the Financial Year 2022/2023, 2023/2024, and 2024/2025 as per the Terms of Reference.
- k) A notification of intention to enter into a contract was issued to **M/s PKF Kenya LLP** (appendix IV) and accepted on 5th July 2024 (appendix V). There was no appeal from the other bidder within the prescribed period.
- l) The award was been made to **M/s PKF Kenya LLP** at a Total Consultancy fee/cost of **Kshs.25,565,235.00** for the provision of external audit services for the office of the Auditor General (OAG) with respect to the Financial Statements for the period 2022/2023, 2023/2024 and 2024/2025 and the mortgage and car loan scheme fund from the Financial Year 2022/2023, 2023/2024, and 2024/2025 as per the Terms of Reference subject to approval by the National Assembly pursuant to Article 226 (4) of the Constitution.

4.0 COMMITTEE OBSERVATIONS


16. At its meeting held on Thursday, 8th August 2024, the Committee observed the progress made on the procurement of External Audit Services.
17. The Committee further observed that an offer had been made to **M/s PKF Kenya Limited Liability Partnership (LLP)** subject to approval by the National Assembly pursuant to Article 226 (4) of the Constitution.
18. Subsequently, the Committee resolved to recommend to the House for approval of the award.

5.0 COMMITTEE RECOMMENDATIONS

19. The Committee recommends to the National Assembly;
- (i) **THAT, pursuant to the provisions of Article 226(4) of the Constitution, approves the appointment of M/s PKF Kenya LLP for purposes of providing external audit services to the office of the Auditor General (OAG) with respect to –**
- (a) **the Accounts of the Office of the Auditor General for the financial years 2022/2023, 2023/2024 and 2024/2025; and**
- (b) **the financial statements for the Mortgage and Car Loan Scheme for the financial years 2022/2023, 2023/2024 and 2024/2025.**

Sign. *N. T. Mwale* Date: 13 August 2024

Hon. Nicholas Tindi S. Mwale, MP
Vice-Chairperson
Public Accounts Committee

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 14 AUG 2024	
DAY: WED	
TABLED BY:	HON TINDI MWALE (VICE CHAIRPERSON)
CLERK AT THE DESK:	ESTHER NGINYO

APPENDICES

Appendix I -Extracts of Newspaper Advertisements/Tender Notice No.
NA/RFP/004/2022-2023.

Appendix II - Professional Opinion from the Head of Procurement

Appendix III -Evaluation Report

Appendix IV - Notification of Award of Tender

Appendix V - Acknowledgement and Acceptance of the Offer

Appendix VI - Minutes of Committee Sitting

Appendix VII - Adoption List

APPROVED

National News

Legislation Bill also introduces a new eco levy on several products deemed harmful to the environment, including diapers,

Workers, churches and businesses speak up against proposed taxes

Businesses have warned of a tough operating environment that might force some of them to shut down or lay off employees

BY DOMINIC OMONDI

The country might be staring at a major economic crisis and job losses after various businesses threatened to exit the Kenyan market over some contentious proposals contained in the Finance Bill, 2024.

Already, the civil society groups including NGOs, churches, and businesses have made their submissions before the Finance and National Planning Committee opposing the various amendments in the revenue-raising Bill for the fiscal year 2024/25.

Some of the contentious proposals include the introduction of the 2.5 per cent motor vehicle tax, 15 per cent value-added tax (VAT) on bread and bank services, and increase of excise duty on financial transactions from 15 to 20 per cent.

The Bill also introduces a new tax known as an eco levy on several products deemed harmful to the environment, including diapers, batteries, rubber tyres, television sets and smartphones.

Businesses through their representatives have particularly been vocal, warning of a tough operating

environment that might force some of them to shut down or lay off employees should the Finance Bill be passed by the National Assembly in its current form.

The Kenya Bankers Association (KBA) said introduction of VAT on banking services and the increase of excise duty on financial transactions from 15 to 20 per cent is also likely to roll back the progress the country has made in financial inclusion if implemented.

KBA acting chief executive officer, Raymond Malonje, told the Finance Committee which is led



by Molo MP Kimani Kuria that the 16 per cent VAT will heavily impact the issuance of credit and debit cards, foreign exchange transactions, clearance of cheques, and other banking services.

"Whilst the imposition of VAT on these financial services is intended to enhance revenue collection, it will directly increase the cost of these services which

may limit the access and affordability to the ordinary Kenyan," Mr Malonje said.

"More specifically the introduction of VAT on forex transactions in Kenya directly increases the cost of doing business for companies involved in international trade. Businesses that import goods or services will bear higher costs rippled through the supply chain leading to higher prices for

individual consumers," he added.

Players in the aviation sector, through their lobbies the Association of Air Operators (KAAO) and the African Airlines Association, said Kenya will lose its regional aviation competitiveness to its neighbours if the Treasury proposal to impose 16 VAT on the importation of aircraft and spacecraft, direction-finding compasses, instruments, and ap-



REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT - THIRD SESSION (2024)

TENDER NOTICE

The National Assembly invites interested, eligible and competent firms to submit sealed bids for the following tenders:-

TENDER NUMBER	TENDER DESCRIPTION	ELIGIBILITY	CLOSING DATE
NA/RFP/017/2023-2024	Provision of External Audit services for the Office of the Auditor General	Open	Tuesday, 18 th June, 2024 at 11.00 am
NA/OT/023/2023-2024	Supply, Delivery, Installation and Commissioning of a Fleet Management system for the National Assembly	Open	Tuesday, 18 th June, 2024 at 11.00 am

Interested and eligible firms may download the tender document from the Parliament website: www.parliament.go.ke/tenders or from the Public Procurement Information portal, www.tenders.go.ke free of charge. Bidders who download the tender document must register their contact details with the National Assembly by email to procurementna@parliament.go.ke for the purposes of receiving any tender clarification and/or addendum.

Completed tender documents are to be enclosed in plain sealed envelopes, marked with the tender number and name and be deposited in the tender box at 13th Floor, Protection House, Nairobi or be addressed to the Clerk of the National Assembly, P. O Box 41842-00100 NAIROBI to be received on or before Tuesday, 18th June, 2024 at 11.00am East Africa Time (EAT).

Tenders will be opened immediately thereafter in the presence of the tenderers or their representatives at Protection House, 13th Floor at the Junction of Parliament Road and Haile Selassie Avenue, Nairobi.

S. NJOROGE, CBS
CLERK OF THE NATIONAL ASSEMBLY

Friday, 7th June, 2024

"For the Welfare of Society and the Just Government of the People"



DRIVING AFRICA FORWARD

REQUEST FOR EXPRESSION OF INTEREST FROM FUEL SERVICE STATION OWNERS - JOIN TRINITY ENERGY (KENYA) LIMITED GROWING NETWORK

Trinity Energy (Kenya) Limited is a subsidiary of Trinity Energy Group a rapidly growing Pan-African integrated energy player that has been providing its customers with dynamic energy solutions since the year 2012. Trinity Energy Group operates across the oil and gas industry as well as power generation value chains across East and Central Africa.

In downstream petroleum sector, Trinity Energy Group provides innovative solutions in fuel delivery, bulk fuel supply, retail, and on-site fuelling solutions. This has seen Trinity Energy (Kenya) Limited emerge among the fastest growing petroleum companies in Kenya in less than three years.

Trinity Energy (Kenya) Limited is seeking to partner with entrepreneurs who have already invested in fuel service stations and are willing to lease them out, as well as individuals owning fuel service stations and intend to operate under Dealer-Owned and Dealer-Operated (DODO) Service Station Management Model.

TRINITY ENERGY (KENYA) LIMITED VALUE PROPOSITION

Leasing option

By leasing your station to Trinity Energy (Kenya) Limited, you will benefit from a stable income stream with competitive leasing agreements tailored to your needs.

Dealer Owned and Dealer Operated Model (DODO)

By being a valued DODO partner of Trinity Energy (Kenya) Limited, a dealer will enjoy the following among other benefits:

- Vibrant and modern station branding
- Equipment support
- A professional vehicle service centre - 'Autobay'
- A modern convenience store concept - 'Spring Shop'
- Regular staff and dealer trainings
- Automated business processes including fully automated wet stock management processes
- Fuel card and fleet management solutions to help onboard large fleet owners
- Consistent fuel supply with a flexible fuel pricing structure anchored on the principle of win-win to ensure mutual growth and profitability

SUBMISSION

Send a brief email to infoke@trinityenergykenya.com with details of Station location (including a Google Maps pin for the exact location) and clear pictures. You can also reach Trinity Energy (Kenya) Limited on +254 702 200 900, +254 785 200 900 or visit the offices at:

TRINITY ENERGY (KENYA) LIMITED
8TH FLOOR DELTA CHAMBERS, WAIYAKI WAY
P.O.BOX 17608-00100,
NAIROBI, KENYA

THE NATIONAL ASSEMBLY
PROFESSIONAL OPINION

To : Clerk of the National Assembly

From : Chief Procurement Officer, NA-2042

Date : 5th July, 2024

REF No. : Professional Opinion No. NA/2023-2024/112

SUBJECT : PROFESSIONAL OPINION FOR THE PROVISION OF EXTERNAL AUDIT SERVICES FOR THE OFFICE OF THE AUDITOR GENERAL TENDER NO. NA/RFP/017/2023-2024

1) BACKGROUND INFORMATION

- a. The National Assembly intends to engage reputable, competent and eligible firm for the provision of external audit services for the Office of the Auditor General for the Financial statements, Mortgage and car loan Scheme fund for the Financial years 2022-2023, 2023-2024 and 2024-2025 in line with Article 226(4) of the Constitution of Kenya, 2010.
- b. The method of procurement applied was an Open Tender through a request for proposal pursuant to section 91(1) of the Public Procurement and Asset Disposal Act, 2015 (PPADA).
- c. The tender document was uploaded to the National Assembly website www.parliament.go.ke and Public Procurement Information Portal www.tenders.go.ke in line with Section 98(1) of PPADA. The tender invitation notice was also placed in the Daily Nation and The Standard Newspapers on 7th June, 2024 in line with Section 96 (1) (2) and (3) of the Public Procurement and Asset Disposal Act, 2015 (PPADA).
- d. The tender submission and opening date was on tuesday, 18th June, 2024 at 11.00am.
- e. The Accounting Officer appointed a Tender Opening Committee vide a Memo ref no: **Procurement 2023-2024/400** dated 13th June 2024. This was in line with Section 78 of the Public Procurement and Asset Disposal Act, 2015. **The Tender Opening committee appointment memo is annexed.**
- f. The tender opening process was conducted on tuesday, 18th June, 2024 at 11.00am by the Ad-Hoc Tender Opening Committee. A total of two (2) bidders submitted their tender documents within the bid submission deadline.

- g. An Ad-Hoc Evaluation Committee was appointed by the Accounting Officer through a Memo Ref no: **Procurement 2023-2024/401** dated 13th June 2024 pursuant to Section 46 of the Public Procurement and Asset Disposal Act, 2015 to evaluate the bids submitted. The secretary and secretariat were appointed by the Head of procurement function Pursuant to Sec. 46(4)(c) Vide a memo dated 13th June 2024. **The Evaluation Committee appointment memo is annexed.**
- h. The Evaluation Committee concluded the evaluation exercise on 3rd July 2024 and submitted the evaluation report to the Head of the Procurement Function as per section 80(4) of the PPADA, 2015.

2) **EVALUATION PROCESS**

- a. The two (2) bids were subjected to an evaluation process as per the criteria outlined in the Request for Proposal tender document in line with section 80 (1) (2) (3) of the PPADA, 2015.
- b. The evaluation report of the procurement proceedings is attached to this professional opinion for your review.
- c. The following are the key highlights of the evaluation report:
Evaluation Committee undertook the evaluation process in the following three (3) stages as per the criteria set out in the Request for Proposal tender document:
- Preliminary/Mandatory Evaluation
 - Technical Evaluation
 - Financial Evaluation
- d. The following two (2) bidders submitted their tender documents during the tender opening process:
- **Bidder No.1-** M/s PKF Kenya LLP
 - **Bidder No.2-** M/s Nelson & Francis LLP Audit, Tax and Advisory
- e. Bidder 1 (M/s PKF Kenya LLP) qualified at the preliminary/mandatory evaluation stage and hence qualified to proceed to the technical evaluation.
- f. Bidder 2 (M/s Nelson & Francis LLP Audit, Tax and Advisory) was disqualified at the preliminary/mandatory evaluation stage.
(Reasons for disqualification are in the attached evaluation report).
- g. Bidder 1 (M/s PKF Kenya LLP) was subjected to the technical evaluation and attained the minimum score of 75% as indicated in the Request for Proposal document and therefore was responsive to the technical requirements.

- h. The bidder M/s PKF Kenya LLP was subjected to financial evaluation stage and found to be responsive.
- i. The Evaluation Committee therefore recommended bidder No. 1- **M/s PKF Kenya LLP** for consideration of award at total consultancy cost of Kshs. **25,565,235.00** inclusive of all applicable taxes.

3) PROFESSIONAL OPINION

Section 84 of The Public Procurement and Asset Disposal Act, 2015 provides that the Head of Procurement function of a procuring entity shall, alongside the report to the Evaluation Committee as Secretariat comments, review the Tender Evaluation Report and provide a signed Professional Opinion to the Accounting Officer on the procurement or asset disposal proceedings.

In providing this Professional Opinion for the provision of external audit services for the office of the Auditor General, the following has been taken into consideration:

- a. In fulfilling this mandate, The National Assembly invited bids from eligible firms through Open Tender No. NA/RFP/017/2023-2024 on 7th June, 2024.
- b. Section 79(1) of the Public Procurement and Asset Disposal Act, 2015 provides that a tender is responsive if it conforms to all the eligibility and other mandatory requirements of the tender documents.
- c. Section 80(1) of the PPADA, 2015 further provides that the Evaluation Committee appointed by the Accounting Officer pursuant to section 46 of this Act, shall evaluate and compare the responsive tenders other than tenders rejected under section 82 (3).
- d. Section 80 (2) of the PPADA, 2015 provides that the evaluation and comparison shall be done using the procedures and criteria set out in the Request for Proposal tender document. The Evaluation Committee conducted the evaluation exercise as per the criteria and provisions of the tender document.
- e. The selection method for this assignment was Quality and Cost Based Selection Criteria pursuant to section 124(1) of the Public Procurement and Asset Disposal Act, 2015.
- f. Section 86 1(b) of the PPADA, 2015 provides that the successful tender shall be the tender with the responsive proposal with the highest score determined by the procuring entity by combining, for each proposal, in accordance with the procedures and criteria set out in the request for proposals, the scores assigned to the technical and financial proposals where Request for Proposals method is used.
- g. **M/s PKF Kenya LLP** was determined to have the highest combined score of 84 points with at total consultancy cost of Kshs. **25,565,235.00**. The Evaluation Committee considered and recommended an award to **M/s PKF Kenya LLP** for the

provision of external audit services for the office of the Auditor General at a total amount of Kshs. **25,565,235.00 (Twenty-five Million, five sixty-five thousand, two hundred and thirty-five shillings only inclusive of all applicable taxes).**

h. The total cost of consultancy submitted by the successful bidder is as follows;

Table 1: Cost of financial proposal submitted by PKF Kenya LLP.

Description	Financial statements (Kshs)	Mortgage and car loan scheme (Kshs)	Total cost of consultancy for one year (Kshs)
Financial Year 2022-2023	7,535,447.00	986,298.00	8,521,745.00
Financial Year 2023-2024	7,535,447.00	986,298.00	8,521,745.00
Financial Year 2024-2025	7,535,447.00	986,298.00	8,521,745.00
Total Cost of consultancy for the three Financial years			25,565,235.00

- i. The cost of the consultancy is dependent on the nature of the assignment, qualifications and position of the individual personnel in the team, remuneration of staff, the number of persons to be deployed, duration for the assignment, the firm's policy, taxes, duties and other incidental costs associated with the consultancy assignment.
- j. Funds for resultant expenditure is available under the contracted professional services budget.

4) RECOMMENDATION TO THE ACCOUNTING OFFICER

Having reviewed the evaluation report, the applicable laws and practices, I am satisfied that the procurement process was compliant and concur with the recommendation of the evaluation committee subject to the Approval by the National Assembly pursuant to Article 226(4) of the Constitution of Kenya, 2010.

I hereby submit my professional opinion on the procurement process for consideration in line with the recommendation of the Evaluation Committee.



KENNEDY M. MALINDA
CHIEF PROCUREMENT OFFICER, NA

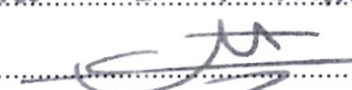
Encls.

ACCOUNTING OFFICER/CLERK OF THE NATIONAL ASSEMBLY

After considering the Professional opinion from the head of procurement function and the Evaluation Committee report on procurement for the provision of external audit services for the office of the Auditor General through Tender **No. NA/RFP/017/2023-2024** at a total cost of Kshs. **25,565,235.00 (Twenty-five Million, five sixty-five thousand, two hundred and thirty-five shillings only inclusive of all applicable taxes).**

I hereby: -

A. Approve the application as requested;

- *I approve as recommended.*
 - 
- Or *5/27/24*

B. Defer approval/award as submitted for more information to be provided in relation to;

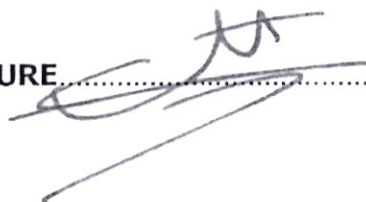
-
-

Or

C. Reject the application for the following reasons that need to be addressed: -

-
-

SIGNATURE



DATE

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REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

**EVALUATION REPORT FOR THE PROVISION OF EXTERNAL
AUDIT SERVICES FOR THE OFFICE OF THE AUDITOR
GENERAL**

TENDER NO. NA/RFP/017/2023-2024

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REPORT BY THE AD-HOC EVALUATION COMMITTEE ON TENDER NO. NA/RFP/017/2023-2024 FOR THE PROVISION OF EXTERNAL AUDIT SERVICES FOR THE OFFICE OF THE AUDITOR GENERAL

1. INTRODUCTION

The National Assembly is established pursuant to Article 93 of the Constitution. Article 226(4) of the Constitution provides that the accounts of the Office of the Auditor-General shall be audited and reported on by a professionally qualified accountant appointed by the National Assembly.

Pursuant to this Constitution requirement, the National Assembly invited proposals from interested firms through a competitive Tender No. NA/RFP/017/2023-2024 as per the provisions of Section 116 of the Public Procurement and Asset Disposal Act, 2015

The National Assembly intends to engage a reputable, competent and eligible consultancy firm for the provision of external audit services for the Office of the Auditor General to audit Financial statements, Mortgage and car loan Scheme fund for the Financial years 2022-2023, 2023-2024 and 2024-2025.

2. OBJECTIVES OF THE ASSIGNMENT

To identify a qualified consultancy firm that will audit the Office of the Auditor General as specified in the Terms of Reference.

3. TENDERING PROCESS

a) Advertisement

The National Assembly invited an open national tender for the provision of external audit services for the Office of the Auditor General. The tender document was uploaded to the National Assembly website www.parliament.go.ke and the Public Procurement Information Portal www.tenders.go.ke. A tender notice for the provision of external audit services for the Office of the Auditor General was also placed in the Daily Nation and the Standard on Friday, 7th June, 2024 (*extracts of the tender notice newspaper is attached as Appendix I*).

b) Tender Opening

Tenders were received and opened on **Tuesday, 18th June, 2024** at 11.00 am by a Tender Opening Committee appointed by the Accounting Officer vide letter Ref. No. **Procurement NA/2023-2024/400** dated **13th June, 2024**. (*Tender Opening Committee appointment letter is attached as Appendix II*)

c) Bid response

Two (2) bidders submitted their tender documents within the bid submission deadline and were opened by the Tender Opening Committee as follows: -

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Table 1.0- Results of the Tender Opening Register

No.	BIDDER/FIRM NAME	TENDER SECURITY	NO. OF PAGES	REMARKS
1.	M/s PKF Kenya LLP	Kshs. 100,000 Tausi Assurance Company Limited	262	✓ Submitted one original and a copy of the technical proposal. ✓ One envelope for financial proposal.
2.	M/s Nelson & Francis LLP Audit, Tax and Advisory	Kshs. 100,000 Cooperative Bank	255	✓ Submitted one original and a copy of the technical proposal. ✓ One envelope for financial proposal.

(Tender opening register and minutes attached as Appendix III)

4. EVALUATION PROCESS

a) Appointment of the Evaluation Committee

The Clerk of the National Assembly, through a letter Ref. No. Procurement- NA/2023-2024/401 dated 13th June, 2024 appointed an Ad-hoc Evaluation Committee as per Section 46 of the Public Procurement and Asset Disposal Act, 2015, comprising the following members: -

- | | | |
|------|--|-------------|
| i) | Mr. Peter Meikoki, Deputy Director, DFA | Chairperson |
| ii) | Ms. Susan Maritim, Principal Clerk Assistant | Member |
| iii) | Mr. Kenneth Owuoth, Fiscal Analyst | Member |
| iv) | Mr. Andrew Emacar, Legal Counsel | Member |

(Letter of Tender Evaluation Committee appointment is attached as Appendix IV).

b) Appointment of Secretary and Secretariat

Consequently, the Chief Procurement Officer, through a memo dated 13th June, 2024 appointed the secretary and secretariat to the Ad Hoc Evaluation Committee pursuant to section 46 (4) (c) of the Public Procurement and Asset Disposal Act, 2015 as follows;

- | | | |
|------|---|-------------|
| i) | Mr. Francis Esimit, Procurement Officer | Secretary |
| ii) | Ms. Faith Rotich, Procurement Officer | Secretariat |
| iii) | Ms. Rose Wanda, Procurement Officer | Secretariat |

(Letter of Secretary appointment is attached as Appendix V).

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c) Evaluation process

The Evaluation Committee embarked on the exercise from 1st July, 2024 to 3rd July, 2024. The Committee scrutinized the tender documents which were submitted; all the documentation required in the tender as per its mandate spelt out in the letter of appointment and in the relevant provisions of the Public Procurement and Asset Disposal Act, 2015 as well as the attendant Regulations.

d) The Evaluation Stages

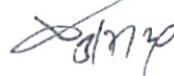
The evaluation exercise was conducted in three (3) stages and as per the criteria specified in the tender document: -

- i) Preliminary/ Mandatory Evaluation Stage
- ii) Technical Evaluation Stage
- iii) Financial Evaluation Stage

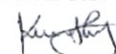
i) PRELIMINARY REQUIREMENTS (MANDATORY)

Table 2.0- Results of the Preliminary Evaluation Stage

S/No.	MANDATORY EVALUATION CRITERIA	RESPONSIVENESS YES/NO	
		B1	B2
1	Attach a copy of Certificate of Incorporation/Registration	Yes	Yes
2	Attach a copy of valid Tax Compliance/Clearance Certificate from Kenya Revenue Authority. This was verified through KRA TCC Checker online.	Yes	No
3	Attach a copy of CR12 from the Registrar of Companies (for limited companies) or relevant Identification documents showing list of directors/ownership.	Yes	Yes
4	Attach a bid security of Kshs. 100,000.00 in favour of the National Assembly from a reputable Kenyan bank or Insurance Company approved by Public Procurement Regulatory Authority (PPRA) as per the attached prescribed format valid for 210 days from the date of tender closing/opening. NOTE: Original bid security document shall be part of the technical proposal submission		

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S/No.	MANDATORY EVALUATION CRITERIA	RESPONSIVENESS YES/NO	
		B1	B2
5	Professional indemnity cover of at least Kes. 30,000,000.00	Yes	Yes
6	Submit a valid practicing license with ICPAK as a firm.	Yes	Yes
7	Submission of valid Lead Partners' Practicing Certificates/License from ICPAK	Yes	Yes
8	Submit a duly filled, signed and stamped certificate of independent proposal determination.	Yes	No
9	Submit a duly filled, signed and stamped Self-Declaration form that that person/tenderer is not debarred in the matter of Public Procurement and Asset Disposal Act 2015-SD1	Yes	No
10	Submit a duly filled, signed and stamped Self-Declaration form that that person/tenderer is not engage in any corrupt or fraudulent practice -SD2	Yes	No
11	Submit a duly filled, signed and stamped Declaration and commitment to the Code of Ethics form	Yes	No
12	Submit a power of attorney issued to a representative authorized to sign documents on behalf of the tenderer. (exempt for sole proprietors).	Yes	Yes
13	Submit one (1) original and a copy of Technical proposal AND one (1) original and a copy of Financial proposal in SEPARATE ENVELOPES well bound, serialized and paginated including all attachments. The envelopes shall then be enclosed in clearly marked OUTER envelope.	Yes	Yes
	RESPONSIVENESS (R)/NON-RESPONSIVE (NR)	R	NR

NOTE:

Failure to submit any of the above requirements shall lead to disqualification at this stage.

Key: B1- M/s PKF Kenya LLP.

B2- M/s Nelson & Francis LLP Audit, Tax and Advisory.

Observations under the Mandatory Evaluation stage:

The following were the observations:

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a) Bidder No.1- M/s PKF Kenya LLP:

- The bidder was responsive to the mandatory/preliminary requirements and hence qualified to proceed to the technical evaluation stage.

b) Bidder No.2- M/s Nelson & Francis LLP Audit, Tax and Advisory:

The bidder was disqualified from further evaluation because:

- The tax compliance certificate submitted was invalid upon verification in the TCC checker online. The status of the certificate indicated withdrawn.
- The certificate of independent proposal determination submitted was not duly signed and stamped.
- The Self-Declaration form that the person/tenderer is not debarred in the matter of Public Procurement and Asset Disposal Act 2015-SD1 submitted was not duly signed and stamped.
- The self-declaration form that the person/tender is not engaged in any corrupt or fraudulent practices-SD2 submitted was not duly signed and stamped.
- The Declaration and commitment to the Code of Ethics form submitted was not duly signed and stamped.

ii) 4.2 TECHNICAL EVALUATION CRITERIA

Table 3.0- Results of the Technical Evaluation Stage

S/no.	TECHNICAL REQUIREMENT	SCORE	BIDDER
			B1
1	Specific experience of the consultant as a firm, relevant to the assignment a) No. of similar consultancies assignments done in the last five (5) year both in private and public sector institutions-attach five (5) contracts document/LPO's 4 marks for each. Total Marks 20marks. b) Five Recommendation letters on clients' letterhead from the above indicated institutions with contact person, email addresses, and telephone contact and addressed to the Clerk of the National Assembly. (two (2) Mark each) 10 marks	30	20
2.	Adequacy and quality of the proposed methodology and work plan in responding to the Terms of Reference (TORs): a) Consultant's Organization and experience- FORM TECH-2-5 marks	35	30

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S/no.	TECHNICAL REQUIREMENT	SCORE	BIDDER
			B1
	<p>b) Consultant's suggestions and comments on the term of reference (FORM TECH-3) -5 marks</p> <p>c) Description of approach, methodology and work plan- FORM TECH-4</p> <p>Provide a detailed methodology for undertaking audit assignments with clear indications of how the consultant shall cover each activity highlighted in the Terms of Reference (TOR's) of this assignment.</p> <p>i. Proposed technical approach and Methodology – 5 marks</p> <p>ii. Work plan- 5 marks</p> <p>iii. Organization and Staffing-5 marks</p> <p>d) Proposed Work schedule and planning for deliverables-(Form tech-5)</p> <p>Bidders must breakdown each activity and show the deliverable, duration and the personnel involved in each assignment and/or activity. 10 marks</p>		
3.	<p>Key Experts' qualifications and competence for the Assignment:</p> <p>TEAM LEADER:</p> <p>Must hold a Masters' Degree (Finance, Actuarial Science, Economics or any other related course. marks (Attach copy of academic certificate.)</p> <p>(a) Must have at least 10 years' experience in similar assignments. (Attach detailed Curriculum vitae in the format provided in the bidding document Form tech 6B).</p> <p>Above > 10 years' experience – 5 marks Above > 6 years' experience < 10 years – 3 marks Above > 4 years' experience < 6 years - 2 marks Below 4 years.....0 marks</p>	35	30

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S/no.	TECHNICAL REQUIREMENT	SCORE	BIDDER
			B1
	<p>c) Must have a valid membership with ICPAK and a valid practicing license and in good membership standing. (Attach copy of certificate) 2 marks each</p> <p>TECHNICAL STAFF At least three Team Members (each proposed Team Member).</p> <p>(a) Must hold a relevant Bachelor's degree in (Finance, Actuarial Science, Economics or any other related course). Attach copies of certificates- 3 Marks each</p> <p>(b) Must demonstrate at least 5 years continuous similar assignment experience. (Attach detailed Curriculum vitae in the format provided in the bidding document Form tech 6B) 2 Marks each</p> <p>Above > 5 years2 marks Between 3-5 years.....1 marks Below 2 years.....0 mark</p> <p>(c) Must have valid membership and a valid practicing license in good membership standing with ICPAK body. Attach copy of certificate. 2 marks each.</p>		
	Total	100	80

NOTE:

The minimum technical score (ST) required to pass is 75%. The firm should attain the minimum cut-off score of 75/100 and above to proceed to financial evaluation. The technical scores shall be prorated to 80 Marks.

Observations under the Technical Stage of the Evaluation.

Table 4.0-Summarized Evaluators' score

S/no.	Bidder's Name	Evaluators				Total Score by Evaluators	Average score
		Peter	Susan	Andrew	Kenneth		
1.	PKF Kenya LLP	78	80	80	82	320	80

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The bidder attained the minimum cut-off score of 75/100 and, therefore, considered to be responsive to the technical evaluation criteria and hence, qualified for the financial evaluation.

RECOMMENDATIONS BY THE EVALUATION COMMITTEE UNDER DETAILED TECHNICAL EVALUATION STAGE

The Evaluation Committee recommended the following firm that attained the minimum cut-off score of 75/100 and above be considered for the opening of their financial bids:-

Table 5.0- Technically Responsive Bid

Bidder No.	Bidder's Name	Total score	Total score/4 evaluators = Average score
B1	PKF Kenya LLP	320	80

5.0 FINANCIAL PROPOSALS EVALUATION STAGE

The Financial Proposal for the technically responsive bidder were opened on 1st July 2024, and the result was as follows:-

Table 6.0- Financial Proposal amount

Bidder No.	Bidder Name	Financial Proposal Amount inclusive of all taxes (Kshs.)	
B1	PKF Kenya LLP	Financial statements 2022-2023	7,535,447.00
		Mortgage and car loan Scheme 2022-2023	986,298.00
		Subtotal inclusive of VAT and all applicable taxes	8,521,745.00
		Financial statements 2023-2024	7,535,447.00
		Mortgage and car loan scheme 2023-2024	986,298.00
		Subtotal inclusive of VAT and all applicable taxes	8,521,745.00
		Financial statements 2024-2025	7,535,447.00
		Mortgage and Car Loan Scheme 2024-2025	986,298.00
		Subtotal inclusive of VAT and all applicable taxes	8,521,745.00
		Total cost of the Financial Proposal (Grand Total)	25,565,235.00

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a) Evaluation of the Financial Proposal

The Evaluation Committee evaluated the financial bid as follows:

(i) Checking the arithmetic errors.

Observation: The financial proposal by the firm had no arithmetic errors.

(ii) Calculating the weighted average as per the formula provided below: -

Only the financial proposals of the firms that score 75% and above shall be evaluated for responsiveness.

The financial proposals of firms that score below 75% shall remain sealed and unopened and will be returned to the bidders after the conclusion of the procurement process.

The lowest evaluated Financial Proposal (Fm) is given the maximum financial score (Sf) of 100.

The formula for determining the financial scores (Sf) of all other Proposals is calculated as follows:

$Sf = 100 \times Fm / F$, in which "Sf" is the financial score, "Fm" is the lowest price, and "F" the price of the proposal under consideration.

The weights given to the Technical (T) and Financial (P) Proposals are:

$$T = [80\%], \text{ and}$$

$$P = [20\%]$$

Proposals are ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) as follows: $S = St \times T\% + Sf \times P\%$.

M/s PKF Kenya LLP

$$100 \times \frac{25,565,235}{25,565,235} = 100$$

Weighted to 20% as per the formula provided:-

$$100 \times \frac{20}{100} = 20$$

b) Ranking of the financial proposal

The proposal was ranked as per the following criteria provided in the RFP document.

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Evaluation Report of Tender No. NA/RFP/017/2023-2024

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- (i) Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T =the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; $T + P = 1$) indicated in the Appendix.
- (ii) The combined technical and financial score, S , is calculated as follows:-
 $S = St \times T\% + Sf \times P\%$.

c) The results of the weighted scores were as follows:-

Table 6.0- Financial Proposal amount

Bidder no.	Bidder's Name	Technical Score (a)	Weighted Technical Score (b)=(a) weighted to 80% ($St \times T\%$)	Financial Proposal Amount kshs (c) weighted	Weighted Financial score (d)=c (weighted to 20%) ($Sf \times P\%$)	Total weighted Score $E=b+c$
1	M/s PKF Kenya LLP	80	$80/100 \times 80 = 64$	25,565,235.00	$25,565,235 / 25,565,235 \times 20 = 20$	$64 + 20 = 84$

Observations under the Financial Proposal Evaluation Stage


The highest ranked bidder as per the evaluation criteria is M/s PKF Kenya LLP at a combined weighted score of **84** points and a total amount of **Kshs. 25,565,235.00**.

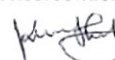
5. CONCLUSION/SUMMARY

- This was an open tender that attracted a total of two bids.
- One (1) bidder was disqualified at the preliminary/mandatory stage. Only one (1) bidder was responsive to the preliminary/mandatory and qualified to proceed to the technical evaluation stage. The bidder was also responsive to the technical evaluation and qualified for financial evaluation.
- The selection method for this assignment is Quality and Cost Based Selection Criteria pursuant to section 124(1) of the Public Procurement and Asset Disposal Act, 2015.
- The evaluation criteria of the RFP Document provided that the firm that scores the highest combined score (technical and financial) shall be considered for award. M/s PKF Kenya LLP had the highest combined score of 84.
- The tender is for the provision of external audit services for the Office of the Auditor General as follows;
 - The financial statements for the financial year 2022/2023, 2023/2024 and 2024/25.
 - The Mortgage and Car Loan Scheme Fund for the financial year 2022/2023, 2023/2024 and 2024/2025.

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6. RECOMMENDATION BY THE EVALUATION COMMITTEE

Based on the foregoing analysis and evaluation of all the proposals submitted, the Evaluation Committee recommends **M/s PKF Kenya LLP**, having attained the highest ranked score of 84 points be considered for the award of **Tender No. NA/RFP/017/2023-2024** for the provision of external audit services for the Office of the Auditor General as per the Terms of Reference at a Total Cost of Kshs. **25,565,235.00**. only inclusive of all applicable taxes.

Report compiled and signed by the following Evaluation Committee members:-

1. Mr. Peter Meikoki	 Chairperson	<u>3/7/2024</u> Date
2. Ms. Susan Maritim	 Member	<u>3/07/2024</u> Date
3. Mr. Kennedy Owuoth	 Member	<u>3/7/2024</u> Date
4. Mr. Andrew Emacar	 Member	<u>03/07/2024</u> Date

IN ATTENDANCE

5. Mr. Francis Esimit	 Secretary	<u>03/07/2024</u> Date
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THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK

P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 Ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote

Procurement-NA/RFP/017/2023-2024(1)

5th July, 2024

M/s PKF Kenya LLP
P.O. Box 14077- 00800
NAIROBI.

Email: Consult@kepkfea.com

**RE: NOTIFICATION OF INTENTION TO AWARD FOR THE PROVISION
OF EXTERNAL AUDIT SERVICES FOR THE OFFICE OF THE
AUDITOR GENERAL: TENDER NO. NA/RFP/017/2023-2024**

The above-mentioned subject matter refers.

Following conclusion of the evaluation process and consideration of all proposals submitted, we are pleased to inform you that your proposal for the provision of external audit services for the Office of the Auditor General at your quoted total amount **Kshs. 25,565,235.00 (twenty-five million, five sixty-five thousand, two hundred and thirty-five shillings only inclusive of all applicable taxes)** was successful.

The contract shall be signed by both parties within 30 days but ^{NOT} earlier than fourteen (14) days from the date of this letter subject to the following:-

- (a) your unconditional acceptance of the offer;
- (b) there being no appeal lodged with the Public Procurement Administrative Review Board within fourteen (14) days from the date of this notification with regard to this tender;
- (c) Approval by the National Assembly pursuant to Article 226(4) of the Constitution.

For any clarification and/or enquiry regarding this matter, liaise with the Chief Procurement Officer-National Assembly on Tel:+254202848000 Ext. 3816 or email address: procurementna@parliament.go.ke.

Yours faithfully,

Samuel Njoroge, CBS
CLERK OF THE NATIONAL ASSEMBLY

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PKF Kenya LLP
Kalamu House, Grevillea Grove, Westlands
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Nairobi, Kenya

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Email: pkfnbi@ke.pkfea.com
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Our Ref: PKF/1495/2024

Chief Procurement Officer
National Assembly
Parliament of Kenya
P.O Box 41842 – 00200
Nairobi, Kenya
11 July 2024

*EPO
To notes, and deal
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Dear Sir / Madam,

UNCONDITIONAL ACCEPTANCE OF OFFER

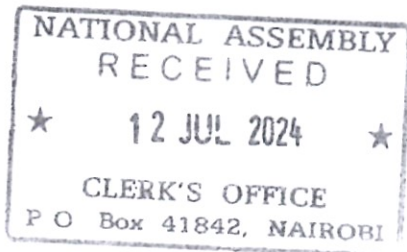
We acknowledge receipt of your letter dated 5 July 2024 with reference number Procurement-NA/RFP/017/2023-2024(1) relating to notification of intention to award for the provision of external audit services for the office of the Auditor General: Tender Number NA/RFP/017/2023-2024.

It is our privilege to accept the offer for the award of the tender to PKF Kenya LLP. We will await further instructions and contracting information.

Should you require any further information, please do not hesitate to contact the undersigned.

Yours faithfully,

Asif Chaudhry
Partner



Partners: A. Shah, A. Vadher, P. Shah, R. Mirchandani, C. Ogutu**, A. Chaudhry, K. Shah, M. Mburugu, G. Santokh, D. Shah, S. Alibhai, L. Abreu, P. Kuria, N. Shah, J. Shah, E. Njuguna, P. Kahi, A. Chandria, M. Kimundu, S. Chheda*, M. Bhavsar, C. Mukunu, K. Bharadva, P. A. Shah (*British, **Ugandan)

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REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT – (THIRD SESSION)

THE NATIONAL ASSEMBLY

PUBLIC ACCOUNTS COMMITTEE

ADOPTION OF REPORT ON PROCUREMENT OF EXTERNAL AUDIT SERVICES FOR THE OFFICE OF THE AUDITOR-GENERAL FOR THE FINANCIAL YEARS 2022/2023, 2023/2024 AND 2024/2025

NO.	NAME	DESIGNATION	SIGNATURE
1.	The Hon. Nicholas Tindi S. Mwale, MP	Vice-Chairperson	
2.	The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP	Member	
3.	The Hon. (Dr.) Paul Otiende Amollo, SC, MP	Member	
4.	The Hon. Samuel Kinuthia Gachobe, MP	Member	
5.	The Hon. Dr. Edwin Mugo Gichuki, MP	Member	
6.	The Hon. David Kiplagat MP	Member	
7.	The Hon. Gabriel Gathuka Kagombe, MP	Member	
8.	The Hon. Victor Kipng'etich Koech, MP	Member	
9.	The Hon. Yakub Adow Kuno, MP	Member	

10.	The Hon. Eckomas Mwengi Mutuse, MP	Member	
11.	The Hon. Mohamed Aden Adow, MP	Member	
12.	The Hon. Nabwera Daraja Nabii, MP	Member	
13.	The Hon. Amina Udgoon Siyad, MP	Member	

**MINUTES OF THE 184TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD ON THURSDAY, 8TH AUGUST 2024, AT 11.00 A.M IN COMMITTEE ROOM 23,
BUNGE TOWER.**

PRESENT

1. The Hon. Nicholas Tindi S. Mwale, MP – Vice Chairperson
2. The Hon. (Dr.) Otiende Amollo, SC, EBS, MP (Online)
3. The Hon. Eckomas Mwengi Mutuse, OGW, MP
4. The Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
5. The Hon. David Kiplagat, MP
6. The Hon. Nabwera Daraja Nabii, MP
7. The Hon. Yakub Adow Kuno, MP

ABSENT WITH APOLOGY

1. The Hon. (Dr.) Edwin Mugo Gichuki, MP
2. The Hon. Amina Udgoon Siyad, MP
3. The Hon. Gabriel Gathuka Kagombe, MP
4. The Hon. Samuel Kinuthia Gachobe, MP
5. The Hon. Mohamed Aden Adow, MP
6. The Hon. Victor Kipng'etich Koech, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|------------------------------------|
| 1. Mr. Victor Weke | – | Senior Clerk Assistant/ Lead Clerk |
| 2. Mr. Lenny Muchangi | – | Legal Counsel II |
| 3. Mr. Mohamed Jelle Abdi | – | Clerk Assistant III |
| 4. Mr. Jacknorine Buleemi | – | Clerk Assistant III |
| 5. Mr. Cyrille Mutali | – | Fiscal Analyst III |
| 6. Mr. Henry Gichana | – | Research Officer III |
| 7. Ms. Yvonne Kendi | – | Hansard Officer III |
| 8. Mr. Mark Mbuthia | – | Audio Officer III |

THE NATIONAL ASSEMBLY

- | | | |
|----------------------------|---|--------------------------------|
| 1. Mr. Samuel Njoroge, CBS | – | Clerk of the National Assembly |
| 2. Mr. Ankaine P. Meikoki | – | Deputy Director of Finance |
| 3. Ms. Susan Maritim | – | Principal Clerk Assistant |
| 4. Mr. Francis Esimit | – | Procurement Officer |

MIN.NO. NA/DAAOSC/PAC/2024/253 PRELIMINARIES

The Chairperson called the meeting to order at 11:20 a.m. and said a word of prayer, followed by introductions by all present.

MIN.NO.NA/DAAOSC/PAC/2024/254

**CONFIRMATION OF MINUTES OF
PREVIOUS SITTINGS**

Confirmation of minutes of previous sittings was deferred to the next sitting.

MIN.NO.NA/DAAOSC/PAC/2024/255

**BRIEF ON THE PROCUREMENT OF
PROVISION OF EXTERNAL AUDIT
SERVICES FOR THE OFFICE OF THE
AUDITOR GENERAL**

Mr. Samuel Njoroge, CBS, The Clerk/Accounting Officer for the National Assembly appeared before the Committee accompanied by other officers and briefed the Committee on procurement of an external auditor to audit the Office of The Auditor General, as follows;

- 1) Pursuant to Article 226(4) of the Constitution of Kenya, the National Assembly is mandated to ensure that the accounts of the Office of the Auditor-General are audited and reported on by a professionally qualified accountant;
- 2) Article 227 of the Constitution of Kenya states that when a state organ or any other public entity contracts for goods or services, it shall do so in accordance with a system that is fair, equitable, transparent, competitive, and cost-effective;
- 3) In line with the above requirement, the National Assembly advertised for the provision of external audit services for the Office of the Auditor General to audit the financial statements for the years 2022/2023, 2023/2024, and 2024/2025 and the organization's staff mortgage and car loan scheme for the year 2022/2023, 2023/2024 and 2024/2025 through Tender No. NA/RFP/017/2023-2024;
- 4) Two firms, i.e M/S PKF Kenya LLP and M/S Nelson & Francis LLP Audit, Tax and Advisory bid. The latter was disqualified at the preliminary stage;
- 5) M/S PKF Kenya LLP was successfully taken through subsequent procurement procedures, and was awarded at a consultancy cost of Kshs. 25, 565, 235.00 subject to approval of the National Assembly pursuant to Article 226 (4) of the constitution.

MIN.NO.NA/DAAOSC/PAC/2024/256

**CONSIDERATION OF THE REPORT ON
PROCUREMENT OF EXTERNAL AUDIT
SERVICES FOR THE OFFICE OF THE
AUDITOR-GENERAL FOR THE FINANCIAL
YEARS 2022/2023 2023/2024 AND 2024/2025**

The Committee considered information availed by the Clerk of the National Assembly and unanimously resolved to recommend to the National Assembly, award of procurement of external audit services for the Office of The Auditor-General for the financial years 2022/2023 2023/2024

and 2024/2025 to M/S PKF Kenya LLP on the proposal of Hon. Nabwera Daraja Nabii
secondment of Hon. David Kiplagat, MP.

MIN.NO.NA/DAAOSC/PAC/2024/257 ADJOURNMENT

There being no other business, the meeting was adjourned at 1.00 p.m. The next meeting will be held on Monday, 12th August 2024.

Signed.....

Date 13 August 2024

The Hon. Nicholas Tindi S. Mwale, MP

Vice Chairperson

Approved for circulation -
To be confirmed in next
sitting.

Signed: 

MP. and

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