

REPUBLIC OF KENYA

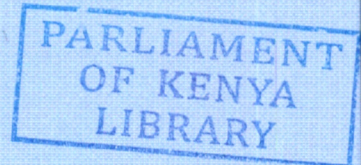


OFFICE OF THE AUDITOR-GENERAL

REPORT

REPUBLIC OF KENYA

OF



OFFICE OF THE AUDITOR-GENERAL  
**THE AUDITOR-GENERAL**

ON

**THE FINANCIAL OPERATIONS OF  
COUNTY ASSEMBLY OF BOMET**

**FOR THE PERIOD  
1 JULY 2014 TO 30 JUNE 2015**



# REPUBLIC OF KENYA



Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: [oag@oagkenya.go.ke](mailto:oag@oagkenya.go.ke)  
Website: [www.kenao.go.ke](http://www.kenao.go.ke)

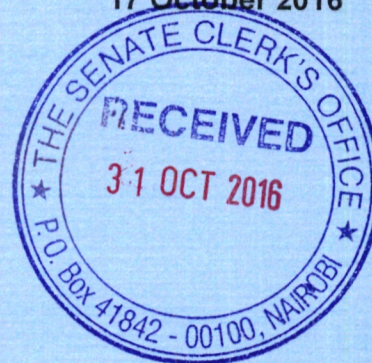
P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

Ref: BOMET ASSEMBLY 2015

17 October 2016

**Isaack Kitur**  
Clerk to the Bomet County Assembly  
P.O. Box 19-20400  
**BOMET**



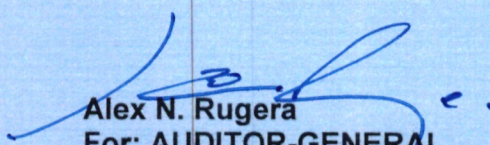
Dear Mr. Kitur

### REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL OPERATIONS OF BOMET COUNTY ASSEMBLY FOR THE YEAR ENDED 30 JUNE 2015

I transmit the report of the Auditor-General on the examination of the financial operations of Bomet County Assembly for the year ended 30 June 2015.

The report is submitted in accordance with the provisions of Article 229(7) of the Constitution for the necessary action as required by Article 229(8) of the Constitution.

Yours sincerely

  
**Alex N. Rugera**  
**For: AUDITOR-GENERAL**

**Copy to: Mr. Jeremiah Nyegenye**  
Clerk to the Senate  
P.O. Box 41842-00100  
**NAIROBI**

**Hon. Isaac Ruto**  
The Governor  
Bomet County Government  
P.O. Box 19-20500  
**BOMET**

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# **DRAFT REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL OPERATIONS OF COUNTY ASSEMBLY OF BOMET FOR THE PERIOD 1 JULY 2014 TO 30 JUNE 2015**

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## **EXECUTIVE SUMMARY**

### **Background Information**

The Constitution of Kenya, 2010 under Article 176, created the County Government which consists of the County Assembly and the County Executive. The County Assembly which is the Legislative arm of the County Government consists of the Speaker and Members of County Assembly (elected and nominated). The Bomet County Assembly which is domiciled in Bomet Town has 25 elected and 10 nominated Members and the Speaker all totaling to 36.

### **Introduction**

The management and financial operations audit covers the period 1 July 2014 to 30 June 2015. It was undertaken to assess the adequacy and reliability of the systems of management and financial controls instituted by the management of the County Assembly in running its affairs with emphasis on the utilization of public resources.

### **Terms of Reference**

The Office of the Auditor-General is an independent office mandated by the Constitution under Article 229 to audit the accounts of the National and County Governments. In this regard, the office planned a management and financial operations audit of the County Assembly of Bomet for the period 1 July 2014 to 30 June 2015 with the following audit objectives.

- Assessment of controls over management of cash and bank accounts.
- Assessment of controls over management of assets of the County Assembly.
- Assessment of compliance with the procurement laws in process of acquisition of goods or services
- Assessment of compliance with Public Finance Management Act, 2012 in the utilization of public funds.
- Compliance with other relevant laws and regulations
- To ascertain the integrity and reliability of financial and other information used by management in the utilization of public funds.
- To confirm that all necessary supporting documents, records, and accounts have been kept in respect of all transactions.

### **Methodology**

The approach used in carrying out this audit included the following:

- Interviews with key officers at the County Assembly offices.

- Review of applicable legislation and regulations.
- Examination of payment vouchers and support documents, cashbooks, vote books, bank statements, bank slips, procurement documents, stores records, asset registers and other related records.
- Review of minutes of various meetings where there were resolutions regarding utilization of public funds.
- Physical inspection and verifications
- Observation of processes and activities.
- Review of documents used by management to monitor use of funds.

### **Scope and Determination of Responsibilities**

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). These standards require that the audit is planned and performed so as to obtain reasonable evidence that, in all material respects, expenditures incurred are fairly stated and recording is achieved in all financial transactions.

The matters mentioned in this Report are therefore those that were identified through tests considered necessary for the purpose of achieving the audit objectives and it is possible that there might be other matters and/or weaknesses that were not identified.

The formulation and maintenance of effective control measures and compliance with laws and regulations is the responsibility of the management. Our responsibility is to report on the weaknesses and non-compliance with Laws and regulations identified in the course of the audit.

The following sections below highlight key audit findings noted during the audit of the financial operations for the year ended 30 June 2015.

### **Key Audit Findings**

#### **1.0 Budget Performance Analysis**

The County Assembly of Bomet had an approved budget of Kshs.305,000,000 which was on recurrent expenditure only. Out of this amount, the County Assembly spent Kshs.296,824,220 or 97 % of the budgeted amount on various expenditure items. The County Assembly realized an overall under expenditure of Kshs.8,175,780 during the year.

## **2.0 Car and Mortgage Loan Schemes**

The County Assembly disbursed Kshs.81,610,000 for the car loan and mortgage facilities to the members of the County Assembly through the Transnational Bank Limited during the year. An audit review of the operation of the schemes revealed that the administrator of the fund was in violation of the regulations since the following documents were not in his custody:-

- i) Copies of the log books jointly registered in the name of the Bomet County Assembly Service Board and the borrower.
- ii) Original documents (titles) relating to property financed from the fund.

Further, the 3% interest charged on members which translates to Kshs.2,448,300 could not be traced in the books of the County Assembly and it was therefore not possible to confirm the interest income was being accounted for.

In the absence of the records mentioned above, the county Assembly may not be able to enforce recovery in case of default.

## **3.0 Cost of Employees**

The County Government incurred Kshs.199,784,966 on employee costs out of the total expenditure of Kshs.296,874,220 or 67.3% of the total expenditure. This was an increase of Kshs.116,069,658 in one year compared to Kshs.83,685,308 or 137% as at 30 June 2014.

If employment freeze is not instituted, further increase in expenditure item will greatly curtail the operation of the County Assembly.

## **4.0 Foreign Travelling Allowances**

An expenditure of Kshs.11,080,271 was incurred on foreign trips to various countries during the year. One of the trips took nine (9) members and three (3) staff of Health Committee to New Delhi-India at a cost of Kshs.4,517,985. The Committee was attending a workshop on Successful Health Care Model at New Delhi between 17 and 21 November 2014. According to the invitation letter, the workshop was to start on 17 November 2014 and end on 21 November 2014. However, copies of the passports attached to the payment voucher in support of the expenditure, indicated the team left Jomo Kenyatta International Airport on 23 November 2014 and returned on 29 November 2014. It was therefore not clear what the delegation was doing in New Delhi India after the closure of the workshop on 21 November 2014.

### **4.1 Domestic Travelling and Subsistence Allowance**

An expenditure of Kshs.43,716,924 was incurred during the year under review in respect of domestic travel and subsistence allowances paid to members of the County Assembly and staff while on official duties on diverse dates.

However, it was noted that funds were transferred directly to individual bank accounts after the approvals of the expenditure and the posting done directly to expenditure account thereby eliminating the need to account for the imprest after the safari. It was therefore not possible to confirm whether indeed all journeys were undertaken after the receipt of the money by both the County Assembly members and staff.

In the circumstances, the propriety of the expenditure of Kshs.43,716,924 could not be confirmed.

#### **4.2 Unsupported Sitting Allowances**

The Members of the County Assembly were paid a total of Kshs.44,822,000 as sitting allowance during the year. However, the County Assembly did not accurately maintain attendance registers for recording all sessions attended by the Members of the County Assembly (MCA's) during the year.

No explanation was given for failure to accurately maintain attendance registers for all the plenary sessions and committee meetings held in the assembly. Some members may have been paid for days or sessions they did not attend.

Consequently, the accuracy of the expenditure on sitting allowances paid to MCAs totaling Kshs.44,822,000 as at 30 June 2015 could not be confirmed.

#### **4.3 Unsupported Expenditure on Motor vehicles Repairs**

Examination of the expenditure records presented for audit revealed that Kshs.677,046 was spent on repairs of various motor vehicles. However, the following anomalies were noted:-

- i) No records were maintained to show the motor vehicles were inspected prior to and after the repairs.
- ii) No defects had been reported by the drivers and recommendations for repair made by the officers in charge of the motor vehicles and it was therefore not clear what formed the basis of the repairs.
- iii) No records were maintained to show the motor vehicles were repaired.

In the absences of inspection reports and drivers report on defects, the propriety of the expenditure could not be confirmed.

#### **4.4 Irregular Reimbursement of Medical Expenses**

An expenditure of Kshs.196,894 was incurred in respect of reimbursement of medical expenses to members of the County Assembly and staff.

However, it was noted that there was a medical scheme for both the members of the County Assembly and staff which ordinarily make refund for such expenses. It



was therefore not clear why the medical expenses were reimbursed by the Assembly.

#### 4.5 Unaccounted for Training and Conference Expenses

An expenditure of Kshs.3,178,975 was incurred during the year on training and conferences. However, the purpose of the training, the number and names of the participants were not disclosed and further no invitation letters were produced for audit and it was therefore not possible to confirm whether the expenditure was incurred for the intended purpose.

#### 5.0 Procurement

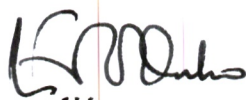
During the period under review, an expenditure of Kshs.5,572,250 was incurred in the procurement of the following equipment.

Item	Amount (Kshs)
(i) Office furniture and general equipment	1,484,400
(ii) ICT Equipment	2,206,900
(iii) Generator	<u>1,880,950</u>
	<b><u>5,572,250</u></b>

However, examination of the store ledgers disclosed an amount of Kshs.6,657,150 as follows:-

Item	Amount (Kshs)
(i) Office Furniture and General	2,077,000
(ii) ICT Equipment	2,689,200
(iii) Generator	<u>1,880,950</u>
	<b><u>6,657,150</u></b>

The difference of Kshs.1,088,900 has not been explained.



**FCPA Edward R.O.Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**15 September 2016**

**DETAILED AUDITOR GENERAL'S REPORT ON THE FINANCIAL OPERATIONS OF THE COUNTY ASSEMBLY OF BOMET FOR THE PERIOD 1 JULY 2014 TO 30 JUNE 2015**

**DETAILED AUDIT FINDINGS**

**1.0 Budget Performance Analysis**

The County Assembly of Bomet had an approved budget of Kshs.305,000,000 which was on recurrent expenditure only. Out of this amount, the County Assembly spent Kshs.296,824,220 or 97 % of the budgeted amount on various expenditure items.

**2.0 Under /Over Expenditure**

<b>Expenditure Item</b>	<b>Budget Kshs.</b>	<b>Actual Expenditure Kshs.</b>	<b>Under Expenditure Kshs</b>	<b>Over Expenditure Kshs</b>
Compensation to employees	199,754,966	196,731,397	3,023,5690	
Purchase of generator	1,880,950	1,880,950	-	-
Water and sewerage	550,000	504,915	45,085	-
Electricity	600,000	375,700	224,300	-
Telephone, Telex, Facsimile and mobile phone services	3,137,000	3,136,960	40	
Internet connections	868,200	260,200	608,000	-
Courier and postal services	24,980	24,950	30	-
Domestic travels and subsistence-others	9,732,659	9,732,659	-	-
Accommodation	33,984,884	33,984,265	619	
Foreign Travel and subsistence-others	11,080,271	11,080,271	-	-
Publishing and printing services	2,134,788	1,985,696	149,092	-
Advertising, awareness and publicity campaigns	2,114,318	2,040,864	93,924	
Rent of speaker's house	780,000	780,000	-	-
Remuneration of instructors and contract based training	2,282,300	2,279,926	2,374	
Profiling media and communication campaign	680,529	114,399	566,130	
Production and printing of training	483,500	438,500	-	-
Hire of training facilities	4,138,620	3,696,670	441,950	-

Official entertainment	817,610	815,580	2,030	-
Staff welfare association	130,100	130,100	-	-
MCA's welfare	70,000	50,000	20,000	-
Board allowance	5,245,900	5,242,320	3,580	-
Motor vehicle insurance	489,376	419,354	70,022	-
Medical coverage-exgratia	408,129	408,129		-
Medical cover	4,404,155	4,404,155		-
Purchase of photographic and audio visual	850,000	840,389	9,611	-
General office supplies	3,108,940	2,699,200	409,740	-
Supplies and accessories for computers and printers	2,773,400	2,699,200	74,200	-
Sanitary and cleaning material	650,000	385,730	264,270	-
Purchase of office tea and other consumables	1,500,000	1,487,335	12,665	-
Education and library supplies	376,980	337,280	39,700	-
Refined fuels and lubricants for transport	1,862,546	1,861,935	611	-
Bank service and commission	47,297	47,297		-
Legal dues/fees	1,305,200	331,560		-
Maintenance expenses-motor vehicle	1,214,993	1,214,316	677	-
Maintenance of plant, machinery and equipment	264,010	129,420	134,590	
Maintenance of buildings and stations-Non-residential	450,804	400,000	50,804	
Maintenance of computers, software and networks	72,340	72,340		
Club membership	500,000	500,000		
Purchase of other office equipment	2,407,400	2,077,000	330,400	
Asset inventory	100,000	100,000		
Public hearing expenses	710,750	708,000	2,750	
Purchase of security equipment	212,105	116,858	95,247.00	
Annual report	300,000	298,400	1,600.00	

expenses				
Brail machine and taking comps	500,000	0	500,000	
<b>Total</b>	<b>305,000,000.00</b>	<b>296,824,220.00</b>	<b>8,175,780</b>	

The following was noted from the above:-

- i) The County Assembly realized an overall under expenditure of Kshs.8,175,780.
- ii) The under expenditure on the compensation of employees of Kshs.3,023,569 points to an inadequate management of the assembly's critical assets of human resources and this should not be the case since these are the people who ensures continued operations of the assembly.
- iii) There was an under expenditure on the acquisition of the brail machine of Kshs.500,000 whose purpose was not very clear since it seems a comprehensive need analysis was not carried out to ascertain whether there was need or not. This is a clear pointer to poor budgeting process which the County Assembly need to address.
- iv) There was huge under expenditures on Internet connections and Profiling media and communication campaign which implies the two services were not urgently needed and therefore there was no need of budgeting substantial amounts.

### **3.0 Car and Mortgage Loan Schemes**

The County Assembly disbursed Kshs.81,610,000 from 20 June 2014 to 30 June 2015 for the car loan and mortgage facilities to the members of the County Assembly through the Transnational Bank Limited. However, no procurement records were produced for audit to show how the bank was identified to render the service among other players in the industry. In view of this, procurement procedures were not adhered to in the procurement of the service. An audit review of the operation of the schemes revealed that the administrator of the fund was in violation of the regulations since the following documents were not in his custody:-

- i) Copies of the log books jointly registered in the name of the Bomet County Assembly Service Board and the borrower.
- ii) Original documents (titles) relating to property financed from the fund.

Further, the 3% interest charged on members which translates to Kshs.2,448,300 could not be traced in the books of the County Assembly and it was therefore not possible to confirm the whereabouts of the amount.

In addition, the recoverability of the loans before the end of the term of the assembly was in doubt since some loans were disbursed as late as 25 July, 2014 and a period of sixty months from that date looks highly impossible to recover the outstanding amount.

The fund administrator also failed to prepare statement of accounts relating to the fund and submit them to the Auditor General as required by the Act.

In the absence of the logbooks, title deeds and statement of accounts, it was not possible to confirm the funds were spent for the intended purpose.

### **Recommendations**

- i. The fund administrator should ensure that all books of accounts are being maintained and updated.
- ii. The log books and blank bank transfer forms including mortgage chattels should be in the custody of the administrator.
- iii. The County Assembly should account for the interest charged on members of Kshs.2,448,300 which could not be traced in the books of the County Assembly.

### **4.0 Foreign Travelling Allowances**

Examination of financial records which included payment vouchers, cash book and other supporting documents revealed that an expenditure of Kshs.4,517,985 was incurred on foreign trip to India by nine (9) Members of the Health Committee and three (3) members of staff while attending a workshop on Successful Health Care Model at New Delhi between 17 and 21 November 2014. According to the invitation letter, the workshop was to start on 17 November 2014 and end on 21 November 2014. However, copies of the passports attached to the payment voucher in support of the expenditure indicates that the team left Jomo Kenyatta International Airport on 23 November 2014 and return on 29 November 2014. It was therefore not clear what the delegation was doing in India after the closure of the workshop on 21 November 2014. Further, it was observed that no boarding passes or copies of the air tickets were attached to support the expenditure and no document was produced for audit to show the workshop dates had been charged.

In the circumstances, it was not possible to confirm whether the Health committee members and staff attended the workshop in New Delhi as claimed.

### **Recommendation**

Recover the amount irregularly paid or produce evidence to show the members of the health committee attended the workshop in India.

### **5.0 Domestic Travelling and Subsistence Allowances**

An expenditure of Kshs.21,028,700 was incurred during the period under review in respect of domestic travel and subsistence allowances paid to members of the County Assembly and staff while on official duties on diverse dates as detailed below:-

<b>Payee</b>	<b>Payment Voucher No.</b>	<b>Details</b>	<b>Date</b>	<b>Amount (Kshs)</b>
Members of County Assembly Forum(CAF)	387	Travel to Mombasa	15/01/15	279,500.00
MCAs and Staff	140	Travel to Nairobi for a training	02/10/14	307,500.00
Staff	329	Travel to Kericho	28/11/14	300,000.00
Members and Staff of County Assembly	238	Travel to Kericho for a retreat	24/10/14	425,500.00
Staff of County Assembly	235	Training in Kisumu	24/10/14	394,500.00
Members and Staff of County Assembly	645	Travel to Nairobi for a retreat	27/05/15	343,600.00
Members and staff	685	Official duties	10/06/15	1,123,200.00
Members and Staff	166	Travel to Mombasa for a workshop	09/10/14	345,000.00
Members and Staff	635	Travel to Kisumu	26/05/15	1,007,700.00
Members and staff	391	Retreat to Kisumu	15/01/15	1,650,800.00
Members and Staff	600	Travel to Kisumu to attend annual devolution conference	21/04/15	1,447,200.00
Members and Staff	555	Retreat to Kericho	20/04/15	453,800.00
Members and Staff County Assembly	546	Meetings held in Kisumu	16/04/15	1,765,600.00
Members and Staff County Assembly	504	ICT Conference in Kericho	03/03/15	1,038,000.00
Members of the County assembly	78	Official duties	12/09/14	630,000.00
Members and staff	648	Official duties	28/05/15	1,558,000.00
Members and staff	724	Report writing in Kisumu	16/06/15	1,577,000.00
Members County Assembly	413	Naivasha CAF meeting	22/01/15	520,000.00
Members County Assembly	412	Nairobi CAF meeting	22/01/15	690,000.00

Members and Staff	391	Retreat in Kisumu	15/01/15	1,650,800.00
Members and Staff County Assembly	276	Retreat in Mombasa	01/11/14	3,213,000.00
Staff County Assembly	91	Training of clerk assistants at Karen, Nairobi	16/09/14	308,000.00
<b>Total</b>				<b>21,028,700.00</b>

However, it was observed that no imprest register was maintained for the purpose of controlling and accounting for the funds issued to the members of the County Assembly and staff while travelling on official duties. Instead, funds were wired to the individual bank accounts after the approvals of the expenditure had been granted without regard to the accountability of the amounts issued. Further, it was noted that the mode of transport to various destination was not supported with motor vehicle work tickets or bus tickets and it was therefore not possible to confirm whether the journeys took place. In some instances, members of the County Assembly and the staff held retreats meant for report writing in Kisumu, Mombasa and Nairobi among other places but no reports arising from the retreats were produced for audit verification to support the expenditure.

In the circumstances, the propriety of the expenditure could not be confirmed.

### **Recommendations**

- i) The management of the County Assembly should ensure that an imprest system is in place and an imprest register is maintained.
- ii) The mode of transport to various destinations should be properly supported by work tickets, bus tickets and cash sale receipts where taxis are used
- iii) The management should also justify this huge expenditure.

### **6.0 Unsupported Sitting Allowances**

The County Assembly did not maintain an attendance register for recording all sessions attended by the Members of the County Assembly (MCA) during the period under review. Consequently, the expenditure on sitting allowances paid to MCAs totaling Kshs.27,032,170 could not be confirmed as proper charge to public funds.

Examination of payment vouchers in support of the expenditure revealed that the names of the payees, the total number of meetings attended, the rate of payment per individual, the total amount payable to each MCA and their signatures were not indicated. Instead, the expenditure was supported with schedules showing the amount paid to individual members' bank accounts. Hence, it was not possible to confirm whether the amount paid was justified.

In the absence of the attendance register, the propriety of the expenditure could not be confirmed. The details of the expenditure are as follows:-

P.V No.	Date	Payee	Amount (Kshs)
1	13/08/2014	Members of County Assembly	2,146,520.00
7	13/08/2014	Members of County Assembly	77,000.00
105	16/09/2014	Members of County Assembly	17,000.00
110	25/09/2014	Loan Management Committee	221,200.00
111	25/09/2014	Members of County Assembly	572,200.00
114	25/09/2014	Members of County Assembly	59,500.00
143	2/10/2014	Members of County Assembly	1,164,250.00
144	2/10/2014	Members of County Assembly	128,800.00
171	09/10/2014	Members of County Assembly	875,810.00
201	17/10/2014	Members of County Assembly	900,640.00
230	24/10/2014	Members of County Assembly	661,700.00
258	30/10/2014	Members of County Assembly	1,060,800.00
259	31/10/2014	Members of County Assembly	64,400.00
321	21/11/2014	Members of County Assembly	548,620.00
327	23/11/2014	Members of County Assembly	539,500.00
334	10/12/2014	Members of County Assembly	1,657,330.00
360	17/12/2014	Members of County Assembly	1,096,550.00
363	18/10/2014	Members of County Assembly	188,440.00
365	30/12/2014	Members of County Assembly	521,580.00
372	05/01/2015	Members of County Assembly	277,030.00
383	13/01/2015	Members of County Assembly	589,780.00
385	15/01/2015	Members of County Assembly	2,431,600.00
414	15/01/2015	Members of County Assembly	60,060.00
441	19/02/2015	Members of County Assembly	648,330.00
423	13/02/2015	Members of County Assembly	770,890.00
428	19/02/2015	Members of County Assembly	648,330.00
433	17/02/2015	Members of County Assembly	1,237,430.00
447	24/02/2015	Members of County Assembly	202,540.00
451	13/03/2015	Members of County Assembly	2,301,260.00
488	20/03/2015	Members of County Assembly	85,540.00
516	18/03/2015	Members of County Assembly	765,310.00
620	Board allowances	Members of County Assembly	33,600.00
623	26/05/2015	Members of County Assembly	574,080.00
643	25/05/2015	Members of County Assembly	574,080.00
626	21/05/2015	Members of County Assembly	1,175,070.00
683	10/06/2015	Members of County Assembly	901,290.00
725	12/06/2015	Members of County Assembly	1,254,110.00
<b>Total</b>			<b>27,032,170.00</b>

No explanation was given for failure to maintain attendance registers for all the plenary sessions held in the assembly.



## Recommendations

- (i) The management should ensure that attendance registers are maintained for all the sessions of the County Assembly.
- (ii) The Members of the County Assembly should sign the attendance register whenever they attend the session in the assembly.
- (iii) The expenditure of Kshs.27,032,170 should be properly accounted for.

### 7.0 Unsupported Expenditure on Motor vehicles Repairs

Examination of the expenditure records availed for audit revealed that Kshs.677,0460 was spent on repairs of various motor vehicles as detailed below:-

Date	P.V No.	Particulars	Amount (Kshs.)
02/10/2014	140	Toyota Kenya-repairs KBU 958T	54,274.00
24/10/2014	230	Toyota Kenya-repairs KBU 958T	19,876.00
14/10/2014	177	Technical Air Solutions	47,300.00
14/11/2014	289	Toyota Kenya-repairs KBU 958T	105,771.00
02/01/2015	364	Toyota Kenya-repairs KBU 958T	39,769.00
30/12/2014	363	Toyota Kenya-repairs KAW 244Z	179,273.00
28/11/2014	323	Toyota Kenya-repairs KBU 958T	18,882.00
18/03/2015	439	Toyota Kenya-repairs KBU 958T	43,730.00
12/09/2014	77	Toyota Kenya-repairs KBU 958T	60,159.00
17/03/2015	409	Denco Limited-Assorted spare parts	43,500.00
13/02/2015	284	Bhogals Toyota Garage Ltd-KBU 958T	11,000.00
31/10/2014	259	Richard Maritim-Spare parts	53,530.00
<b>Total</b>			<b>677,064.00</b>

However, the following anomalies were noted:-

- (i) There were no pre and post inspection reports from the County Mechanical department to show the motor vehicles were inspected and repaired.
- (ii) No defects had been reported by the drivers and recommendations for repair made by the officers in charge of the motor vehicles and it was therefore not clear what formed the basis of the repairs.
- (iii) No records were maintained to show the motor vehicles were repaired.

In the absences of inspection reports and drivers report on defects, the propriety of the expenditure could not be confirmed.

Failure to ensure that defects on motor vehicles are reported by the drivers and motor vehicles are inspected prior to and after.

## Recommendations

- (i) Ensure that all the laid down procedures regarding repairs and maintenance of the motor vehicle are adhered to.
- (ii) There should be pre and post inspection reports for all the repairs undertaken on the motor vehicles.
- (iii) There is need to train the drivers on the importance of preparing reports on the motor vehicles which need to be repaired.

### 8.0 Irregular Expenditure

Examination of the expenditure records availed for audit verification by the treasury department revealed that a total of Kshs.145,719 was paid to Kenya Power and Lighting Company for electricity bills for the period under review. The details of these expenditures are as follows:-

Date	P.V. No.	Particulars	Amount (Kshs.)
29.09.2014	132	Electricity for County Council of Bomet	53,027.00
13.02.2015	419	Electricity for County Council of Bomet	92,692.00
<b>Total</b>			<b>145,719.00</b>

However, it was observed that the expenditure was in respect of electricity supplied to County Council of Bomet, a non-existent entity and it was therefore not clear why the payment was made.

### Recommendation

The management of the County Assembly should ensure that electricity bills are in the name of the County Assembly by informing the Kenya Power and Lighting Company of the change of name.

### 9.0 Unaccounted of Training and Conference Expenses

An expenditure of Kshs.3,178,975 was incurred during the year on training and conferences. However, the purpose of the training, the number and names of the participants were not disclosed and further no invitation letters were produced for audit and it was therefore not possible to confirm whether the expenditure was incurred for the intended purpose. In addition, the time-table for the events taking place during the training sessions were also not availed for audit verification.

In the circumstances, it was not possible to ascertain the authenticity of the expenditure incurred on training and conference facilities.



## Recommendation

The management of the County Assembly should ensure that the expenditure is properly supported in order to safeguard against loss of public funds.

### 10.0 Procurement

During the period under review, an expenditure of Kshs.5,572,250 was incurred in the procurement of the following equipment.

Item	Amount (Kshs)
(iv) Office furniture and general equipment	1,484,400
(v) ICT Equipment	2,206,900
(vi) Generator	<u>1,880,950</u>
	<b><u>5,572,250</u></b>

However, examination of the store ledgers disclosed unexplained or reconciled difference of Kshs.1,088,900 arrived at as follows:-

(i) Office furniture and general equipment	Kshs.2,077,000.00
(ii) ICT Equipment	Kshs.2,699,200.00
(iii) Generator	<u>Kshs.1,880,950.00</u>
	<b><u>Kshs.6,657,150.00</u></b>

## Recommendation

The management of the County Assembly should ensure that store records are properly maintained.

### 11.0 IT Control Environment and ICT Governance

As previously reported, the County Assembly had not formulated a County Assembly ICT Framework. The assembly has not developed some of the key ICT documents such as ICT policies and procedures, ICT Strategic Plan, Business Continuity Policies (BCP) and Disaster Recovery Plans (DRP). Further, and ICT steering committee has not been constituted to address these issues.

### 12.0 IFMIS and G-Pay

The assembly had not installed IFMIS and continued using a manual cash book and vote book during the period under review. This was in contravention of Section 8 (2) (a) of the County Government Public Finance Management Act, 2012.

### **13.0 Overpayment of Per Diem Allowance**

No records were produced for audit verification to confirm the over payment of allowances totalling Kshs.1,085,300 was recovered as highlighted in the previous report.

#### **Conclusion**

The County Assembly of Bomet should address the anomalies noted in order to ensure effective delivery of services to the people of Bomet County. Laid down Government procedures and processes should be adhered to ensure public resources are only used for the purpose for which they were intended



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**15 September 2016**

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