

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL OPERATIONS OF
KILIFI COUNTY ASSEMBLY**

**FOR THE PERIOD
1 JULY 2013 TO 30 JUNE 2014**

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REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL OPERATIONS OF THE COUNTY ASSEMBLY OF KILIFI FOR THE PERIOD 1 JULY 2013 TO 30 JUNE 2014

EXECUTIVE SUMMARY

Introduction

The Office of the Auditor-General has the mandate to audit and report on the accounts of the National and County Governments under Article 229 of the Constitution of Kenya and the Public Audit Act, 2003.

Audit Objective

The objective of the audit was to ascertain whether the systems formulated and applied by the County Assembly were reliable for the management of the County Assembly's finances in the delivery of service to the local residents.

Terms of Reference

The terms of reference set for the audit included verification and confirmation of transactions in respect to but not limited to the following areas:

- Budgetary controls and performance
- Annual operational /Activity plans
- Procurement of goods, works and services
- Allowances including travelling and accommodation expenses for local and foreign trips.
- Motor vehicle running expenses-Fuel
- Consultancy services
- Imprests and advances
- Cash and bank balances
- Human Resource Records
- IT Environment
- Non-Current assets
- Debtors
- Creditors

Key Audit Findings

1.0 Travelling, Accommodation and Subsistence Allowances

Documents availed for audit indicated that a sum of Kshs.21,234,336 was spent in respect of night outs and transport for County Assembly Members on both domestic and foreign trips. However, the payments were not properly supported and could not be confirmed as a proper charge to public funds.

1.1 Training in Tanzania

During the year under review, it was observed that an expenditure of Kshs.7,009,977 was incurred through payment voucher number 411/11 on 24 December 2013, being payment for members of County Assembly and staff foreign subsistence allowances while travelling to Tanzania. It was also observed that the organizers of the training wrote to the Speaker, County Assembly of Kilifi, through a letter dated 12 November 2013 inviting them for a three (3) day training and funds were availed on the basis of this invitation letter. However, the budget for this trip and evidence of actual traveling in the form of air tickets and boarding passes were not availed for audit purposes.

1.2 Singapore Tour

Information available indicated that the County Assembly spent a further Kshs.2,336,169 through payment voucher number 144/3 of 4 March 2014, being the cost of extra three (3) days night out in Singapore. However, approval of the 3 days extension, travel tickets, and boarding passes were not availed for audit review. Further, the list of fifty four (54) County Assembly members and thirteen (13) members of staff attached to support the payment voucher was not signed by the participants to acknowledge receipt of cash and attendance register was not availed.

1.3 Mauritius Tour

Examination of expenditure records disclosed that the County Assembly made payments totalling Kshs.6,652,600 to a firm being expenses on Devolution and Economic Empowerment Education tour to Mauritius from 27 April 2014 to 3 May 2014. However, the County Assembly did not avail records of procurement processes to confirm how the firm was selected and awarded the service of arranging for the tour and therefore it was not possible to confirm the procurement method used. Further, it was noted that the expenditure was based on an unsigned proposal submitted to the speaker of the county assembly dated 7 April 2014 by the said Company. Thirty (30) Members of the County Assembly and four (4) staff members were selected to undertake the tour at a cost of Kshs.185,000 exclusive of VAT. The company was overpaid by Kshs.362,600 as the payment was Kshs.6,652,600 against an invoiced amount of Kshs.6,290,000.

1.4 Israel Education Tour

Records availed for audit review indicated that thirty two (32) Members of the County Assembly were paid allowances totalling Kshs.8,033,184 through payment voucher number 194/5 on 22 May 2014 being allowances for six (6) nights while travelling to Israel on an education tour. However, the money was disbursed by the cashier using a payment schedule instead of each individual being issued with imprest through an imprest warrant (F.O 24 revised) for accountability. Further, air tickets and boarding passes were not availed for audit review to confirm that the trip was actually undertaken.

1.5 Domestic Travelling and Accommodation

Information availed for audit review indicated that the County Assembly spent Kshs.478,000 vide payment voucher number 126/2 of 18 December 2013, being cost of night outs and transport for fifty two (52) Members of the County Assembly attending a consultative meeting with the County Governor. Further, Kshs.171,000 was spent through payment voucher number 125/2 of 18 December 2013 being night out and transport allowance for nineteen (19) health committee members. However, attendance register, acknowledgement of receipt of cash, and travel evidence were not availed for audit review. In addition, the venue of the meeting was not disclosed. Further, an amount of Kshs.3,377,000 was paid in respect of transport and accommodation allowances to the Members of the County Assembly and the County Assembly Service Board while visiting the National Assembly in Nairobi. Audit verification revealed that no invitation from the National Assembly was received for purposes of the trip. Report on the visit and evidence of the travel were also not availed for audit review.

1.6 Air Travelling

Examination of documents availed for audit review indicated that the County Assembly made payments totalling Kshs.2,433,269 on air travel, through a travel agent. However, there was no proof of travel in the form of air tickets and boarding passes. Further, it was observed that the County Assembly made payments totalling Kshs.7,580,070 to a travel and tour firm being air tickets and travel insurance expenses for Devolution and Economic Empowerment Education tour to Mauritius from 29 April 2014 to 3 May 2014 as per invoice number 201416 dated 25 April. In addition, a tour and travel firm was paid Kshs.3,721,185 through payment voucher number 154/2 of 27 February 2014, being the cost of air tickets for the Speaker and Members of the County Assembly (MCAs) travelling to Singapore on International Training and Capacity Building Excursion. Further, examination of records indicated that the County Assembly paid Kshs.6,627,200 to a travel firm for air tickets and insurance for 32 MCAs travelling to Israel from 23 to 28 May 2014 to attend a conference on agriculture, food sustainability, water management and health. However, the procurement documents were not made available for audit to confirm the selection of the travel agent and also the boarding passes were not provided to confirm the travel.

1.7 Payment of Sitting Allowances

Examination of expenditure records availed for audit review disclosed that a total of Kshs.15,107,143 was paid to the members of the County Assembly in respect of sitting allowances for three (3) months period between April to June 2014, Kshs.3,125,200 was paid in April, Kshs.4,869,700 in May and Kshs.7,112,243 in June 2014. However, the documents in support of the payment of these allowances including schedules indicating when the sittings were held, notices calling for the meetings, members present and the agenda were not availed for audit review.

1.8 Training Expenses

The County Assembly spent a sum of Kshs.10,773,800 on training activities, both local and foreign. However, there was no evidence that the activities were based on any training policy, plan or need assessment and requisition process as indicated below:

- The Institute for Capacity Development (ICAD), was paid Kshs.3,758,400 through payment voucher number 207/2 of 21 February 2014, being participation fees for eighteen (18) persons to an International Training and Capacity Building in Singapore, proposed to take place on 24th to 28th February 2014. It was observed that the ICAD had on 8 January 2014 written to the Clerk of the County Assembly inviting the assembly for an International Training and Capacity Building Excursion to take place on 24 to 28 February 2014 in Singapore. However, there was no indication that the county assembly had requisitioned for the training based on any training policy, plan or need assessment. The originator of the training appears to have been the trainer.
- A consultant was paid Kshs.138,400 through payment voucher number 203/5 of 7 March 2014, being consultation fees and vocational training participation cost. However, it is not clear how the consultant was contracted. Those trained were not documented and the occurrence of this event could not be confirmed.
- Further, a firm was paid Kshs.5,365,000 through payment voucher number 248/3 of 25 March 2014 to conduct an education tour to India and another Kshs.420,000 through voucher number 36/1 of 13 January 2014 being seminar fees. However, it is not clear how the firm was identified and contracted to provide these services as no requisition of the services appears to have emanated from the assembly, based on a training program and policy. The participants to the seminars were not listed and there were no documents confirming the invitation, course program and travel to the venue.
- Another firm was paid Kshs.276,000 through voucher number 117/11 of 22 November 2013 and Kshs.250,000 through voucher number 16/11 of the same date being training facilitation fees. Similarly, the criteria used to select the firm for award of the training contract were not disclosed.
- A College was paid Kshs.320,000 through voucher number 142 and Kshs.40,000 through voucher number 47, cheque number 147 and cheque number 124 respectively being participation fees on ECDE and Vocational Training and Visa processing fees for a trip to the Netherlands scheduled for 19 May to 30 May 2014. However, there is no documentary evidence to show that the County Assembly requisitioned for the training based on any training policy, plan or need assessment. The originator of the training appears to have been the trainer and there is no indication of there having been any prior requisition from the County Assembly.

1.9 Members of County Assembly's (MCAs) Rent

Information available indicate that five (5) members of the County Assembly were paid a sum of Kshs.1,040,000 which was reported to have been spent on ward office administration. The expenditures were for payment of office rent, salaries to office staff and other office running expenses. It was not clear how the said staff were recruited and salaries agreed upon. The duties of these staff were also not specified and were not based on any staff establishment arrangement or policies. Rent was paid for premises which were not identified and at rates whose determination was not clear. Further, examination of expenditure records disclosed that a total of Kshs.2,754,000 was spent on payment of rent for leased ward offices for Members of County Assembly for the period between April 2014 to June 2014. However, documents in support of how the persons and firms leasing the offices were identified, selected and paid for the services offered have not been made available for audit confirmation

1.10 Ward Salaries

Examination of expenditure records disclosed that a total of Kshs.1,041,000 was spent on payment of staff manning the ward offices during the period April to June 2014. However, records were not made available to confirm how the said staff were recruited and their terms of engagement agreed.

1.11 Insurance Expenses

Kilifi County Assembly paid Kshs.700,000 through payment voucher number 153/7 of 31 July 2013, being cost of insurance cover for the newly acquired motor vehicle for the Speaker. However, insurance contract and policy with the insurance firm was not availed for audit verification. The said vehicle was not identified and there was no indication that the insurance payment was based on any valuation as the valuation documents were also not availed for audit verification. Therefore, the propriety of the expenditure of Kshs.700,000 could not be confirmed.

1.12 Procurement of Fuel and Lubricants

An amount totaling Kshs.732,039 was incurred by the County Assembly of Kilifi in respect to fuel and lubricants from 1 April to 30 June 2014. Verification of records revealed that Kshs.380,178 and Kshs.351,861 were paid to two (2) service stations respectively for fuel used. However no local service orders (LSO's) were issued. It was therefore not clear how the services of these stations were sourced.

1.13 Payment of Mileage Claims

Examination of expenditure records availed for audit review disclosed that Kshs.8,211,706 was paid to the members of the County Assembly in respect of mileage claims. Audit verification revealed that the payments were not made in compliance to the Salaries and Remuneration Commission (SRC) guidelines which require members to be paid at a standard AA rate of Kshs.109.80 per kilometer for up to a maximum of 45 kilometers

return journey (90 kilometers). Members whose areas of representation are situated beyond the 45 kilometers are to make weekly reimbursable claim of the extra mileage when travelling at applicable AA rates based on the cubic capacity of the vehicle per extra kilometer subject to a maximum of 52 weeks in a year". Further, Sixteen (16) MCAs were reimbursed twice in the week starting 1st to 7th June 2014 for a plenary sitting held between 3 pm to 5pm and a special sitting held on 6 June 2014 resulting in a double claim costing the County Assembly Kshs.232,333.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

17 August 2015

DETAILED AUDIT REPORT ON THE FINANCIAL OPERATIONS OF COUNTY ASSEMBLY OF KILIFI FOR THE PERIOD 1 JULY 2013 TO 31 MARCH 2014

Introduction

The financial operations of the County Assembly of Kilifi are subject to audit by the Auditor-General in accordance with the provisions of Article 229 of the Constitution of Kenya and the Public Audit Act, 2003.

Audit Objective

The objective of the audit was to ascertain whether the systems formulated and applied by the County Assembly were reliable for the management of the County Assembly's finances in the delivery of service to the local residents.

Audit Scope and Terms of Reference

The audit was designed to cover but not limited to the following areas:

- Budgetary controls and performance
- Annual operational /Activity plans
- Procurement of goods, works and services
- Allowances including travelling and accommodation expenses for local and foreign trips.
- Motor vehicle running expenses-Fuel
- Consultancy services
- Imprests and advances
- Cash and bank balances
- Human Resource Records
- IT Environment
- Non-Current assets
- AIEs
- Debtors
- Creditors

Detailed Audit Findings

1.0 Travelling, Accommodation and Subsistence Allowances

Documents availed for audit indicated that a sum of Kshs.21,234,336 was spent in respect of night outs and transport for County Assembly Members on both domestic and foreign trips. However, the payments were not properly supported and could not be confirmed as a proper charge to public funds as follows:

1.1 Training in Tanzania

During the year under review, it was observed that an expenditure of Kshs.7,009,977 as detailed in **Appendix 1** was incurred vide payment voucher number 411/11 dated 24 December 2013, being payment for members of County Assembly and staff foreign subsistence allowances while travelling to Tanzania. It was also observed that the organizers of the training wrote to the Speaker, County Assembly of Kilifi, through a letter dated 12 November 2013 inviting them for a three (3) day training and funds were availed on the basis of this invitation letter. However, the budget for this trip and evidence of actual traveling in the form of air tickets and boarding passes were not availed for audit purposes.

Recommendation

The payments on travelling should be done in accordance with the Government Financial Regulations and Procedures and the relevant supporting documentations should be availed for audit review failure to which the amount of Kshs.7,009,977 should be recovered from the respective officers.

1.2 Singapore Tour

Information available indicated that the County Assembly spent a further Kshs.2,336,169 as detailed in **Appendix 2** through payment voucher number 144/3 of 4 March 2014, being the cost of extra three (3) days night out in Singapore. However, approval of the 3 days extension, travel tickets, and boarding passes were not availed for audit review. Further, the list of fifty four (54) County Assembly members and thirteen (13) members of staff attached to support the payment voucher was not signed by the participants to acknowledge receipt of cash and attendance register was not availed for audit review.

Recommendation

The payments on travelling should be done in accordance with the Government Financial Regulations and Procedures and the relevant supporting documentations should be availed for audit review failure to which the amount of Kshs.2,336,169 should be recovered from the respective officers.

1.3 Mauritius Tour

Examination of expenditure records disclosed that the County Assembly made payments totalling Kshs.6,652,600 to a firm for expenses on Devolution and Economic Empowerment Education tour to Mauritius from 27 April to 3 May 2014. However, the County Assembly did not avail records of procurement processes to confirm how the firm was selected and awarded the service of arranging for the tour and therefore it was not possible to confirm the procurement method used. In consequence there was no evidence

of competitive sourcing of the service and therefore compliance with the Public Procurement and Disposal Act, 2005 and its regulations could not be confirmed. Further, it was noted that the expenditure was based on an unsigned proposal submitted to the speaker of the county assembly dated 7 April 2014 by the said company. Thirty (30) Members of the County Assembly and four (4) staff members were selected to undertake the tour at a cost of Kshs.185,000 each exclusive of VAT. The Company was overpaid by Kshs.362,600 as the payment was Kshs.6,652,600 against an invoiced amount of Kshs.6,290,000.

No explanation has been made for the over payment and no recovery efforts appear to have been made as at the dated of this report.

Recommendation

The management should ensure that at all times, the procurement regulations are followed on procurement of goods and services. Further, documents relating to the procurement of the travel services to Mauritius should be availed for audit review failure to which the accounting officer is held liable for the total amount of Kshs.6,652,600.

1.4 Israel Education Tour

Records availed for audit review indicated that thirty two (32) Members of the County Assembly were paid allowances totalling Kshs.8,033,184 as detailed in **Appendix 3** through payment voucher number 194/5 of 22 May 2014 being allowances for six (6) nights while travelling to Israel on an education tour. However, the money was disbursed by the cashier using a payment schedule instead of each individual being issued with imprest through an imprest warrant (F.O 24 revised) for accountability. Further, air tickets and boarding passes were not availed for audit review to confirm that the trip was actually undertaken.

Recommendation

The payments on travelling should be done in accordance with the Government Financial Regulations and Procedures. The relevant supporting documentations should also be availed for audit review failure to which the amount of Kshs.8,033,184 should be recovered from the respective officers.

1.5 Domestic Travelling and Accommodation

Information availed for audit review indicates that the County Assembly spent Kshs.478,000 as detailed in **Appendix 4** vide payment voucher number 126/2 of 18 December 2013, being cost of night out and transport for fifty two (52) Members of the County Assembly attending a consultative meeting with the County Governor.

Further, Kshs.171,000 as indicated in **Appendix 5** was made through payment voucher number 125/2 of 18 December 2013 being night out and transport allowances for nineteen (19) health committee members. However, the attendance register, acknowledgement of

receipt of cash, and travel evidence were not availed for audit review. In addition, the venue of the meeting was not disclosed. Further, an amount of Kshs.3,377,000 as detailed in **Appendix 6** was paid in respect of transport and accommodation allowances to the Members of the County Assembly and the County Assembly Service Board while visiting the National Assembly in Nairobi. Audit verification revealed that no invitation was received from the National Assembly for the purpose of the trip. Further, a report on the visit and evidence of travel were not availed for audit review. Consequently, it was not possible to confirm the propriety of this expenditure.

Recommendation

The payments on travelling should be done in accordance with the Government Financial Regulations and Procedures and the relevant supporting documentations should be availed for audit review failure to which the amount of Kshs.4,026,000 should be recovered from the respective officers.

1.6 Air Travelling

Examination of documents availed for audit review indicated that the County Assembly made payments totalling Kshs.2,433,269 on air travel as shown in **Appendix 7**, through a travel agent. However, there was no proof of travel in the form of air tickets and boarding passes. Further, it was observed that the County Assembly made payments totalling Kshs.7,580,070 to a travel and tour firm being air tickets and travel insurance expenses for Devolution and Economic Empowerment Education tour to Mauritius from 29 April to 3 May 2014 as per invoice number 201416 dated 25 April. In addition, a tour and travel firm was paid Kshs.3,721,185 as detailed in **Appendix 8** through payment voucher number 154/2 of 27 February 2014, being the cost of air tickets for the speaker and Members of the County Assembly (MCAs) travelling to Singapore on International Training and Capacity Building Excursion. Further, examination of records indicated that the County Assembly paid Kshs.6,627,200 as detailed in **Appendix 9** to a travel firm for air tickets and insurance for 32 MCAs travelling to Israel from 23 to 28 May 2014 to attend a conference on agriculture, food sustainability, water management and health.

However, the procurement documents were not availed for audit to confirm the selection of the travel agent and also the boarding passes were not provided to support the travel.

Consequently, the propriety of these expenses and competitiveness in sourcing for the services as well as compliance with the Public Procurement and Disposal Act, 2005 and its regulations could not be confirmed.

Recommendation

The management should ensure that all air travel procurement processes are in line with the Public Procurement and Disposal Act, 2005 and the respective procurement regulations and procedures. In addition the management should avail for audit review the respective supporting documents for the air travel totalling to Kshs.13,539,724 failure to which the amount is recovered from the respective MCAs and staff.

1.7 Payment of Sitting Allowances

Examination of expenditure records availed for audit review disclosed that a total of Kshs.15,107,143 as in **Appendix 10** was paid to the members of the County Assembly in respect of sitting allowances for the three (3) months period between April 2014 and June 2014. Kshs.3,125,200 was paid in April, Kshs.4,869,700 in May and Kshs.7,112,243 in June 2014. However, the documents in support of the payment of these allowances including schedules indicating when the sittings were held, notices calling for those sittings, members present, and the agenda were not availed for audit review.

Recommendation

The payments on sitting allowances should be done in accordance with the Government Financial Regulations and Procedures and the relevant supporting documentations should be availed for audit review failure to which the amount of Kshs.15,107,143 is recovered from the respective officers.

1.8 Training Expenses

The County Assembly spent a sum of Kshs.10,773,800 on training activities, both local and foreign. However, there was no evidence that the activities were based on any training policy, plan or need assessment and requisition process as indicated below:

- The Institute for Capacity Development (ICAD), was paid Kshs.3,758,400 through payment voucher number 207/2 of 21 February 2014, being participation fees for eighteen (18) persons to an International Training and Capacity Building in Singapore, proposed to take place on 24th to 28th February 2014. It was observed that the ICAD had on 8 January 2014 written to the Clerk of the County Assembly inviting the assembly for an International Training and Capacity Building Excursion to take place on 24 to 28 February 2014 in Singapore. However, there was no indication that the county assembly had requisitioned for the training based on any training policy, plan or need assessment. The originator of the training appears to have been the trainer.
- A consultant was paid Kshs.138,400 through payment voucher number 203/5 of 7 March 2014, being consultation fees and vocational training participation cost. However, it is not clear how the consultant was contracted. Those trained were not documented and the provision of this service could not be confirmed.
- Further, a firm was paid Kshs.5,365,000 through payment voucher number 248/3 of 25 March 2014 to conduct an education tour to India and another Kshs.420,000 through voucher number 36/1 of 13 January 2014 being seminar fees. However, it is not clear how the firm was identified and contracted to provide these services as no requisition of the services appears to have emanated from the assembly, based

on a training program and policy. The participants to the seminars were not listed and there are no documents confirming the invitation, course program and travel to the venue. No attendance register was provided and its occurrence could not be confirmed.

- Another firm was paid Kshs.276,000 through voucher number 117/11 of 22 November 2013 and Kshs.250,000 through voucher number 16/11 of 22 November 2013 being training facilitation fees. Similarly, the criteria used to select the firm for award of the training contract were not disclosed. No course program and register of participants was availed for audit, and the occurrence of the Kshs.526,000 could not be confirmed.
- A College was paid Kshs.320,000 through voucher number 142 and Kshs.40,000 through voucher number 47 and cheque number 147 and cheque number 124 respectively being participation fees on ECDE and Vocational Training and Visa processing fees for a trip to the Netherlands scheduled for 19 May to 30 May 2014. However, there is no documentary evidence to show that the County Assembly requisitioned for the training based on any training policy, plan or need assessment. The originator of the training appears to have been the trainer and there is no indication of any prior requisition from the County Assembly for this training.

In the circumstances, the propriety of Kshs.10,773,800 spent on training activities for the year ended 30 June 2014 could not be confirmed.

Recommendation

The payments on training should be done in accordance with the Government Financial Regulations and Procedures and the relevant supporting documentations should be availed for audit review failure to which the amount of Kshs.10,773,800 should be recovered from the respective officers.

1.9 Members of County Assembly's (MCAs) Rent

Information available indicates that five (5) members of the County Assembly were paid a sum of Kshs.1,040,000 as detailed in **Appendix 11** which was reported to have been spent on ward office administration. The expenditure was for payment of office rent, salaries to office staff and other office running expenses. However, it was not clear how the said staff were recruited and salaries agreed upon. The duties of the said staff were also not specified and were not based on any staff establishment arrangement or policies. Rent was paid for premises which were not identified and at rates whose determination was not clear. Further, examination of expenditure records disclosed that a total of Kshs.2,754,000 as detailed in **Appendix 12** was spent on payment of rent for leased ward offices for Members of County Assembly for the period April to June 2014. However, documents in support of how the persons and firms leasing the offices were identified, selected and paid for the services offered have not been made available for audit confirmation. Consequently, the propriety of the Kshs.3,794,000 could not be confirmed.

Recommendation

The management should ensure that public funds are utilized in line with the laid down government financial regulations and procedures. Further, documents in support of the rent and salaries totalling Kshs.3,794,000 should be availed for audit review failure to which the money should be recovered from the respective MCAs.

1.10 Ward Salaries

Examination of expenditure records revealed that a total of Kshs.1,041,000 as detailed in **Appendix 13** was spent on payment of staff manning the ward offices between April 2014 to June 2014. However, records were not made available to confirm how the said staff were recruited and their terms of engagement were also not clear.

Recommendation

The management should ensure that public funds are utilized in line with the laid down government financial regulations and procedures. Further, documents in support of the rent and salaries totalling Kshs.1,041,000 should be availed for audit review failure to which the respective MCAs should be held accountable.

1.11 Insurance Expenses

The County Assembly paid Kshs.700,000 through payment voucher number 153/7 of 31 July 2013, being cost of insurance cover for a newly acquired motor vehicle for the Speaker. However, insurance contract and policy with the insurance firm was not availed for audit verification. The subject vehicle was not identified and there was no indication that the insurance payment was based on any valuation as the valuation documents were also not availed for audit verification. Therefore, the propriety of the expenditure of Kshs.700,000 could not be confirmed.

Recommendation

The management should ensure that all payments are in line with Government Financial Regulations and Procedures. Further, documentary evidence in support of this amount should be provided to confirm the propriety of the expenditure, failure to which the Kshs.700,000 is recovered from the respective officer.

1.12 Procurement of Fuel and Lubricants

Information available indicates that an amount totalling Kshs.732,039 as detailed in **Appendix 14** was incurred by the County Assembly in respect to fuel and lubricants from 1 April to 30 June 2014. Scrutiny of the records revealed that an amount of Kshs.380,178 and Kshs.351,861 was paid to two (2) service stations respectively for fuel consumed.

However no Local Service Orders (LSO's) were availed for audit review. It was therefore not clear how the services of these stations were procured.

Recommendation

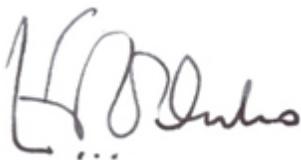
The management should ensure that all fuel and lubricants procurement processes are in line with the Public Procurement and Disposal act, 2005 and the respective procurement regulations and procedures. In addition the management should avail for audit review the respective supporting documents in support of fuel and lubricants totalling Kshs.732,039.

1.13 Payment of Mileage Claims

Examination of expenditure records availed for audit review disclosed that Kshs.8,211,706 as detailed in **Appendix 15** was paid to the members of the County Assembly in respect of mileage claims. Audit verification revealed that the payments were not in line with Salaries and Remuneration Commission (SRC) circular which stipulates that members were "to be paid at a standard AA rate of Kshs.109.80 per kilometer for up to a maximum of 45 kilometers return journey (90 kilometers). Members whose areas of representation are situated beyond the 45 kilometers are to make weekly reimbursable claim of the extra mileage when travelling at applicable AA rates based on the cubic capacity of the vehicle per extra kilometer subject to a maximum of 52 weeks in a year". Further, Sixteen (16) MCAs were reimbursed twice in the week starting 1st to 7th June 2014 for a plenary sitting held between 3 pm to 5pm and a special sitting held on 6 June 2014 resulting in a double claim costing the County Assembly Kshs.232,333 as detailed in **Appendix 16**. No certified copies of registration certificates were made available to confirm ownership of motor vehicles used for the mileage claim.

Recommendation

The management should ensure that mileage claims are paid strictly as per Salaries and Remuneration Commission (SRC) directives. Further, documentary evidence in support of the expenditure of Kshs.8,443,039 should be availed for audit review failure to which the respective members of the County Assembly are surcharged for the claims totalling Kshs.8,443,039.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

17 August 2015