

SPEECH BY THE AUDITOR GENERAL, EDWARD OUKO, DURING THE PUBLIC OPEN DAY ON ACCOUNTABILITY AT KICC, NOVEMBER 20, 2014.

Introduction

The Chairman of Parliamentary Accounts Committee Ababu Namwamba, Transparency International Executive Director Samuel Kimeu, Parliamentary Initiatives Network (PIN) members, the civil society, fellow citizens, ladies and gentlemen. I must thank PIN for coming up with such a forum where members of the public have an opportunity to openly share their views on accountability of public resources. It is therefore, my pleasure to be here this morning to share with you issues of accountability from the perspective of the Office of the Auditor-General.

Mandate

Ladies and gentlemen,

Allow me to highlight the mandate of the Office of the Auditor-General as enshrined in the Constitution. Article 229 of the Constitution gives the Auditor-General the mandate to audit the accounts of National government, County governments, Judiciary, Independent Commissions, Offices and tribunals, State and county corporations, political parties publicly funded and other semi - autonomous government agencies.

The Constitution further tasks the Auditor-General to ensure that public resources are used effectively and lawfully. This introduces a new concept of auditing, requiring us not only to look at the fiscal and managerial accountability aspects of auditing, but to also confirm that

the programmes implemented lead to results and outcomes that positively transform the lives of our people

My Office therefore, has the responsibility of giving assurance to *Wanjiku* that her resources have been used effectively and lawfully. We do this through timely auditing and reporting to her.

Challenges

From the constitutional mandate bestowed upon my Office, it is clear that a lot of resources must be put in accountability. As much as my Office has tried with the limited resources to carry out its mandate, we still require more resources.

Our budgetary requirements against our allocations are as follows;

Resource Requirement vs Allocation							
	2013-14			2014-15			2015-16
	Requirement	Allocation	Shortfall	Requirement	Allocation	Shortfall	
	<i>Kshs.m</i>	<i>Kshs.m</i>	<i>Kshs.m</i>	<i>Kshs.m</i>	<i>Kshs.m</i>	<i>Kshs.m</i>	
National Government Audit	2,737.60	1,911.50	826.10	4,009.74	1,930.10	2,079.64	
County Government Audit	556.70	285.00	271.70	739.38	355.90	383.48	
CDF Audit							
Specialized Audit/ Special Projects	906.70	564.30	342.40	675.18	325.00	350.18	
Total	4,201.00	2,760.80	1,440.20	5,424.30	2,611.00	2,813.30	

This in essence means our operational duties are underfunded. This has a trickle effect on timeliness of audit reports given the inadequacy of funds to recruit more staff and to also invest in infrastructure.

Nevertheless, we are working hard to ensure that audit reports are handed over to parliament by 31st December every year.

Ladies and gentlemen,

The Public Audit Bill, 2014 which is awaiting introduction to Parliament may however, cure this by giving the Office financial autonomy. It is therefore, upon you and Parliament to recommend that the Bill caters for a line budget for the Office. This if achieved will enhance the independence of this important Office.

Ladies and gentlemen,

Our value systems as a society are wanting. We glorify grand corruption and attach respect and admiration to those involved in such mega scams. This needs to change.

We are also faced with the challenge of providing timely reports. This is based on the limited ICT capacity and capability bordering on tools and knowledge for conducting smart audit. It is important to note that we have to provide timely audit reports and we require to use modern methods of working. We need the necessary ICT tools (computers and infrastructure) and we also need to train the staff on how to use them.

Our timelines for reporting as set by the Constitution are extremely tight. We have to audit and report on all the areas required of us by 31st December of every year, which gives us only three months, after submission of financial statements from auditees. Late submission of financial statements from institutions we audit, make it even harder to meet the deadline.

We are also faced with implementation and follow-up on our recommendations – This has been a big challenge. The recommendations in our reports should be implemented to assure on good governance in the management of public resources and this is

where we need the support from our stakeholders including our clients, the media, civil society and the citizens.

Role of civil society, media and citizens

Ladies and gentlemen,

The Office of the Auditor-General oversees the utilization public resources, on behalf of the people of Kenya. It endeavours to trace every coin up to where it hits the ground. It therefore behoves the civil society, the media and citizens to demand for accountability from the authorities.

In our latest audit report of 2012/2013, for instance, we could not confirm whether Sh337 billion spent in that period was used lawfully as required by the Constitution. Though this was highlighted in the media, no sustained efforts to demand answers have been noticed. The resources at stake are public resources, every Kenyan pays taxes and they have the right to interrogate how these resources have been used.

It is also upon Non-State Actors to ensure that institutions of accountability, like Office of the Auditor-General are adequately resourced and granted full independence for them to operate effectively.

Your input and more so that of Parliament is therefore required in the Public Audit Bill to grant the Office financial autonomy for effective operation.

Conclusion

In conclusion, ladies and gentlemen, we must take accountability of public resources seriously. Every citizen must feel the impact of the shilling he/she entrusts in the government. Non-State Actors need to

ensure that institutions of accountability are adequately funded and are independent enough to carry their mandates without interference. Furthermore, vibrancy of the media, civil society and citizens is necessary as far as demanding accountability is concerned. My Office is working on producing short and sharp reports for easy reads and we hope this will have a big impact.

Thank you.