

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL OPERATIONS OF
TURKANA COUNTY EXECUTIVE**

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

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

EXECUTIVE SUMMARY

1.0 Introduction

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 and the Public Audit Act, 2003. Further, the Constitution of Kenya and Section 107 of the Public Finance Management Act, 2012 require the County Treasury to enforce fiscal responsibility principles in the management of the County Government's public finances.

2.0 Audit Objectives

The objectives of the audit were to check for existence of internal controls that ensure proper accountability of Public resources, confirm whether procurement of goods, works and services was done in accordance with the Public Procurement and Disposal Act, 2005 and related regulations and that public funds have been utilized effectively and in accordance with the law.

3.0 Terms of Reference

The terms of reference set for the audit include 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
- Consultancy services
- Imprests and advances
- Cash and bank balances

- Human Resource Records
- IT Environment
- Non-current assets
- Debtors
- Creditors

Key Audit Findings

4.0 Irregularities in Procurement

4.1 Tippers

Information available indicate that a motor dealer was issued with a local purchase order on 12 February 2014 for supply of two 20 tonne tippers, Foton HP 290 with a cost of Kshs.18,000,000. Subsequently, 50% down payment of Kshs.9,000,000 was made on 6 May 2014. However, the procurement documents such as tender advertisement, bids submitted by the bidders, contract for the supply of the tippers, tender Committee Minutes for award of the tender and the report of the Inspection and Acceptance Committee were not provided for audit verification. Further the ownership documents of the tippers were not availed for audit review and the name of the supplier was not contained in the list of prequalified suppliers.

In the circumstances, it has not been possible to establish the ownership status of the Tippers and that the County Executive obtained value for money on the same in the absence of the documents for the procurement process.

4.2 Tractors

A review of documents availed for audit verification indicated that a motor group company was paid an amount of Kshs.26,764,800 on 23 June 2014 for supply of four (4) modern tractors (New Holland model TT 75), three (3) row chisel plough, two (2) ton tipping trailers and one (1) backhoe trailer against a Local Purchase Order No.2045844 dated 17 February 2014 and invoice No.HAD-VIN 001968 dated 27 March 2014. However, the invoice did not reflect the details of the LPO but instead it reflected the order to be a cash purchase, therefore raising doubt on the validity of the invoice. There was no evidence to confirm that the procurement was competitively sourced.

Consequently, it has not been possible to confirm if the procurement was done competitively and how the prices of the tractors were determined raising doubt as to whether the County Executive obtained value for money on the procurement of the tractors.

4.3 Motor Grader and Dozer

Records availed for audit review indicated that the County Government procured a New Holland Motor Grader 180-200 Crawler Dozer and New Holland F170 Motor Grader at a contract price of Kshs.31,650,000 and Kshs.24,180,000 respectively from a material handling company. The firm was contracted to supply the equipment by the County Ministry of Transport and Infrastructure on 28 January 2014. Subsequently, a payment of Kshs.27,915,000 was made on 6 May 2014, being 50% payment for supply of the equipment. Another payment of Kshs.27,915,000 being 50% final payment was made on 20 June 2014. However, it was not clear how the equipment were procured. Additionally, the ownership documents of the same were not availed for audit review.

4.4 Water Tanks

Information available indicate that a Company was paid an amount of Kshs.3,950,000 on 24 January 2014 being 50% payment for the supply of 50 plastic 10,000 litre water tanks. A further payment of Kshs.3,436,500 was made on 6 March 2014. However, documents supporting the procurement were not provided for audit review.

In addition, an advance of Kshs.200,000 was paid to an individual on 25 March 2014 for branding of the water tanks. The payment was however based on only one quotation contrary to the procurement regulations which require at least three quotations.

4.5 Animal Feeds

Information availed for audit review indicated that on 10 February 2014, an Agrovet firm was paid an amount of Kshs.7,000,000 for the purchase of emergency animal feeds. However, procurement documents in support of the process were not provided for audit review. Consequently, the propriety of the expenditure of Kshs.7,000,000 on purchase of animal feeds could not be confirmed.

4.6 Seeds

A review of the records availed for audit verification indicated that a Company was paid an amount of Kshs.5,629,360 on 23 May 2014 for purchase of seeds for various irrigation projects. However, documents in support of procurement of the various seeds were not provided for audit review.

4.7 Car Hire

Information available indicate that the County Public Service Board made payments totalling Kshs.3,307,940 to various firms in respect of car hire services. However, the quotations from the firms and signed contracts with the County

Government for the services rendered were not availed for audit review. Consequently, it was not possible to confirm how the firms were identified and the rates determined and therefore, the propriety of Kshs.3,307,940 for the car hire could not be verified.

4.8 Training Services

4.8.1 Hire of Consultant Firm

A review of documents availed for audit verification indicated that a Consultancy firm was contracted by the County Ministry of Tourism, Trade and Industry to offer business development and training to young entrepreneurs in 25 wards of the County for Kshs.3,795,000. Request for quotation method was used to identify the supplier although the procurement exceeded the threshold of Kshs.2,000,000 for using this method. Further, the quotations were sought from three (3) suppliers who were not in the list of prequalified suppliers approved by the County Government. As at the time of this audit, there was no evidence of the services provided by the firm although payments totalling Kshs.2,656,500 had been made.

4.8.2 Training at Kenya School of Government

Information available indicate that an amount of Kshs.739,000.00 was paid to Kenya School of Government on 27 June 2014 in respect of full board training for 17 officers who were attending Effective Personal Assistant and Office Administrators Training for 5 days. A further payment of Kshs.767,125.00 was made to an officer of the county executive to cater for travelling and subsistence allowances for the 17 officers. Each officer was to be paid Kshs.45,125.00 in respect of quarter per diem for 5 days, full per diem for 4 days while travelling ,bus fare and taxi allowance.

However, instead of issuing the imprest to individual officers as required by the Government financial regulations the total sum of Kshs.767,125 was issued to one individual and expensed directly. This was contrary to Government financial regulations and procedures.

5.0 Foreign and Local Travel Subsistence Allowance

Records availed for audit review indicates that an amount of Kshs.788,710 was paid to one officer to meet the cost of travel for ten(10) Members of the County Assembly and other six(6) officers from the County Ministry of Roads, Transport, Housing and Public Works in form of subsistence allowances and foreign travel for inspection of roads at Loima District in the County. After the road inspection, the team proceeded to Moroto in Uganda on 23 January, 2014. However, no documents were provided to show the details of the roads inspected and the purpose of visiting Moroto in Uganda.

Further, the amount of Kshs.788,710 was paid in lump sum to the officer on behalf of the other Members contrary to Government Financial Regulations and Procedures governing the issuance of imprests whereby officers travelling outside their duty station are issued with individual imprests which they should account for on return from official duty.

6.0 Training and Workshops

Information available indicated that M/s National Council for Persons with Disability requested for funds totalling to Kshs.3,690,000 from the County Ministry of Education to facilitate workshops and training for their members. This amount was paid to the organization on 19 February 2014. A further payment of Kshs.1,791,000 was made to facilitate people with disability from Turkana County to participate in People With Disability Desert Race in Isiolo and carry out preliminaries for selection in Lodwar. However, these payments were only supported with proposed budgets. No documentary evidence was provided to show how the money was spent. In the circumstances, the propriety of the expenditure of Kshs.5,481,000 on the training and workshops could not be verified.

7.0 Payment of Supervision Fees

7.1 Supervision of Water Works

A review of records availed for audit verification indicated that the Sub County Water Officer, Turkana East District was paid an amount of Kshs.3,402,000 on 10 March 2014, being payment of 6% supervision fees for water contracts awarded during the year under review. However, the Bill of Quantities and contract agreements were not availed in support of the projects that were being implemented.

7.2 Supervision of Road Works

Records availed for audit review indicated that the Superintendent of Roads was paid an amount of Kshs.1,630,686 on 11 March 2014 for the supervision of road works across the County. The payment was based on a letter dated 3 March 2014, from the Superintendent of Roads to the Interim Chief Finance Officer.

Further, the management explained that the superintendent was not an employee of the County Government and the amount paid was a consultancy fee in respect of services provided. However, no documentary evidence was provided to confirm how the consultant was identified and procured.

8.0 Bursaries

Records availed for audit review indicated that the County Ministry of Education awarded bursaries totalling to Kshs.47,102,100 to needy students at various

learning institutions during the year 2013/2014. However, it was not clear and the management has not explained the criteria used to award the bursary in the County thus leaving the Ward Bursary Committees to rely on the school fees balances and fees structures in awarding the bursaries rather than determining whether the applicants were needy.

9.0 Usage of Motor Vehicles

A review of work ticket for three county executive vehicles registration numbers KBU 740T, KBU 742T and KBU 743T for the month of June 2014, revealed that the vehicles were being driven during weekends. Further, during the weekends for the month of June 2014, the three vehicles covered a total of 2,465 kms. However, the purpose for which the vehicles were used was not disclosed. Further, there was no authority for these vehicles to be used outside normal working hours, especially at night.

10.0 Tree Planting

Records availed for audit review indicated that payments totalling Kshs.7,850,000 were made to Non-Governmental organizations to facilitate tree planting exercise based on their proposed budgets. Although the trees were planted, a review of documents supporting the payment indicated that the organizations did not account for the money advanced to them and the management did not explain how these groups were identified as there were no policy guidelines on partnering with private groups to carry out such activities. In the circumstances, the propriety of the expenditure of Kshs.7,850,000 on tree planting could not be established.

11.0 Doubtful Expenditure on Water Works

Payments totalling Kshs.1,754,000.00 were made to six Sub-County Water Officers on 29 June 2014 indicated to be in respect of subsistence allowance to facilitate handing over of boreholes and water pan sites to contractors. According to the supporting budgets, the payments were subsistence allowances for 376 officers.

The payments were however not issued in the form of imprest as required by the regulations but was rather expensed. Also there was no subsequent report to show how the money was utilised.


12.0 Under Expenditure

Information available indicate that the County Ministry of Lands, Physical Planning and Urban areas was allocated a total of Kshs.172,613,576 to fund its budget during the year under review. However, as at the time of this audit only an amount of Kshs.21,544,265 or approximately 12.5% of the total budget had been spent resulting in an unutilized budget of Kshs.151,069,311 or 87.5%.

The people of Turkana may have, therefore, been denied the services they are entitled to due to non-implementation of the planned projects and unsatisfactory utilization of the budgets.

13.0 Conclusion

The anomalies noted in the course of the audit may have adversely affected the delivery of various services to the people of Turkana County. The County Executive should address the issues to ensure public resources are utilized for the purposes for which they were intended. This report should be read in conjunction with the Detailed Audit Report herein appended.

A handwritten signature in black ink, appearing to read 'E. R. O. Ouko', with three dots below the signature.

Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

26 May 2015

DETAILED REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL OPERATIONS OF TURKANA COUNTY EXECUTIVE FOR THE PERIOD 1 JULY 2013 TO 30 JUNE 2014

1.0 Introduction

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 and the Public Audit Act, 2003. Further, the Constitution of Kenya and Section 107 of the Public Finance Management Act, 2012 require the County Treasury to enforce fiscal responsibility principles in the management of the County Government's public finances.

2.0 Audit Objectives

The objectives of the audit were to check for existence of internal controls that ensure proper accountability of Public resources, confirm that procurement of goods, works and services was done in accordance with the Public Procurement and Disposal Act, 2005 and related regulations and that public funds have been utilized effectively and in accordance with the law.

3.0 Terms of Reference

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- Cash and bank balances
- Human Resource Records

- IT Environment
- Non-current assets
- Debtors
- Creditors

Detailed Audit Findings

4.0 Irregularities in Procurement

4.1 Tippers

Information available indicate that M/s Foton East Africa Ltd was issued with a local purchase order on 12 February 2014 for supply of two 20 tonne tippers, Foton HP 290 at a cost of Kshs.18,000,000. Subsequently, a 50% down payment of Kshs.9,000,000 was made on 6 May 2014 vide payment voucher No 256. However, supporting documents such as tender advertisement, bids submitted by the bidders, contract for the supply of the tippers, tender Committee Minutes for award of the tender and the report of the Inspection and Acceptance Committee were not provided for audit verification.

The tippers were noted to have been delivered. However, their logbooks were not availed to confirm ownership.

Further, the list of suppliers contracted by the County Ministry of Transport and Infrastructure provided for audit review did not contain the name of the motor dealer that supplied the two tippers. In the circumstances, it has not been possible to establish the ownership status of the Tippers and that the County Executive obtained value for money on the same in the absence of the documents supporting the procurement processes.

Recommendation

Management should ensure that all procurements are done in accordance with the provisions of the Public Procurement and Disposal Act, 2005 and that all equipment procured are registered in the name of the County government and same accounted for appropriately.

4.2 Tractors

A review of documents availed for audit verification indicated that M/s CMC Motors Group Ltd was paid an amount of Kshs.26,764,800 on 23 June 2014 through payment voucher number 308 for supply of four (4) modern tractors (New Holland model TT 75), three (3) row chisel plough, two (2) ton tipping trailers and one (1)

backhoe trailer against a Local Purchase Order No.2045844 dated 17 February 2014 and invoice No.HAD-VIN 001968 dated 27 March 2014. However, the invoice did not reflect the details of the LPO but instead it reflected the order to be a cash purchase, therefore raising doubt on the validity of the invoice.

In addition, although the tractors were noted to have been delivered and received on 1 April 2014, the Company was not among the County Government contracted suppliers of tractors, and no evidence was provided for audit review to confirm whether the quotations were invited from other suppliers of tractors.

Consequently, it has not been possible to confirm if the procurement was done competitively and how the prices of the tractors were determined raising doubt that the County Executive may not have obtained value for money on the procurement of the tractors.

Recommendation

The management should ensure that procurement of goods and services are done in accordance with the provisions of the Public Procurement and Disposal Act, 2005 and related regulations.

4.3 Motor Grader and Dozer

Records availed for audit review indicated that the County Government procured a New Holland Motor Grader 180-200 Crawler Dozer and New Holland F170 Motor Grader at contract prices of Kshs.31,650,000 and Kshs.24,180,000 respectively from M/s Achelis Material Handling Ltd. The firm was contracted to supply the equipment by the County Ministry of Transport and Infrastructure on 28 January 2014. Subsequently, a payment of Kshs.27,915,000 was made on 6 May 2014 through payment voucher number 235, being 50% down payment. Another payment of Kshs.27,915,000 being 50% final payment was made on 20 June 2014 vide payment voucher number 297.

Although the equipment were noted to have been delivered, logbooks were not availed for audit verification on ownership. In the absence of ownership documents, it has not been possible to confirm the ownership status of the two graders valued Kshs.55,830,000.

Further, a payment of Kshs.1,012,680 was made to M/s Top End Construction Company Ltd to transport the two graders from Nairobi to Lodwar. However, there was no documentary evidence to show how the Construction Company was identified to provide the transportation services and now the charges paid were determined.

Recommendation

Management should ensure that ownership documents are obtained in the name of the County Government and that procurement of goods and services is done in accordance with the provisions of the Public Procurement and Disposal Act, 2005 and the related regulations.

4.4 Water Tanks

Information available indicate that M/s Modern Steel Welders was paid an amount of Kshs.3,950,000 on 24 January 2014 being 50% down payment for the supply of 50 plastic 10,000 litre water tanks, costing Kshs.7,900,000. A further payment of Kshs.3,436,500 was done on 6 March 2014. However, the tender advertisement, bids submitted by the bidders, contract for the supply of the tanks, tender committee minutes for award of the tenders and the inspection and acceptance committee report on the tanks received were not provided for audit review.

In addition, an advance of Kshs.200,000 was paid to a Mr Kenneth Omondi on 25 March 2014 through cheque number 450 and payment voucher number 513 for branding of the water tanks. The payment was however based on only one quotation contrary to the procurement regulations which require at least three quotations.

Recommendation

The management should ensure that all procurements are done in accordance with the provisions of the Public Procurement and Disposal Act, 2005 and that payments are made for goods and services after the Inspection and Acceptance Committee have confirmed that the goods have been supplied in the right quantity and quality.

4.5 Animal Feeds

Information availed for audit review indicated that on 10 February 2014, M/s Silo-Agrovet was paid an amount of Kshs.7,000,000 vide payment voucher number 152 for the purchase of emergency animal feeds which included range cubes, survival mash and survival cubes. However, tender advertisements, bids submitted by bidders, minutes of the Tender Committee approving award of the tender, contract for supply, report of Inspection and Acceptance Committee and a report on how the animal feeds were distributed were not provided for audit review.

Consequently, the propriety of the expenditure of Kshs.7,000,000 on purchase of animal feeds could not be confirmed.

Recommendation

The Management should ensure that procurement of goods and services is done in accordance with the provisions of the Public Procurement and Disposal Act, 2005 and the related regulations and that payments are only made for goods and services after the Inspection and Acceptance Committee has confirmed that the goods or services have been supplied in the right quantity and quality.

4.6 Seeds

A review of the records availed for audit verification indicated that M/s Modern Steel Welders was paid an amount of Kshs.5,629,360 on 23 May 2014 vide payment voucher number 682 and cheque number 630 for purchase of seeds for various irrigation projects which included maize DH04, sorghum gadam, cowpeas kenkunde and green grams. However, tender advertisement, bids submitted by the bidders, Tender Committee Minutes for award of the tenders; contract for supply of seeds, the Inspection and Acceptance Committee report on the seeds received and the distribution list were not provided for audit review.

Recommendation

The management should ensure that all procurements are done in accordance with the provisions of the Public Procurement and Disposal Act, 2005; and that payments are made for goods and services after the Inspection and Acceptance Committee have confirmed that the goods have been supplied and received in the right quantity and quality.

4.7 Car Hire

Information available indicate that the County Public Service Board made payments totalling Kshs.3,307,940 to various firms in respect of car hire services. However, the quotations from the firms and signed contracts with the County Government for the services rendered were not availed for audit review. Consequently, it was not possible to confirm how the firms were identified and the rates determined and therefore, the propriety of Kshs.3,307,940 for the car hire could not be verified.

Recommendation

The management should ensure that procurement of goods and services is done in accordance with the provisions of the Public Procurement and Disposal Act, 2005 and the related procurement regulations 2006 and 2013.

4.8 Training Services

4.8.1 Hire of Consultant Firm

A review of documents availed for audit verification indicated that a Consultancy firm was contracted by the County Ministry of Tourism, Trade and Industry to offer business development and training to young entrepreneurs in 25 wards of the County for Kshs.3,795,000. Request for quotation method was used to identify the supplier although the procurement exceeded the threshold of Kshs.2,000,000 for using this method. The quotations were sought from three (3) suppliers who were not in the list of prequalified suppliers approved by the County Government. Further, minutes of the Tender Committee awarding the contract were not availed for audit verification. As at the time of this audit, there was no evidence of the services provided by the firm although payments totalling Kshs.2,656,500 had been made.

Recommendation

The management should ensure that the provisions of the Public Procurement and Disposal Act, 2005 and Regulations of 2006 and 2013 are adhered to in the procurement of goods and services.

4.8.2 Training at Kenya School of Government

Audit review of records availed showed that an amount of Kshs.739,000.00 was paid to Kenya School of Government on 27 June 2014 vide cheque No. 001852 and P.V No. 2330 in respect of full board training for 17 officers who were attending Effective Personal Assistant and Office Administrators Training for 5 days. A further payment of Kshs.767,125.00 was made to Mr David Kakalel Austin to cater for per diem ,quarter per diem ,bus fare and taxi allowance for the 17 officers. Each officer was to be paid a total of Kshs.45,125.00 in respect of quarter per diem of Kshs.8,125.00 for 5 days, full per diem for 4 days of Kshs.26,000.00 while travelling, bus fare of Kshs.9,000.00 and taxi allowance of Kshs.2,000.00.

There was however no evidence that any training needs assessment was carried out and that the officers were being trained out of need as required by the County Public Service Human Resource Manual, 2013. In addition, there was no evidence that the training was recommended by the County Departmental Training Committee and approved by the County Secretary as required.

Further, no reason has been provided as to why individual imprests were not issued to each officer as required instead of being directly charged to expenditure. There has also been no evidence of the same having been paid to the intended 17 officers. No reason has been provided as to why quarter per diem was paid to the officers while attending a full board training paid for by the County Government, which, according to the regulations is not payable.

Recommendation

The management should ensure that the nominations of officers to attend training is done in accordance with the County Public Service Human Resource Manual, 2013. In addition, payment for travelling and subsistence allowance should be in line with the County Public Service Human Resource Manual and the Government Financial Regulations and Procedures. Further, management should ensure that the irregularly paid quarter per diem allowances totalling Kshs.138,125 are recovered from the payees.

5.0 Foreign and Local Travel Subsistence Allowance

Records availed for audit review indicates that an amount of Kshs.788,710 was paid to one officer to meet the cost of travel for ten(10) Members of the County Assembly and other six(6) officers from the County Ministry of Roads, Transport, Housing and Public Works in form of subsistence allowances and foreign travel for inspection of roads at Loima District in the County. After the road inspection, the team proceeded to Moroto in Uganda on 23 January, 2014. However, no documents were provided to show the details of the roads inspected and the purpose of visiting Moroto in Uganda.

Further, the amount of Kshs.788,710 was paid in lump sum to the officer on behalf of the Members of the County Assembly and County Ministry of Roads, Transport, Housing and Public Works as an imprest from the vote of County Executive instead of County Assembly. This was against Government Financial Regulations and Procedures governing the issuance of imprests whereby officers travelling outside their duty station are issued with individual imprests which they should account for on return from official duty.

In addition, the payment documents availed for audit were not supported by copies of stamped passports, copies of work tickets for vehicles used during the visits, roads inspection report and evidence of officers and honorable members acknowledgement of money receipts.

Consequently, the propriety of the expenditure of Kshs.842,810 could not be confirmed.

Recommendation

The management should ensure that each officer on official duties out of the duty station is issued with individual temporary imprest which should be accounted for or surrendered after returning to duty station as required by Section 5.6 of the Government Financial Regulations and Procedures governing issuance of imprest. Additionally, travel and subsistence allowance for members of County Assembly should be met by the Count Assembly where it is budgeted for. Further the officer should fully account for the Kshs.788,710 by providing the appropriate respective

documents for all the officers who were paid, failure to which the same should be recovered from the officer for none accountability.

6.0 Training and Workshops

Information available indicated that M/s National Council for Persons with Disability requested for funds totalling Kshs.3,690,000 from the County Ministry of Education to facilitate workshops and training for their members. This amount was paid to the organization on 19 February 2014. A further payment of Kshs.1,791,000 was made to facilitate people with disabilities from Turkana County to participate in People With Disability Desert Race in Isiolo and carry out preliminaries for selection in Lodwar. However, these payments were only supported with proposed budgets. No documentary evidence was provided to show how the money was spent. In the circumstances, the propriety of the expenditure of Kshs.5,481,000 on the training and workshops could not be verified.

Recommendation

The management should ensure that the money advanced to other organizations for planned activities is properly accounted for in line with Public Financial Regulations and Procedures. Further, the management should be held liable for failure to account for the sum of Kshs.5,481,000.

7.0 Payment of Supervision Fees

7.1 Supervision of Water Works

A review of records availed for audit verification indicated that the Sub County Water Officer, Turkana East District was paid an amount of Kshs.3,402,000 on 10 March 2014, being 6% payment of supervision fees for water contracts awarded during the year under review. However, the Bill of Quantities and contract agreements were not availed in support of the projects that were being implemented and supervision fees paid.

Although the management explained that the supervision fees was in respect of subsistence allowance payable to those officers who were supervising various water works, a list of the officers who were paid and the projects they were supervising were not availed for audit verification. In addition, it is not clear, and the management has not explained under what circumstances are government employees are paid supervision fees in their personal capacities.

Recommendation

Management should ensure that supervision fees paid out are supported by regulations or Act of parliament and are accounted for in accordance with Government financial regulations and procedures. The irregularly paid supervision

fees amount of Kshs.3,402,000 should be recovered net of subsistence and accommodation allowances applicable to officers concerned.

7.2 Supervision of Road Works

Records availed for audit review indicated that the Superintendent of Roads was paid an amount of Kshs.1,630,686 on 11 March 2014 for the supervision of road works across the County. The payment was based on a letter dated 3 March 2014, from the Superintendent of Roads to the Interim Chief Finance Officer.

Further, the management explained that the superintendent was not an employee of the County Government and the amount paid was a consultancy fee in respect of services provided. However, no documentary evidence was provided to confirm how the consultant was identified and procured.

In addition, the signed contract between the County Government and the consultant for the provision of the services and the list of roads supervised and report produced on the same was not provided for audit review. Consequently, the propriety of the expenditure of Kshs.1,630,686 could not be confirmed.

Recommendation

The management should adhere to the provisions of the Public Procurement and Disposal Act, 2005 in the acquisition of goods and services and ensure that payments are only made in respect of services rendered and in accordance with the terms of the agreement.

8.0 Bursaries

Records availed for audit review indicated that the County Ministry of Education awarded bursaries totalling Kshs.47,102,100 to needy students at various learning institutions during the year 2013/2014. The bursaries were awarded by Ward Bursary Committees. However, it was not revealed how the members of the Ward Bursary Committees were identified. Further, it was not clear and the management has not explained the criteria used to award the bursary in the County thus leaving the Ward Bursary Committees to rely on the school fees balances and fees structures in awarding the bursaries rather than determine whether the applicants were needy.

Recommendation

Management should develop criteria for awarding bursaries to ensure fairness, equity and transparency.

9.0 Usage of Motor Vehicles

A review of work tickets numbers K713847,L435461 and L870513 for vehicles registration numbers KBU 740T, KBU 742T and KBU 743T for the month of June 2014, revealed that these vehicles were being driven during weekends. Further, during the weekends for the month of June 2014, the three vehicles covered a total of 2,465 kms. However, the purpose for which the vehicles were used was not disclosed. Further, there was no authority for these vehicles to be used outside normal working hours, especially at night.

Recommendation

Management should ensure that the county government vehicles are only used for official purposes and during the normal working hours or with authority to work outside normal working hours.

10.0 Tree Planting

Records availed for audit review indicated that payments totalling Kshs.7,850,000 were made to Non-Governmental organizations to facilitate a tree planting exercise based on their proposed budgets. Although the trees were planted, a review of documents supporting the payment revealed that the organizations did not account for the money advanced to them and it was not clear and the management has not explain how these groups were identified as there were no policy guidelines on partnering with private groups to carry out such activities. In the circumstances, the propriety of the expenditure of Kshs.7,850,000 on tree planting could not be established.

Recommendation

The management should ensure that money advanced to private organizations is properly accounted for in line with Public Financial Regulations and Procedures.

11.0 Doubtful Expenditure on Water Works

Information availed for audit review showed that payments totalling Kshs.1,754,000.00 were made to six Sub-County Water Officers on 29 June 2014 vide cheque No.001002 and various payment vouchers. The payments were said to be in respect of subsistence allowance to facilitate handing over of boreholes and water pan sites to contractors. According to the supporting budgets, the payments were subsistence allowances for 376 officers who included Sub County Administrators, Sub County Water Officers, Ward Administrators, Clerk of Works, one driver and security personnel for the six teams.

The payments were however not issued in the form of imprest as required by the regulations but were directly expensed contrary to the requirement of Government

financial regulations and procedures Further, no subsequent report has been provided to show how the money was utilised.

In addition copies of work tickets of motor vehicle used were not provided to show the location of the sites to be handed over and the days spend. Further, all the officers indicated in the lists were within their respective Sub Counties and wards and the issue of night outs may therefore not have arisen. There was also no information to show the roles that were to be played by each of the officers indicated in the budget during the handing over process.

Recommendation

The management should ensure that officers working outside their duty stations, are issued with individual imprests to meet costs of travelling and subsistence in accordance with the Government Financial Regulations and Procedures. Further all the 376 officers should provide documentary evidence and account for the allowances failure to which the unaccounted for amount should be recovered from the respective officers.

12.0 Under Expenditure

Information available indicate that the County Ministry of Lands, Physical Planning and Urban areas was allocated a total of Kshs.172,613,576 to fund its budget during the year under review. However, as at the time of this audit only an amount of Kshs.21,544,265 or approximately 12.5% of the total budget had been spent resulting in an unutilized budget of Kshs.151,069,311 or 87.5%.

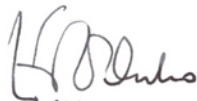
The people of Turkana may have therefore been denied the services they are entitled to due to non-implementation of the planned projects and unsatisfactory utilization of the budgets.

Recommendation

Management should ensure that the planned projects are implemented accordingly and as budgeted.

13.0 Conclusion

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



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AUDITOR-GENERAL

Nairobi

26 May 2015