

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Thursday, 29<sup>th</sup> November 2018

The House met at 9.30 a.m.

*[The Temporary Deputy Speaker (Hon. Patrick Mariru) in the Chair]*

### PRAYERS

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Hon. Members, there is no quorum. I order that the Quorum Bell be rung so that we can secure a quorum.

*(The Quorum Bell was rung)*

Order Members! I order that the Quorum Bell stops. We now have quorum. Let us get into business.

### QUESTIONS

*Question No.197/2018*

#### NON-REGISTRATION OF SCHOOLS IN KURESOI SOUTH CONSTITUENCY

**Hon. Joseph Kipkosgei** (Kuresoi South, JP): Thank you, Hon. Temporary Deputy Speaker for giving me this opportunity to ask Question No.197/2018. My Question is directed to the Cabinet Secretary for Education.

- a) Is the Cabinet Secretary aware that the following schools in Kuresoi South Constituency have not been registered despite meeting the standard requirements for school registration: Chepkosigen, Chebirwobei, Chepalungu, Kabande, Kimugul, Makicheit, Ruaget, Lelechwet, Sangawet, Kiptongoton, Anguruet Primary Schools and Kabongoi Secondary (Tinet Ward), Highland, Baraka, Bondet, Kimugul, Gosemia, Shambandefu, Maziwa Tuiyiobei (Keringet Ward), Barageiywet (Amalo Ward), Lelpanga, Kipkongor and Bondet Kiptagich Primary Schools (Kiptagich Ward)?
- b) When will the said schools be registered to enable the students get free education funds from the Government?

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): That Question will be replied before the Departmental Committee on Education and Research. The next Question is by Hon. Martin Peter Owino.

*Question No.204/2018*

#### NON-MAINTENANCE OF RODI KOPANY-KARUNGU-SORI ROAD

**Hon. Martin Owino** (Ndhiwa, ODM): Thank you, Hon. Temporary Deputy Speaker. I rise to ask Question No.204/2018 to the Cabinet Secretary for Transport, Infrastructure, Housing and Urban Development.

- a) Is the Cabinet Secretary aware that the Rodi Kopany - Karungu-Sori Road that serves Rangwe, Ndhiwa, Gwassi, Uriri, Nyatike and Homa Bay constituencies in Homa Bay and Migori is now impassable, in a horrible condition and has been in state of disrepair for the past 30 years, thus impacting negatively on local transportation, emergency evacuation and businesses?
- b) Why was the Rodi Kopany-Sori Road passing through Homa Bay, Ndhiwa and Nyatike constituencies transferred from Kenya National Highways Authority (KeNHA) to Kenya Rural Roads Authority (KeRRA)?
- c) Could the Cabinet Secretary state the specific department responsible for repairs and maintenance of the said roads and further give a list of contractors and how much funds meant for the said roads have been disbursed by the Ministry to the said contractors from the year 1990 to date?

Hon. Temporary Deputy Speaker, allow me to skip (b) because I received a call from the Kenya Roads Board (KRB) that it is already taken care of.

Thank you, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): That Question will be replied before the Departmental Committee on Transport, Public Works and Housing. The next Question is by Hon. Jackson Lekumontare.

*Question No.208/2018*

DEATH OF IL'NAPARI LEPETA DUE TO UNEXPLODED ORDINANCE

**Hon. Jackson Lekumontare** (Samburu East, KANU): Thank you, Hon. Temporary Deputy Speaker. This Question is directed to the Cabinet Secretary for Interior and Coordination of National Government.

- a) Is the Cabinet Secretary aware of the death of one Il'napari Lepeta, a minor from Ndonyo Nasipa Location of Samburu East Constituency as a result of an unattended unexploded ordinance allegedly left by police officers from Wamba Police Station in 2017?
- b) What steps has the Ministry taken to remove other unexploded ordinances from the area to prevent further loss of life?
- c) When will the Lepeta family be compensated following the death of the minor?

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Hon. Jackson, for record, it is important for you to say the Question number.

**Hon. Jackson Lekumontare** (Samburu East, KANU): Sorry, it is Question No.208/2018.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): That Question will be replied before the Departmental Committee on Administration and National Security. The next Member to ask a Question is Hon. Michael Kingi.

*Question No.210/2018*

## ALLEGEDLY SHOOTING OF MR. JUMAA BAHATI SHANGA BY POLICE OFFICER

**Hon. Michael Kingi** (Magarini, ODM): Thank you, Hon. Temporary Deputy Speaker. I rise to ask Question No.210/2018 to the Cabinet Secretary for Interior and Coordination of National Government.

- a) Is the Cabinet Secretary aware that, on 7th November 2018, at around 1.00 pm, one Mr. Jumaa Bahati Shanga was allegedly shot and seriously injured by a police officer from Adu Police Station, who was positively identified by both the area Deputy County Commissioner and the Officer Commanding Police Division, Adu Police Station?
- b) What action has the Ministry taken following a complaint raised through a letter Ref: MGRI/08/011/18/VOL.1 dated 8<sup>th</sup> November 2018 and the disciplinary action being taken against the police officer involved?
- c) Could the Ministry consider compensating, facilitating access to treatment and settling medical bills incurred by Mr. Jumaa Bahati Shanga who has since been lying helplessly and without any specialized treatment at the Malindi Sub-County General Hospital?

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): That Question will be replied before the Departmental Committee on Administration and National Security. The next Member to ask a Question is Hon. Wafula Wamunyinyi.

*Question No. 228/2018*

## IRREGULAR ALLOCATION OF PUBLIC LAND IN KANDUYI CONSTITUENCY

**Hon. Wafula Wamunyinyi** (Kanduyi, FORD-K): Hon. Temporary Deputy Speaker, I wish to ask the Cabinet Secretary for Lands and Physical Planning the following Question:

- a) Is the Cabinet Secretary aware that public land set aside for a police station and administrative offices in Marakaru/Tuuti Ward in Kanduyi Constituency has since been irregularly allocated to private persons?
- b) Is the Cabinet Secretary further aware that some Government houses and various parcels of land in Bungoma Town have been converted to private land and are now owned by individuals?
- c) What measures has the Ministry put in place to repossess all those irregularly allocated pieces of Government land and houses?

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): That Question will be replied before the Departmental Committee on Lands. The next Question will be asked by Hon. Malimo Arbelle.

*Question No. 239/2018*

## MEASURES TAKEN TO ADDRESS INSECURITY IN LAISAMIS CONSTITUENCY

**Hon. Marselino Arbelle** (Laisamis, JP): Hon. Temporary Deputy Speaker, I rise to ask the following Question to the Cabinet Secretary for Interior and Coordination of National Government:

- a) Is the Cabinet Secretary aware that there is increased insecurity in Laisamis Constituency allegedly posed by people living at Serima Village, a new satellite settlement site for the Lake Turkana Wind Power Project?
- b) Who are in possession of illegal firearms?
- c) Could the Ministry outline measures taken to ensure that the area is secure and further consider putting up a police post or station to monitor and manage security in that area?

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): That Question will be replied before the Departmental Committee on Administration and National Security. The next Question will be asked by Hon. Benjamin Dalu.

*Question No. 240/2018*

FAILURE TO REHABILITATE MAZERAS-KINANGO ROAD

**Hon. Benjamin Tayari** (Kinango, ODM): Hon. Temporary Deputy Speaker, I rise to ask the following Question to the Cabinet Secretary for Transport, Infrastructure, Housing & Urban Development:

- a) Could the Cabinet Secretary explain why the Mazeras-Kinango Road has not been rehabilitated for the last one-and-a-half years despite funds being allocated for it?
- b) Could the Cabinet Secretary further explain why the contractor has not been identified for the construction of Mariakani-Kinango-Kwale Road to bitumen standard despite the project having been tendered under the PPP, Tender No. KeNHA/1575/2017?

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): That Question will be replied before the Departmental Committee on Transport, Public Works and Housing. The last Member to ask a Question this morning is Hon. ole Sankok.

*Question No. 259/2018*

ERADICATION OF WATER HYACINTH IN LAKE VICTORIA AND OTHER WATER BODIES

**Hon. David ole Sankok** (Nominated, JP): Hon. Temporary Deputy Speaker, I rise to ask the following Question to the Cabinet Secretary for Environment and Forestry Resources:

- a) What measures has the Ministry put in place to control and eradicate the water hyacinth, scientifically referred to as *Eichhornia crassipes* in Lake Victoria and other water bodies in Kenya?
- b) State whether there are private organizations interested in partnering with the national or county government, research institutions or communities to assist in the eradication of the weed.

Hon. Temporary Deputy Speaker, I have asked this Question in the spirit of the handshake since *Baba* was here yesterday.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): That Question by Hon. Sankok will be replied before the Departmental Committee on Environment and Natural Resources.

Next Order!

**MOTIONS**

## TWENTY SECOND REPORT ON AUDITED FINANCIAL STATEMENTS FOR STATE CORPORATIONS

THAT, this House adopts the Twenty Second Report of the Public Investments Committee on Audited Financial Statements for State Corporations, laid on the Table of the House on Tuesday, 6<sup>th</sup> November 2018.

*(Hon. Abdullswamad Nassir on 21.11.2018 – Morning Sitting)*

*(Debate concluded on 28.11.2018)*

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Order, Hon. Members. The debate had ended on this particular item. So, we are just putting the Question on this one.

*(Question put and agreed to)*

Next Order!

## ADOPTION OF PUBLIC ACCOUNTS COMMITTEE REPORT

THAT, this House adopts the Report of the Public Accounts Committee on the Examination of the Auditor-General Report's on the Financial Statements for the National Government for the Financial Year ended 30<sup>th</sup> June 2015, laid on the Table of the House on Tuesday, 14<sup>th</sup> November 2018, subject to the following amendment -

THAT, the Motion be amended by inserting the following expression immediately after the expression "2018"-

"subject to –

(a) deletion of the Committee's recommendation contained in paragraph 395.2 of the Report, and substitution thereof with the following new recommendation-

"The Auditor-General to, within three months after adoption of this Report, undertake further audit in order to establish the circumstances in which restricted tendering was adopted in the construction of a model county office in Embu by the State Department of Environment and Natural Resources during the Financial Year 2014/2015";

(b) deletion of the Committee's recommendation contained in Paragraph 395.5 of the Report and substitution thereof with the following new recommendation-

"The Auditor-General to, within three months after the adoption of this Report, undertake further audit on the propriety of using restricted tendering for fencing projects at various meteorological projects by the Department of Environment and Natural Resources during the Financial Year 2014/2015."

(c) deletion of the Committee's recommendation contained in paragraph 395.7 of the Report, and substitution thereof with the following new recommendation-

"The Auditor-General to, within three months after adoption of this Report, undertake further audit on the propriety of contracts to various suppliers to supply seedlings to various

destinations by the State Department of Environment and Natural Resources during the Financial Year 2014/2015.”

*(Hon. Opiyo Wandayi on 28.11.2018 – Morning Sitting)*

*(Resumption of Debate on the Motion as amended interrupted on 28.11.2018)*

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Hon. Members, to refresh the memory of Members, there was an amendment on this Report when the House rose yesterday that had been canvassed by quite a number of Members and what remained was actually to put the Question on the amendment by Hon. Junet. After that, we shall proceed. Order, Hon. Owino! Hon. Members, I will put the Question on the amendment proposed by Hon. Junet.

*(Question, that the words to be added be added, put and agreed to)*

Hon. Members, I will direct that we dispense with all the amendments. As you can see from your Order Paper, there are a number of amendments. We will proceed and get all the amendments so that then when the House dispenses with the amendments, you are able to deal with the Report as amended or otherwise. The next amendment is by Hon. Kimani Ichung’wah.

**Hon. Kimani Ichung’wah** (Kikuyu, JP): Hon. Temporary Deputy Speaker, I beg to move:

THAT, the Motion be amended by inserting the following immediately after the words “November 14, 2018”–

“subject to:

(i) deletion of Recommendation No. (ii) appearing on page 18 under Paragraph 4 (Pending Bills) and substituting therefor the following:

“(ii). The Accounting Officer, Dr. Kamau Thugge, puts in place measures to forestall the accumulation of pending bills at the National Treasury contrary to the provisions of Section 12(2) (b) of the Public Finance Management Act, 2012 which mandates the National Treasury to ensure proper management and control of, and accounting for the finances of the national Government and its entities in order to promote the efficient and effective use of budgetary resources at the national level.”

(ii) deletion of the Committee’s Recommendation under Paragraph 5 (Outstanding Imprests) appearing on page 19 of the Report and substituting therefor the following:

“The Accounting Officer, Dr. Kamau Thugge, puts in place measures to manage imprests and ensure outstanding imprests are surrendered on time in line with the provisions of the Public Finance Management Act, 2012 and Regulation 93 of the Public Finance Management (National Government) Regulations, 2015.”

Hon. Temporary Deputy Speaker, I think it is important to simply expound on what the amendment intends to achieve. If you read the Report on Page 18, it points out to...

**Hon. Aden Duale** (Garissa Township, JP): On a point of order, Hon. Temporary Deputy Speaker.

**Hon. Kimani Ichung’wah** (Kikuyu, JP): The Leader of the Majority Party is asking why I am taking his Report.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): What is your point of order, Leader of the Majority Party? Order, Hon. Kimani! The Leader of the Majority Party is on the Floor on a point of order.

**Hon. Aden Duale** (Garissa Township, JP): Hon. Temporary Deputy Speaker, you have seen the way Hon. Ichung'wah is behaving. He just picks my copy. That is virtually stealing. Hon. Temporary Deputy Speaker, this is the behaviour of the big tribes in Kenya. They believe that the marginalised groups do not exist. But because he is my Chair and I support his amendment, let me graciously give him the Report.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Very well. It seems to be the spirit of good neighbourliness.

Let us have Hon. Ichung'wah.

**Hon. Kimani Ichung'wah** (Kikuyu, JP): Hon. Temporary Deputy Speaker, I am on borrowed copies of House records. Page 18 has the recommendation that I seek to amend. This recommendation states that the Accounting Officer, Dr. Kamau Thugge, should be reprimanded for accumulating pending bills amounting to Kshs632 billion at the National Treasury for the 2014/2015 Financial Year. The issue of pending bills is anticipated by our own laws under the Public Finance Management Act. There is no time that the Government will operate and pay all its bills.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Order, Hon. Ichung'wah. Hon. Limo, what is your intervention. Hon. Limo is raising an intervention and yet he is busy engaging Hon. Pukose. Hon. Limo, what is your intervention?

**Hon. Joseph Limo** (Kipkelion East, JP): Hon. Temporary Deputy Speaker, when I press the intervention button, I am a serious legislator.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): What is the issue?

**Hon. Joseph Limo** (Kipkelion East, JP): I cannot be asleep like others. I want to seek your guidance on how we put Questions to amendments in this House. Hon. Ichung'wah's amendment has two sub-sections. Hon. Junet's amendment had three sub-sections. When you put a general Question, we sometimes lose the substance of the amendment. It is just put as a blanket Question. I suggest that because we are dealing with serious issues, we should put the Question per sub-section so that we appear to be a serious House.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): If, as an example, you were to use the amendment that the House has just made a decision on, you realise that it was relating to the same ministry. The amendment has several sub-sections, but they all relate to the same ministry and that is why we put one blanket Question. When the sub-sections are on different items, I agree with you that we should put the Questions separately. If they are related to the same ministry, it is the opposite. The Mover will get to the details. Hon. Limo, one of the issues that you and all Members need to be clear on is the import of the amendment. It should be completely clear to the Members what the import of the amendment is so that they are completely aware when they make a decision.

Let us have Hon. Ichung'wah.

**Hon. Kimani Ichung'wah** (Kikuyu, JP): Thank you, Hon. Temporary Deputy Speaker. Hon. Limo, as he says, is a serious legislator and his point of order was quite in order. I was just explaining the basis of that amendment. The PFM Act envisages that there will be pending bills at the end of every financial year. As you are aware, pending bills form the first charge in succeeding financial years. This is provided for specifically under various National Treasury circulars that guide accounting officers given that Government is an ongoing concern

and, therefore, cannot keep transactions for long. It would be wrong for us to be seen to be indicting an accounting officer on the basis of something that is already provided for in law in terms of pending bills. Therefore, I propose that we delete that particular recommendation and replace it with the text as it is on the Order Paper to state that the accounting officer, Dr. Kamau Thugge, should put in place measures to forestall the accumulation of pending bills at the National Treasury. That would be the fair recommendation and I beg for support on that recommendation.

With your guidance, Hon. Temporary Deputy Speaker, I do not know whether I should move to the second amendment? Should I move to the second one? Should I prosecute both?

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Yes. Give the import of the second one as well.

**Hon. Kimani Ichung'wah** (Kikuyu, JP): Hon. Temporary Deputy Speaker, thank you for your guidance. The second amendment is in relation to the recommendation on page 19. Looking at the Committee's observations and findings first is that the accounting officer failed to ensure that imprest amounting to Kshs3.2507 billion that was due was recovered within the stipulated time as per the provisions of the PFM Act, 2012 and Regulation No.93 of the PFM Act Regulations.

Instructively, you will note that the second observation under that says that the Committee marked the matter as resolved. In a very contradictory manner, the Committee proceeds to recommend that the accounting officer be reprimanded for failure to manage imprest and ensuring that outstanding imprest is surrendered in time in line with the provisions of the PFM Act. It is important to note, not just the contradiction that the matter has already been settled, but that this is business that goes on even in this House. Members of Parliament travel. Hon. Temporary Deputy Speaker, if Hon. Chris Wamalwa would allow me to prosecute my amendment, I would appreciate.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Order! If there is a Member rising on a point of order like Hon. Wamalwa has, let us give him one minute.

What is out of order?

**Hon. (Dr.) Chris Wamalwa** (Kiminini, FORD – K): Thank you, Hon. Temporary Deputy Speaker. I seek your direction on this. Hon. Ichung'wah, whom I respect so much, is the Chair of the Budget and Appropriations Committee. The amendments he is tabling are very substantive. We know very well in Parliament that any amendment that is proposed must be on the Order Paper. I listened keenly to his first amendment which I am concerned about and will oppose later. But he went to the second one and when you check the Order Paper - and my Leader of the Minority Party has also been struggling – the amendment is not reflected. It is only the first one.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Order, Hon. Wamalwa. Hon. Ichung'wah has one amendment, but it is in two parts. He is giving the import of part (ii) of the amendment.

Hon. Ichung'wah, please, proceed.

**Hon. Kimani Ichung'wah** (Kikuyu, JP): Thank you, Hon. Temporary Deputy Speaker. Maybe Hon. Chris Wamalwa has left his specs at home. Maybe, it is the English in the text but it is very simple and he is a seasoned teacher. He should be able to read this very simple English. In the ordinary course of business, even for us as MPs, by 30<sup>th</sup> June when any financial year closes, it is normal that somebody could be out of the country and he or she is holding imprest. A matter to do with imprest as at the close of the financial year is not something so criminal.

When I engaged with the Chairman of the Committee, he largely agreed with me. If you look at Observation No.2, the Committee has marked that matter as resolved. It is already settled. Again, it would not be fair to indict an accounting officer on the basis of something that will always happen at the end of every financial year. It happens to us as well. For instance, at the end of this financial year, I was out of the country. It so happens at times that officers in Government could be out of the country for inordinately longer periods of time than envisaged. They eventually account for this money as the Committee rightly observed. That money was eventually accounted for.

I beg for support for those amendments.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Who is the seconder?

**Hon. Aden Duale** (Garissa Township, JP): Hon. Temporary Deputy Speaker, Hon. Ichung'wah is the only Member who came to this House unopposed. That makes him think that he is superior to the other 348 Members. Because he comes from Kikuyu, he thinks he is the Member of Parliament for the whole community by virtue of the name. You should bring him down to size.

Before I even support the amendment, I want to ask Members to be very careful this morning because the Public Accounts Committee and the Public Investments Committee are the core committees that perform the oversight role of Parliament. That is where the audited reports are done. So, let us not come with all flimsy amendments. I want to support this amendment on Dr. Kamau Thugge. I read this Report. It is not good to be very unfair to the accounting officers.

There is a Member of Parliament who said last night that my heart is not with the Constitution (Amendment) Bill. I want to assure him that I am not gay. The only person who can read my heart is my wife and the Almighty God. He said that my heart is not with the two-thirds gender Bill. I want to assure him that I come from a very strong Islamic religious background. That is why I support President Trump. I believe in those parties that believe in family values. I am not gay. You cannot read my heart. If you are one, then you can look for another one. It is only my wife and the Almighty God who can read my heart.

*(Laughter)*

Hon. Mbadi is an accountant. Dr. Kamau Thugge has a very good case to be argued. He is being indicted for Kshs3.2 million unaccounted imprest that took place when the financial year was coming to an end. When Members of Parliament go for a trip at the end of the financial year, they can only account for their imprest in the next financial year, unless this House passes a law that says that no Government official should go out of the country in the month when books are being closed. On that basis, Parliament must be fair to the accounting officers.

The second one, if I am right because Hon. Ichung'wah has ambushed me, is the one on the pending bills. The Committee appreciates that the accounting officers in the National Treasury appeared before the Committee. The National Treasury had cleared all the pending bills for the Financial Year 2014/2015. That is the Report which is here. I am sure in the Financial Year 2015/2016, they will be given an opportunity to clear all pending bills. I read the Report and that matter has been settled. The issue of reprimanding the accounting officer in the National Treasury should not arise in this Report because already the Committee feels that the question on pending bills has been adequately answered.

Finally, the Principal Secretary, National Treasury, should be treated like all other accounting officers. He has other extra responsibilities. Each and every accounting officer passes

through this house. Most of the accounting officers are Principal Secretaries. The Chair of Public Accounts Committee has done a very good job. We must put it in the Report that if any accounting officer, like a Principal Secretary, has audit issues, that becomes the stage for that person not to be appointed for a position. When we are vetting, that person should not be cleared. The problem we have in this country is Parliament. There are people who have been indicted in reports of committees. Some of their recommendations are that certain people cannot hold public office. This is a very serious indictment but that person is given a job and a Committee of this House clears him. That is where the problem is. Parliament is a House of records. If you were indicted in Public Accounts Committee, Public Investments Committee or in any other committee report that you cannot hold public office and that you embezzled public resources, this House has no moral obligation to vet and clear you. We should start from this financial year of the Public Accounts Committee Report. The Clerk of the National Assembly must keep record that the following people in the 11<sup>th</sup> Parliament were indicted not to hold public office, so that the President is advised not to appoint them to any constitutional office.

I support the amendment. The one of Dr. Kamau Thugge makes sense. One is on the imprest and the other one is on the pending bills. I am sure if all of us support the Chair of the Public Accounts Committee today... I came early this morning. I told Hon. Wandayi that in my life I have never seen Members coming with amendments to the Public Accounts Committee's reports. It is the first time I have seen today. It did not happen in the 10<sup>th</sup> or 11<sup>th</sup> Parliament. Please, if your relative has eaten money, he has eaten. You better go and share with him but not come and amend the Report of PAC. I support the amendment on Dr. Kamau Thugge. I think he has a genuine cause.

*(Hon. Adan Keynan walked while the Temporary Deputy Speaker was on his feet)*

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Order Hon. Keynan.

**Hon. Members:** Commissioner.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): They are calling you "Commissioner" but you are Hon. Keynan.

*(Question, that the words to be added be added, proposed)*

Hon. Members, we will give the opportunity to a few Members to contribute to this amendment and then the House will make a decision. Please, Members who will be given this chance should restrict themselves on the amendment but not the Report. I will start with the Leader of the Minority Party, Hon. Mbadi.

**Hon. John Mbadi** (Suba South, ODM): Hon. Temporary Deputy Speaker, I hope the House will forgive my voice. I am almost losing it. I hope I will be heard. First of all, allow me to declare my interest because sometimes you have relationships with some Government officials that make it a bit personal. You become friends. I have to be clear on this because when the issue of sugar came up and I made my contribution very well on it, I was later accused of being a friend of Mr. Rotich. It is true that I am his friend. We have a problem again with Tatu City. Let me confine myself to this amendment.

Dr. Kamau Thugge is my friend. We have interacted a lot. When I make my contribution, it will be understood in that context. But I will be objective. I am also aware that I am the Leader of the Minority Party and we should hold the Government to account. We have to thank the

Public Accounts Committee, for doing a very good job of looking at the accounts and the reports, and the Auditor-General for bringing these issues. I want to confine myself to these two amendments. Let me start with the imprest. I agree with the Mover of the amendment that people take imprest. By the way, I have been a victim of this issue of imprest. My name appeared in accounts because I took imprest close to 30<sup>th</sup> June.

In fact, 30<sup>th</sup> June found me outside the country. So, your name appears on the list of those who owe imprest. The Committee is trying to rein on the accounting officers and Authority to Incur Expenditure (AIE) holders to ensure that imprests are not released too close to the end of a financial year because they distort the accounts. We have to accept that. If the matter had been resolved, it would be too harsh to again reprimand the Principal Secretary.

I also have a problem with the terminology or the wordings. Our clerks also need to use words that make sense. When they say “reprimand”, the question “By who?” arises. How do you reprimand a Principal Secretary? Who reprimands a Principal Secretary? As a House, we need to be bold. The Principal Secretary at the National Treasury is not an ordinary Principal Secretary. To me, he is a super Principal Secretary. If we feel he is not discharging his responsibility, I would be more comfortable if the Committee recommends that we remove him from office. Such recommendation would make a lot of sense. We then debate. When we talk about “reprimand” or “hold to account”, sometimes it is even difficult to understand. So, I plead with the House that we support the amendment because the Committee had observed that the matter has been resolved.

On accumulated pending bills, I do not agree with the Mover when he says that it is normal. This is a bad practice which has to stop. In fact, I agree with the Committee that pending bills should be discouraged. The people to do that are those at the National Treasury. This recommendation should not have just targeted the Principal Secretary in regard to pending bills at the National Treasury. We should have made a recommendation that the Government should be clear with accounting officers that without money or if the money has not been released or if there is no AIE, then the accounting officer should not do procurement so that we do not accumulate pending bills. The reason there are no pending bills under the NG-CDF is because you cannot start procurement for a project unless and until there is AIE, which will not be released unless and until the finances are released.

I support the amendments, but I urge that we agree to put a recommendation and find a way of discouraging pending bills. Pending bills are a problem in the counties. They are killing them. Pending bills at the national Government are weighing down on us. It is a matter we cannot just treat casually. I do not agree with the Chair of the Budget and Appropriations Committee on that one. He should know better that pending bills distort accounting in the country. We are accounting on cash basis. When we account on cash basis, we understate our expenditure through the pending bills.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): On my right side, let us have Hon. Pukose who has registered interest to speak on this.

**Hon. (Dr.) Robert Pukose** (Endebess, JP): Thank you, Hon. Temporary Deputy Speaker. I support the proposed amendment by the Member for Kikuyu, Hon. Ichungw’ah. On the issue of imprest, the names of many Members of this House who had taken imprest towards the end of the financial year found themselves in newspaper lists of shame as owing Parliament some money. The reality is that those are monies given to the Members to meet travel expenses, but they were unable to surrender it before the closure of the financial year. Even for those who surrender the imprest, the IFMIS would be closed at that time. So, it is not able to

account for the money. It does not just happen to Members of Parliament; it also happens to civil servants and other public servants.

This is a good amendment and I support it.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Let us get one more person and then make progress. Please, remember we are just dealing with the amendment. There is a bigger part of the full Report that is still pending.

Hon. Wamalwa, let me go to the extreme. Hon. Makali.

*(Hon. (Dr.) Chris Wamalwa spoke off record)*

**Hon. Makali Mulu** (Kitui Central, WDM-K): What do you mean, Hon. Wamalwa? Is there anybody who is not a leader in this House? We are all leaders. I am one among the equals.

*(Laughter)*

Thank you, Hon. Temporary Deputy Speaker, for giving me this chance. I want to support the amendments, but I will make some observations.

As a House, we need to be serious. If we want to help this country, we must do things correctly. We are talking about imprest. The fact that somebody said that this matter was resolved, I agree that we need to get it out of the Report. But the kind of explanations I have heard here, as a person who has a bit of experience in this area, I am not convinced. At what point does the Auditor-General come to look at the reports of ministries? Does he come immediately after accounts are closed? He comes after six months. When you get imprest, it is very clear that immediately you come back from your trip or wherever you had gone, you have only 48 hours to surrender. So, when the House starts saying that imprest is taken close to a financial year, are we telling Kenyans that people travel for six or 10 months? Is that what we are telling Kenyans? The Auditor-General does not come immediately.

So, as we support the amendment, it is important that, as Members of Parliament, we adhere to the financial regulations. The truth of the matter is that the issue of imprest in the country is major. We need to help the Public Accounts Committee to punish elements in Government who do not surrender imprest. The arguments being put forth do not make sense to me. Let people surrender imprest before the Auditor-General comes in to audit an institution's books.

On pending bills, with all due respect to my Chairman – this is part of the thing he is harassing us on all over – let us help this House sort out the issue of pending bills. Loose statements that are not strong will not help this country. I agree that the way the issue of pending bills is structured might be too punitive to Dr. Thugge, who I also know because I am in the Budget and Appropriations Committee and we interact. But Dr. Thugge must know that even at personal level, you do not incur expenses if you have no money. You cannot go to a shop and say you are given a shirt when you are not paying or telling the owner of the shirt when you will pay. We need to be serious in terms of financial management.

I support the amendment but let us make sure that the kind of arguments we push forward as a House do not send the wrong signals to Kenyans.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Hon. Members, let us make progress on this particular one. There are two other amendments to be moved and Members will need time to speak to the main Report.

Hon. Members, I will pend putting the Question on that one for obvious reasons. The Question on that will be put at a subsequent time.

*(Putting of the Question deferred)*

I call upon Hon. Owen Baya to move the next amendment.

**Hon. Owen Baya** (Kilifi North, ODM): Hon. Temporary Deputy Speaker, I beg to move: THAT, the Motion be amended by inserting the following immediately after the words “November 14, 2018”–

“subject to deletion of the recommendation appearing under paragraph 243, item no. 2 on page 277 of the Report, and substituting therefor the following–

“The Accounting Officer during the year under review be reprimanded for introducing a new criterion during evaluation and comparison of tenders and proceeding to cancel the tender for lowest bid contrary to Section 66 (2) of the Public Procurement and Disposal Act, 2005 and Section 74(4)(a) of the Public Finance Management Act, 2012.”

This is a voluminous Report and the Committee did a commendable job. They went to details of the Report but there are certain things that they could have made some mistakes that invariably could have been made by the Auditor-General at that particular time. It is a fact that during the time when this contract was signed, there was a different Principal Secretary who signed the contract. The President, on 14<sup>th</sup> August 2014, issued an order to transfer Principal Secretaries and new Principal Secretaries named here came in after 20<sup>th</sup> of August. This contract was signed on 12<sup>th</sup> August. According to the information that we have, it was Mutea Iringo. He was the first Principal Secretary of Interior at that time and he signed the contract as it were.

When the Auditor-General makes recommendations, he cites the Principal Secretary who comes in after – that is Dr. Monica Juma – and is named in this report. But she came in after the contract had been signed. Therefore, there could have been an error of omission or commission or whatever intention it was but this is a factual thing that I am talking about. It is a fact that Mutea Iringo signed the contract but to call for the reprimand of another Principal Secretary is a mistake. The Principal Secretary who signed the contract should take responsibility and not another Principal Secretary who came in later.

Therefore, it is possible it was just an error at that time when the audit was carried out. You can check any record and you will know that Mutea Iringo was the Principal Secretary at that time and Kimaiyo signed as a witness at that time. So, we should not sacrifice people or put dirt on people for whatever it is that is intended just because we want to do that. But the facts must be established. What I am putting on the table are facts.

**Hon. Aden Duale** (Garissa Township, JP): On a point of order, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Order, hon. Member. What is your point of order, Hon. Majority Leader?

**Hon. Aden Duale** (Garissa Township, JP): Hon. Temporary Deputy Speaker, I do not want to interrupt Hon. Baya but he has used a dangerous word. Parliamentary committees do not sacrifice people. I want him to withdraw that statement. I do not feel that any Committee, more so Public Accounts Committee under Hon. Wandayi, will sacrifice an individual. For the benefit of the doubt, the Public Accounts Committee analyses reports and evidence presented to them by the Auditor-General and they give each and every accounting officer an opportunity to bring their case. I want him to withdraw the word “sacrifice” and paraphrase it.

**Hon. Owen Baya** (Kilifi North, ODM): I would like to withdraw the word “sacrifice”. The Public Accounts Committee looks at reports that have been written by the Auditor-General and it is these reports whose information they analyse. Sometimes, they take that information. In this case, I do not think that the named Principal Secretary was given an opportunity to be heard on the same. I would request the House that we amend this and delete that paragraph and replace it subsequently with what I have proposed.

I would like to ask Hon. Maanzo to second.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Hon. Maanzo, just be brief.

**Hon. Daniel Maanzo** (Makueni, WDM-K): Hon. Temporary Deputy Speaker, I will be brief. The amendment says: “The Accounting Officer during the year under review.” The amendment is specific, instead of naming names. That is because you may place liability on a Principal Secretary who may not be liable. The amendment is requesting that the accounting officer during the year under review be held responsible. It means from records, Parliament would be able to know exactly which Principal Secretary is responsible.

Therefore, I beg to second and urge Members to support this. The Committee has done a very good job. Having done a very good job, there are matters which may be clerical and may escape attention. That is why we have an opportunity with amendments to clarify them. No one is escaping liability but the amendment is saying the accounting officer during the year under review so that it is clear. I thank you and second.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Order, hon. Members. I have to propose the Question and then we make progress.

Hon. Members, I had suspended putting the Question on the amendment by Hon. Ichung’wah earlier. So that we move in a tidy way, I would like to put that Question then we get to the next. Of course, I could not put the Question earlier for obvious reasons. That has been confirmed.

*(Question, that the words to be added  
be added, put and agreed to)*

The one by Hon. Ichung’wah is carried. The one that we are now dealing with that has been moved and seconded is the one by Hon. Owen Baya.

*(Question, that the words to be added be added, proposed)*

Hon. Members, allow me to give one or two Members particularly those that have not spoken.

**Hon. Members:** Chairman!

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Very well, Hon. Opiyo.

**Hon. Opiyo Wandayi** (Ugunja, ODM): Hon. Temporary Deputy Speaker, from the outset, I oppose this amendment. The Report you are seeing before us today has taken us months and lots of energy and resources to put together. So, by trying to mutilate it in the manner we are attempting, is to belittle the work of the Committee, something I will not support.

To clarify further, when we say an officer should be reprimanded, what we mean is that this House is the one reprimanding him or her. In fact, by reprimanding the officer, this House is actually indicting him for avoidance of doubt.

Coming back to the issue, in our line of examination and questioning our witnesses who come before us, the first clarification we seek from substantive accounting officers is who was in office at the time the transaction was happening. That is our standard line of questioning.

When we asked that question, the answer was clear and categorical that the accounting officer at the time this contract was being signed or being executed was one Dr. Monica Juma. That is a fact, HANSARD can bear us witness.

Secondly, our Committee relies on facts as laid before us. What we have suggested and recommended is that this accounting officer who was in office then, from the records we have, takes responsibility. In fact, we went further and enquired from the National Treasury - It is the National Treasury that appoints accounting officers. When we sought the clarification on who were the accounting officers in these respective years, the answer was clear that the accounting officer for the Ministry of Interior and Co-ordination of National Government was Monica Juma. We went further and called all these people. There are those who came and there are those who did not. But, the fact of the matter is that these people have a chance to defend themselves even after this. They can go to court or seek any other recourse. For us as a Committee, we have done our work. I urge my colleagues that we do not give chance for this amendment to pass. If it does, we shall have set a very dangerous precedent.

Thank you, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Certainly, I will come back this way. But, let us hear from Hon. Koyi Waluke.

**Hon. John Waluke** (Sirisia, JP): Hon. Temporary Deputy Speaker, I concur with the Chair. Let me give myself as an example. I was in court the other day. It is just about the same thing. Corruption is corruption. There is no way it can be defined as something else.

I support the Chair.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Which Chair? Is it the Chair of Public Accounts Committee, Hon. Opiyo Wandayi? Well, you cannot guide me on who to give chance. Hon. Wamalwa looks completely agitated on this one. Let us get one or two others then we make progress.

**Hon. (Dr.) Chris Wamalwa** (Kiminini, FORD-K): Thank you, Hon. Temporary Deputy Speaker.

Parliament has powers. It can veto even a Committee Report. We need to start from there. As Parliament, when a matter has come, we give all the trust to our respective Committees. The matter that the Member for Kilifi North has raised is indeed very important. We cannot just wish it away. All these people who have been mentioned were Principal Secretaries. It is in the records. We expect the Committee to have interrogated to know who was the Principal Secretary at that particular time. I am humbly requesting Hon. Baya, because his is a genuine concern, to table that evidence if he has it. You know this is a House of records. It will be very wrong to reprimand Hon. Dr. Juma yet she is not the one who did this; if at all it was Hon. Iringo.

Hon. Baya, because I empathise with the situation, it will be very wrong to sacrifice somebody who never did a mistake. Humbly, submit the evidence before the House. He can table it to the Speaker who will look at it. Then, the House can veto the Committee Report.

I thank you.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Very well. Hon. Angwenyi, I can see you. But, why do we not consider that end? Hon. Atandi.

**Hon. Samuel Atandi** (Alego-Usonga, ODM): Thank you, Hon. Temporary Deputy Speaker.

From the outset, I oppose the amendment by Hon. Owen Baya. The Public Accounts Committee has done a very good Report. I want to reiterate that if we begin to mutilate this Report in the manner that we are doing, we are going to be ashamed. The amendment that has been proposed by Hon. Baya appears to portray us as gatekeepers for some corrupt public servants. The Committee has clearly explained to us about the Principal Secretary who was in charge when this matter occurred. As a House, we are trying to remove her name. Are we saying that we ignore our role as the people who oversee the Executive?

What I want to say is very simple. I plead with our colleagues not to allow any further amendments to this Report. In fact, let us all reject the amendments so that this PAC Report can be intact and be used to oversee the Executive as it has been done.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): I have come to your side, Hon. Angwenyi.

**Hon. Jimmy Angwenyi** (Kitutu Chache North, JP): Thank you Hon. Temporary Deputy Speaker for giving me a chance to contribute to this Motion.

First, I congratulate the Public Accounts Committee for work well-done.

*(Applause)*

I have not seen a Report of this size and detail for a long time. You know I have been here for long. Unless it is confirmed otherwise, I am sure that the Public Accounts Committee called all the people who are involved in these cases to explain what they did. I am sure the accounting officer, Dr. Juma, must have been called to the Committee to explain. Unless you can prove that this Report was done without calling these people to account for their frauds, we should not make that amendment being sought by Hon. Baya.

Again, this is work which has taken a long time. Even if she is reprimanded wrongly, she can explain herself in the next stage and she will be relieved. So, I urge the House not to approve that amendment by Hon. Baya.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Hon. Mbadi, take half a minute then I get at least one more person then we make progress on this.

**Hon. John Mbadi** (Suba South, ODM): We can amend the Public Accounts Committee Report, but we have to be really convinced why we should do so. In fact, Public Accounts Committee and Public Investments Committee are amended based on the Report itself. If there is any information here which is being contradicted by recommendations, then we amend the Report. However, Hon. Owen Baya has failed the basic test of just tabling the proof that Monica Juma was not the accounting officer. You cannot ask us to be too general. When we are recommending reprimand, prosecution or holding someone accountable, we must be specific on the officer. You must mention the name. You cannot be general.

So, we need to reject this amendment and try to reject all the other amendments. Otherwise, this Report which has taken the Public Accounts Committee so long to prepare will be watered down.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Two Members only and we close this. Hon. Muchiri.

**Hon. John Nyaga** (Manyatta, JP): Thank you, Hon. Temporary Deputy Speaker for giving me an opportunity to add my voice on this Report of Public Accounts Committee.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Order, Hon. Muchiri. It is not the Report, it is specifically on the amendment.

**Hon. John Nyaga** (Manyatta, JP): If we allow some Members to bring amendments on the Floor of the House when some people are indicted, whether they are from your village or are your friends, we should oppose it and use the might of this House to bring to book those people who have committed economic crimes to this nation.

I oppose.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Hon. Wango.

**Hon. (Ms.) Gladys Wango** (Homa Bay CWR, ODM): Thank you, Hon. Temporary Deputy Speaker. The Public Accounts Committee has spent a lot of time on this matter. They have put in a lot of work. A Member cannot come and take us to vagueness. What we are looking at here is him moving us from specificity to an arena of vagueness. That is not what we have come to do; we cannot be gatekeepers. We cannot be protecting people who are corrupt. We cannot be sending our Committees to do work and then coming here to dilute it.

I oppose this amendment.

Hon. Temporary Deputy Speaker, Monica Juma may not have been the accounting officer at the time of signing, but who paid for these contracts? Who was the accounting officer at the time of payment? This is the person that must be indicted. I oppose Hon. Owen Baya's amendment, I support the position of Public Accounts Committee.

Thank you, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Hon. Members, we must make progress on that one. Remember, we are just dealing with amendments. The real report is still to come. I will pend putting the Question and put it at an appropriate time. I now call upon Hon. Daniel Maanzo to move the other amendment.

**Hon. Daniel Maanzo** (Makueni, WDM-K): Hon. Temporary Deputy Speaker, I beg to move that the Motion be amended as follows:-

THAT, the Motion be amended by inserting the following immediately after the words "November 14, 2018"- "subject to:

- (i) deletion of recommendation no. 1 under Committee Recommendations under paragraph 375.1 (Retention of Refunds - Kshs. 881,398,162.91) on page 466 of the Report, and substituting therefor the following –

"1. The Auditor General to, within three months after the adoption of this Report, undertake an audit into the payments of Kshs.292,060,779.51 and Kshs.100,372,341.65 for FY 2013/14 and FY 2014/15 respectively, totaling Kshs.392,433,121.16 made by the then Accounting Officer, Eng. John K. Mosonik, without original receipts. The Auditor General should also undertake a further audit into refunds totaling Kshs.55,450,449.02 in FY 2014/15 paid by the then Accounting Officer to contractors without proof of completion of works contrary to the Public Finance Management Act, 2012."

- (ii) deletion of recommendation no. 1 under Committee Recommendations under paragraph 375.2 (Unresolved Issues for Deposits Account for 2012/13 and Earlier Years) on page 467 of the Report, and substituting therefor the following –

"1. The Auditor General to, within three months after the adoption of this Report, undertake a further audit regarding a Statement of Assets and Liabilities under Deposits for the former Ministry of Roads submitted by the then accounting officer, Eng. John K. Mosonik, that was still reflecting the Debit and Credit Balances relating to the FY 2012/2013 and earlier years which, besides being un-cleared for a long time, had remained unanalyzed and unsupported as at 30th June, 2016."

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): What is your point of order, Hon. Mbadi?

**Hon. John Mbadi** (Suba South, ODM): Hon. Temporary Deputy Speaker, I thought we were on Hon. Baya's amendment. We have not voted on it. We cannot move to another amendment.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Hon. Mbadi, I have just said that I will put the Question at an appropriate time because there has to be a minimum threshold.

*(Loud consultations)*

Order Members, we shall secure a threshold then after that we will put the Question. The House must proceed.

Hon. Maanzo.

**Hon. Daniel Maanzo** (Makueni, WDM-K): If you go to the Report, there are two recommendations. The second recommendation remains because the matter is still under investigation by EACC. We are not doing away with the EACC. When it comes to the issue of retention of funds and the issue of a road that was made, there is need to ensure... just like Hon. Junet has requested, within three months there should be a clarification and a further audit. In the case of roads, the auditors must be shown the road. If it is the case of retention of funds, these funds are usually retained once a contractor completes the road. That is the time that amount of money is retained. It is a technical issue. The Committee has done a very good job. This Report is great but in the event you need to further clarify, this matter is still within the reach of this House, whoever is culpable or liable, will not escape from it. That is the spirit under which I brought this amendment such that within three months, the roads will be shown and their completion will be re-inspected and a report will be brought to this House. If the road was done and it exists, then there is no need to...

Further, the amendment on page 457 is my second amendment which is a deletion. In that amendment we are asking the Auditor General to countercheck within three months. On the recommendations, EACC is still on record. So, we are not removing EACC at all. We are also not removing this House from managing this matter. We are just saying that this Committee should be provided with further information showing on the basis of engineering whether the road was done or not. On retention, they should be told whether it was released at the right time after all the engineering quotations have been qualified.

I beg to move and ask Hon. Ichung'wah to second.

**Hon. Kimani Ichung'wah** (Kikuyu, JP): Thank you, Hon. Temporary Deputy Speaker. I rise to second that amendment by Hon. Maanzo. This is a similar amendment to that of Hon. Junet. We are just not exonerating anybody. We are only saying that even in normal corporate audit process, leave alone this one that has been reviewed by the Public Accounts Committee, once a question has been raised by an auditor, in the subsequent financial year, the auditor goes back to check. Since this Report is for a particular financial year, it is only right that we send it back to the Auditor General so that within three months after adoption of this Report, he can go back to confirm the facts. I agree with Hon. Maanzo that we are not in any way exonerating anybody like in the attempt we had in Baya's amendment. This one is specific that following a further audit, if the Auditor General finds that nothing has been done, then the same Report will go back to the same Committee for reporting back to this House. I therefore support and second that amendment.

**Hon. Jimmy Angwenyi** (Kitutu Chache North, JP): Put the Question.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Hon. Members, I cannot put the Question before I have proposed it.

*(Question, that the words to be added be added, proposed)*

**Hon. Members:** Put the Question.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Is that the mood of the House?

**Hon. Members:** Yes

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): In that case, since we have the requisite numbers...

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Hon. Members, so that we move in tidier way, allow me to go back to the earlier one by Hon. Owen Baya, and the next one by Hon. Daniel Maanzo.

*(Question, that the words to be added be added, put and negatived)*

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): The next amendment is by Hon. Daniel Maanzo.

*(Question, that the words to be added be added, put and agreed to)*

*(Question of the Motion as amended proposed)*

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Hon. Members, effectively what that means is that all the amendments have been disposed of and now we are reverting to the Committee Report as amended. So, Hon. Members that now contribute should have that in mind.

Let us have the Hon. Leader of the Majority Party.

**Hon. Aden Duale** (Garissa Township, JP): Hon. Temporary Deputy Speaker, I want the Chairman of the Public Accounts Committee or the Vice-Chair to be in the House. Procedurally, we cannot debate this Report without them. However, I support this Report. The able Vice-Chair of the Public Accounts Committee, Hon. (Ms.) Jessica Mbalu, is in the House.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Do not pre-empt what she is to inform you. You have a point of information to the Leader of the Majority Party?

**Hon. (Ms.) Jessica Mbalu** (Kibwezi East, WDM-K): Yes. I just want to assure him that I am here to represent the Public Accounts Committee. I am the able Vice-Chairperson so the Committee is well represented.

Thank you Leader of the Majority Party for the concern. You are in order.

**Hon. Aden Duale** (Garissa Township, JP): Thank you, Hon. Temporary Deputy Speaker. I beg to support the Report on the Examination of the Report of the Auditor General on the Financial Statements for the National Government for the financial year ended 30<sup>th</sup> June 2015.

Hon. Temporary Deputy Speaker, let me make it clear that the adoption of this Report by the House is very important to a number of Kenyans, more so in the counties and those who access NG-CDF because for this House to deal with the Division of Revenue Bill next year, we will use

the last audited accounts. I am happy that Hon. Wandayi, his Vice-Chair and the team have dealt with it. I know by June or May next year they will also bring the Report for 2016/2017.

I have been around here for some time. I hope what I saw this morning will never happen again. The Public Accounts Committee and the Public Investments Committee reports are prepared based on constitutional provisions, Standing Orders and the Public Finance Management (PFM) Act. So, the Committees look at the evidence, statements of account, and reports from the Auditor General based on the management letters that he sends to accounting officers.

That is why, Article 226(5) of the Constitution states thus:

“If the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not”

Even those of us in political offices, the moment you violate Article 226(5) of the Constitution in so far as managing public resources is concerned, you must be indicted. Section 74(2) of the PFM Act states thus:

“If a Cabinet Secretary reasonably believes that an accounting officer is engaging in or has engaged in improper conduct within the meaning of subsection (4), the Cabinet Secretary shall—

- (a) take such measures as may be provided in regulations; or
- (b) refer the matter to the relevant office or body in terms of the statutory and other conditions of appointment or employment applicable to that accounting officer.”

So, even Cabinet Secretaries who oversee accounting officers have a responsibility in law to ensure that resources of the people of Kenya are not used for personal gain. The Public Accounts Report of 2014/2015, as I said, is important to county governments because the same audited accounts will be used when we deal with the Division of Revenue Bill next year.

Page 18 of this Report concerns the principal accounting officer, Mr. Kamau Thugge. It has recommended that he should be reprimanded for accumulating pending bills. Pending bills is a cancer not only to the national Government but also to county governments. This House is under obligation to come up with relevant legislation and budgetary provisions to deal with pending bills. Who do we owe these bills? They are Kenyan businesspeople. If they have provided goods and services, they should not have any money pending with Government. If they have provided the required goods and services, the Government either at the national or county level is under obligation to pay those Kenyans.

I want to thank the Office of the Auditor-General. Every time the House asks him to prepare either forensic audit or provide the necessary audited Reports, the Auditor-General, Mr. Ouko, has risen to the occasion and provided either forensic or normal audit. There are various parastatals indicted in this Report. I will look at the failure by Government to repay its loans. The total outstanding loans balance is Kshs196 billion reflected in the consolidated statement of outstanding loans as of 30<sup>th</sup> June 2015.

These loans include amount of Kshs21 billion issued to 31 institutions. However, these institutions have not made any effort to repay their respective loans upon maturity as shown. The Agricultural Finance Corporation has a loan of Kshs5.5 million, there is also Co-operative Bank of Kenya, Coffee Board of Kenya (CBK), Cotton Lint, Eldoret Municipal Council, Halal Meat Products, Industrial and Commercial Development Corporation (ICDC), Kenya Power and Lighting Company (KPLC) has Kshs312 million, Kenya Urban Transport, Local Government Loans Authority, Miwani Sugar Factory, Mumias Outgrowers Company has Kshs.3 billion,

National Water Conservation and Pipeline (NWCPC) and so on. There are over 35 Government institutions owing accumulative loan of Kshs.196billion.

They need to clear their books and these institutions must adhere to the Public Finance Management (PFM) Act. The accounting officer should also ensure that they prepare and submit a report on the status of the repayment. So, Parliament is recommending that before the Committee starts on the Financial Year 2015/2016, they must provide a status report on how they will repay these loans. This is very important. As I said yesterday, Public Accounts Committee and Public Investments Committee contribute 80 per cent of the oversight that the Constitution has given to us.

If you want to amend this Report just because your villager or relative was named, then the essence of that oversight role you are given as a Member of Parliament supersedes. All of us together must prepare to oversee and protect resources allocated by this House to the people of Kenya either at the county level or national Government.

With those many remarks, I beg to support.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Let us have Hon. Makali Mulu.

**Hon. Makali Mulu** (Kitui Central (WDM-K): Thank you, Hon. Temporary Deputy Speaker. I want to join other Hon. Members in thanking the Public Accounts Committee for doing a very good job. I have taken time looking and reading through this Report, despite it being very voluminous and there are very important findings. Even though the Report is very good and the Committee has done a very good job, the most disturbing thing is when you look at the core recommendations of this Committee. Some of us have been in this House for over five years and have looked into earlier Public Accounts Committee Reports. The most disturbing thing is the fact that these recommendations come to this House year in, year out.

The question I ask myself is: Is it that the so called accounting officers of this country do not learn from previous lessons? To what extent is the Auditor-General frustrated? It is very frustrating when you make a report this year and write recommendations then the following year, you make another report with the same recommendations. So, I see a very high level of frustration from the Office of the Auditor-General because the recommendations they give are not addressed. That worries me as a Kenyan and Member of Parliament.

Before I give my comments, I think as a House we need to think seriously. How do we take up these recommendations and what do we do with them after we approve these Reports? I do not know whether this is work of the Committee on Implementation or it should be the work of the whole House in terms of giving way forward. Unless we craft a very clear way forward it is going to continue being a waste of precious time of this honourable House.

Let me just mention some recommendations and my input. Every year, we spend a lot of time in this House discussing budgets. This is normally an estimation of what should be spent, so we realise most of our economic indicators in terms of economic growth and employment levels. Any time you see that the budget has not been spent that sends a clear message that, we cannot achieve what we had planned in terms of economic growth, employment and other important micro-economic variables.

I just want to focus on the reasons why we are unable to spend the budget as planned. The reasons cited here include exchequer issues. For most of these Ministries, Departments and Agencies (MDAs) even though we give them money to work within 12 months, they are unable to get the cash to do the work. The other thing is the issue of delayed disbursement of donor funds. Donors who have agreement to fund particular projects do not avail money in good time.

The other thing is the systematic challenges of Integrated Financial Management Information System (IFMIS) which I will talk about later. The last one is challenges in implementation of procurement laws and procedures.

Let us ask ourselves, if we have any challenges with procurement laws and procedures, it is this House which makes laws. How comes the required amendments of this law so that we move faster are not brought to this House? To me, these are some of reasons why we are not spending the budget. There are things which can be sorted out at the administration level. It is high time we chose between having a realistic budget and another one which is there for the sake of it.

Anytime you talk to anybody in this country they say the budget of Tanzania and Uganda combined is less than Kenya's budget. The issue is not about the volume of our budget but implementing it. Unless we are implementing, we are wasting our time.

The issue of un-surrendered imprest as I said earlier, we have to change our position on it in this country. As I said, every time you travel and come back, the requirement is that within 48 hours you should surrender imprest.

As I said earlier, the Auditor-General gives ministries three months to prepare their accounts. After which he takes another three months analyzing them. We are talking of a period of about six months after the year closes. After this period, we still talk about un-surrendered imprest. Then we have the courtesy to stand in this House and say, "I took imprest when the year was closing and that is why I could not surrender my imprest." That is rubbish.

We need to make sure that if you travel on government resources and you come back, you surrender imprest as required by law. If you are not able to surrender imprest, your salary is either attached or the money is recovered from whatever source the Government deems fit to recover that money. It does not make sense when I see un-surrendered imprest.

There is also the issue of pending bills. The other day, we visited the Industrial Area Prison as a Committee. When we went there, one of the very surprising things which shocked us as a Committee is that the facility has about 30,000 remandees who have not been taken to court and sentenced or released. The statistics we got show that each of these people spends about Kshs270 per day for their upkeep. If you multiply Kshs270 by 30,000 remandees, it means this country is spending Kshs8 million everyday keeping people who have not been taken to court in remand. Some of the offenders are not worthy being in remand. Somebody was arrested by traffic police hanging on a *matatu*. He is there eating Kshs270 every day and he has been there for three months. He has not been taken to court and we say we are serious as a country. If we have to be serious, the Constitution demands prudent use of resources and we can only be prudent in the use of resources if some of these small bits are addressed and we get rid of them. I do not have much time. I just want to focus on the key ones so that I allow other Members to contribute. Let me revisit the issue of IFMIS, which has been in this country for quite a number of years now. As a Member of the Budget and Appropriations Committee, I remember we gave money to IFMIS for improvement or re-engineering, whatever they call it. From what I see in this Report, the funny bit is that despite all the resources that the Government has put into this system, it still has shortcomings. If you try to fix a system for more than 10 years and it is not giving you results, is it not time to think about doing away with it and think of another system which is more efficient? The last resort in such a situation is if a system cannot work, then we go back to the manual system so long it is able to deliver. So many excuses have been given as a result of this system. Anytime you talk to anybody, the excuse is IFMIS. All Government

agencies give IFMIS as the excuse for not working. We are tired of this system called IFMIS. It is either we get it fixed or we do away with it and get another system.

Because of time, I will move to the last point. I looked at the recommendations. There is one that the Auditor-General needs to give a letter authorising accounting officers to be appointed. From a financial perspective, this does not make sense. This House is the one that vets accounting officers. If somebody does not meet the requirements, we need to stop approving them for appointment. We will be helping the country. That is constitutional. So, let us not let our constitutional mandate be taken by other offices because we can do that in this House. I have so much I would have said but because of time, I will stop.

**The Temporary Deputy Speaker** (Hon. Patrick Mariru): Hon. Junet, before I come to your side, I must close my right-hand side.

Next is Hon. Mutunga.

**Hon. John Mutunga** (Tigania West, JP): Thank you, Hon. Temporary Deputy Speaker, for the opportunity to contribute to the adoption of this Report. I thank the Committee for a job very well done. This Report is massive. You do not have to be an accountant to understand the content of this Report. Having looked through parts of this Report, I cannot cheat that I have done a comprehensive review. I have a few things I would like to say, which are important in this particular respect.

The issue of IFMIS has been lingering on for a long time as a problem. We are wondering whether it is the levels of financing of the processes that lead to making it a perfect means to use for purposes of enabling us to have an efficient accounting system or what the problem is. This is because the Kenya Government cannot claim not to have enough money. We do not know whether it is lack of technology. We can even have technology borrowed or bought from other places. It is a challenge as a country to be talking about IFMIS so many times and being given as a reason why efficiency and effectiveness is not adopted across the board in terms of the financial management of this country. So, we have no excuse. I think what we need is to have a perfect working management system that is going to help us move on.

*[The Temporary Deputy Speaker (Hon. Patrick Mariru) left the Chair]*

*[The Temporary Deputy Speaker (Hon. Christopher Omulele) took the Chair]*

The Constitution provides that we have unaudited accounts and the specifications in terms of time are given. As stipulated in the Public Finance Management Act 2012, a compilation of this Report is important and, therefore, the need for us, as Parliament, to look at it and make the necessary comments. I am delighted this morning because of the discussions that have gone through this House, especially when looking at the amendments. I wish to commend the Members of this House for the way they have looked at the amendments today. I look at it with a lot of nostalgia because I was part of the team that scrutinised the sugar issue. I wish this kind of mood prevailed on that day. We would have adopted that Report. The amendments require specific individuals to clearly exonerate themselves. It is important for us to adopt this Report because it has come up with important recommendations that will help us move forward in a more concise way.

Looking at the pending bills, as a country, we need to ask ourselves why ministries and other Government spending agencies do not prioritise payment of pending bills. Why does it happen? It is item number one in terms of what should be funded at the beginning of a financial year. What is the problem? It is by law. If the Constitution provides that pending bills need to be taken care of, why is that requirement not adhered to? Why are pending bills not settled? If you look at who owe these bills, you will see that some of them are Kenyan contractors. Some of them have participated in the development of this country. When we hold onto their money for so long, we impede their performance and, therefore, we drag them backwards instead of promoting their businesses and enabling them to become better people.

The recommendations of this Committee have also specified actions on the various individuals who are supposed to act. However, one of the issues I wish to bring to the attention of the House is who actually acts on these recommendations. If it is the Committee on Implementation, how much has this Committee been doing so that we may also have reports that show us the progress that we are making as a country in terms of covering distance to ensure that we are able to address some of the issues that are raised by the Auditor-General and other issues that are raised in various fronts? The idea is that we need to have some of these issues resolved so that we may be able to move forward in a more responsible manner.

It is important for us as a country, and for the accounting officers, to be a lot more responsible. This Report has quite a number of areas where issues are still pending. Several years down the line, issues are still pending. You wonder when these issues will be addressed. What will be the trigger mechanism to ensure that appropriate actions are taken? Responsibilities must be taken. When the Auditor-General issues a management letter, to what extent are these letters addressed? I am sure the Committee has looked at all this. They have looked at the details. Even as I support, I wish to commend the Committee. They have done a good job. They have highlighted the concerns that need to be raised for the various cost centres to be able to move in tandem with the requirements of the law and the Constitution of this country.

With those remarks, I support the Motion.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Hon. Junet.

**Hon. Junet Nuh** (Suna East, ODM): Thank you, Hon. Temporary Deputy Speaker. I stand to support the Report of the Public Accounts Committee. At the outset, I congratulate...

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Hon. Junet, just hold on for a moment. You had spoken to this particular Motion.

**Hon. Junet Nuh** (Suna East, ODM): No, I only moved an amendment.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): I am advised that when you speak to an amendment to a Motion, you have spoken to the Motion.

**Hon. Junet Nuh** (Suna East, ODM): No, Hon. Temporary Deputy Speaker. I am speaking to the Motion as amended. The amendment was just carried today. What if it had failed?

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Just give me one minute.

*(The Temporary Deputy Speaker (Hon. Christopher Omulele)  
consulted with the Clerk-at-the-Table)*

Hon. Junet, I am advised that when you propose an amendment to a Motion, it is presumed that you are speaking to it. That is the presumption. When you are the one proposing to amend the Motion, you are speaking to it. Those Members who speak to your proposed amendment, either

supporting or negating it, only speak strictly to it. It is then presumed that the Mover of the amendment has spoken to the Motion itself.

**Hon. Junet Nuh** (Suna East, ODM): Hon. Temporary Deputy Speaker, I stand guided. My amendment was speaking to a specific matter in the Report. It was not speaking to the general Report. The Report carries many things which I want to speak to. I was speaking to an amendment that was affecting a very minute part of the Report. Do I lose my rights to speak on the other matters just because I amended one small portion of the Report? There are many Members who also spoke to the same amendment. Will they also lose their chance of speaking to the Report?

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Hon. Junet, what you are saying carries currency with me because when you propose to amend a Motion, it could be that you are amending a comma or something like that. This is a voluminous Report. The rule would seem to be unfair to your situation but I am told that those are the rules that we operate under. I will kindly ask you to just hold your horses. I will seek clarity on it. If we do not close this, I will give you another opportunity. Your position carries favour with me but the rules are what they are. I will seek clarification later on.

Let us have Hon. ole Sankok.

**Hon. David ole Sankok** (Nominated, JP): Thank you very much, Hon. Temporary Deputy Speaker. I support the Report of the Public Accounts Committee. This Report is very big. I have gone through it and noticed a few things that are very good for this country. The Auditor-General has been doing a good job as far as auditing accounts of both the county governments and the national Government are concerned. The problem has been their implementation. If this House can give teeth to the Auditor-General so that he has some powers to track all the monies that are transferred at all levels of Government, either county governments, national Government, parastatals, ministries, departments and agencies of Government, he will be empowered to do even more. At the moment, this Report contains a total audit of all Government agencies, ministries and departments.

The House must support the Public Accounts Committee and the Auditor-General. Whenever there is this issue of audit queries, let us not be quick to first see the person who has an audit query. Let us not see the officer. Let us see the money that the Government is losing. The problem that we have when those audit queries come to this House - and the Leader of the Majority Party alluded to that - is that at times those facing great economic crimes have come to this House and this House has vetted them and given them jobs yet they had audit queries concerning public funds where they came from. We need to give our Auditor-General confidence and the only way we can do that is by making sure we do not have ethnic connotations whenever there are audit queries on particular individuals. A thief is a thief. A thief does not carry the name of a clan, religion or region. He carries a particular name. That name is known. Whenever that name appears in this House, we can only give confidence to the Auditor-General if we support his reports.

I am at times worried by all those voluminous reports that seem very nice. The citizens of this country know very well that there is massive loss of public funds in the county governments and the national Government. We know how much we have lost in the National Youth Service. We know how much we have lost in the county governments. We know the shoddy jobs and contracts that have been done in county governments and have ended up being conduits for massive loss of funds. When we see those audited reports, at times a clean bill of health is given

to a county government that even a layman understands that it should not have. We also want the Auditor-General to be a bit firm in some of those reports.

We also need to advise our Attorney-General. At times we see some audit queries that cannot hold water. We need to have water-tight audit reports so that we do not scare away investors. Whenever there are audit queries that do not hold water, it seems as if there is a massive loss of public funds and we will scare away investors and donors. Sometimes those audit queries are solved with time. Gaining that confidence again becomes a problem.

On my part, I totally support the Public Accounts Committee Report. I urge all Members of this House to support and read it. Supporting and reading it are two different things. I may not be an accountant but I can at least pick a few things when I read that Report. Members should go home with this Report and read it so that they have some facts to support. When we want to correct the Report, we will have the facts to make it even better.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Very good contribution, Hon. Sankok. Let us have Hon. Atandi.

**Hon. Samuel Atandi** (Alego-Usonga, ODM): Thank you, Hon. Temporary Deputy Speaker for giving me this opportunity to ventilate on this Report. From the word go, I would like to congratulate the Public Accounts Committee led by the able Chairman, Hon. Opiyo Wandayi, for the great work that they have done.

This Report is very fundamental for us. As you are aware, the Division of Revenue Bill heavily relies on this Report. County governments have accused us of not finalising the various audits of Government financial reports to facilitate more resources going to the counties. I applaud the Committee because with the manner in which they have begun, I think in the next few years, we will be able to finalise most of the pending audits.

Hon. Temporary Deputy Speaker, I have gone through this Report and few issues have come up. One, there is under-expenditure that has come out clearly in this Report. You find that under-expenditure occurs because of the untimely release of money from the Exchequer. In all Government operations in ministries and even here in the National Assembly, the resources are not released in time in most cases. The Exchequer does not release money in time. This under-expenditure has caused delay in implementation of various programmes. Most of these programmes are carried out in the successive financial years. This is very important. The Committee has noted this and they have given out very good recommendations on what the National Treasury needs to do in future.

The other issue that is very clear in this Report is that there are weak internal controls in Government. Despite the existence of the much touted IFMIS, Government financial operations are still largely manual. This is reflected in the number of errors and irregularities that have been captured here in every ministry. There are errors and irregularities that have been detected. A lot of Government operations are still manual. This is the reason you find that a lot of ministries are setting up *ad hoc* committees to look at certain operations that are not matching. The expenditure is not matching revenues. In this stage, we really need to ensure that we minimise manual Government operations. This is very important for proper financial management of our economy.

The other issue that has also come out which is tied to corruption is that there are so many unsupported payments that continue to be done in various Government agencies and ministries. There are many examples of payments that were done but there are no vouchers, receipts and supporting documents. This is very serious because it is at the heart of corruption in Government. I am happy because the Committee has made very decisive recommendations which some Members have tried to water down through various amendments that have gone

through. I am thankful to the Committee because of reprimanding the accounting officers. This is very fundamental because this House must have a voice. Because we oversee the Executive, we must be able to reprimand accounting officers properly.

The other issue that I have observed in this Report is that the Committee has recommended decisive measures that should be undertaken by various agencies. One of the agencies that have been given a lot of prominence in this Report is Ethics and Anti-Corruption Commission. I have made an observation which I want to read. If you go to the Report on page 466, there are recommendations by the Committee on the financial reports of the Ministry of Transport, Infrastructure, Housing and Urban Development. One of the recommendations that has been given out here is that the EACC should expedite completion of the investigation on the irregularities in the retention funds for Financial Years 2013/2014 and 2014/2015 with a view to prosecute those involved in the misuse of public funds.

The other recommendation on page 467 is that EACC should expedite completion of investigation of irregularities in the retention funds for Financial Years 2006/2007, 2007/2008, 2008/2009 and 2009/2010. We are in the Financial Year 2018/2019 right now. This is almost 10 years down the line. I am aware that the new Chief Executive Officer of EACC is being recruited right now. This House must ensure that the capacity of EACC is enhanced. If we are talking about asking EACC to investigate matters of 2006 right now, when will they investigate matters of 2010, 2013 and 2011? We are talking about a backlog in the area of investigation. I have looked at this Report keenly. There is a recommendation about EACC to engage in certain aspects in every ministry. It therefore means that just by reading this Report, you can clearly see the magnitude of corruption in this country. There is no single ministry where a recommendation for investigation by EACC has not been given. It therefore means that corruption is the order of the day in this Government.

As a House, we must be serious and ensure that we give EACC capacity to investigate some of these issues. It is very clear and we all know that EACC does not have the capacity and resources required to investigate national Government as well as county governments. Today, EACC only moves into investigations if a matter has been raised in the media or if there is a matter of political interest. The EACC must get competent people to do this job. If we go this way, then as a House, we are not going to rein in on corruption which is cardinal one of our responsibilities. I want to urge the House that if the matters of EACC come before this House, let us look at these issues very seriously because investigations of corruption is clearly tied to this Report. For this Report to be implemented fully, then we must also implement the recommendations that this Report has given us. If we do not do that, then we will not have helped this country.

I have also observed that some recommendations and the amendments that were tabled before the House are recommending that the Auditor-General undertakes further audits. We know very well that audit exercises are questions of resources. We have not appropriated resources to the Auditor-General to continue undertaking further audits that we are requesting. We are being unfair to the Auditor-General. The current Auditor-General of this country, Mr. Edward Ouko, is probably one of the most competent auditors in Africa. Therefore, as a House, we should not come here to begin to doubt the reports that have been tabled here by our Auditor-General simply because we want to protect certain interests.

Lastly, the amendments that have been passed in this House are unfortunate because we cannot be here to ring fence and be gatekeepers of corruption networks. If the Committee has

done its Report, let us adopt it. Let us not begin to challenge the Report because we are trying to protect certain interests. I am not happy.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Hon. Atandi, the House has the mandate to deal with the Reports. It can amend and delete some parts. If it expresses itself in one way or the other, then it is the voice of the House. We might not be happy with it. We can criticise it and be unhappy with it but that is the voice of the House. Your contributions are quite good. I will now give this opportunity to Hon. Maero, Member for Butula.

**Hon. Joseph Oyula** (Butula, ODM): Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity to contribute to the Public Accounts Committee Report. The Report is huge. It appears to be growing bigger and bigger, year after year. The major items that appear in the Report are pending bills, unsupported expenditure and imprest.

Time has come when the National Treasury should look for ways of reducing or clearing pending bills. I am aware we have committees in the National Treasury that have been looking at pending bills. This should have been completed by now. The Committee should have come up with ways of curbing pending bills. It is known that pending bills form the first charge in a new financial year. Therefore, we should not continue having queries on pending bills in every ministry. We must deal with the issue of pending bills. Something must be done by the National Treasury to stop them from occurring every financial year.

Many colleagues have talked about unsupported expenditure. I do not see why we should be having unsupported expenditure. This is a way of hiding some wrong doings by the ministries. Every expenditure needs to be supported. I do not see a situation where a cashier enters expenditure in his cash book without supporting documents. If they are lost or destroyed, that means it is a question of theft, which should be handled by the right arm of the Government.

There is a question of imprest. Imprests have been an old problem in ministries. Officers are given imprest knowing very well that they are supposed to clear them. If the National Treasury is unable to control imprests, it should device a way of ensuring that if an officer takes some money, it is recorded as expenditure and they should make sure that the rules are followed instead of expecting imprest to be surrendered when it is not. At times, officers use imprest money for personal use. So, to surrender it becomes a problem. It is for the National Treasury to come up with new rules and regulations to curb misuse of imprest.

Control of Government expenditure is very important. All rules of Government expenditure must be followed by the ministries. Ministries know the rules and the systems they should follow. So, we should not have the Auditor-General querying imprests every. They have become too much.

If ministries do not match expenditure with revenue, that is how we get many pending bills. At times, ministries commit the Government before knowing whether they will get cash or not. The IFMIS was meant to match revenue with expenditure before any commitment is incurred. The IFMIS should be applied to enable ministries to know that they can only commit the Government if the revenue is available to meet the expenditure. The problem is so big in ministries that you find a lot of commitments that have not been covered with revenue.

Another area where ministries need to be very careful is statement of assets and liabilities. These statements are not well prepared. You find that loses, if any, are heaped under suspense accounts within statements of assets and liabilities. This needs to be looked into critically to ensure that any loses hidden within suspense accounts are brought out and either written off or people made to answer for them. There are huge figures in suspense accounts of ministries which should be looked at carefully.

This Report is huge because of the repeated mistakes done in ministries. There are specific areas that come into the Report every year. These are areas the Auditor-General should be more serious about. Why should we have expenditure which is not supported? Why should we have uncompleted projects? Uncompleted projects are an eyesore. In my constituency, the DC's office was left incomplete about five years ago yet money should have been allocated to complete it. Uncompleted projects have become an eyesore to the citizens. Something should be done.

I support the Report together with the amendment, so that the Auditor-General can revisit some of the areas that were possibly not looked at properly, so that we can clear some of the issues which have been an eyesore to the public.

With those remarks, I beg to support the Report. Thank you.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Those are very good contributions, Hon. Maero, especially on imprests. It is imperative that imprest takers know that imprest should be accounted for and surrendered where it is not expended. Many people who take imprest imagine that it must be exhausted in whichever way. It is supposed to facilitate the work and where it is not used for the purpose of the job one is sent to do, then it should be returned and accounted for.

Hon. Odhiambo Ochieng', Member for Gem.

**Hon. Elisha Odhiambo** (Gem, ODM): Hon. Temporary Deputy Speaker, I rise to support the Report by the Public Accounts Committee. Not to belabour the points my colleagues have canvassed, it is prudent to congratulate Mr. Edward Ouko for being candid and for doing a very good job in the context of revealing the flaws that exist in our ministries.

It is important to note that audit reports help in the independent and systematic examination of statutory records and books of accounts. It is important that even as we look at the accounts as presented by the audit report, we should also look at what would help us achieve a good level of efficacy. We should ensure that processes that are not working well are corrected. The processes that have been pointed out by the Auditor-General for improvement should be enforced, so that in the next audit, we can see an improvement from the ministries based on the flaws that were pointed out.

If ministries do not learn any lesson from the audit report, then an audit report to the ministry would be like a flower girl. That brings me to the point. The Report by Public Accounts Committee is very comprehensive and has given the DCI and the EACC a clear mandate. So, their jobs are well cut out. Our business as Members of Parliament would be to support the agencies to ensure that those who plunder public resources are brought to book, so that future generations are protected. This must be done based on the evidence that exists in the Report.

I am calling on the two agencies to take bold actions based on the Report to ensure that the money that belongs to this country is protected. It is important to point out something that we need to think of as a country. For those who have studied the scorecard, it points out at four things, namely, customer perspective, learning perspective, the internal process and financials. The audit report would focus on financial and internal processes.

It is important that we have an audit report that is proactive. Is it possible to have an audit report that would hold officers accountable the same year or a year after the budget has lapsed? This will ensure that we do not wait for so many years to get an audit report which would be more of historical than looking at the current happenings. In my perspective, we need to engage the Auditor-General's Office. If they can expedite the process and ensure that we get the audit report in time, the agencies can prosecute those who are culpable in good time so that the ones

who are working can know that if they plunder the country's resources, they will be held accountable. It is also important to point out that one of the benefits of an audit report is to improve processes. The audit report, other than pointing out those who are culpable, should point out how to improve on the processes that exist so that in using those improved processes, we can reduce the plunder of the country's resources.

With those few remarks, I support.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Hon. Elisha, it is true the Public Accounts Committee being in the nature of a mortician should carry out its duties when the body is still fresh, when the flesh is still on the bones rather than carrying it out much later when the flesh has dissipated and gone away so that they are only carrying out the work on the bones only.

Hon. Wahome Muthoni, Member for Kandara.

**Hon. (Ms.) Alice Wahome** (Kandara, JP): Thank you, Hon. Temporary Deputy Speaker. I rise to support the Report of the Committee. I want to agree with most of my colleagues who have spoken here and particularly say that I am saddened as I make these remarks. If you look at this House, it speaks to the fact that Members are not taking up their oversight role seriously because if there is any single important report to this House, it is the report of the Auditor-General as examined by the Public Accounts Committee, which is mandated by this House. The Committee reports to this House. Therefore, it is important that as many Members as possible speak to this Report. Oversight as a new mandate in the Constitution is possibility where we are not doing well. We need, as a House, to examine how we can efficiently do that role.

Yesterday, some of the concerns of the Members who are not willing to support the two-thirds gender Bill relate to the issue of the huge wage bill. We have been reminding them to speak to the wastage and economic plunder that is happening in this country. The Auditor-General's report is a document that speaks for itself. It has highlighted various places the Committee has combed through and spent a lot of time working through the report of the Auditor-General. Where we are as a country, we must rise and put a stop to the wastage, the plunder, the theft and the robbery with violence.

We cannot keep on taking Kenyans' money. There are two issues that I want to speak about during debate on this Report. One is the pending bills. There is theft of Kenyans' money by Kenyans who are working with the Government. They have days on end been waiting to be paid. The counties have taken the bad habit from the national Government of falling to pay contractors and suppliers that have worked for them. What happens if you did your contract and delivery of whatever you were delivering through a contract and five years down the line, you have not been paid and you have borrowed? You will find that very huge debts are being carried forward by counties. Of course, new governors will not be willing to pay previous debts. Therefore, where we have pending bills of over Kshs632 million in that respect, we have a problem.

The Auditor-General has done his part. He has highlighted where we need to scrutinise. He has even given instances where the DPP can put his attention, finger and hands on people who have stolen. We want to see action and we are aware that the recruitment of a CEO to the EACC is happening. Many times, Members have expressed concerns about the efficiency and the effectiveness of the EACC. When the reports have been tabled and adopted by this House, then the next institutions; the Judiciary, the EACC and the DCI, need to move forward and carry out sufficient investigations. In most cases, the Auditor-General has highlighted theft that is

clear. Moving forward, it becomes very easy for institutions that are supposed to do enforcement work.

Therefore, I want to see for once that the country is getting value for paying the Office of the Auditor-General. We are aware that it is an independent office. It is supposed to work independently. This House, I believe, has given sufficient support to the Auditor-General. I know the last term he was saying that he needed to be funded sufficiently and adequately to carry out his work. Therefore, I want to support that his office should be capacitated ably and sufficiently to carry out his work. He needs the political goodwill to ensure that he does what he needs to do. There are issues that he has raised regarding the NG-CDF. I do not know whether Members are concerned regarding how we are supposed to show proof in terms of offices of the NG-CDF, proving by way of receipts payments to bursaries. Many schools that we pay cheques to do not keep the receipts as proof that the NG-CDF has paid bursaries.

When the Auditor-General's report comes, there is an outcry that there is money that is lost. However, the cheques speak for themselves. The offices of the National Treasury in our sub-counties are also clear that we have paid.

In short, I support this Report.

I am still feeling bad about us not going to the vote yesterday. Generals continue with the war. Losing one battle does not mean we have lost the war. Therefore, I encourage the Members who were keenly following the two-thirds gender Bill. When I was thinking about it at night, looking at the question on spending that seems to be blurring the genuine constitutional debate, I said we needed gadgets called "mindthöometers". We should even look for a technology to "heartthometer" some of the people in this House. There should have a "heartthometer" to measure the heart of the Leader of the Majority Party who was the Mover of the Bill.

With those remarks, I support. If you look at those who are not here, it means yesterday was a good moment for those who were championing that Bill. Thank you, Hon. Temporary Deputy Speaker for that time.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Hon. Wahome, you must be advocating for a "passionometer" to determine the passion in the heart of those who are supporting the two-thirds gender Bill. That must be it.

**Hon. (Ms.) Alice Wahome** (Kandara, JP): Yes, I would even adopt your description of the "passionometer". But we also needed to measure the length of where the hearts are; the depths of the hearts, so that we can confidently say that we had enough support. Yes, "passionometer" could be a relevant word in that regard.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Very good contribution, Hon. Wahome. We shall Hon. Adhiambo Oduol.

**Hon. (Prof.) Jacqueline Oduol** (Nominated, ODM): Thank you Hon. Temporary Deputy Speaker for the opportunity to speak on this Motion.

From the outset, I would like to congratulate the Public Accounts Committee. I know there had been a bit of concern that the Public Accounts Committee was not giving us reports. I congratulate the Committee and the Chair, Hon. Wandayi, for the Report that speaks volumes not only in size, but also in content. As I support this, I continue to indicate that when we look at this Report, it helps us in a very significant way to enable the public that we represent to appreciate the seriousness of the work that we do in this House.

A number of Kenyans, when they hear the term "Auditor-General", they tend to make judgements that do not really get them to appreciate the role of the Auditor-General. That office derives its authority from Article 229 of the Constitution. But much more importantly, the role of

the Auditor-General is to oversee or give assurance of accountability, he ensures and confirms that public money has been applied lawfully or is being used in ways that are in the best interest of not only Kenyans, but also in keeping with our Constitution.

It is for this reason that I support this Report. I want to first indicate that it would be really important, as we look at the recommendations, to note that the Committee has been thorough. As has been pointed out by colleagues here, I want to laud the Auditor-General. I hope we will not be giving him responsibility to report on what should be standard practice. For example, I refer to the recommendation with regard to documentation on financial statements and the recommendation that would be indicating that Cabinet Secretaries take immediate action to ensure ministries, department and agencies adhere to standards.

When we are looking at IFMIS, and we know that the very purpose of coming up with IFMIS was to get an independent system that would enable us to manage and safeguard public funds, we find that the very system seems to be creating a problem.

I remember at one time, the Permanent Secretary then, Hon. Dorothy Angote, walking to the Treasury and demanding to see the IFMIS. As a Permanent Secretary, she felt extremely frustrated by the delay in releasing funds for the implementation of activities and demanding to see the IFMIS. At every given time, whenever there were challenges or delay in releasing funds it would be blamed on IFMIS. That is the time when I got curious. I was not quite sure because it is amazing that after she stormed the National Treasury and demanded to see the IFMIS, somehow strangely, it seems that something was unlocked and money was released.

One of the key concerns for me is that clearly, as we read the Report year in, year out, and knowing very well the role of the Auditor-General and the manner in which this comes and with such a thorough Report from the Public Accounts Committee, we are in a way vague. When we look at the IFMIS, we can see that it epitomises some very systematic way of not just being accountable. I hope we will avoid situations that will want us to continue to normalise this kind of practice.

I want to laud the Committee because they have clearly indicated that there should be an independent system audit. In keeping with some of the colleagues, I would say that we really do not need to keep auditing what we have seen is not working. I think we need to ensure that we make changes.

I also particularly like the manner with which when we look at this, we have been brought to some practices that we are beginning to accept as normal because whenever you engage in certain tendencies, even if they are not lawful or not keeping with the required procedure, people tend to accept them. This would be with regard to the casual manner with which litigation and a lot of very serious service is given in Government ministries that incur unforeseen expenditure that lead to pending bills that just seem to be overlooked. I think the Committee has brought this, flagged it out and I feel it is a very good issue.

Finally, I want to support this Report as I speak to the issue of a practice that has also emerged where we get an Executive Order that will classify private entities as public entities and as the Report indicates, proceeding to award public funds to private entities in a context where the private entities would not by themselves have parameters that would give them room to account in keeping with the Public Finance Management Act.

Just two weeks back, I had opportunity in the House, I remember it was a time when I was practising how to speak over the voice of "Put the Question! Put the Question! and there was the question of the Statute Law (Miscellaneous Amendments) Bill on child adoption and there was specific reference to the Child Welfare Society of Kenya. Part of what the Report has

brought out which, in my view, did not come out clearly then, is that there are ways in which sometimes if we do not do due diligence, we will make legislation that we will think will help solve a problem, but which will compound it.

The Report clearly indicates that the practice where we have an Executive Order classifying private entities as public entities and then awarding public funds gives loopholes because public funds that are then awarded to private entities cannot be accounted for.

We, therefore, get into a situation where a lot of money is not only used in ways that we cannot account for, but unfortunately, we compound this to very difficult issues when we are thinking of children. This is my major concern. So, as I support this. I can see the Committee mentioned the Wildlife Clubs of Kenya and the Child Welfare Society being institutions that we need to be vigilant about as those who are charged with the responsibility of oversight.

Finally, I know that today is a quiet moment. As Hon. Wahome indicated, it is a day after the two-thirds gender Bill. It is clear that the gender Bill does not in any way suffer from lack of finances because when we look at the accounts and the wastage, then we know that all we need to do is to seal the loopholes and we will keep to the Constitution and give the right voice to women, men, boys and girls as it is required.

Thank you, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Hon. Professor, you spoke about Hon. Angote, who was once a Permanent Secretary and would go to offices demanding that she wanted to see this Mr. IFMIS.

I am also reminded of a politician who, when students at the University of Nairobi were rioting and he heard that they had been influenced by Karl Marx, he demanded for the arrest and detention of Karl Marx. Very good contributions.

We shall now have Hon. Cheruiyot Jesire, Member for Baringo.

**Hon. (Ms.) Gladwell Cheruiyot** (Baringo CWR, KANU): Thank you, Hon. Temporary Deputy Speaker. I want to congratulate the Public Accounts Committee (PAC) for adopting the Report from the Auditor-General on issues that touch on progress and development through allocations of funds and use of money in the country.

I have heard many of my colleagues speaking and one of the things that is very clear and is coming from everyone is that there is a lot of uncertainty on issues of expenditure or spending of money. For sure, many have talked of pending bills. I was wondering because every year, we have been doing budgetary allocations. Parliament accepts requests from ministries, we approve them and allocate money. However, every year, we hear of issues of pending bills and wonder what happens along the way. The fact remains that the work of the ministry is normally dynamic, but there are huge pending bills that are not in line with the budget and the expenditure that they gave us as a House. So, pending bills is what is taking us back because when we get to the next financial year, instead of budgeting forward, we start budgeting backwards to pay the pending bills. It is, therefore, important for the ministries to be disciplined and stick to what they ask for. They should not stray and spend money on other things that were not in their budget.

Unsupported expenditure is the other thing that is worrying the Auditor-General so much. Many of the reports which come to this House show that money has been spent, but nothing is supporting that claim. This is a fact in every ministry. I heard my colleague say that when we give out bursaries, we do not get back receipts that will make the Auditor-General confirm that we paid money to certain institutions especially schools. Some of these things are the ones which make the Auditor-General uncomfortable because most of the expenditure in this country

is not supported. Some procedures, rules and regulations should be put in place so that every money that is spent is supported.

I also want to speak about imprest. When I came to Parliament, I found a very different way of surrendering imprest. We are not doing things as we should with the current technology. Where I worked before, we used to surrender imprest online through a software such that nobody would get imprest twice. You had to apply online and when you needed another imprest, if you had not surrendered even one shilling, the system would decline and you would not be in the list of those who were going to receive the next imprest. As a country, we need to run away from the old methods of using papers and pens. We need to get a software that can be very transparent that will not allow corrupt deals to take place so that it becomes easy for us to surrender imprest without making friendships using Government money.

I am worried because since I came here, I have learnt a few things. It is unfortunate that we are institutionalising corruption particularly in the ministries. I can critique the requests that come from ministries. When a ministry or an agency brings its budget to a committee, the committee should look at it deeply and know whether the money they are asking for is what is going to work for Kenyans or some people are budgeting for other things that are not important. I have also learnt that people do skewed budgeting in order to do business other than change the lives of the people. We should stop giving people funds that are going to please businessmen and not support the lives of the poor Kenyans. After giving ministries billions of shillings, the lives of the people do not change. We have to look at the small things that we keep complaining about every time.

It is unfortunate that the Government is complaining against itself. Corruption in this country is mostly at the ministry level. The Auditor-General always points out things that are not working well in ministries. The Office of the Auditor-General is mandated to audit all Government institutions. It is as if the Government is complaining against the Government. It is a shame. We need to change and refrain from this behavior.

The EACC is mandated to investigate. So far, we have only seen the DPP doing his work. Many have been apprehended. The game should not stop there. The Judiciary should give us a way forward. The cases should bring about some deterrence. If we do not win the war against corruption, it will attract more players. We want to see things happening. How come people get arrested, but they are not convicted? Where is our stolen money? What, in terms of compensation or reparations, has our Government been granted? What properties have been repossessed? So, if fighting corruption is all about arrests, people will use the money they steal to free themselves from litigation.

It is important that all the arms of the Government work in tandem to bring sanity in our ministries and institutions, so that in future, we do not have the EACC or the DPP as a laughing stock. People must fear stealing from the Government through the prosecution and conviction of those who have stolen from the Government.

It is unfortunate that reports that emanate from the various institutions in this country make great narratives and statistics. Unfortunately, they do not see the light of day in terms of implementation. We should work towards implementing the reports that we make. Much as they are good, implementation is critical. Thank you.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Very good and fundamental contributions, but the Judiciary will only convict if the evidence that is presented before it is cogent and supports conviction. There is a presumption of innocence for all those accused and taken to court. They also have a right and so, it is incumbent upon those institutions

that have the mandate to investigate and to prosecute to pull up their socks and present to the Judiciary evidence that will support the charges that they prefer against the people they make allegations against. That is the fundamental and grounding of the law in this country.

Let us have Hon. Okelo Odoyo Hon. Member for Nyando.

**Hon. Jared Okelo** (Nyando, ODM): Thank you, Hon. Temporary Deputy Speaker. From the outset, allow me by your indulgence to encourage my sisters here and out there that no war was lost yesterday. We were ready for the war, but the referee, in his wisdom, chose to defer the battle to a later date. So, nothing has been lost so far. There is a common adage out there that a good soldier lives to fight another day. So, we still are optimistic that this Bill will see the light of day and our sisters, mothers and daughters will enjoy the fruits of what is enshrined in the Constitution as regards what is due to them.

In the same breath, I support the Report as presented by the Public Accounts Committee lead by my brother, Hon. Opiyo Wandayi. Article 229 has given a wide range of responsibilities to the Auditor-General. Indeed, there are so many responsibilities that call for proper funding of that department. They look at the national and county governments' audit queries, all funds and authorities of the national and county governments, accounts of all courts of law, every commission, and independent offices established by the Constitution and audit queries at the National Assembly, the Senate and county assemblies.

They look at the Political Parties Fund, funded by public funds and scrutinise our public debt. So, we need to firstly develop their capacity. Even the Report that has been scrutinised and re-examined by the Public Accounts Committee relates to the Financial Year 2014/15.

I want to believe that due to the incapacities within the Auditor-General's Office, they have not been in a position to be up to-date. We could be talking about the Financial Year 2017/2018, but we realise we are four years lagging behind time. I relate this directly to lack of capacity in terms of personnel, funding and many other things that may have negated their promptness.

It is quite interesting that they also re-examine our public debt. This is a country that is shouldering very huge burdens on public debt. We understand that the Executive, namely, the President, his deputy and a few Cabinet Secretaries can sit down and unilaterally decide on when and where to borrow. We are carrying with us a financial burden in terms of debts that will be paid not just by this generation, but by many generations to come.

I would want perhaps in due course, to present a Bill in this House to provide that before this Government goes out there to look for money to borrow, there should be public participation. It is the public which shoulders these responsibilities. I am afraid my children may not be in a position to settle these debts, that they played no cardinal responsibility towards the acquisition.

We also know that such money that is got from out there never makes it to this country. We read about the Eurobond that is still under question as to whether Kshs100 billion made it to this country. Through public participation, I want to believe that we shall have financial prudence and what is due to this country will make its way to the country.

We have accountants plugged in various Government agencies who delay submission of their audit reports to the Auditor-General. I want to challenge them today to pay much attention to the Public Procurement and Disposal Act and the PFM Act as the guiding principles. We noted in the course of our re-examination of certain audit reports by the Auditor-General and the Special Funds Account Committee that many times the presentation of important documents is delayed too much and hence it affects the work of the Auditor-General.

I want to kindly ask those charged with the responsibility of administering public money to always do the right thing at the right time. Submissions of internal audit reports and documents must be presented within a set period of time as is enshrined in the Act. We must deter financial probity, pilferages and mismanagement of public funds for this country to move forward.

We know of so much unclaimed assets out there, including M-Pesa accounts that were perhaps run by people who have died. The country may want to engage in some kind of clarity. How much are the unclaimed assets? Where are they and how will they be distributed to the public or families or whoever should benefit from them? This is an area that we may want to put more teeth in, in order to bite where necessary.

With all that, I stand to support. Once again, I thank you.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Hon. Mbai Mbithuka, Member for Kitui East.

**Hon. Nimrod Mbai** (Kitui East, JP): Thank you, Hon. Temporary Deputy Speaker, for giving me the opportunity to add my voice to the Report by the Public Accounts Committee on the Auditor-General's Report. From the outset, I congratulate the Office of the Auditor-General because this can be termed as the ultimate protector of public resources. By that, I mean any public officer who is handling public money in accounts and procurement, before any evaluation, always talks of what they shall do when the external auditors come. Processes need to be clear. Everything needs to put in the right order because the auditor will be on their case. Just imagine a situation where the Office of the Auditor-General is not functional. This country will be looted in less than a week. First, I applaud the Office of the Auditor-General in what it is doing. We may talk of capacity building and adding some teeth to what they are doing, but so far, so good.

First of all, the Office of the Auditor-General protects the country from the plundering of public resources because it deters officers from engaging in corruption. The other thing is that they have an advisory and administrative action where public finance management systems are not working well, are weak or not well installed. The Office of the Auditor-General has always been there to advise the senior management on how to strengthen and streamline financial management systems like accounts and procurement departments and public resource management. Also, they make recommendations for further actions. Where they have seen corruption has taken place, they recommend for prosecution. If it is malpractices, where officers have not followed the law, even if there was no money lost, the Auditor-General has been very firm on some cases where we have seen the procedure was not followed.

However, we have not seen an institution which monitors or audits the Office of the Auditor-General. So, it is Public Accounts Committee which oversees the Auditor-General. So, I encourage the Public Accounts Committee in whatever they are doing. From the Report they have given, it is very clear that they are doing their job rightfully. We urge the House to improve their capacity in terms of acquiring auditors. Maybe the Members do not have enough time to go through the documents from the Office of the Auditor-General cross-checking some of these spots on the various departments and counties. The Public Accounts Committee may want to go further and cross-check the Report from the Auditor-General and what has happened within departments. This may require capacity in the Public Accounts Committee. However, whatever the Public Accounts Committee has done is commendable. Their Report is enormous and informative. From the content, it is very clear that they did their job professionally. I commend them for that.

With that, I beg to support. Thank you.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Hon. Bunyasi.

**Hon. Sakwa Bunyasi** (Nambale, ANC): Thank you, Hon. Temporary Deputy Speaker. I rise to offer my contribution to the Report of the Public Accounts Committee. The function of the Public Accounts Committee is an extremely important one because as a nation, that is the only opportunity we get to comment on the management of public resources in this country as largely highlighted by the Auditor-General, but generally going beyond what he has highlighted. In fact, they have the mandate to investigate whether our resources have been used with prudence in accordance with the Public Audit Act and the PFM Act. There are many laws governing this including the Constitution.

We can all be impressed by the volume of this Report, but the Public Accounts Committee handles tonnes of documents. This a small abstract of what they receive. What matters in my view is the degree to which the observations will lead to corrective action, either immediately internally or will be taken further by other institutions like the DPP and DCI. With respect to how the observations can lead to further actions, my concern is that I do not see a sharp end in this Report that would enable the DPP to pick up anything and move on with it. This has happened in all previous years. As you know, there have been controversies as to whether people should be named or not. The naming was important because the DPP will not follow up a department. It will not follow up a system failure. The DPP will follow up a forensic matter which is committed by an individual while serving in that capacity so that the culpability can be pinned down. It is not to a group, but to individuals.

Even recommendations with regard to departments that had difficulty providing adequate data and explaining themselves like health and agriculture are fairly tame. That bothers me. At the minimum, we must not fall below the level of severity that would have been taken by the Office of the Auditor-General. We should carry it further and be bolder in dealing with such cases because ministries get lots of donor funds as well as national revenue, but have great difficulty putting it together. The Committee will recall that both in the year whose financial records they considered and subsequent years, they had to send them back to get their acts together and come back and explain. When you read this Report, there has been great effort in smoothing it over. That is not a good thing. We must be bold where there is culpability and say so. Fortunately, the Committee is protected under the rules of the House. They are the only group that can do so with the responsibility and clarity that is required under the law.

Secondly, there was a major outcry during the course of the period under review in respect to sovereign bonds. There was the Eurobond. This has happened every year. There were great questions about it. This Report sanitised and buried it as if nothing really happened. Everything has been explained. That is a risky trend. If we go that route, there will be very little value that Parliament will add to this.

My third concern is on the revenue account. There is very little mentioned here, particularly on the performance of the Kenya Revenue Authority (KRA). The KRA has the luck of being shielded by the National Treasury. There is a firewall around the KRA provided by the National Treasury. We end up dealing with the number that the National Treasury will give us. We have complained every year that it needs a serious review, perhaps even a forensic review, on issues of revenue collection and management. It cannot be that if you want to become a billionaire or millionaire, you just join KRA for a few years and you will be there. What is happening there? They are responsible for our revenue. Failure on their part increases debt. It means that the Government has to find some more money.

Therefore, there should be a sharp focus on the functioning of the KRA. There must be serious effort to break down the firewall by the National Treasury around the KRA because they cannot explain it fully. If you pin them down, they will say that it is a matter that is done by the KRA, which is a separate department. However, the KRA cannot be a small department in the National Treasury. It is a major institution. It is an independent authority in many countries, so that it is possible to focus on them in terms of what they do without getting the firewall that we are getting from the National Treasury. That firewall from the National Treasury is a disservice and we should look at it carefully.

Hon. Temporary Deputy Speaker, I want to conclude a bit on the issue of public debt which the Committee has touched on. I find it to be a great idea. They have commented on that as a category of concerns. Their recommendation was tamed. Looking at the public debt as a whole from the perspective of just one financial year may have led the Committee to feel okay. They had only a slice of view. They decided not to be too bold in broad recommendations. The issue of how fast the public debt is rising is a major concern. We are waiting for the next financial year to get exactly the same reactions. There must be a way in which Parliament expresses its disgust and disappointment at how this is happening. How do we do that? We have looked carefully and pinned down institutions that are responsible for debt acquisition. I know it is higher matter than the Cabinet Secretary for the National Treasury, but he will be at the centre of the efforts by the presidency. It is part of the public policy that the President puts in place. That is manifested through these institutions that we look at here. We need to have brought out this more strongly and make the recommendation a bit sharper than this.

I have gone through this Report with great effort, but not with a fine toothcomb, but there are recommendations in departments that have been problematic. I have mentioned health and agriculture. If you had sat in this Committee and listened to them, you would expect a lot of material for the DPP. I do not see it here as a matter of fact. The Office of the President had great difficulty in explaining the use of confidential expenditure. We admit that every Government has confidential expenditure. However, there have been internal systems, even if they are closed to the public, that are rigorous that look into it. You cannot have a system in which you have a Government department that holds literally billions of shillings in slash funds and be unwilling to account for it because it is confidential expenditure. Can you get a confidential auditor or forensic review system internally that looks at how these funds are used? At the end of the day, the taxpayer should also feel that if they must fund this confidential expenditure, it must be funded according to some rules. It cannot be completely open ended. I know we are at war. There are many issues, including terrorism internally. However, while other confidential expenditure was accessible for review, the accounting officers did not provide much comfort. It is now going completely out of the picture. That is a matter of serious concern.

I see that I have an orange light. What I would like to add is that this Report needs to strengthen the components of culpability which cannot be always public officers. There was an individual in those dockets. It is within the norms of the reporting of the Committee to name them to enable the officers that follow up to pin down exactly who did what and when. That is what makes the Public Accounts Committee Report so critical. That is why it is anchored in the Constitution. There is no other Committee in this House that can enable Parliament to exercise its mandate. This Report should be sharp, clear and without fear or favour.

Hon. Temporary Deputy Speaker, I submit.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): You could not have put it better, Hon. Bunyasi. We will have Hon. Nyoro Ndindi, Member for Kiharu.

**Hon. Ndindi Nyoro** (Kiharu, JP): Thank you, Hon. Temporary Deputy Speaker. I can clearly see we do not have much time left in this Sitting. I support this Report. I belong to the Public Accounts Committee. We have been burning the midnight oil in the Committee because, as you can see, we have tabled the Report for the 2014/2015 Financial Year. I believe our next report will be tabled much earlier because we have been working on the 2014/2015 and 2015/2016 Financial Years. Let me go direct to some of the issues I saw during our report writing and even in our interactions with Government officials, especially accounting officers.

I have come to realise that our country is very rich in terms of the Budget we read and the resources we have. We are a country that can be self-sufficient going by the resources we have *vis-a-vis* our needs. However, the elephant in the room is corruption. As a Member of the Public Accounts Committee, I have seen corruption in its true colours especially corruption that happens through procurement. We keep on interrogating Government officials and I believe we have mentioned in our recommendations that we have a very huge Government. The bigger the Government, the more Government entities we have. These are just but avenues for corruption or avenues of siphoning Government resources. We have many entities that are engaged in business. The more entities we have that compete with the private sector and cannot be sufficient, the more we open ways for people to corrupt the system.

On corruption, there is an audit that was ordered by the President. I agree with Hon. Bunyasi's sentiments that this country should go beyond the lifestyle audit. We need to go further and do something that I have said before in this House, which is assets audit. People who corrupt the system are not dunderheads. They are very knowledgeable. They steal Government money in a way that you can take them to any court of law including the Supreme Court, but you will never find culpability on their end. We can, however, see glaringly that some of these people have, indeed, stolen Government money. We need to go beyond lifestyle audit and go towards assets audit.

In the Nairobi City, any tall building or any significant construction site belongs to Government employees. We no longer have private sector in this country. We have private-public sector; people who use public money to advance their private enterprises.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Hon. Nyoro, if it is glaring that people have taken public funds and you say in the same breath that it is impossible to nail these people, where is the problem? You cannot have your cake and eat it. If the birds have learnt to fly without perching, we should learn to shoot without missing.

Proceed.

**Hon. Ndindi Nyoro** (Kiharu, JP): Hon. Temporary Deputy Speaker, in my layman's term, I believe, for example, when we find culpability upon a Government officer, to them, it is very personal. In fact, they can pay any price not to face the full force of the law. On the side of prosecution, you will find an impersonal prosecutor who is just after doing his or her job. If you put on the balance somebody who has money, which is personal to their lives, families and future, and on the other end, a prosecutor who is an impersonal Government official, then you put a money bait, of course, you know what the outcome will be.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Hon. Nyoro, I do not know. It cannot be that for those people who take public funds, it becomes more personal to them than those who have been mandated to take care of those kinds of malpractices. We cannot make excuses for the prosecutors and investigators. They must do their job.

**Hon. Ndindi Nyoro** (Kiharu, JP): I agree with you, Hon. Temporary Deputy Speaker. I am just pointing out the problem and where it is. I want to believe that we do not have patriotic people

especially when it comes to prosecutorial roles in terms of graft. If you put a bait of money between patriotism and money, most of them choose to take the perks.

Also, the issue of asset audit will go a long way because you will be targeting where the money is going. It is very easy. I am a Member of Parliament for Kiharu. If for example, I am an accounting officer anywhere, and I have a multibillion project going on and you ask me very simple questions like show me where you are getting money to invest in such an enterprise, it should be forthright. Some of these things are happening in this country. These are people who are serving in Government offices, but they are doing much more than the billionaires that we know, who are doing credible businesses in this country. They are simply using public funds to advance their private affairs.

There are many issues that I can talk about, but the issue of pending bills is something that I have also seen being used in the Government to steal money. As you know, pending bills are the first charge in the ensuing year. Going through what is called pending bills, interestingly most of them are consumables. If you were to ask what was purchased using the billions in terms of pending bills, they are consumables. Therefore, it is not anything that can last the test of time even in audit in terms of where the money went.

There is the animal called the IFMIS. For any query you put forth to public officials, the only place they hide is IFMIS. We have also recommended that IFMIS is not a simplicity that should be brought about by ICT. The ICT should simplify matters. If you try to check the loopholes that are in IFMIS, it provides very good avenues for people to hide when we query them. You have multiplicity of people who log into IFMIS and it becomes very hard for anyone to trace who authorises, who logs in and who manipulates the system for their won end.

As I come to the end, we have seen in many countries including China, Government officials being hanged. In some of these countries, engaging in the kind of graft that happens in this country, being taken to Kamiti is a privilege. In countries like South Korea, we have past four presidents currently in jail because of engaging in some thresholds of graft. You are shot and your family pays for the bullet. We need such kind of punitive measures in this country because people steal with disdain. You can steal public money and you just know that you are going to set aside a proportion of it to corrupt the system not even to hire the right lawyers, but to buy the judge. We need to have more punitive measures when it comes to graft because there is no difference between a guy who *anapiga ng'eta watu hapa* Nairobi stealing Kshs200 and the public official who steals billions of shillings that can go a long way into supporting our healthcare.

With those many remarks, I support our Committee Report.

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Hon. Members, that was the last contribution. I see no further interest. I, therefore, direct that when this matter is listed down for consideration, the Mover will be called upon to reply.

## ADJOURNMENT

**The Temporary Deputy Speaker** (Hon. Christopher Omulele): Hon. Members, the time being 1.03 p.m., this House stands adjourned until today, Thursday, 29<sup>th</sup> November 2018 at 2.30 p.m.

The House rose at 1.03 p.m.