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3/12/25*

REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT-
FOURTH SESSION

SPECIAL FUNDS ACCOUNTS COMMITTEE

18TH REPORT ON THE CONSIDERATION OF THE AUDITED
ACCOUNTS FOR THE FOLLOWING FUNDS-;

1. CO-OPERATIVE SOCIETIES LIQUIDATION ACCOUNT FUND FOR THE FINANCIAL YEARS 2018/19 TO 2022/2023;
2. MANAGEMENT AND SUPERVISION FUND FOR THE FINANCIAL YEARS 2018/19 TO 2022/2023.

NATIONAL ASSEMBLY
RECEIVED
03 DEC 2025
SPEAKER'S OFFICE
P. O. Box 41842, NAIROBI.

DIRECTORATE OF AUDIT APPROPRIATIONS
& GENERAL PURPOSE COMMITTEES,
NATIONAL ASSEMBLY
PARLIAMENT BUILDINGS
NAIROBI

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 03 DEC 2025

DECEMBER 2025
DAY: Wednesday

TABLED BY:	Hon. Erastus Kivasya
CLERK-AT THE-TABLE:	Gebude Chebet





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THE NATIONAL ASSEMBLY

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DECEMBER 2025

SPECIAL FUND ACCOUNTS COMMITTEE- FUNDS

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SPECIAL FUND ACCOUNTS COMMITTEE- FUNDS

List of Abbreviations and Acronyms

CoK	-	Constitution of Kenya, 2010
FY	-	Financial Year
MDAs	-	Ministries, Departments and Agencies
MOU	-	Memorandum of Understanding
PFM	-	Public Finance Management
OAG	-	Office of the Auditor-General
PSASB	-	Public Sector Accounting Standards Board

CHAIRPERSON'S FOREWORD

Hon. Speaker, on behalf of the Special Funds Accounts Committee and under Standing Order 199, it is my pleasant duty and honour to present to the House the 18th Report of the Committee on consideration of the reports of the Auditor-General on the audited financial statements for the following Funds—

- a) Co-operative Societies Liquidation Account Fund for the Financial Years 2018/19 to 2022/2023;
- b) Management and Supervision Fund for the Financial Years 2018/19 to 2022/2023.

Oversight over national revenue and expenditure is amongst the roles of the National Assembly as stipulated under Article 95 (4) (c) of the Constitution of Kenya, 2010. Further, Article 226 of the CoK provides that an Act of Parliament shall provide for the designation of an Accounting Officer in every public entity at the national level who is accountable to the National Assembly for its financial management. In addition, Article 229(8) mandates this House to debate and take appropriate action on audit reports from the Auditor-General.

In fulfilment of these constitutional provisions, the National Assembly established various Committees to examine reports of the Auditor-General to ascertain whether public funds are utilized in a lawful, authorized, effective, efficient, economical, and transparent manner. The Special Funds Accounts Committee is one of the Committees that was established in the Fifth Session of the Eleventh Parliament following the review of the National Assembly's Standing Orders.

The Committee received both oral and written submissions from the respective Accounting Officers on the audited financial statements for the following Funds:

- a) Co-operative Societies Liquidation Account Fund for the Financial Years 2018/19 to 2022/2023;
- b) Management and Supervision Fund for the Financial Years 2018/19 to 2022/2023

The submissions formed the basis of the Committee's observations, findings, and recommendations. These are also contained in the Minutes and Hansard Reports of Committee proceedings.

Hon. Speaker, I wish to express appreciation to the Honourable Members of the Committee, the Office of the Speaker, the Clerk of the National Assembly, the Parliamentary Liaison Offices of the Auditor-General and the National Treasury and the Committee Secretariat for facilitating the Committee in the production of this report.

HON. FATUMA ZAINAB MOHAMMED, M.P.
CHAIRPERSON, SPECIAL FUNDS ACCOUNTS COMMITTEE

SPECIAL FUND ACCOUNTS COMMITTEE- FUNDS

CHAPTER ONE

1.0 PREFACE

1.1 Establishment and Mandate of Special Funds Accounts Committee

1. The Special Funds Accounts Committee is one of the six Watchdog Committees of the National Assembly established under Standing Order 205. It is mandated to examine the reports of the Auditor-General on the following:
 - i. Funds established by statute or by subsidiary legislation, except Funds under Standing Order 205B (Decentralized Funds Accounts Committee)
 - ii. The Equalization Fund;
 - iii. The Equalization Fund Advisory Board;
 - iv. The Political Parties Fund; and
 - v. Other funds as may be communicated by the Honourable Speaker

1.2 Committee Membership

2. The Committee comprises the following members:

S/ N	Name	Constituency	Party
1	Hon. Fatuma Zainab Mohammed, MP (Chairperson)	Migori (CWR)	Independent
2	Hon. Dawood Abdul Rahim, HSC, MP (Vice Chairperson)	North Imenti	Independent
3	Hon. Mary Emaase Otucho, MP	Teso South (CWR)	UDA
4	Hon. Charles Ngusya Nguna	Mwingi West	Wiper
5	Hon. Dr. Christine Ombaka Oduor, MP	Siaya (CWR)	ODM
6	Hon. Erastus Kivasu Nzioka, MP	Mbooni	Wiper
7	Hon. Eve Akinyi Obara, MP	Kabondo Kasipul	ODM
8	Hon. Joseph Majimbo Kalasinga, MP	Kabuchai	FORD-K
9	Hon. Tom Mboya Odege, MP	Nyatike	ODM
10	Hon. Catherine Nakhabi Omanyoo, MP	Busia (CWR)	ODM
11	Hon. Cecilia Asinyen Ngigit, MP	Turkana (CWR)	UDA

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12	Hon. Erick Kahugu Wamumbi, MP	Mathira	UDA
13	Hon. Joseph Kimutai Chererot, MP	Kipkelion East	UDA
14	Hon. Onchoke Charles Mamwacha, MP	Bonchari	UPA
15	Hon. Paul Kibichi Biego, MP	Chesumei	UDA

1.3 Committee Secretariat

3. The Secretariat facilitating the Committee comprises the following staff:

S/ N	NAME	DESIGNATION
1	Mr. Erick Nyambati	Senior Clerk Assistant
2.	Ms. Comfort Achieng	Clerk Assistant III
3	Mr. Nimrod Mate	Clerk Assistant III
4	Mr. Robert Ngetich	Fiscal Analyst II
5	Ms. Judith Kanyoko	Legal Counsel II
6	Ms. Bevaline Mosoti	Research Officer III
7.	Mr. Derrick Kathurima	Media Relations Officer III
9	Ms. Felistus Muiya	Public Communications Officer III
10	Mr. Peter Mutethia	Hansard Audio Officer III
11	Mr. Joshua Lenambet	Serjeant At Arms

EXAMINATION OF THE AUDITED FINANCIAL STATEMENTS FOR THE CO-OPERATIVE SOCIETIES LIQUIDATION ACCOUNT FUND FOR FINANCIAL YEARS 2018/2019 TO 2022/2023

4. Mr. Patrick K. Kilemi, the Principal Secretary, State department of Cooperatives appeared before the Committee on Tuesday 22nd July 2025 to adduce evidence on the audited financial statements for the, Co-operative Societies Liquidation Account Fund for the Financial Years 2018/19 to 2022/2023. During the meeting, the Accounting Officer was accompanied by:

- | | |
|------------------------|----------------------------------|
| 1. Mr. David K Obonyo | - Commissioner for Cooperatives |
| 2. Mr. Javel M. Murira | - Director of Cooperatives Audit |
| 3. Mr. Judah Mukoji | - Assistant Accountant General |

Financial Year 2018/2019

1) Failure to submit Financial Statements

5. The management of the Fund did not prepare and submit for audit the financial statements and did not maintain the books of accounts for the co-operative society's liquidation fund for nine (9) years ended 30 June, 2004 to 30 June, 2012. This was contrary to the requirements of section 19(3) of co-operatives societies Act which requires the fund to be audited annually by the Auditor General. Under the circumstances, the accuracy of the opening balances could not be confirmed.

Submissions by the Accounting Officer

6. The Accounting Officer submitted that—

It was true that the financial statements were not submitted. No separate Account was maintained for the Liquidation Account and it was reported as an attachment to the Department's main financials. The anomaly has since been corrected and separate account and books maintained. He also noted that the liquidation Fund account in the State Department was established in 2018/19

Observations of the Committee

7. **The Committee observed that—**

- i. The Management of the Fund did not maintain the books of accounts for the co-operative society's liquidation fund for nine (9) years ended 30 June, 2004 to 30 June, 2012**
- ii. The Accounting Officer was in breach of section 68(k) and 84(3) of the Public Finance Management Act, Cap. 412A and**
- iii. The Matter is unresolved.**

Recommendations of the Committee

8. The Committee recommends that—

- (i) **Within three months of the adoption of this report, the Accounting Officer to submit the financial statements for the co-operative society's liquidation fund for nine (9) years ended 30 June, 2004 to 30 June, 2012 to the Auditor general for audit verification;**
- (ii) **The Cabinet Secretary to take appropriate disciplinary measures against the Accounting Officer in accordance with the provisions of section 74 of the Public Finance Management Act.**

2) Late Submission of Financial Statements

9. The financial statements of the fund for the financial years ended 30 June, 2013 to 30 June, 2019 were submitted for audit on 24th February, 2020 contrary to the provisions of section 68(2) (K) of the Public Finance Management Act, 2012 which requires an Accounting Officer to prepare annual financial statements for each financial year within three months after the end of the financial year.

Submissions by the Accounting Officer

10. The Accounting Officer submitted that—

Management acknowledged the late submission of the financial statements. According to the records available at State Department for cooperatives, Ministry of Industrialization and Enterprise Development did not maintain separate books of accounts for the Liquidation Account but rather reported it together with management and supervision fund and as an attachment to department's main financials. An extract from the main Financials of The Ministry of Industrialization dubbed has been attached in the Management Responses.

Observations of the Committee

11. The Committee observed that—

- i. The Accounting Officer was in breach of Section 47(1) of the Public Audit Act, 2015 and**
- ii. The Matter is unresolved.**

Recommendations of the Committee

- 12. The Accounting Officer should ensure timely submission of financial statements as per the provisions of Section 47(1) of the Public Audit Act, 2015.**
- 13. The Cabinet Secretary to take appropriate disciplinary action against the Accounting Officer in accordance with the provisions of section 74 of the Public Finance Management Act.**

SPECIAL FUND ACCOUNTS COMMITTEE- FUNDS

3) Unresolved Prior Year Matters

3.1 Unsupported Balances

14. The Statement of financial position of the Fund submitted for the year ended 30 June, 2019 reflected NIL balances for cash and cash equivalents and liquidation fund – capital and all the other balances. No supporting documents including the cash book, ledgers, trial balance and bank confirmation certificates were provided by the management for audit verification. In the circumstances, the accuracy of the financial statements could not be confirmed.

Submissions by the Accounting Officer

15. The Accounting Officer submitted that—

The Liquidation Fund account in the State Department was established in the financial year 2018/19

Observations of the Committee

16. **The Committee observed that—**

- i. **No supporting documents including the cash book, ledgers, trial balance and bank confirmation certificates were provided by the management and**
- ii. **The Matter is not resolved.**

Recommendations of the Committee.

17. **The Committee recommended that—**

Within three months of adoption of this report,

- i. **The accounting officer to submit supporting documents to the Auditor General for audit verification.**
- ii. **The Cabinet Secretary to take disciplinary action against the accounting officer in line with Section 74 of the PFM Act.**

3.2 Incomplete Set of Financial Statements

18. Paragraph 21(d) of international Public Sector Accounting Standards No.1 provides that a complete set of financial statements includes a cash flow statement. However, the financial statements for the year ended 30 June, 2019 provided for audit did not include a cash flow statement. Under the circumstances, the set of financial statements presented for audit was incomplete.

Submissions by the Accounting Officer

19. The Accounting Officer submitted that—

On page 16 of the co-operative societies Liquidation Account financials attached to the Report of the Auditor-General, cash flow statement was availed. The extract of the Report was attached in the Management Responses.

Observations of the Committee

20. The Committee observed that—

- i. The Cashflow statement was part of the certified Financial statements and**
- ii. The Matter is resolved.**

Financial Year 2019/2020

1. Failure to Submit Financial Statements

21. The management of the Fund did not prepare and submit for audit the financial statements and did not maintain the books of accounts for the Fund for nine (9) years ended 30 June, 2004 to 30 June, 2012. This was contrary to the requirements of Section 19(3) of Co-operatives Societies Act which requires that the Fund shall be audited annually by the Auditor -General. In the circumstances, the accuracy of the opening balances could not be confirmed.

Submissions by the Accounting Officer

22. The Accounting Officer submitted that—

It was true that the financial statements were not submitted. No separate Account was maintained for the Liquidation Account and it was reported as an attachment to the Department's main financials. The anomaly has since been corrected and separate account and books maintained.

Observations of the Committee

The Committee observed that—

- (ii) The Management of the Fund did not maintain the books of accounts for the co-operative society's liquidation fund for nine (9) years ended 30 June, 2004 to 30 June, 2012**
- (iii) The Accounting Officer was in breach of section 68(k) and 84(3) of the Public Finance Management Act, Cap. 412A and**
- (iv) The Matter is unresolved.**

Recommendations of the Committee

23. The Committee recommends that—

- (iii) Within three months of the adoption of this report, the Accounting Officer to submit the financial statements for the co-operative society's liquidation fund for nine (9) years ended 30 June, 2004 to 30 June, 2012 to the Auditor general for audit verification;**
- (iv) The Cabinet Secretary to take appropriate disciplinary measures against the Accounting Officer in accordance with the provisions of section 74 of the Public Finance Management Act.**

SPECIAL FUND ACCOUNTS COMMITTEE- FUNDS

1. Unresolved Prior Year Audit matters

24. The following prior year audit matters remained unresolved as at 30 June, 2020:

2.1 Late Submission of Financial Statements

25. The Financial statements of the Fund for the financial years ended 30 June, 2013 to 30 June, 2019, were submitted for audit on 24 February, 2020 contrary to the provisions of sections 68(2) (k) of the Public Finance Management Act, 2012 which requires an Accounting Officer to prepare annual financial statements for each financial year within three months after the end of the financial year.

Submissions by the Accounting Officer

26. The Accounting Officer submitted that—

Management acknowledged the late submission of the financial statements. According to the records available at State Department for cooperatives, Ministry of Industrialization and Enterprise Development did not maintain separate books of accounts for the Liquidation Account but rather reported it together with management and supervision fund and as an attachment to department's main financials. Attached was an extract from the main Financials of The Ministry of Industrialization to the Management Responses. The liquidation Fund account in the State Department was established in 2018/19 FY.

Observations of the Committee

27. The Committee observed that—

- i. **The Accounting Officer was in breach of Section 47(1) of the Public Audit Act, 2015.**
- ii. **The Matter is unresolved.**

Recommendations of the Committee

28. The Committee recommends that—

- (i) **The Accounting Officer should ensure timely submission of for financial statements as per the provisions of Section 47(1) of the Public Audit Act, 2015**
- (ii) **The Cabinet Secretary to take appropriate disciplinary action against the Accounting Officer in accordance with the provisions of section 74 of the Public Finance Management Act.**

2.2 Unsupported Balances

29. As reported in the previous year. Supporting documents including cash books, ledgers trial balances and bank confirmation certificates in support of the cash and cash equivalents and liquidation fund capital balances reflected in the statement of financial position as at 30 June, 2013 to 30 June, 2018 were not provided for audit. Consequently, the accuracy of the reported balances could not be confirmed

Submissions by the Accounting Officer

30. The Accounting Officer submitted that—

In 2013, Ministry of Co-operative Development and Marketing was merged with State Department of Industry and Trade to form The Ministry of Industrialization and Enterprise Development. At the time, the Deposit account was reported as an attachment to the main Ministry's financials and composed of both Management, supervision and Liquidation funds and was audited under it. The Liquidation fund established under the former Ministry was combined with other deposit funds operated by the other two departments under one vote. Consequently, the fund was managed by the Ministry for Industrialization and Enterprise Development, as a general deposits account in the financial years 2012/13, 2013/14, 2014/15 and 2015/16 until 2016/17 when the State Department for Cooperatives was formed and allocated a separate vote. The extract from the main Financials of The Ministry of Industrialization was attached in the Management Responses.

Observations of the Committee

31. The Committee observed that—

- i. **Supporting documents including cash books, ledgers trial balances and bank confirmation certificates in support of the cash and cash equivalents and liquidation fund capital balances were not provided for audit and**
- ii. **The Matter is unresolved.**

Recommendations by the Committee

32. The Committee recommends that—

Within three months of the adoption of this report, the Accounting Officer to submit the Supporting documents in support of the cash and cash equivalents and liquidation fund capital balances to the Auditor-General for verification.

2.3 Incomplete Set of Financial Statements

33. Paragraph 21 (d) of international Public Sector Accounting Standards No 1 provides that a complete set of financial statements includes a cash flow statement. However, the financial statements for the year ended 30 June, 2013 to 30 June, 2018 submitted for audit did not include the cash flow statement. In the Circumstances, the sets of financial statements presented for audit for the six (6) years were incomplete.

Submissions by the Accounting Officer

34. The Accounting Officer submitted that—

In 2013, Ministry of Co-operative Development and Marketing was merged with State Department of Industry and Trade to form The Ministry of Industrialization and Enterprise Development. At the time, the Deposit account was reported as an attachment to the main Ministry's financials and composed of both Management and Liquidation funds and was

SPECIAL FUND ACCOUNTS COMMITTEE- FUNDS

audited under it. He noted that they had attached an extract from the main Financials of The Ministry of Industrialization in the Management Responses.

Observations of the Committee

35. **The Committee observed that—**

- i. The Cashflow statement was part of the certified Financial statements.**
- ii. The Matter is resolved.**

The Financial Year 2020/2021

Report of the Financial statements

36. There were no material issues noted during the audit of the financial statements of the Fund

Report of lawfulness and effectiveness in use of public resources

37. There were no material issues relating to lawfulness and effectiveness in use of public resources.

Report on effectiveness of internal controls, risk management and governance.

38. There were no material issues relating to effectiveness of internal controls, risk management and governance.

The Financial Year 2021/2022

Report of the Financial statements

39. There were no material issues noted during the audit of the financial statements of the Fund

Report of lawfulness and effectiveness in use of public resources

40. There were no material issues relating to lawfulness and effectiveness in use of public resources.

Report on effectiveness of internal controls, risk management and governance.

41. There were no material issues relating to effectiveness of internal controls, risk management and governance.

The Financial Year 2022/2023

1) Inaccuracy of Cash and Cash Equivalents Balance.

42. The statement of financial position reflects cash and cash equivalents balance of Kshs.27,031,912 as disclosed in Note 3 of the financial statements. However, disclosure note 3 reflects a balance of Kshs.23,214,792 resulting in unreconciled variance of Kshs.3,817,120. Although management explained the variance to be as a result of payments made from the liquidation account that ought to have been paid from the recurrent account, documentation

to support the explanation was provided for audit. In the circumstances, the completeness and accuracy of cash and cash equivalents balance of Kshs.27, 037,912 could not be confirmed.

Submissions by the Accounting Officer

43. The Accounting Officer submitted that—

The Support Documentations including the Historical payment vouchers from the then Ministry of Agriculture where the State Department for Cooperatives was domiciled were retrieved and submitted for audit review.

Observations by the Committee

The Committee observed that—

- (i) There was an unreconciled variance of Kshs.3, 817,120 and**
- (ii) The matter is unresolved.**

Recommendations by the Committee

44. **The Committee recommends that—**

Within three months of the adoption of this report, the Accounting Officer to submit the to submit the reconciliation to support the unreconciled variance of Kshs.3, 817,120 to the Auditor-General for verification.

2) Late submission of Financial Statements

45. The management submitted the financial statements for audit on 26 October, 2023 which was twenty -seven (27) days after the statutory deadline of 30 September, 2023 contrary to Section 81(4) (a) of the Public Finance Management Act, 2012 which requires accounting officers to submit financial statements to the Auditor-General within three (3) months after the end of each financial year. In the circumstances, the management was in breach of the law

Submissions by the Accounting Officer

46. The Accounting Officer submitted that—

They acknowledged and regretted the Late submission, and noted that it will not happen again.

Observations of the Committee

47. **The Committee observed that—**

- i. The Accounting Officer was in breach of Section 47(1) of the Public Audit Act, 2015 and**
- ii. The Matter is unresolved.**

SPECIAL FUND ACCOUNTS COMMITTEE- FUNDS

Recommendations of the Committee

48. The Committee recommends that—

- (i) The Accounting Officer should ensure timely submission of financial statements as per the provisions of Section 47(1) of the Public Audit Act, 2015**
- (ii) The Cabinet Secretary to take appropriate disciplinary measures against the Accounting Officer in accordance with the provisions of section 74 of the Public Finance Management Act.**

EXAMINATION OF THE AUDITED FINANCIAL STATEMENTS FOR MANAGEMENT AND SUPERVISION FUND FOR THE FINANCIAL YEAR 2018/2019 TO 2022/2023

1. Mr. Patrick K. Kilemi, the Principal Secretary, State department of Cooperatives appeared before the Committee on Tuesday 22nd July 2025 to adduce evidence on the audited financial statements for the, Management and Supervision Fund for the Financial Years 2018/19 to 2022/2023. During the meeting, the Accounting Officer was accompanied by:
 - i. Mr. David K Obonyo - Commissioner for Cooperatives
 - ii. Mr. Javel M. Murira - Director of Cooperatives Audit
 - iii. Mr. Judah Mukoji - Assistant Accountant General

Financial Year 2018/2019

1) Late Submission of Financial Statements

2. The Financial Statements for the year ended 30th June, 2019 were submitted for audit on 20 February, 2020 contrary to section 68(2)(k) of the Public Finance Management Act, 2012 which requires Accounting Officers to prepare annual financial statements for each financial year within three months after the end of the financial year, Management was in breach of the law. Late submission of financial statements affects the audit programme.

Submissions of the Accounting Officer

3. The Accounting Officer submitted that—

The State Department from the records available the financial statement was submitted for year 2019 on 30th sept 2019 as per Public Finance Act 2012.

Observations of the Committee

4. **The Committee observed that—**
 - i. **The Committee established that the Financial Statements were submitted on time.**
 - ii. **The Matter is resolved.**

2) Unsupported Balances

1.1 Statement of Financial Performance

5. The statement of financial performance for the Year ended 30 june, 2019 reflects and amount of Kshs. 14,035,091 in respect of general expenses. However, no supporting documentation has been provided to support the above balance.

Submissions of the Accounting Officer

6. The Accounting Officer submitted that—

SPECIAL FUND ACCOUNTS COMMITTEE- FUNDS

The financial statements for the year ended 30th June, 2019 reflects an amount of Kshs.14,035,091 in respect of general expenses. The State Department had submitted all the payment vouchers together with cashbook for audit. However, the payment vouchers for the same amount are available for verification.

Observations of the Committee

7. The Committee observed that—

- i. The payment vouchers and the cashbook have since been provided
- ii. The matter is resolved.

1.2 Statement of Financial Position

8. The Statement of financial position as at 30th June, 2019 reflects a balance of Kshs.7,758,732 under cash and cash equivalents and Kshs. 10,219,347 as management and Supervision fees-debtors. However, no supporting documentation has been provided for the balances.

Submissions of the Accounting Officer

9. The Accounting Officer submitted that—

The cash and cash equivalent balance Ksh 7,758,732 was the reconciled cash book balance as at 30th June, 2019. The balance is further supported by the cash book extract, bank certificate of balances as at 30th June 2019. The amount of Kshs.10,219,347 represents debts owed to the Department in respect of audit and supervision fee for the previous years. The amount relates to audit and supervision fees not paid in the years prior to 2016. attached Is the schedule in support of management and supervision fees-debtors. The State Department have initiated writing off an collected debtors.

Observations of the Committee

10. The Committee observed that—

- i. No supporting documentation has been provided to support the balances of Kshs.7,758,732 under cash and cash equivalents and Kshs. 10,219,347 as management and Supervision fees- debtors.
- ii. The Matter is unresolved.

Recommendations of the Committee

11. The Committee recommended that –

- i. Within three months upon adoption of this report, the Accounting officer to submit a supporting documentation to support the balances of Kshs.7,758,732 under cash and cash equivalents and Kshs. 10,219,347 as management and Supervision fees- debtors to the Auditor General for Audit verification.

- ii. **The Cabinet Secretary for National Treasury and Economic Planning to institute disciplinary measures against the Accounting Officer in line with section 74 of the PFM Act.**
- iii. **The Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of Annual Reports and financial statements and in accordance with the standards prescribed by the Public Sector Accounting Standards Board and in compliance with regulation 101 (4) of the public finance management (National Government) Regulations**

3) Inaccuracies in the Financial Statements

12. The statement of changes in net assets reflects a balance of Kshs, 18,760,263 as net fund balance as at 30th June ,2019 which differs with the balances of Kshs. 18,894,544 reflected in the statement of financial position resulting to an unexplained difference of Kshs. 134,281, Further, the deficit for the period of Kshs. 2,765,651 is reflected as Kshs. 2,815,604 resulting to difference of Kshs.49,953 which has not been explained.

Submissions of the Accounting Officer

13. The Accounting Officer submitted that—

We acknowledge there was an error in preparation of financial report. The error has been corrected in subsequent Financial Statement.

Observations of the Committee

14. **The Committee observed that—**

- a. **The statement of changes in net assets and deficit reflected an unexplained difference of Kshs. 134,281 and Kshs.49,953 respectively.**
- b. **The Matter is unresolved.**

Recommendations of the Committee

15. **The Committee recommended that –**

- i. **Within three months on adoption of this report the accounting Officer to provide supporting documentation to reconcile the variance of Kshs. 134,281 and Kshs.49,953 to the Auditor General for audit verification.**
- ii. **The Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of Annual Reports and financial statements and in accordance with the standards prescribed by the Public Sector Accounting Standards Board and in compliance with regulation 101 (4) of the public finance management (National Government) Regulations**

Financial year 2019/2020

1. Inaccuracies in the Financial Statements.

16. The statement of financial position reflects a balance of Kshs.728,671 under property plant and equipment. However, the balance was not supported with schedules and register for audit verification purposes, further, the statement reflects a balance of Kshs. 1,732,278 in respect of cash equivalents which differs with cash book balance of Kshs. 4,292,758 resulting to unreconciled difference of Kshs. 2,560,480 which has not been explained.
17. In addition, the statement reflects an amount of Kshs, 6,214,248 as the deficit drawn from operations for the year, which differs by Kshs.45,041 with the balance of Kshs. 6,169,207 reflected on the statement of financial performance. No explanation has been given for unreconciled difference.

Submissions of the Accounting officer

18. The Accounting Officer submitted that—

The State Department for Cooperative maintains an Assets register under property plant and Equipment, which is available for verification. The Management acknowledged that there was an error in preparation of financial report and that moving forward this will be rectified.

Observations of the Committee

19. The Committee observed that—

- i. **The statement of financial position balance was not supported with schedules and the asset register.**
- ii. **The statement of financial position in respect of cash equivalents and deficit reflected an unexplained difference of Kshs. 2,560,480 and Kshs.45,041 respectively.**
- iii. **The matter is unresolved**

Recommendations of the Committee

20. The Committee recommends that –

- i. **within three months upon the adoption of this report the Accounting Officer provides**
 - a) **schedules and the asset register to the Auditor General for audit verification.**
 - b) **supporting documentation to reconcile the variance of Kshs. 2,560,480 and Kshs.45,041 to the Auditor General for audit verification.**
- ii. **The Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of Annual Reports and financial statements and in accordance with the standards prescribed by the Public Sector Accounting Standards Board and**

in compliance with regulation 101 (4) of the public finance management (National Government) Regulations

2. Late Submission of Financial Statements

21. The financial statements for the years ended 30 June, 2013 up to 30 June 2019 were submitted for audit on 20 February 2020 contrary to Section 68(2) (k) of the Public Finance Managements Act, 2012 which requires accounting Officers to prepare annual financial statements for each financial year within three months after the end of the financial year. Management was in breach of the law. Late submission of financial statements affects the audit programme.

Submissions of the Accounting Officer

22. The Accounting Officer submitted that—

The Accounting officer confirmed that from the records available the financial statements were submitted for year 2013,2014,2015,2016,2017,2018 and were received on 14th Aug. 2019 in Auditor Generals office Ref: SDC/ACCOUNTS/FIN/00105 and for year ended 2019 was received on 30th Sept 2019 SDC/ACCOUNTS/FIN/00102 as per Public Finance Act 2012.

Observations of the Committee

23. **The Committee observed that—**

- i. The Committee established that the Financial Statements were submitted on time.**
- ii. The Matter is resolved.**

3. Unsupported Balances.

24. The statement of financial performance for the year ended 30 June, 2019 reflects an amount of Kshs.14,035,091 in respect of general expenses. However, no supporting documentation has been provided to support the above balance. The statement of financial position as at 30 June, 2019 reflects a balance of Ksh.7,758,732 under cash and cash equivalents and Kshs.10,219,347 as management and Supervision fees – debtors.
25. However, no supporting documentation has been provided for the balances. In absence of relevant information, documents and records for audit verification, it was not possible to confirm the accuracy and completeness of the balances reflected in the financial statements.

Submissions of the Accounting Officer

26. The Accounting Officer submitted that—

The Accounting officer confirmed that the financial statements for the year ended 30th June, 2019 reflects an amount of Kshs.14,035,091 in respect of general expenses. The State Department had submitted all the payment vouchers together with cashbook for audit.

SPECIAL FUND ACCOUNTS COMMITTEE- FUNDS

27. The cash and cash equivalent balance was the bank balance as at 30th June, 2019. The balance is further supported by the bank certificate of balances as at 30th June 2019. The amount of Kshs.10,219,347 represents debts owed to the Department in respect of audit and supervision fee for the previous years. The amount relates to audit and supervision fees not paid in the years prior to 2016.

Observations of the Committee

28. **The Committee observed that—**

- i. **The payment vouchers and the cashbook have since been provided.**
- ii. **The matter is resolved.**

Financial year 2020/2021.

1) **Under-Payment of Appropriations-In-Aid (AIA)**

29. The statement of financial performance reflects revenue from non-exchange transactions totaling Kshs.16,401,646 and transfer of Appropriations-In-Aid (A.I.A) of Kshs. 4,000,000 under expenses for the year ended 30 June. 2021. The Fund apparently transferred an amount of Kshs.4,000,000 to the State Department instead of Kshs 8,200,823 resulting in an underpayment by Kshs.4,200,823 or 24% of the total revenue collected.

30. This is contrary to Section 19(1) of the Cooperative Societies Rules,2004, which states that fifty (50) per cent of the annual receipts received by the Fund shall be payable half yearly to the Government as Appropriations-In-Aid. In the circumstances, the validity, accuracy and completeness of the transfer of AIA of Kshs. 4,000,000 for the year ended 30 June. 2021 could not be confirmed.

Submissions of the Accounting Officer

31. The Accounting Officer submitted that—

The Accounting officer acknowledged that the amount in the mentioned account constituted an audit Fee, retention and enquiry fees of Ksh.16,401,646 as indicated in the statement of Financial Performance. However, the transfer to AIA for the year ended 2021 was Ksh.4,000,000 which was remitted and the balance was remitted in the Financial year ended June 2022.

Observations of the Committee

32. **The Committee observed that—**

- i. **The Fund did not transfer 4,000,000 to the State Department contrary to Section 19(1) of the Cooperative Societies Rules,2004, which provides that fifty (50) per cent of the annual receipts received by the Fund shall be payable half yearly to the Government as Appropriations-In-Aid**
- ii. **The matter is unresolved**

Recommendations of the committee

33. **Within three months of adoption of this report the fund to submit evidence of transfer of the balance amounting to Kshs. 4,000,000 to the Auditor General for audit verification.**

2) Failure to follow legal Provisions for writing-off Debts.

34. Examination of debtor ledgers revealed that the Management wrote-off debts amounting to Ksh.24,022,267 owed to the Fund without submitting relevant loss and write-off authorization reports to The National Treasury and the Auditor-General or applying the provisions of Regulations 145(b) and 148(5), (6) and (7) of the Public Finance Management (National Government) Regulations, 2015.
35. According to the Regulations, the term losses include non-collection of any moneys due or belonging to National Government and, if the loss falls within the Accounting Officer's powers under section 69(1) of the Public Finance management Act, 2012, he shall authorize the write-off of the loss up to an amount not exceeding Hundred Thousand (Ksh.100,000) shillings in any one incidence.
36. Further, if the loss falls within the Cabinet Secretary's powers under section 69(2) of the Act, the Accounting Officer shall seek the approval of the Cabinet Secretary to authorize him to write-off the loss of an amount exceeding one hundred thousand (Ksh.100,000) shillings but exceeding one percent of the National Government's entity's approved estimates excluding the Consolidated Fund Services in any one incidence.
37. Although it was explained that the Management wrote-off the debts by invoking Rule 18(1) of the Co-operatives Societies Rules, 2004 under Co-operative Societies Act,1997, where every registered society shall unless exempt in writing by the Commissioner pay into it annually an audit and supervision fee, the Management was nevertheless in breach of the law because a write off is not the same an exemption.

Submissions of the Accounting Officer

38. The Accounting Officer submitted that—

There was an authorization of writing off debts (Waiver) which was authorized by the Commissioner for Co-operative on 10thSeptember, 2013 pursuant to the provision of the Cooperative Societies Rule 18(1) of the Cooperative Society Rule, 2004.

39. The write-off was done for dormant and liquidated societies by raising credit notes to the to the respective individual societies amounting to Ksh.24,022,267.00 with the net effect of reducing the debts to nil balances in the ledgers of the respective societies.
40. During the period when the write-offs were authorized and effected the Public Finance Management Act, 2012 was not fully in effect and the Public Finance Management Regulations, 2015 had not been passed and gazetted into law.

Observations of the Committee

41. **The Committee observed that—**

SPECIAL FUND ACCOUNTS COMMITTEE- FUNDS

- i. Management wrote-off debts amounting to Ksh.24,022,267 owed to the Fund without submitting relevant loss and write-off authorization reports to The National Treasury and the Auditor-General or applying the provisions of Regulations 145(b) and 148(5), (6) and (7) of the Public Finance Management (National Government) Regulations, 2015.
- ii. The Matter is unresolved

Recommendations of the Committee

42. The committee recommended that—

- i. Within three months of the adoption of this report the Accounting Officer reinstates the irregular write off into the books of accounts and seek authority from the National Treasury in accordance with section 69 of the Public Finance Management Act Cap 412A.
- ii. The Cabinet Secretary to institute disciplinary measures against the Accounting Officer in line with section 74 of the PFM Act.

Financial year 2021/2022

1) Unsupported Cash and Cash Equivalents.

43. The statement of financial position and Note 4 to the financial statements reflects cash and cash equivalents balance of Kshs.2, 536,230. The balance was not supported with a cash book and a bank reconciliation statement as Management did not open a separate bank account for the fund but instead operated the Fund from the State Department for Cooperatives Deposit Account. In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.2, 536,230 could not be confirmed.

Submissions of the Accounting Officer

44. The Accounting Officer submitted that—

The Accounting officer noted that following changes in Government and establishment of the State Department for Co-operatives, the department was granted authority to open three accounts namely Recurrent, Development and Deposit Account. All other revenues collectable in the department that does not fall in the above stated accounts was deposited in Deposit Account.

45. The Management and supervision fund does not have a separate bank account and a separate cash book as required under Regulation 90(1) & (3) of the Public Finance Management (National Government) Regulations. The management had written a letter to The National Treasury to seek authority to open a bank account for the fund.

Observations of the Committee

46. The Committee observed that—

- i. **The Management and supervision fund did not have a separate bank account and a separate cash book thus in breach of Regulation 90(1) & (3) of the Public Finance Management (National Government) Regulations.**
- ii. **The request to open a bank account had not been acted upon by The National Treasury.**
- iii. **Matter is unresolved**

Recommendations by the Committee

47. The Committee recommended that—

Within three months of adoption of this report the National Treasury to give authority for the Fund to operate a separate bank account and cashbook

2) Long Outstanding Debts.

48. The statement of financial position and Note 7 to the financial statements reflects management and supervision fees-debtors balance of Kshs.10,219,347. A review of the schedules provided for audit revealed that these debts remained un-recovered for more than ten (10) years. It is not clear why these debts have remained uncollected and no evidence of the Management's effort to recover the debts was provided. In the circumstances, the accuracy and recoverability of the debtor's balance of Kshs.10, 219,347 could not be confirmed.

Submissions of the Accounting Officer

49. The Accounting Officer submitted that—

According to the record available in the department they indicate lists of dormant societies that resulted to debts amounting to Ksh.10,219,347 owed to the Department. The amount relates to audit and supervision fees not paid in the years prior to 2016. The Department have initiated a process of reviewing these debts with a view to seek authority from the National Treasury to write off.

Observations of the Committee

50. The Committee observed that—

- i. **The accuracy and recoverability of the supervision fee debtor's balance of Kshs.10, 219,347 could not be confirmed.**
- ii. **The matter is unresolved.**

Recommendations of the Committee

51. The Committee recommended that—

Within three months upon the adoption of this report the Accounting Officer to seek authority from the National Treasury to write off the debt in accordance with section 69 of the Public Finance Management Act Cap 412A.

1) Inaccuracy of Cash and Cash Equivalents Balance

52. The statement of financial position and as disclosed and Note 4 to the financial statements reflects cash and cash equivalents balance of Kshs 3,296,598. However, the balance differs from the trial balance amount of Kshs. 7,966,439 resulting in unreconciled balance of Kshs. 4,669,841. Further, the cash and cash equivalent opening balance is reflected as negative Kshs. 2,133,610 against the audited balance of Kshs. 2,536,210 resulting in unreconciled variance of Kshs. 4,669,840.
53. In addition, the balance is maintained in the State Department for Co-operatives Deposit account contrary to Section 68(2)(b) of the Public Finance Management Act, 2012 which requires an accounting officer to ensure that the entity keeps financial and accounting records that comply with the Act. In the circumstances, the completeness and accuracy of the reported cash and cash equivalent balance of Kshs. 3,296,598 could not be confirmed.

Submissions of the Accounting Officer

54. The Accounting Officer submitted that—
The management acknowledged that there was an error in preparation of financial report and that moving forward there will be no such mistake.

Observations of the Committee

55. **The Committee observed that—**
- i. **The completeness and accuracy of the reported cash and cash equivalent balance of Kshs. 3,296,598 could not be confirmed.**
 - ii. **The Matter is unresolved.**

Recommendations by the Committee

56. **The Committee recommended that—**
- i. **within three months upon adoption of this report, the accounting officer to submit documents to support the balance of reconciling the balance of Kshs. 3,296,598 to the auditor General for audit verification.**
 - ii. **The Accounting Officer ensures that all applicable accounting and controls, systems, standards, laws, and procedures are followed in the preparation of Annual Reports and financial statements and in accordance with those prescribed by the Public Sector Accounting Standards Board with regulation 101 (4) of the public finance management Regulations**

2) Unsupported Debtors Balance.

57. The statement of financial position and as disclosed in Note 4 to the financial statements. However, the balance has not been supported by details under current assets contrary to the provisions of paragraph 101 (4) of the Public Finance Management Regulations.



SPECIAL FUND ACCOUNTS COMMITTEE- FUNDS

current when it is expected to be realized within twelve months after the collected and what effort is doing to ensure full recovery of the debts. Further no debt analysis was provided to support the debt balance.

Submissions of the Accounting Officer

The Accounting Officer submitted that—

58. The amount of Kshs.10,219,347 represents debts owed to the Department in respect of audit and supervision fee for the previous years. The amount relates to audit and supervision fees not paid in the years prior to 2016.

Observations of the Committee

59. The Committee observed that—

- i. The balance of Kshs.10,219,347 had not been supported by detailed analysis of the debtors
- ii. Matter is unresolved.

Recommendations by the Committee

60. The Committee recommended that—

- i. within three months upon adoption of this report, the accounting officer to submit detailed analysis of the debtors to support the balance Kshs.10,219,347.
- ii. The Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of Annual Reports and financial statements and in accordance with the standards prescribed by the Public Sector Accounting Standards Board and in compliance with regulation 101 (4) of the public finance management (National Government) Regulations

SIGNED..... DATE.....

HON. FATUMA ZAINAB MOHAMMED, MP
(CHAIRPERSON)

SPECIAL FUNDS ACCOUNTS COMMITTEE

THE NATIONAL ASSEMBLY
PAPERS LAID

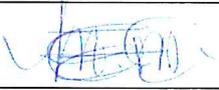
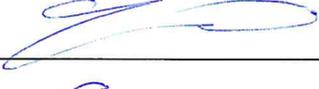
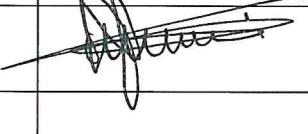
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DAY.

THIRTEENTH PARLIAMENT – SECOND SESSION
THE NATIONAL ASSEMBLY
SPECIAL FUNDS ACCOUNTS COMMITTEE.

ADOPTION LIST FOR THE
REPORT ON AUDITED FINANCIAL STATEMENTS FOR
THE:

Co-operative Societies Liquidation Account for the Financial years
2018/19 to 2023/24

NO.	NAME	SIGNATURE
1.	Hon. Fatuma Zainab Mohammed, MP - Chairperson	
2.	Hon. Dawood Abdul Rahim, HSC, MP – Vice-Chairperson	
3.	Hon. Otucho Mary Emaase Mp	
4.	Hon. Charles Ngusya Nguna, MP	
5.	Hon. Dr. Christine Ombaka Oduor, MP	
6.	Hon. Erastus Kivasu Nzioka, MP	
7.	Hon. Eve Akinyi Obara, MP	
8.	Hon. Joseph Majimbo Kalasinga, MP	
9.	Hon. Tom Mboya Odege, MP	
10.	Hon. Catherine Nakhabi Omanyo, MP	
11.	Hon. Cecilia Asinyen Ngigit, MP	
12.	Hon. Erick Kahugu Mwangi MP	
13.	Hon. Joseph Kimutai Cherorot, MP	
14.	Hon. Paul Biego Kibichy, MP	
15.	Hon. Onchoke Charles Mamwacha, MP	

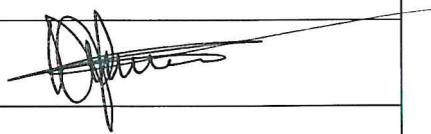
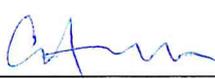
THIRTEENTH PARLIAMENT – SECOND SESSION

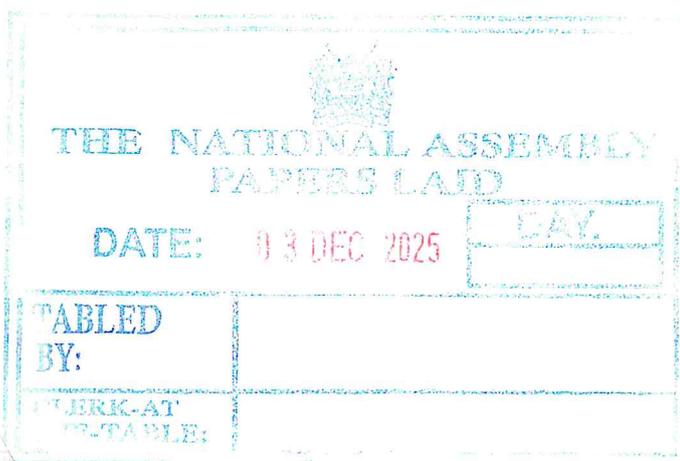
THE NATIONAL ASSEMBLY

SPECIAL FUNDS ACCOUNTS COMMITTEE.

**ADOPTION LIST FOR THE
REPORT ON AUDITED FINANCIAL STATEMENTS FOR
THE:**

**Management and Supervision Fund for the Financial years 2018/19 to
2023/24.**

NO.	NAME	SIGNATURE
1.	Hon. Fatuma Zainab Mohammed, MP - Chairperson	
2.	Hon. Dawood Abdul Rahim, HSC, MP – Vice-Chairperson	
3.	Hon. Otucho Mary Emaase Mp	
4.	Hon. Charles Ngusya Nguna, MP	
5.	Hon. Dr. Christine Ombaka Oduor, MP	
6.	Hon. Erastus Kivasu Nzioka, MP	
7.	Hon. Eve Akinyi Obara, MP	
8.	Hon. Joseph Majimbo Kalasinga, MP	
9.	Hon. Tom Mboya Odege, MP	
10.	Hon. Catherine Nakhabi Omanyoo, MP	
11.	Hon. Cecilia Asinyen Ngigit, MP	
12.	Hon. Erick Kahugu Mwangi MP	
13.	Hon. Joseph Kimutai Cherorot, MP	
14.	Hon. Paul Biego Kibichy, MP	
15.	Hon. Onchoke Charles Mamwacha, MP	



MINUTES OF THE 12TH SITTING IN THE FOURTH SESSION OF SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON TUESDAY, 22ND JULY 2025, IN COMMITTEE ROOM 12, 2ND FLOOR, BUNGE TOWERS AT 10.00AM.

PRESENT

1. Hon. Fatuma Zainab Mohammed, MP - Chairperson
2. Hon. Charles Ngusya Nguna, MP
3. Hon. Otuocho Mary Emaase, MP
4. Hon. Erastus Kivasu Nzioka, MP
5. Hon. Tom Mboya Odege, MP
6. Hon. Cecilia Asinyen Ngigit, MP
7. Hon. Onchoke Charles Mamwacha, MP
8. Hon. Joseph Kimutai Chererot, MP
9. Hon. Paul Kibichi Biego, MP

APOLOGIES

1. Hon. Eve Akinyi Obara, MP
2. Hon. Dawood Abdul Rahim, HSC, MP - Vice Chairperson
3. Hon. Dr. Christine Ombaka Oduor, MP
4. Hon. Catherine Nakhabi Omanyoo, MP
5. Hon. Joseph Majimbo Kalasinga, MP
6. Hon. Kahugu Erick Mwangi, MP

IN ATTENDANCE

NATIONAL ASSEMBLY SECRETARIAT

1. Ms. Comfort Achieng - Clerk Assistant III
2. Mr. Nimrod Mate - Clerk Assistant III
3. Mr. Robert Ngetich - Fiscal Analyst II
4. Ms. Penninah Simireo - Legal Counsel II
5. Ms. Bevaline Mosoti - Research Officer II
6. Mr. Derrick Kathurima - Media Relations Officer
7. Ms. Felistus Muiya - Protocol Officer
8. Mr. Peter Mutethia - Audio Officer III
9. Mr. Joshua Lenambeti - SAAIL
10. Mr. Patrick Matipe - Attachee.

MANAGEMENT SUPERVISION FUND AND CO-OPERATIVE SOCIETIES LIQUIDATION FUND.

The Permanent Secretary, State Department for Co-operatives **Mr. Patrick Kilemi** appeared before the committee accompanied by the following officers ;

- | | | |
|------------------------|---|----------------------------|
| 1. Mr. David K Obonyo | - | SDC - CCD |
| 2. Mr. Javel M. Murira | - | Director of Administration |
| 3. Mr. Joel MkigiJudah | - | AAG |

OFFICE OF THE AUDITOR-GENERAL

- | | | |
|------------------------|---|------------------------|
| 1. Mr. David Osiemo | - | Liaison Officer. |
| 2. Mr. Sammy M. Ng'ati | - | Deputy Director, Audit |
| 3. Ms. Phanice Gekonge | - | Liason Officer |
| 4. Dr. Jackson Ndungo | - | National Treasury |

MIN. NA/AA&GPC-SFAC/2025/032

PRELIMINARIES

The Chairperson called the meeting to order at 10.00 am, followed by a word of prayer and introductions. The following agenda was adopted as circulated:

1. Prayers.
2. Preliminaries/Introductions.
3. **Examination of the Auditor General Reports on Accounts of Management and Supervision Fund and Cooperatives Societies Liquidation Fund for financial Years 2018/2019 to 2022/23.**
4. Any Other Business.
5. Adjournment Date of the next meeting.

The Permanent Secretary who is the Accounting Officer for the two funds took the oath of witness and testified as follows.

MIN. NA/AA&GPC-SFAC/2025/0033

Management Brief.

The Management and Supervision Fund and the Co-operative Societies Liquidation Account are statutory mechanisms under the Co-operative Societies Act (Cap 490) and Co-operative Societies Rules (2004), designed to regulate and support Kenya's co-operative sector.

Management and Supervision Fund was established in 2004, under Rule 18 of the Co-operative Societies Rules, pursuant to the Co-operative Societies Act (Cap 490), revised 2012.

Purpose: To finance the administration, audit, and supervision of co-operative societies, ensuring compliance and operational efficiency. It covers expenses like equipment repairs, clerical assistance, professional audit fees, liquidation costs, and other Treasury-approved expenditures.

Every registered co-operative society, unless exempted in writing by the Commissioner, must pay an annual audit and supervision fee into the Fund.

MIN. NA/AA&GPC-SFAC/2025/034

1. COOPERATIVES SOCIETIES LIQUIDATION ACCOUNT FOR FINANCIAL YEAR 2018/2019

Failure to submit Financial Statements.

Management of the fund failed to prepare and keep separate books of accounts for nine years from 30th June 2004 to 30th June 2012.

Management failed to prepare and submit financial statements for audit for the same period.

Management Response.

Separate books of accounts had not been maintained for the period quoted as the account was reported as an attachment to the Department's main financial statements.

The liquidation fund Account was established in the state department in the 2018/2019 FY.

Committee Observation.

Separate Liquidation Account's Financial records and statements for period from 2018/2019 have been prepared, submitted and audited.

2. Unsupported Balances.

The Statement of financial position reflected NIL balances for cash and cash equivalents and liquidation fund – capital and all the other balances

There was no supporting documents including the cash book, ledgers, trial balance and bank confirmation certificates provided by the management for audit verification

Management Response

The Liquidation Fund account in the State Department was established in 2018/19 FY.

Committee Observation.

The 2018/2019 Financial statements were the first statements prepared and submitted for the Liquidation Fund.

The Committee gave the agency 14 days to submit audited accounts for the period 2004 - 2012 Financial period.

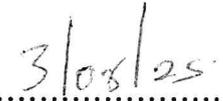
2019/2020 Financial Year.

The issues were the same as those of 2018/2019 whereas in 2020/2021 to 2021/2022 there were no materiel audit issues raised.

The committee directed the secretariat to take written submissions for the period 2022/2023 and 2023/2024 for report writing.

NA/AA&GPC-SFAC/2025/035 ADJOURNMENT/DATE OF NEXT MEETING

There being no other business, the meeting was adjourned at 12.30 p.m.

SIGNED..........DATE..........

HON. FATUMA ZAINAB MOHAMMED, MP
(CHAIRPERSON)

SPECIAL FUNDS ACCOUNTS COMMITTEE

MINUTES OF THE 25TH SITTING IN THE FOURTH SESSION OF SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON WEDNESDAY, 12TH NOVEMBER 2025, IN COMMITTEE ROOM 12 ON 2ND FLOOR, BUNGE TOWERS AT 10.00AM.

PRESENT

1. Hon. Fatuma Zainab Mohammed, MP - Chairperson
2. Hon. Dawood Abdul Rahim, HSC, MP - Vice Chairperson
3. Hon. Erastus Kivasu Nzioka, MP
4. Hon. Charles Ngusya Nguna, MP
5. Hon. Tom Mboya Odege, MP
6. Hon. Cecilia Asinyen Ngitit, MP
7. Hon. Joseph Majimbo Kalasinga, MP
8. Hon. Joseph Kimutai Cherorot, MP
9. Hon. Catherine Nakhabi Omanyoo, MP

APOLOGIES

1. Hon. Otuochi Mary Emaase, MP
2. Hon. Paul Kibichi Biego, MP
3. Hon. Eve Akinyi Obara, MP
4. Hon. Dr. Christine Ombaka Oduor, MP
5. Hon. Onchoke Charles Mamwacha, MP
6. Hon. Kahugu Erick Mwangi, MP

IN ATTENDANCE

NATIONAL ASSEMBLY SECRETARIAT

1. Mr. Erick Nyambati - Senior Clerk Assitant
2. Ms. Comfort Achieng - Clerk Assistant III
3. Ms. Mercy Kinyua - Legal Counsel II
4. Ms. Bevaline Mosoti - Research Officer III
5. Mr. Derrick Kathurima - Media Relations Officer III
6. Mr. Joshua Lenambet - Sergeant-at-arms
7. Ms. Felistus Muiya - Public Communications Officer III
8. Mr. Peter Mutethia - Audio Officer III

MIN. NA/AA&GPC-SFAC/2025/074 PRELIMINARIES

The Chairperson called the meeting to order at 9.58 am, followed by a word of prayer and introductions. The following agenda was adopted as circulated:

1. Prayers.
2. Preliminaries/Introductions.
3. **Consideration and adoption of the following reports on the audited financial statements —**

- a) Kenya Universities and Colleges Central Placement Staff Car loan and Mortgage scheme Fund for the Financial Years 2018/19 to 2021/2022
 - b) National Land Commission Car loan and Mortgage scheme fund
4. Any Other Business.
 5. Adjournment Date of the next meeting.

MIN. NA/AA&GPC-SFAC/2025/075 CONSIDERATION AND ADOPTION OF REPORTS.

1. Kenya Universities and Colleges Central Placement Staff Car loan and Mortgage scheme Fund for the Financial Years 2018/19 to 2021/2022

The Committee unanimously adopted the report on the consideration of the audited accounts of the Kenya Universities and Colleges Central Placement Staff Car loan and Mortgage scheme Fund for the Financial Years 2018/19 to 2021/2022. The adoption of the report was proposed by Hon. Erastus Kivasu, MP. and seconded by Hon. Tom Odege, MP

2. National Land Commission Car loan and Mortgage Scheme Fund for the Financial Years 2020/2021 and 2021/2022.

The Committee unanimously adopted the report on the consideration of the audited accounts of the National Land Commission Car loan and Mortgage Scheme Fund for the Financial Years 2020/2021 and 2021/2022. The adoption of the report was proposed by Hon. Erastus Kivasu, MP. and seconded by Hon. Charles Nguna Ngusya, MP

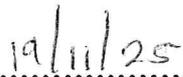
MIN. NA/AA&GPC-SFAC/2025/076 ANY OTHER BUSINESS

Retreat with the State Department of Petroleum

- i) The Committee was informed that State Department for Petroleum had proposed a two-day retreat from **13th to 16th November, 2025** to examine the audited accounts of Petroleum Development Levy Fund and Petroleum Training Fund for the Financial Years 2018/2019 to 2023/2024.
- i) The Committee resolved to postpone the retreat to the week of **20th - 23rd November 2025** since most Members will be unavailable during this period

NA/AA&GPC-SFAC/2025/77 ADJOURNMENT/DATE OF NEXT MEETING

There being no other business, the meeting was adjourned at 11.58 a.m. The next meeting will be held on notice.

SIGNED..........DATE..........

HON. FATUMA ZAINAB MOHAMMED, MP

(CHAIRPERSON)

SPECIAL FUNDS ACCOUNTS COMMITTEE

MINUTES OF THE 29TH SITTING IN THE FOURTH SESSION OF SPECIAL FUNDS ACCOUNTS COMMITTEE HELD ON TUESDAY, 25TH NOVEMBER 2025, IN COMMITTEE ROOM 12 ON 2ND FLOOR, BUNGE TOWERS AT 10.00AM.

PRESENT

1. Hon. Fatuma Zainab Mohammed, MP - **Chairperson**
2. Hon. Charles Ngusya Nguna, MP
3. Hon. Otucho Mary Emaase, MP
4. Hon. Tom Mboya Odege, MP
5. Hon Onchoke Charles Mamwacha, MP
6. Hon. Catherine Nakhabi Omanyoo, MP

APOLOGIES

1. Hon. Dawood Abdul Rahim, HSC, MP - **Vice Chairperson**
2. Hon. Eve Akinyi Obara, MP
3. Hon. Joseph Majimbo Kalasinga, MP
4. Hon. Erastus Kivasu Nzioka, MP
5. Hon. Paul Kibichi Biego, MP
6. Hon. Dr. Christine Ombaka Oduor, MP
7. Hon. Joseph Kimutai Cherorot, MP
8. Hon. Cecilia Asinyen Ngigit, MP
9. Hon. Kahugu Erick Mwangi, MP

IN ATTENDANCE

NATIONAL ASSEMBLY SECRETARIAT

1. Mr. Erick Nyambati - Senior Clerk Assitant
2. Ms. Mercy Kinyua - Legal Counsel II
3. Ms. Bevaline Mosoti - Research Officer III
4. Mr. Derrick Kathurima - Media Relations Officer III
5. Mr. Joshua Lenambet - Sergeant-at-arms
6. Ms. Felistus Muiya - Public Communications Officer III
7. Mr. Peter Mutethia - Audio Officer III

MIN. NA/AA&GPC-SFAC/2025/094 PRELIMINARIES

The Chairperson called the meeting to order at 9.50 am, followed by a word of prayer and introductions. The following agenda was adopted as circulated:

1. Prayers.
2. Preliminaries/Introductions.
3. **Consideration and adoption of the following reports on the audited financial statements —**
 - a) **Public Service Commission Staff Car loan and Mortgage scheme Fund for the Financial Years 2018/19 to 2021/2022.**



- b) **The Office of the Director of Public Prosecutions Car Loan and Mortgage Scheme Fund For Financial Years 2018/2019 to 2021/2022.**
 - c) **State Officers and Public Officers Motor Car Loan Scheme Fund for Financial Years 2019/2020 To 2021/ 2022.**
 - d) **Cooperative Societies Liquidation Account Fund for Financial Years 2018/2019 To 2022/2023.**
 - e) **Management and Supervision Fund for Financial Years 2018/2019 To 2022/ 2023.**
- 4. Any Other Business.
 - 5. Adjournment Date of the next meeting.

MIN. NA/AA&GPC-SFAC/2025/095 CONSIDERATION AND ADOPTION OF REPORTS.

1. Public Service Commission Staff Car loan and Mortgage scheme Fund for the Financial Years 2018/19 to 2021/2022.

The Committee unanimously adopted the report on the consideration of the audited accounts of the Public Service Commission Staff Car loan and Mortgage scheme Fund for the Financial Years 2018/19 to 2021/2022. The adoption of the report was proposed by Hon. Charles Nguna Ngusya, MP. and seconded by Hon. Tom Odege, MP.

2. The Office of the Director of Public Prosecutions Car Loan and Mortgage Scheme Fund For Financial Years 2018/2019 to 2021/2022.

The Committee unanimously adopted the report on the consideration of the audited accounts of The Office of the Director of Public Prosecutions Car Loan and Mortgage Scheme Fund For Financial Years 2018/2019 to 2021/2022.

The adoption of the report was proposed by Hon. Otucho Mary Emaase, MP. and seconded by Hon. Onchoke Charles Mamwacha, MP.

3. State Officers and Public Officers Motor Car Loan Scheme Fund for Financial Years 2019/2020 To 2021/ 2022.

The Committee unanimously adopted the report on the consideration of the audited accounts of State Officers and Public Officers Motor Car Loan Scheme Fund for Financial Years 2019/2020 To 2021/ 2022.

The adoption of the report was proposed by Hon. Otucho Mary Emaase, MP. and seconded by Hon. Charles Nguna Ngusya, MP.

4. Cooperative Societies Liquidation Account Fund for Financial Years 2018/2019 To 2022/2023.

The Committee unanimously adopted the report on the consideration of the audited accounts of Cooperative Societies Liquidation Account Fund for Financial Years 2018/2019 To 2022/2023.

The adoption of the report was proposed by Hon. Tom mboya Odege, MP. and seconded by Hon. Onchoke Charles Mamwacha, MP.

5 Management and Supervision Fund for Financial Years 2018/2019 To 2022/ 2023.

The Committee unanimously adopted the report on Management and Supervision Fund for Financial Years 2018/2019 To 2022/ 2023.

The adoption of the report was proposed by Hon. Otucho Mary Emaase, MP. and seconded by Hon. Charles Nguna Ngusya, MP.

NA/AA&GPC-SFAC/2025/96 ADJOURNMENT/DATE OF NEXT MEETING

There being no other business, the meeting was adjourned at 12.00 Noon. The next meeting will be held on notice.



27/11/25

SIGNED.....DATE.....

**HON. FATUMA ZAINAB MOHAMMED, MP
(CHAIRPERSON)
SPECIAL FUNDS ACCOUNTS COMMITTEE**

