

NAIROBI CITY COUNTY



**NAIROBI CITY COUNTY ASSEMBLY  
SECOND ASSEMBLY – SECOND SESSION**

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**THE REPORT OF THE SELECT COMMITTEE ON PUBLIC ACCOUNTS**

**ON**

**THE CONSIDERATION OF THE REPORT OF THE AUDITOR-GENERAL ON THE  
FINANCIAL STATEMENTS OF NAIROBI CITY COUNTY ASSEMBLY SERVICE BOARD  
MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017**

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Clerks Chambers  
Nairobi City County Assembly  
City Hall Buildings  
NAIROBI

**AUGUST 2018**

*Paper Laid  
on  
15<sup>th</sup> August  
2018.*

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## 1.0. PREFACE

Hon. Speaker,

On behalf of the Public Accounts Committee (PAC) and pursuant to the provision of Standing Order 191(6), it is my pleasant privilege and honour to present to this Assembly this report of the Public Accounts Committee on the consideration of the ***“Report of the Auditor General on the Financial Statements of Nairobi City County Assembly Service Board Mortgage Scheme Fund for the year ended 30<sup>th</sup> June, 2017”***.

### 1.1. **Mandate of the Public Accounts Committee**

The Public Accounts Committee derives its mandate from Standing Order 197 (2) of the Nairobi City County Assembly, which provides that:-

***“The Public Accounts Committee shall be responsible for the examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit”.***

The primary mandate of the Committee is therefore to oversight the expenditure of public funds by Nairobi City County entities, to ensure value for money and adherence to government financial regulations and procedures. The Committee further aims at ensuring that Nairobi City County public funds are prudently and efficiently utilized. The Committee executes its mandate on the basis of annual and special audit reports prepared by the Kenya National Audit Office (KENAO).

Article 229 (8) of the Constitution provides that within three months after receiving the report of the Auditor General, Parliament or the **County Assembly** shall debate and consider the report and take appropriate action. It is on this basis that this report has been produced by the Committee for consideration and adoption by the County Assembly.



## 1.2. Guiding principles

In the execution of its mandate, the Committee is guided by core constitutional and statutory principles on public finance management, as well as established customs, traditions, practices and usages. These principles include the following:-

### (a) Constitutional Principles on Public Finance

Article 201 enacts fundamental principles aimed at guiding all aspects of public finance in the Republic. It states that the principles are, *inter alia*, openness and accountability, including public participation in financial matters; public money shall be used in a prudent and responsible way; and financial management shall be responsible, and fiscal reporting shall be clear. The Committee places high regard on these principles, among others, and has been guided by them in the entire process that has led to this report.

### (b) Direct Personal Liability

Article 226(5) of the Constitution is unequivocal that: - “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”. Consequently Section 203(1) of the PFM Act, 2012 enacts that: - “A public Officer is personally liable for any loss sustained by a county government that is attributable to-

(a) the fraudulent or corrupt conduct, or negligence, of the officer; or

(b) the officer’s having done any act prohibited by sections 196, 197 and 198”

The Committee considers this Constitutional and legal provisions as the basis for holding Accounting Officers and other Public Officers directly and personally liable for any loss of public funds that may occur under their watch.

## 1.3. Obligations of the Accounting Officer

Article 226(2) of the Constitution provides, *inter alia*, that: “the Accounting Officer of a national public entity is accountable to the National Assembly for its financial management, and the Accounting Officer of a county public entity is accountable to the



**County Assembly for its financial management**". Subsequently, Section 149(1) of the Public Finance Management (PFM) Act, 2012 provides that: "An accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is—

(a) lawful and authorized; and

(b) Effective, efficient, economical and transparent."

These provisions obligate the Clerk of the County Assembly who is the Accounting Officer and the administrator of fund to appear before the PAC to respond to audit queries raised by the Auditor General.

#### **1.4. Committee Membership**

The Committee comprises of the following members:-

1. **Hon. Wilfred Odalo, MCA - Chairperson**
2. **Hon. Fredrick Njogu, MCA - Vice Chairperson**
3. Hon. Anthony Karanja, MCA
4. Hon. Peter Wanyoike, MCA
5. Hon. Charles Thuo, MCA
6. Hon. Chege Mwaura, MCA
7. Hon. Elizabeth Nyambura, MCA
8. Hon. Peter Warutere, MCA
9. Hon. Joseph Wambugu, MCA
10. Hon. Silvia Museiya, MCA
11. Hon. Rose Adhiambo Ogonda, MCA
12. Hon. Moses Ogeto Nyangaresi, MCA
13. Hon. Lawrence Otieno, MCA
14. Hon. Clarence Munga, MCA
15. Hon. Esther Nyangweso, MCA
16. Hon. Redson Otieno, MCA

17. Hon. David Mberia, MCA

18. Hon. Millicent Jagero MCA

19. Hon. June Juliet Ndegwa, MCA

Allow me **Hon. Speaker** to thank the entire membership of this Committee for its hard work and commitment which made the taking of evidence and production of this Report a success.

### **1.5. Background**

The audit involved auditing of the financial statements of Nairobi City County Assembly Service Board Mortgage Scheme Fund by the Auditor General which comprise statement of financial position as at 30<sup>th</sup> June, 2017, and statement of income and expenditure, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

### **1.6. Establishment of the Fund**

The Mortgage Scheme Fund was established pursuant to the Salaries and Remuneration Circular (SRC) No.SRC/TS/WB/3/14 of 14<sup>th</sup> February 2014. The SRC has since then provided further guidelines on the scheme through Gazette Notice No. 6518 of 7<sup>th</sup> July, 2017. For proper management of the Fund and as advised by the Salaries and Remuneration Commission in the Circular under reference, the Nairobi City County Assembly adopted *Public Finance Management (Nairobi City County Mortgage Scheme Fund) Regulations 2014*, to guide in operationalization of the Fund. In 2017, the County Assembly enacted regulations merging the Car Loan and the Mortgage Scheme Funds. The Clerk of the County Assembly being the Accounting Officer of the Assembly, is the administrator of the fund. Section 167 of the Public Finance Management Act 2012 mandates the administrator of Public Funds with the preparation of Annual Financial Statements.

### **1.7. Auditor-General's Responsibility**

The Auditor General's responsibility was to obtain reasonable assurance about whether the financial statements as a whole were free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements in accordance with Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. The matters mentioned in the audit report were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.

### **1.8. Evidence taken**

The Committee held eight (8) sittings one of which it interrogated the Clerk of the County Assembly and administrator of the fund on audit queries raised by the Auditor General. Similarly, the Committee received written responses to the audit queries. Minutes of the Committee sittings are attached to this report.

While taking evidence, the Committee was guided by the existing procedures and modalities of operations of the Nairobi City County Assembly derived from the Constitution of the Republic of Kenya, Acts of National Parliament, Acts of Nairobi City County Assembly and Nairobi City County Assembly Standing Orders, conventions, usages, practices and rulings and directives of the Chair.



### **1.9. Highlights from the Report of the Auditor General**

**Hon. Speaker,**

The Auditor General only raised one concern regarding the management of the fund implying that the management of the fund were up to the task and should be commended for adhering to the existing financial management procedures and for securing public funds. In fact, the only issue raised concerns payment of sitting allowances for members of the Loans Committee. The Auditor General observed that Kshs.367, 900 was paid to members of the Loans Committee for holding meetings without substantive agenda hence there was no value for money. However, the claims were refuted by the Clerk in his response and he provided records/documents showing that no meeting was held without a substantive agenda. The Committee agreed with the response by the Clerk after considering the submitted documents and has recommended that the documents should always be submitted to the Auditor General during the audit period in order to forestall audit queries.

### **1.10. Appreciation**

**Hon. Speaker,**

The Committee would like to thank the **Clerk** of the County Assembly for appearing before it and subsequently submitting written responses which provided valuable insights into the issues raised by the Auditor General.

**Hon. Speaker,**

The Committee also wishes to sincerely thank the Offices of the Speaker and the Clerk for the services extended to the committee while considering this matter. The Committee further wishes to appreciate the Officers from the Kenya National Audit Office and the Committee secretariat for their exemplary advisory services that enabled Members effectively execute their mandate.

Hon. Speaker,

On behalf of the Committee, I now wish to table this report and urge the Assembly to adopt it and the recommendations therein.

SIGNED ..... 

HON. WILFRED ODALO (CHAIRPERSON)

DATE ..... 2/8/18 .....

We Members of the Public Accounts Committee (PAC) do hereby affix our signatures to this report to affirm the correctness of the contents and support for the report:-

**NAME**

**SIGN**

- |  |   |
|--|---|
| 1. Hon. Wilfred Odalo, MCA (Chairperson)       |    |
| 2. Hon. Fredrick Njogu, MCA (Vice Chairperson) |    |
| 3. Hon. Anthony Karanja, MCA                   |    |
| 4. Hon. Peter Wanyoike, MCA                    |    |
| 5. Hon. Charles Thuo, MCA                      |    |
| 6. Hon. Chege Mwaura, MCA                      |    |
| 7. Hon. Elizabeth Nyambura, MCA                |  |
| 8. Hon. Peter Warutere, MCA                    |  |
| 9. Hon. Joseph Wambugu, MCA                    |  |
| 10. Hon. Silvia Museiya, MCA                   |  |
| 11. Hon. Rose Adhiambo Ogonda, MCA             |  |
| 12. Hon. Moses Ogeto Nyangaresi, MCA           |  |
| 13. Hon. Lawrence Otieno, MCA                  |  |
| 14. Hon. Clarence Munga, MCA                   |  |
| 15. Hon. Esther Nyangweso, MCA                 |  |
| 16. Hon. Redson Otieno, MCA                    |  |
| 17. Hon. David Mberia, MCA                     |  |
| 18. Hon. Millicent Jagero MCA                  |  |
| 19. Hon. June Juliet Ndegwa, MCA               |  |



## **2.0. CONSIDERATION OF THE AUDITOR GENERAL'S REPORT**

### **2.1. Irregular Sitting Allowances**

The Statement of Income and Expenditure reflects administration expenses of Kshs.1, 373,000 for the year ended June 2017. Included in the expenditure is an amount of Kshs.367, 900 being allowances paid to loans committee members vide payment vouchers numbers 913 and 868. However, a review of minutes of the committee revealed that the meetings for which the sitting allowance of Ksh.637,900 was claimed and paid confirmed only the minutes of the previous meetings and no other issues were deliberated upon. Consequently, the validity of the expenditure amounting to Ksh.367, 900 cannot be confirmed.

**The Accounting Officer submitted that:-**

- i) The payment of Ksh.367, 900 for the members were paid upon the members sitting and transacting its agenda as contained in the days' agenda. At no time has the committee met with the sole agenda of confirming minutes.
- ii) Agendas for the whole 2016/2017 have been provided. However, in some instances, the committee may not exhaust the agenda as planned.

The Committee observed that had the Accounting Officer (fund administrator) provided the information and explanation to the Auditor General during the audit period and kept proper records, this matter could not have been an audit query.

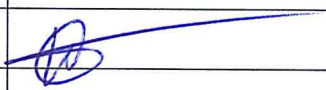


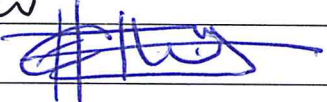


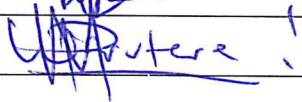
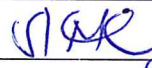
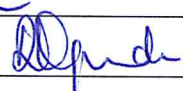





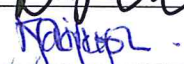
The Committee recommends that the Accounting Officer should institute measures to ensure that those involved in the management of the fund always act in time when dealing with the Auditor General by providing necessary documents and explanations required at the time of audit in order to forestall audit queries.

### **3.0. CONCLUSION**

The Committee having considered both the **“Report of the Auditor-General on the Financial Statements of Nairobi City County Assembly Service Board Mortgage Scheme Fund For the year ended 30<sup>th</sup> June 2017”** and written/oral responses to the issues raised therein from the fund administrator, observed that the report was a confirmation that the overall management of the fund was proper. The fund administrator need to ensure that all documents and explanations required by the Auditor General are provided during the audit period in order to forestall audit queries. In addition, the administrator should continue adhering to the provisions of the Public Finance Management Act, 2012 and the enabling regulations so that public funds are secured.

**ADOPTION OF THE COMMITTEE REPORT ON THE REPORT OF THE AUDITOR GENERAL ON  
THE FINANCIAL STATEMENTS OF NAIROBI CITY COUNTY ASSEMBLY SERVICE BOARD  
MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30TH JUNE, 2017**

The following members appended their signatures to signify their agreement with the report:-

No	NAME	SIGN
1.	Hon. Wilfred Odalo	
2.	Hon. Fredrick Njogu	
3.	Hon. Anthony Karanja	
4.	Hon. Peter Wanyoike	
5.	Hon. Charles Thuo	
6.	Hon. Chege Mwaura	
7.	Hon. Juliet Ndegwa	
8.	Hon. Elizabeth Nyambura	
9.	Hon. Peter Warutere	
10.	Hon. Joseph Wambugu	
11.	Hon. Sylvia Moseiya	
12.	Hon. Rose Adhiambo Ogonda	
13.	Hon. Moses Ogeto Nyangaresi	
14.	Hon. Lawrence Otieno	
15.	Hon. Clarence Munga	
16.	Hon. Esther Nyangweso	
17.	Hon. Redson Otieno	
18.	Hon. David Mberia	
19.	Hon. Millicent Jagero	





## NAIROBI CITY COUNTY ASSEMBLY

### **MANAGEMENT COMMENTS ON DRAFT REPORT ON FINANCIAL STATEMENTS OF NAIROBI CITY COUNTY ASSEMBLY SERVICE BOARD CAR MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017**

#### **Audit Observations**

##### **1.1 Irregular Sitting Allowances**

###### **Observation**

The Statement of Income and Expenditure reflects administration expenses of Kshs.1,373,000 for the year ended June 2017. Included in the expenditure is an amount of Kshs.367,900 being allowances paid to loans committee members vide payment vouchers numbers 913 and 868. However, a review of minutes of the committee revealed that the meetings for which the sitting allowances allowance of Ksh.637,900 was claimed and paid confirmed only the minutes of the previous meetings and no other issues were deliberated upon. Consequently, the validity of the expenditure amounting to Ksh.367,900 cannot be confirmed.

###### **MANAGEMENT RESPONSE**

The payment of Ksh.367,900 for the members were paid upon the members sitting and transacting its agenda as contained in the days' agenda. At no time has the committee met with the sole agenda of confirming minutes. Attached are committee agendas for the whole 2016/2017. It is however noted that in some instances, the committee may not exhaust the agenda as planned.





NCA/LMC/13/06/2017

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

14.06.2017

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Wednesday, 14<sup>th</sup> June 2017 at 12.00 O'clock in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Confirmation of Minutes
3. Consideration of Staff Loan
4. Any other business
5. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. Jeffer Kassam       |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |
- 

- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)



Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

13.06.2017

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Tuesday, 13<sup>th</sup> June 2017 at 12.00 O'clock in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Confirmation of Minutes
3. Discussion and adoption of retreat report
4. Any other business
5. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. Jeffer Kassam       |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |

- 
- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)





NCA/LMC/07/06/2017

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

08.06.2017

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Thursday, 8<sup>th</sup> June 2017 at 11.30 am in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Confirmation of Minutes
3. Consideration of Staff Loans
4. Any other business
5. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. Jeffer Kassam       |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |
- 

- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)





NCA/LMC/30/05/2017

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

31.05.2017

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Wednesday, 31<sup>st</sup> May 2017 at 11.30 O'clock in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Confirmation of Minutes
3. Consideration of Staff Loans
4. Any other business
5. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. Jeffer Kassam       |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |

- 
- c. c. The Clerk, Nairobi City County Assembly  
The Sergeant-At Arms – Please Reserve Venue  
The Administrator – Please provide refreshments (tea, snacks and water)



NCA/LMC/29/05/2017

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

30.05.2017

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Tuesday, 30<sup>th</sup> May 2017 at 11.30 O'clock in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Confirmation of Minutes
3. Discussion and approval of committee workshop
4. Any other business
5. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. Jeffer Kassam       |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |

- 
- c. c. The Clerk, Nairobi City County Assembly  
The Sergeant-At Arms – Please Reserve Venue  
The Administrator – Please provide refreshments (tea, snacks and water)





NCA/LMC/29/05/2017

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

30.05.2017

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Tuesday, 30<sup>th</sup> May 2017 at 11.30 O'clock in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Confirmation of Minutes
3. Discussion and approval of committee workshop
4. Any other business
5. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. Jeffer Kassam       |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |
- 

- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)



NCA/LMC/24/05/2017

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

25.05.2017

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Thursday, 25<sup>th</sup> May 2017 at 11.30 O'clock in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Confirmation of Minutes
3. Consideration of staff loan
4. Updates on committees retreat dates
5. Any other business
6. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. Jeffer Kassam       |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |

- 
- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)





NCA/LMC/17/05/2017

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

18.05.2017

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Thursday, 18<sup>th</sup> May 2017 at 1.10 O'clock in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Consideration of staff loans
3. Any other business
4. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. Jeffer Kassam       |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |

- 
- c. c. The Clerk, Nairobi City County Assembly  
The Sergeant-At Arms – Please Reserve Venue  
The Administrator – Please provide refreshments (tea, snacks and water)



NCA/LMC/15/11/2016

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

14.11.2016

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Tuesday, 15<sup>th</sup> November 2016 at 11.30am in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Updates on the committee recommendations for notification to the members whose loan balances were to remain unpaid by 30<sup>th</sup> April 2016
3. Consideration of staff loans
4. Any other business
5. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. David Mberia        |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |

- 
- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)





NCA/LMC/17/05/2017

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

18.05.2017

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Thursday, 18<sup>th</sup> May 2017 at 11.30 O'clock in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Confirmation of Minutes
3. Consideration of staff loans
4. Any other business
5. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. Jeffer Kassam       |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |

- 
- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)



NCA/LMC/08/03/2017

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

08.03.2017

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Wednesday, 8<sup>th</sup> March 2017 at 12.00 O'clock in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Adoption of the December Retreat report
3. Review of Car and Mortgage regulations
4. Any other business
5. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. Jeffer Kassam       |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |
- 

- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)



NCA/LMC/07/03/2017

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

07.03.2017

NAIROBI CITY COUNTY ASSEMBLY  
LOANS MANAGEMENT COMMITTEE

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Tuesday, 7<sup>th</sup> March 2017 at 12.00 O'clock in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

AGENDA

1. Preliminaries
2. Consideration of staff loans
3. Review of Car and Mortgage regulations
4. Any other business
5. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. Jeffer Kassam       |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |

- 
- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)





NCA/LMC/16/11/2016

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

15.11.2016

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Wednesday, 16<sup>th</sup> November 2016 at 11.30am in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Consideration of staff loans
3. Any other business
4. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. David Mberia        |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |

- 
- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)



NCA/LMC/27/09/2016

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

26.09.2016

NAIROBI CITY COUNTY ASSEMBLY  
LOANS MANAGEMENT COMMITTEE

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Wednesday, 27<sup>th</sup> September 2016 at 11.30am in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Prayer
2. Consideration and approval of loans application by staff
3. Proposed retreat
  - Discussion and identification of Dates
  - Agenda:
    - Updates on members payments;
    - Updates on members who have not made a written submission on how to pay their affected loans as per the Committee recommendations to the Clerk;
    - Update on members whose loans were recomputed and subsequently effected by the Payroll Administrator;
    - Update on cases for members who have not started making payments;
    - Consideration of effects for non-payment of individual loans as planned;
    - Individual projections for loans not currently being paid in full;
    - Update on performance of car loan repayments;
    - Way forward for individual cases on non-payment;
4. Any other business
5. Adjournment





**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. David Mberia        |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |
- 

- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)



NCA/LMC/01/09/2016

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

31.08.2016

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Thursday, 1<sup>st</sup> September 2016 at 11.00am in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Consideration and approval of loans application by staff
3. Any other business
4. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. David Mberia        |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |

- 
- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)



NCA/LMC/25/08/2016

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

24.08.2016

NAIROBI CITY COUNTY ASSEMBLY  
LOANS MANAGEMENT COMMITTEE

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Thursday, 26<sup>th</sup> August 2016 at 11.30am in the County Assembly's Board Foyer on 1<sup>st</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Consideration and approval of loans application by staff
3. Any other business
4. Adjournment

**Copies to:**

1. Hon. Elias Otieno                      Chairman
2. Hon. Abdi Hassan                      Vice Chairman
3. Hon. David Mberia
4. Hon. Hasim Kamau
5. Hon. Peter Isuha Vukindu
6. Hon. Jacqueline Nyangala
7. Hon. Moses Ogeto
8. Hon. Samuel Kagiri
9. Hon. Imelda Nafula

- 
- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)





NCA/LMC/26/07/2016

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

25.07.2016

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Tuesday, 26<sup>th</sup> July 2016 at 11.00am in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Consideration and approval of loans application by staff
3. Any other business
4. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. David Mberia        |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |

- 
- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)



NCA/LMC/12/07/2016

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

11.07.2016

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Tuesday, 12<sup>th</sup> July 2016 at 10.00am in the County Assembly's Board Room on 2<sup>nd</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Tabling of the letter from CECM Finance on approval to incur expenditure incidental to fund administration
3. Consideration and approval of loans application by staff
4. Any other business
5. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. David Mberia        |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |

- 
- c. c. The Clerk, Nairobi City County Assembly  
The Sergeant-At Arms – Please Reserve Venue  
The Administrator – Please provide refreshments (tea, snacks and water)



NCA/LMC/06/07/2016

Clerks Chambers  
Nairobi City County  
Assembly  
City Hall Buildings  
NAIROBI

05.07.2016

**NAIROBI CITY COUNTY ASSEMBLY**  
**LOANS MANAGEMENT COMMITTEE**

The Clerk of the Nairobi City County Assembly presents his compliments to Members of the County Loans Management Committee and has the honour to inform them that a sitting of the committee will be held on Wednesday, 6<sup>th</sup> July 2016 at 11.30am in the County Assembly's Board Room on 1<sup>st</sup> floor City Hall building.

**AGENDA**

1. Preliminaries
2. Updates on the requisition letter sent to CECM Finance by the Clerk on payments of members allowances
3. Consideration and approval of loans application by staff
4. Any other business
5. Adjournment

**Copies to:**

- |                             |               |
|-----------------------------|---------------|
| 1. Hon. Elias Otieno        | Chairman      |
| 2. Hon. Abdi Hassan         | Vice Chairman |
| 3. Hon. David Mberia        |               |
| 4. Hon. Hasim Kamau         |               |
| 5. Hon. Peter Isuha Vukindu |               |
| 6. Hon. Jacqueline Nyangala |               |
| 7. Hon. Moses Ogeto         |               |
| 8. Hon. Samuel Kagiri       |               |
| 9. Hon. Imelda Nafula       |               |

- 
- c. c.    The Clerk, Nairobi City County Assembly  
          The Sergeant-At Arms – Please Reserve Venue  
          The Administrator – Please provide refreshments (tea, snacks and water)





# MINUTES



**MINUTES OF THE 58<sup>TH</sup> SITTING OF THE NAIROBI CITY COUNTY ASSEMBLY PUBLIC ACCOUNTS COMMITTEE HELD ON WEDNESDAY 13<sup>TH</sup> JUNE, 2018 AT 11.30 AM AT THE CHAMBER BOARD ROOM.**

**PRESENT**

1. Hon. Wilfred Odalo, MCA - Chairperson
2. Hon. Fredrick Njogu, MCA - Vice Chairperson
3. Hon. Elizabeth Nyambura, MCA
4. Hon. Clarence Munga, MCA
5. Hon. Peter Warutere, MCA
6. Hon. Redson Otieno, MCA
7. Hon. Chege Mwaura, MCA
8. Hon. Joseph Wambugu, MCA
9. Hon. Anthony Karanja, MCA
10. Hon. Peter Wanyoike, MCA
11. Hon. Lawrence Otieno, MCA
12. Hon. Rose Adhiambo Ogonda, MCA
13. Hon. David Mberia, MCA
14. Hon. Moses Ogeto Nyangaresi, MCA
15. Hon. Charles Thuo, MCA
16. Hon. Silvia Museiya, MCA
17. Hon. Esther Nyangweso, MCA

**ABSENT**

1. Hon. June Ndegwa, MCA
2. Hon. Millicent Jagero, MCA

**IN ATTENDANCE**

**County Assembly**

1. Jacob Ngwele - Clerk
2. Fred Macharia - Senior Finance Officer

**KENAO**

Sharon Wangari

**Secretariat:**

1. Shadrack Makokha - Clerk Assistant
2. Robert Otieno - Clerk Assistant

**MIN.188/NCCA/PAC/JUN/2018:**

**PRELIMINARIES**

- The Chairperson called the meeting to order at 11.30 am and opened the meeting with a word of prayer. He then welcomed Members present, the Clerk of the County Assembly and the officer from the Kenya National Audit Office to the meeting and requested them to introduce themselves. He then read the agenda of the day which was subsequently adopted for discussion as proposed by Hon. Moses Ogeto and seconded by Hon. Peter Warutere as follows:-

**AGENDA**

**1. Meeting with the Clerk, NCCA to consider:-**

- i.) *The report of the Auditor General on the Financial Statements of Nairobi City County Assembly Service Board Mortgage Scheme Fund for the year ended 30th June, 2017; and*
- ii.) *The report of the Auditor General on the Financial Statements of Nairobi City County Assembly Service Board Car Loan Scheme Fund for the year ended 30th June, 2017.*

**2. A.O.B.**

**3. Adjournment**

**MIN.189/NCCA/PAC/JUN/2018:**

-

**MEETING WITH THE CLERK, NCCA**

- The Chairperson read out the invitation letter and informed that the objective of the meeting was to enable the Clerk respond to the issues raised in the two audit reports as contained in the adopted agenda.
- The Clerk first tabled written responses to the issues raised in the reports. However, the Auditor observed that she was not in a position to adequately advise the Committee on the responses since she had not reviewed the responses in advance considering that they had just been tabled.
- The Clerk apologized for the delay in submitting the responses to both the Committee and the Office of the Auditor General noting that the responsible officer who was to prepare the responses had been engaged with the office of the Controller of Budget regarding Assembly funds and thus he was not able to prepare the responses on time.
- The Committee resolved to adjourn the meeting to Wednesday, 20<sup>th</sup> June, 2018 to allow the Auditors and the Committee to review the responses before engaging the Clerk.

**MIN.190/NCCA/PAC/MAY/2018:**

-

**A.O.B & ADJOURNMENT**

- 1. The Chair informed that the committee would convene an informal housekeeping meeting after the adjournment of the meeting.

2. The Committee having dispensed with the business of the day and the time being a half past 12.00 noon, the Chairperson adjourned the sitting. The date and venue of the next sitting was going to be communicated by way of notice.

**CONFIRMED AS TRUE RECORD OF PROCEEDINGS**

SIGN.....

DATE.....

**HON. WILFRED ODALO (CHAIRMAN)**





**MINUTES OF THE 62<sup>ND</sup> SITTING OF THE NAIROBI CITY COUNTY ASSEMBLY PUBLIC ACCOUNTS COMMITTEE HELD ON WEDNESDAY 27<sup>TH</sup> JUNE, 2018 AT 11.30 AM AT THE CHAMBER BOARD ROOM.**

**PRESENT**

1. Hon. Wilfred Odalo, MCA - Chairperson
2. Hon. Fredrick Njogu, MCA - Vice Chairperson
3. Hon. Moses Ogeto Nyangaresi, MCA
4. Hon. Peter Warutere, MCA
5. Hon. Peter Wanyoike, MCA
6. Hon. Joseph Wambugu, MCA
7. Hon. Rose Adhiambo Ogonda, MCA
8. Hon. Millicent Jagero, MCA
9. Hon. Silvia Museiya, MCA
10. Hon. June Ndegwa, MCA
11. Hon. Esther Nyangweso, MCA
12. Hon. Lawrence Otieno, MCA
13. Hon. Clarence Munga, MCA
14. Hon. Elizabeth Nyambura, MCA
15. Hon. Redson Otieno, MCA

**ABSENT**

1. Hon. Chege Mwaura, MCA
2. Hon. Anthony Karanja, MCA
3. Hon. David Mberia, MCA
4. Hon. Charles Thuo, MCA

**IN ATTENDANCE**

**CASB**

1. Jacob Ngwele - Clerk, NCCA
2. Fred Macharia - Senior Finance and Planning Officer

**KENAO**

1. Sharon Wangari
2. Henry Manegene

## **Secretariat:**

1. Shadrack Makokha - Clerk Assistant
2. Faith Wairimu - Office Assistant

**MIN.200/NCCA/PAC/JUN/2018:**

## **PRELIMINARIES**

— The Chairperson called the meeting to order at 11.30 am and opened the meeting with a word of prayer. He then welcomed Members present and the Clerk of the County Assembly and to the meeting and requested them to introduce themselves. He then read the agenda of the day which was subsequently adopted for discussion as proposed by Hon. Peter Wanyoike and seconded by Hon. Elizabeth Nyambura as follows:-

### **AGENDA**

#### **1. Meeting with the Clerk, NCCA to consider:-**

- i.) *The report of the Auditor General on the Financial Statements of Nairobi City County Assembly Service Board Mortgage Scheme Fund for the year ended 30th June, 2017; and*
- ii.) *The report of the Auditor General on the Financial Statements of Nairobi City County Assembly Service Board Car Loan Scheme Fund for the year ended 30th June, 2017.*

#### **2. A.O.B.**

#### **3. Adjournment**

— The Chair sought from the Clerk why he didn't appear before the Committee on 20<sup>th</sup> June, 2018 as earlier resolved. The Clerk informed the Committee that due to unavoidable circumstances he had designated the Deputy Clerk and the Senior Finance Officer to represent him. The Committee agreed with the response but requested the Clerk that in future he should communicate to the Committee in writing.

**MIN.201/NCCA/PAC/JUN/2018:**

## **-MEETING WITH THE CLERK, NCCA**

— The Chairperson informed that the objective of the meeting was to enable the Clerk to respond to the issues raised in the Reports of the Auditor General on the of Nairobi City County Assembly Service Board Mortgage Scheme Fund for the year ended 30<sup>th</sup> June, 2017 and the Financial Statements of Nairobi City County Assembly Service Board Car Loan Scheme Fund for the year ended 30<sup>th</sup> June, 2017. This follows postponement of an earlier meeting by the Committee with the Clerk so that members and Auditors could interrogate the responses.

— The Clerk while responding to the audit queries informed the Committee as follows:-

### **A. The report of the Auditor General on the Financial Statements of Nairobi City County Assembly Service Board Car Loan Scheme Fund for the year ended 30th June, 2017.**

#### **1. Short-term Debtors**

- It is a generally accepted accounting practice that an asset and particularly amount receivables are classified as current when it has either fallen due or is expected to be fall due within twelve months after the reporting date.

- The amount classified as short term was on the basis that they shall be realized within twelve months whereas the loans classified as long term will be realized after twelve months.
- Included in the short term debtors is an amount of Ksh.778, 203 which was interest amount receivable from Cooperative Bank. As at reporting date, this amount had not been remitted but the bank has indicated that they will remit the same. Having fallen due, the receivable amount is perfectly a short-term receivable.

## **2. Car Loan Fund Balance**

- The Car loan Fund balance as per the statement of financial position was Ksh.294, 000,000 as at 30 June, 2017. This fund balance represents the total value of the Fund as at that date.
- The fund started operations in June 2014. At the time the Assembly had 128 members. Each member was entitled to Ksh.2, 000,000, hence the total amount expected from the County Treasury was Ksh.256, 000,000. This amount represented the total value of the Fund and has since been reported as such.
- The Fund received Ksh.254,000,000 in June 2014 leaving a balance of Ksh.2,000,000 which was always recognized as receivable from the County Treasury in the past financial year statements. This amount has since that time been budgeted for but has never been paid until August 2016 when the fund received KSh.40, 000,000. This amount included the brought forward receivable amount of Ksh.2, 000,000 plus an additional KSh.38, 000,000 meant for borrowing by staff members following the vesting of the Car Loan benefit to Staff Members. Effectively the Fund grew by Ksh.38, 000,000 and not by Ksh.40, 000,000. Hence the growth from KSh.256, 000,000 to Ksh.294, 000,000 being a growth of Ksh.38, 000,000.

## **3. Cash and Cash Equivalents**

- As observed by the auditor, the fund had cash and cash equivalents of Ksh.300, 296,507 as at 30th June 2017 which was the cashbook balance. This balance comprised of Cash account balance of Ksh.297, 128,479.45 and other cash equivalents of Ksh.3, 1168,027. This is explained in the bank reconciliation statement provided for audit.
- Further a bank certificate to confirm the actual fund account balance of ksh.297,128,479.45 was availed for audit verification



#### **4. Irregular Transfers of Funds from the Car loan Account**

- As correctly observed by the auditor, the County Assembly borrowed the amounts as shown. This was occasioned by delays in exchequer releases from the County Treasury. However of out the total amount of Ksh.42,056,259 an amount of Ksh.2,056,259 appearing to have been transferred on 8<sup>th</sup> August 2016 was actually a reversal of an amount earlier paid into the account as from the defunct fund administrator, Family Bank Limited but was later realized it was a different kind of payment. Correspondences to this effect have been attached.
- The actual amount borrowed from the fund is therefore Ksh.40, 000,000. This amount has since been paid back to the fund account as shown below.

<b>Date of Payment</b>	<b>Amount in Kshs.</b>
24.02.2017	15,000,000
19.04.2017	18,000,000
31.05.2017	2,000,000 (being part of Ksh.8, 211,928)
03.06.2017	5,000,000
<b>TOTAL</b>	<b>40,000,000</b>

#### **B. The report of the Auditor General on the Financial Statements of Nairobi City County Assembly Service Board Car Loan Scheme Fund for the year ended 30<sup>th</sup> June, 2017.**

##### **Irregular Sitting Allowances**

- The payment of Ksh.367, 900 for the members were paid upon the members sitting and transacting its agenda as contained in the days' agenda.
  - At no time has the committee met with the sole agenda of confirming minutes. Provided are committee agendas for the whole 2016/2017.
  - It is however noted that in some instances, the committee may not exhaust the agenda as planned.
- The Committee resolved that it will consider the responses while making its recommendations to the Assembly.

**MIN.202/NCCA/PAC/JUN/2018:**      -      **A.O.B & ADJOURNMENT**

The Committee having dispensed with the business of the day and the time being a half past one O'clock, the Chairperson adjourned the sitting. The date and venue of the next sitting was going to be communicated by way of notice.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS

SIGN.....

DATE.....21/8/18.....

HON. WILFRED ODALO (CHAIRMAN)

