



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

5<sup>TH</sup> SESSION

NBI CA. PLC. 2017 / (008)

1<sup>st</sup> March, 2017

PAPER LAID

Pursuant to Standing Order 180 (6) I beg to lay the following Paper on the Table of the Assembly, today Wednesday 1<sup>st</sup> March, 2017.

THE REPORT OF THE SELECT COMMITTEE ON PUBLIC ACCOUNTS 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 30<sup>TH</sup> JUNE 2015

(Chairperson, Select Committee on Public Accounts)

Copies to:  
The Speaker  
The Clerk  
Hansard Editor  
Hansard Reporters  
The Press

Approved.  
Speaker  
*[Signature]*

1/3/17

Paper laid by Hon.  
Asha Abdi Sasso on  
01/03/2017  
Honor  
Per CLSP





Received by Hon.  
Asha Abdi Soro on  
01/03/2017  
Mfar  
PCA CH(P)

NAIROBI CITY COUNTY ASSEMBLY

FIRST ASSEMBLY – FIFTH SESSION

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PUBLIC ACCOUNTS COMMITTEE REPORT ON

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REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS  
OF NAIROBI CITY COUNTY ASSEMBLY SERVICE BOARD MORTGAGE  
SCHEME FUND FOR THE YEAR ENDED 30 JUNE 2015

FEBRUARY, 2017

## Table of Contents

1.0 PREFACE.....	2
1.2 Mandate of the Committee .....	2
1.3 Committee Membership.....	2
2.0 Background .....	<b>Error! Bookmark not defined.</b>
3.0 Appreciation .....	4
Public Accounts Committee's Consideration Of The Report Of The Auditor General On Nairobi City County Assembly Service Board Mortgage Scheme Fund For The Year Ended 30 June 2014 .	8
4.0 Auditor Generals responsibility.....	8
5.0 Auditor-General's Opinion.....	8
6.0 Responsibilities of an Accounting Officer.....	8
7.0 Evidence taken during the session.....	9
7.1 Non-compliance with IPSAS .....	9
7.2 Maintenance of Accounting Records .....	11
7.3 Interest and Other Bank Charges .....	12
7.4 Breach of Service Level Agreement .....	13
8.0 Committee's Observations .....	14
9.0 Conclusion.....	15
10.0 Committee's Recommendation.....	16

## 1.0 PREFACE

Mr. Speaker Sir,

On behalf of the Public Accounts Committee (PAC) and pursuant to the provisions of Standing Order 180(6), it is my pleasant privilege and pleasure to present to this House the report of the Public Accounts Committee's findings on the *"Report of The Auditor General on Nairobi City County Assembly Service Board Mortgage Scheme Fund for The Year Ended 30 June 2015"*

## 1.2 Mandate of the Committee

The Committee derives its mandate from Standing Order 186(2)(a) which states that:-

*"There shall be a select committee to be designated as the Public Accounts Committee and shall be responsible for the examination of the accounts showing the appropriation of the sum voted by the House to meet the public expenditure and of such other accounts laid before the House as the committee may think fit".*

The main objective of the Committee is to ensure that Nairobi City County public funds are well utilized and the public realizes value for money in all government expenditure. The basis of the Committee's execution of its mandate is annual and special audit reports prepared by the Auditor General.

## 1.3 Committee Membership

The Committee comprises of the following members:-

- |                               |                  |
|-------------------------------|------------------|
| 1. Hon. Robert Mbatia, MCA    | Chairperson      |
| 2. Hon. Daniel K. Mutiso, MCA | Vice Chairperson |
| 3. Hon. Maurice Gari O. MCA   |                  |
| 4. Hon. Akuk Mo, MCA          |                  |
| 5. Hon. Asha Abdi Sosso, MCA  |                  |
| 6. Hon. David Mberia, MCA     |                  |



7. Hon. Peter Oweru, MCA
8. Hon. Martin Mugo Kanyi, MCA
9. Hon. Njuguna Mwangi, MCA
10. Hon. Martin Waweru Gichuhi, MCA
11. Hon. Jackson Mwangi Ngari, MCA
12. Hon. Stephen Murathi Kambi, MCA
13. Hon. Julius Mwaniki, MCA
14. Hon. Tabitha Juma, MCA
15. Hon. Moses Ogeto, MCA
16. Hon. Rose Ogonda, MCA
17. Hon. Shadrack Juma, MCA
18. Hon. Andrew M. Mbau, MCA
19. Hon. Oscar Lore, MCA

## 2.0 BACKGROUND

Mr. Speaker Sir,

The Mortgage Scheme Fund was established pursuant to the Salaries and Remuneration Circular No. SRC/TS/WB/3/14 of 14<sup>th</sup> February, 2014. Section 167 of the Public Finance Management Act 2012 mandates the administrator of Public Funds with the preparation of Annual Financial Statements.

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. As advised by the Salaries and Remuneration Commission (SRC) and as provided for under regulation 16 of the said Regulations, the County Assembly Service Board appointed a banking Institution to manage the fund.

## 3.0 APPRECIATION

Allow me Mr. Speaker Sir, 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.

Allow me Mr. Speaker Sir, to further thank all the officers who appeared before it both from the Nairobi City County Assembly and Family Bank Limited, as they provided valuable insights into the issues raised by the Auditor General.

Finally Mr. Speaker Sir, the Committee wishes to record its appreciation for the exemplary services rendered by officers from the Kenya National Audit Office and Office of the Clerk of the County Assembly. Indeed, their commitment and devotion to duty have made the work of the Committee and production of this report successful.

Mr. Speaker Sir,

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

SIGNED .....



HON. ROBERT MBATIA (CHAIRMAN)

DATE .....



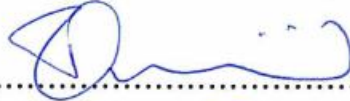


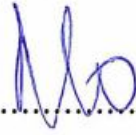



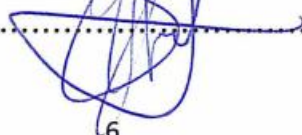
20/02/2017




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. Robert Mbatia, MCA ..... 
2. Hon. Daniel K. Mutiso, MCA .....
3. Hon. Maurice Gari O. MCA ..... 
4. Hon. Shadrack Juma, MCA ..... 
5. Hon. Peter Oweru, MCA ..... 
6. Hon. David Mberia, MCA ..... 
7. Hon. Akuk Mo, MCA ..... 
8. Hon. Martin Mugo Kanyi, MCA.....
9. Hon. Njuguna Mwangi, MCA ..... 
10. Hon. Martin W. Gichuhi, MCA ..... 
11. Hon. Jackson M. Ngare, MCA ..... 
12. Hon. Stephen M. Kambi, MCA ..... 

13. Hon. Julius Mwaniki, MCA

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14. Hon. Tabitha Juma, MCA

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15. Hon. Moses Ogeto, MCA

.....  


16. Hon. Rose Ogonda, MCA

.....  


17. Hon. Asha Sosso, MCA

.....  


18. Hon. Andrew M. Mbau, MCA

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19. Hon. Oscar Lore, MCA

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## Public Accounts Committee's Consideration Of The Report Of The Auditor General On Nairobi City County Assembly Service Board Mortgage Scheme Fund For The Year Ended 30 June 2015

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### 4.0 AUDITOR GENERALS RESPONSIBILITY

The Auditor General's responsibility was to express an opinion on the financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on auditing. Those standards required compliance with ethical requirements and that the audit is planned and performed to obtain reasonable assurance about whether the financial statements were free from material misstatement.

### 5.0 AUDITOR-GENERAL'S OPINION (ADVERSE OPINION)

It was the Auditor-General's opinion, except for the effect of the matters described in the Basis for qualified opinion paragraph, that the financial statements present fairly in all material respects, the financial position of Nairobi City County Assembly Service Board Mortgage Scheme Fund as at 30<sup>th</sup> June 2015 and of its financial performance and its cash flows for the Year ended, in accordance with International Public Sector Accounting Standards (Cash Basis).

### 6.0 RESPONSIBILITIES OF AN ACCOUNTING OFFICER

Section 149 of the Public Finance Management Act, 2012 outlines the responsibilities of Accounting Officers for the County Government and County Assembly and it categorically states 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.



## 7.0 EVIDENCE TAKEN DURING THE SESSION

The Committee held a total of three (3) sittings in regards to the interrogation of the Auditor General's Report. It interrogated the principal parties responsible for managing the Mortgage Scheme Fund. The parties included the Clerk of the Nairobi City County Assembly, who is the fiduciary agent, Family Bank Limited, who are the appointed administrator and the County Executive Committee Member for Finance and Economic Planning, who establishes the Fund as per Section 116 of the Public Finance Management Act, 2012. All minutes of the Committee's 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, Nairobi City County Assembly Standing Orders, conventions, common Parliamentary practices and procedures.

### 7.1 Non-compliance with International public Sector Accounting Standards (IPSAS)

The financial statements presented did not disclose the following; A comparison of budget and actual amounts; The cash flows statement does not have prior period comparatives; A statement of changes in equity. Consequently, the financial statements do not comply with the International Public Sector Accounting Standards (accrual basis).

The Accounting Officer admitted to the audit findings and submitted that:-

i) **Comparison of budget and actual amounts-** The Mortgage Scheme Fund operated as a Revolving Fund. The amount in the fund was therefore available for use at any given time provided the use was for the intended purposes of the fund. The fund was purely meant for advancing Mortgages to Members of the County Assembly. The amounts so advanced were not expenditures but advances to Members.

Expenditures from the fund were subject to the provisions of section 116(3) and (4) of the Public Finance Management Act 2012, and Regulation 14(2) of the Public Finance

Management (*Nairobi City County Assembly Mortgage Scheme Fund*) Regulations 2014. The fund was financed by the County Treasury through the annual budgets. In the year under review an amount of Kshs.230,000,000 was transferred into the fund. This amount was budgeted for in the County Assembly budget for the year as "Transfer to County Assembly Funds" and was disclosed under note 4 of the statement's significant accounting policies in page 12.

ii) The Cash flows statement does not have prior period comparatives- The fund started operations during the year under review and therefore no prior year comparative figures were available. This was explained under note 5 of significant accounting policies in page 13 of the financial statements. The first disbursement was made in December 2014 and therefore no comparative figures were available as the fund was non-existent before December 2014.

ii) The statement presented does not disclose a statement of Changes of Equity –

As explained under 1(i) above, the fund operated as a revolving fund. It therefore had no share capital. However as shown in the Fund's Statement of Financial Position, the value of the fund was reported as Ksh.230M while the accumulated surplus was reported as in the year under review was Ksh.0.359M. The changes in net assets would therefore be as shown below;

**CHANGES IN NET ASSETS (KSH.'000')**

ITEM DESCRIPTION	Car Loan Fund Account KSH. '000'	Accumulated Surplus/(Deficit) KSH. '000'	Total KSH. '000'
Balance b/f 1 <sup>st</sup> July 2014	-	-	-
Transfers into the fund	230,000	-	230,000
Surplus for the year	-	359	359
Balance as at 30 <sup>th</sup> June 2015	230,000	359	230,359



## 7.2 Maintenance of Accounting Records

As reported in the previous year, an agreement between the Nairobi City County Assembly Service Board and Family Bank provided that the Bank would administer and keep proper records on the Mortgage Scheme Fund. It was, however, noted that:

(i) The bank statements did not reflect the actual movements of the funds, as daily transactions were not reflected on the statement. Further, the bank statement had arithmetical errors. Consequently, it was not possible to confirm the actual loan amounts owed by individual Members of the County Assembly (MCAs);

(ii) The funds' statement of financial position reflected a cash and cash equivalents of Kshs.73,004,000 as at 30 June 2015, while the bank statements reflected an amount of Kshs.64,906,205. The difference of Kshs.8,097,795 between the two sets of records had not been reconciled or explained. In addition, the County Assembly had a fixed deposit bank account with a balance of Kshs.50,000,000 on which no details were provided. Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.73,004,000 disclosed in the financial statements could not be confirmed.

(ii) Although the statement of income and expenditure reflected interest income of Kshs.2,071,000 for the year ended 30 June 2015, out of which an amount of Kshs.1,710,000 was from interest on loans to MCAs and Kshs.361,000 was earned on the outstanding cash balances, the accuracy and completeness of the income could not be ascertained due to failure by the Management of the Fund to provide supporting documents;

(iii) The Fund reflected administration costs amounting to Kshs.1,710,000, but due to incompleteness of the bank statements, it was not possible to confirm the completeness of the bank charges and other administration costs on the Fund;

(iv) Record of individual borrowers was not maintained and as a result, it was not possible to establish how much each individual MCA's account is operating.

The Accounting Officer admitted to the audit findings and submitted that:-

(i) As correctly observed by the Auditor-General, the bank statements provided by the administrator bank had arithmetical errors. Efforts to address this issue with the bank had not been fruitful as the bank completely failed to provide correct transactional bank statements. However, since the termination of the agreement with the bank, the County Assembly has managed to prepare individual ledgers for every borrower showing how the money was given and how every borrower has been repaying;

(ii) The Fund's statement of Financial Position reflected a cash and cash equivalent of Kshs.73,004,000 as at 30<sup>th</sup> June 2015. The bank statements provided had arithmetical errors and therefore could not be relied upon. This was disclosed under note 3 of notes to financial statements in page 14 of the financial statements.

(iii) The statement of income and expenditure reflects interest income of Ksh.2,071,000 for the year ended 30<sup>th</sup> June 2015, out of which an amount of Ksh.1,710,000 was from interest on loans to MCAs and Ksh.361,000 was earned out of the outstanding cash balances. Ledger accounts and other supporting documents of these amounts are available for audit verification;

(iv) The statements reflected administration costs of Ksh.1,710,000. This represented the administration fee charged by the administrator bank. The bank however failed to provide invoices for the same. The amount was purely based on the provisions of the Agreement signed with the bank and it remains a cost on the fund;

(v) The bank did not maintain individual ledgers for each borrower. However the County Assembly has prepared the ledgers and were available for audit verification.

### **7.3 Interests and Other Bank Charges**

The agreement provided that the bank would charge interest at 3%, on the loans advanced to MCAs and credit the same to the Fund account on a quarterly basis. No administration or other charges were to be made to the Fund. During the year ended 30 June 2015, an amount of Kshs.2,071,000 was charged as administration fees. However,



due to the incompleteness of records, the accuracy of the expenditure figure, interest and other charges that may have been levied on the Fund could not be established.

The Accounting Officer admitted to the audit findings and submitted that:-

i) The agreement provided that the bank would charge interest at 3% on the loans advanced to borrowers. Further the County Assembly was to earn interest of 3% per annum on the account balances. This was to accrue daily but debited quarterly. During the year ended 30<sup>th</sup> June 2015 an amount of Ksh.1,710,000 was charged as administration fees. This amount represented the administration fee charged by the administrator bank. The bank has however failed to provide invoices for the same. The amount is purely based on the provisions of the Agreement signed with the bank and it remains a cost on the fund.

#### 7.4 Breach of Service Level Agreement

As reported in the previous year, a letter from the bank indicated that the County Assembly Service Board had deposited Kshs.180,000,000 into the bank. The bank had disbursed loans totaling Kshs.132,446,000, while an amount of Kshs.64,906,205 remained in the bank account. As at 30 June 2015, the statement of financial position reflected an outstanding loan balance of Kshs.107,355,000 and a cash balance of Kshs.73,004,000.

The following was however noted: the loans disbursed were not supported by any introduction letters from the Service Board as had been required in the Service Level Agreement with the bank; title deeds and valuation reports were provided for mortgage loans; there were no securities for the amounts advanced to the MCAs. Consequently, it is not possible to confirm whether the loans were disbursed for the intended purpose. Further, the bank is in breach of the Service Level Agreement.

The Accounting Officer admitted to the audit findings and submitted that:-

(i) The procedure of applying for the loans was such that applicants had to obtain introduction letters from the office of the Clerk to present to the bank. This procedure

was adhered to and introduction letters were given in every instance of borrowing. The letters were availed to the auditors for audit verification;

(ii) As rightly observed by the Auditor, the bank did not request for title deeds to be provided before advancing the loans. The administrator bank was in breach of the provisions of the contract and this is one of the reasons that the agreement was terminated;

(iii) It was true that no securities were deposited for the amounts advanced to borrowers. As pointed out above, the contract with the bank was terminated due to breach of contractual obligations. To ensure that the fund was not exposed to any risk the Loans Management Committee directed that the loans be insured against loss of seat by the borrower by any other means other than death, as envisioned in Article 194 of the Constitution of Kenya. The loans are therefore insured against such risks.

## 8.0 COMMITTEE'S OBSERVATIONS

i) Family Bank Ltd ,as the institution appointed to administer the Nairobi City County Assembly Service Board Mortgage Scheme Fund according to regulation 16 of the Public Finance Management (Nairobi City County Assembly Mortgage Scheme Fund) Regulations, 2014, has persistently and materially breached, Section 15(c), (d) and (e) and Section 17(a) of the aforementioned regulations; Section 116(3) and (4) of the Public Finance Management Act, 2012; and its obligations as set out in the Service Level Agreement;

i) The lack of submission of bank statements by Family Bank Ltd, showing individual members transactions, as requested by County Assembly Loans Management Committee, signifies that the Bank was unwilling to be transparent on its operations;

ii) The Accounting Officer had provided introduction letters and ledgers showing individual transactions;



- iii) The explanation in changes in assets provided by the Accounting Officer should have initially been provided in the Mortgage Fund financial statements;
- iv) The process in which Family Bank Ltd was supposed to receive payments for its administrative services was not clearly defined in the Service Level Agreement thus leaving room for the bank to deduct its payments directly from the funds which is a clear violation of the Section 116 (3) of the Public Finance Management Act, 2012;
- v) The termination of the Service Level Agreement between the Nairobi City County Assembly Service Board and Family Bank Limited for administration of the Nairobi City County Assembly Service Board Mortgage Scheme Fund by the Nairobi City County Assembly was proper;

## 9.0 CONCLUSION

The Committee has exhaustively analyzed the submissions and evidence adduced by both the Clerk of the Nairobi City County Assembly (who is also the Secretary of the Nairobi City County Assembly Service Board) and Family Bank Limited. The Committee has also further collected and analyzed the oral submission issued by members of the Nairobi City County Assembly Loans Management Committee.

Based on the aforementioned, the Committee has arrived at the conclusion that the agreement between the Nairobi City County Assembly Service Board and Family Bank Limited on the administration of the Nairobi City County Assembly Service Board Mortgage Scheme Fund is completely untenable in view of Family Bank Limited's persistent and material breach of its obligations as set out in: Section 15 (c), (d) and (e) and Section 17 (a) of the Public Finance Management (Nairobi City County Assembly Mortgage Scheme Fund) Regulations; Section 116 (3) and (4) of the Public Finance Management Act, 2012; and the Service Level Agreement.

## 10.0 COMMITTEE'S RECOMMENDATION

- i) The Clerk of the Nairobi City County Assembly, who is the fiduciary agent of the Fund should make a formal complaint to the Central Bank of Kenya to the effect that Family Bank Limited failed to honour their contractual obligations as per the Service Level Agreement and attach evidence indicating the same.



**MINUTES OF THE 9<sup>TH</sup> SITTING OF THE NAIROBI CITY COUNTY ASSEMBLY PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY 31<sup>ST</sup> JANUARY, 2017 AT MASADA HOTEL, NAIVASHA AT 10.00AM**

**PRESENT:**

- |                                     |                  |
|-------------------------------------|------------------|
| 1. Hon. Robert Mbatia, MCA          | Chairperson      |
| 2. Hon. Daniel Mutiso, MCA          | Vice-Chairperson |
| 3. Hon. Moses Ogeto, MCA            |                  |
| 4. Hon. Maurice Gari, MCA           |                  |
| 5. Hon. Julius Mwaniki, MCA         |                  |
| 6. Hon. Oscar Lore, MCA             |                  |
| 7. Hon. Jackson Mwangi Ngari, MCA   |                  |
| 8. Hon. Rose Ogonda, MCA            |                  |
| 9. Hon. Njuguna Mwangi, MCA         |                  |
| 10. Hon. Martin Waweru Gichuhi, MCA |                  |
| 11. Hon. Asha Abdi Sosso, MCA       |                  |
| 12. Hon. Shadrack Juma, MCA         |                  |
| 13. Hon. David Mberia, MCA          |                  |
| 14. Hon. Martin Mugo Kanyi, MCA     |                  |
| 15. Hon. Stephen Murathi Kambi, MCA |                  |
| 16. Hon. Peter Oweru, MCA           |                  |
| 17. Hon. Andrew Mbau Macharia, MCA  |                  |
| 18. Hon. Akuk Mo, MCA               |                  |

**ABSENT WITH APOLOGIES:**

Hon. Tabitha Juma, MCA

**Secretariat:**

Mr. Shadrack Makokha – Clerk Assistant

**MIN.27/NCCA/PAC/JAN/2017:**

**PRELIMINARIES**

The Chairperson called the meeting to order at 10.00 am and opened the meeting with a word of prayer. He informed that as per the retreat programme, the agenda for the session was to consider pending business particularly adoption of pending reports. He then read the agenda of the day which was subsequently adopted for discussion as proposed by Hon. David Mberia and seconded by Hon. Peter Oweru as follows:-

**AGENDA**

1. Prayers
2. Adoption of Agenda
3. Committee retreat
  - Consideration of pending business
4. Adjournment

MIN.28/NCCA/PAC/JAN/2017:

CONSIDERATION OF PENDING  
BUSINESS

(i) Adoption of the Committee report on 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 2015

— The Chairperson took Members through the draft report of the Committee on the consideration 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 2015 which had the following recommendation:-

- The Clerk of the Nairobi City County Assembly, who is the fiduciary agent of the Fund should make a formal complaint to the Central Bank of Kenya to the effect that Family Bank Limited failed to honour their contractual obligations as per the Service Level Agreement and attach evidence indicating the same.

— There being quorum for the adoption of the report, the report was adopted as proposed by Hon. Jackson Mwangi Ngari and seconded by Hon. Shadrack Juma. The Chairperson then informed that all Members should append their signatures on the report to signify their concurrence with its contents.

(ii) Adoption of Committee report on the report of the Auditor General 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 2015

— The Chairperson took Members through the draft report of the Committee on the consideration of the Auditor General on the Financial statements of Nairobi City County Assembly Service Board C Mortgage scheme fund for the year ended 30th June 2015 which had the following recommendation:-

- The Clerk of the Nairobi City County Assembly, who is the fiduciary agent of the Fund should make a formal complaint to the Central Bank of Kenya to the effect that Family Bank Limited failed to honour their contractual obligations as per the Service Level Agreement and attach evidence indicating the same.

— There being quorum for the adoption of the report, the report was adopted as proposed by Hon. Asha Abdi Soso and seconded by Hon. Andrew Mbau Macharia. The Chairperson then informed that all Members should append their signatures on the report to signify their concurrence with its contents.

(iii) Pending Auditor General reports

On the pending reports, the Committee resolved as follows:-

- That letters requesting written responses from all Accounting Officers regarding various audit queries in the Report of the Auditor General on the financial statements of the County Government of Nairobi City for the year ended 30th June, 2015 should be sent by Friday 3rd February, 2016 so that they can respond by Friday, 10th February, 2016.



- That once the Committee receives written responses on the audit queries shall review them within a weeks' time and proceed to invite accounting officers to clarify on areas that may not be satisfactory. Upon finalizing with the Executive report, the Committee shall commence considering the report of the Auditor General on the financial operations of Nairobi City County Assembly for the period 1st July 2014 to 30th June 2015.

MIN.29/NCCA/PAC/JAN/2017:

A.O.B & ADJOURNMENT

The Committee having dispensed with the business of the day and the time being thirty minutes past Twelve O'clock, the Chairperson adjourned the session. 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.....28/02/2017

HON. ROBERT MBATIA (CHAIRMAN)



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MINUTES OF THE 64<sup>TH</sup> SITTING OF THE NAIROBI CITY COUNTY ASSEMBLY PUBLIC ACCOUNTS COMMITTEE HELD ON TUESDAY 12<sup>TH</sup> JULY, 2016 AT 12.00 PM AT THE FOYER, NEW CHAMBER BUILDING, CITY HALL BUILDINGS.

PRESENT:

- |                                     |                  |
|-------------------------------------|------------------|
| 1. Hon. Robert Mbatia, MCA          | Chairperson      |
| 2. Hon. Daniel Mutiso, MCA          | Vice-Chairperson |
| 3. Hon. Maurice Gari, MCA           |                  |
| 4. Hon. Andrew Mbau Macharia, MCA   |                  |
| 5. Hon. Stephen Murathi Kambi, MCA  |                  |
| 6. Hon. Moses Ogeto, MCA            |                  |
| 7. Hon. Rose Ogonda, MCA            |                  |
| 8. Hon. Akuk Mo, MCA                |                  |
| 9. Hon. Oscar Lore, MCA             |                  |
| 10. Hon. Peter Oweru, MCA           |                  |
| 11. Hon. David Mberia, MCA          |                  |
| 12. Hon. Julius Mwaniki, MCA        |                  |
| 13. Hon. Tabitha Juma, MCA          |                  |
| 14. Hon. Asha Abdi Sosso, MCA       |                  |
| 15. Hon. Njuguna Mwangi, MCA        |                  |
| 16. Hon. Jackson Mwangi Ngari, MCA  |                  |
| 17. Hon. Martin Waweru Gichuhi, MCA |                  |

ABSENT WITH APOLOGIES:

1. Hon. Martin Mugo Kanyi, MCA
2. Hon. Shadrack Juma, MCA

SECRETARIAT:

- |                        |   |                 |
|------------------------|---|-----------------|
| 1. Ms. Josephine Kamau | – | Clerk Assistant |
|------------------------|---|-----------------|

MIN.233/NCCA/PAC/JULY/2016:

PRELIMINARIES

The Chairperson called the meeting to order at 12.14 pm and opened the meeting with a word of prayer. He then read the agenda of the day which was subsequently adopted for discussion as proposed by Hon. Jackson Ngari and seconded by Hon. Maurice Gari.

MIN.234/NCCA/PAC/JULY/2016:  
SUBMITTED BY FAMILY BANK LIMITED

CONSIDERATION OF DOCUMENTS

The Chairperson read through the documents submitted by Family Bank Limited following the Committee meeting with the bank officials and Members deliberated on the same.



The Committee noted with concern that Family Bank Ltd had still not submitted the fund account statement indicating the interest generated from the initial deposit of Kshs.254,000,000 and transfer of Kshs.51,000,000 from the fixed deposit account.

The secretariat was requested to forward the documents to the auditor for proper guidance on the matter.

MIN.235/NCCA/PAC/ JULY/2016:

A.O.B & ADJOURNMENT

The Committee having dispensed with the business of the day and the time being fifty minutes past Twelve 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.....27/02/2017.....

HON. ROBERT MBATIA (CHAIRMAN)

MINUTES OF THE 57<sup>TH</sup> SITTING OF THE NAIROBI CITY COUNTY ASSEMBLY PUBLIC ACCOUNTS COMMITTEE HELD ON WEDNESDAY 29<sup>TH</sup> JUNE, 2016 AT 10.00 AM AT THE FOYER, NEW CHAMBER BUILDING, CITY HALL BUILDINGS.

PRESENT:

- |                                     |                  |
|-------------------------------------|------------------|
| 1. Hon. Robert Mbatia, MCA          | Chairperson      |
| 2. Hon. Daniel Mutiso, MCA          | Vice-Chairperson |
| 3. Hon. Shadrack Juma, MCA          |                  |
| 4. Hon. Akuk Mo, MCA                |                  |
| 5. Hon. David Mberia, MCA           |                  |
| 6. Hon. Jackson Ngari, MCA          |                  |
| 7. Hon. Asha Abdi Sosso, MCA        |                  |
| 8. Hon. Rose Ogonda, MCA            |                  |
| 9. Hon. Andrew Mbau, MCA            |                  |
| 10. Hon. Moses Ogeto, MCA           |                  |
| 11. Hon. Julius Mwaniki, MCA        |                  |
| 12. Hon. Tabitha Juma, MCA          |                  |
| 13. Hon. Maurice Gari, MCA          |                  |
| 14. Hon. Njuguna Mwangi, MCA        |                  |
| 15. Hon. Stephen Murathi Kambi, MCA |                  |
| 16. Hon. Martin Mugo Kanyi, MCA     |                  |

ABSENT WITH APOLOGY:

1. Hon. Oscar Lore, MCA
2. Hon. Peter Oweru, MCA
3. Hon. Martin Waweru, MCA

IN-ATTENDANCE:

FAMILY BANK LIMITED

- |                      |                          |
|----------------------|--------------------------|
| 1. James Macharia –  | Senior Manager, Credit   |
| 2. Rebecca Mbithi –  | Company Secretary        |
| 3. James Karinga –   | Head of Credit           |
| 4. Jeremiah Mwangi – | Credit Manager           |
| 5. Patrick Nderitu – | Assistant Credit Manager |
| 6. Jeremiah Gitau –  | Credit Manager           |

OFFICE OF THE AUDITOR GENERAL:

- |                      |                |
|----------------------|----------------|
| 1. Henry Manegene –  | Liason Officer |
| 2. Michael Ochieng – | Audit Manager  |

SECRETARIAT:

1. Ms. Josephine Kamau – Clerk Assistant

MIN.206/NCCA/PAC/JUNE/2016:

PRELIMINARIES

The Chairperson called the meeting to order at 10.17 am and opened the meeting with a word of prayer. He then read the agenda of the day which was subsequently adopted for discussion as proposed by Hon. Moses Ogeto and seconded by Hon. Asha Sosso.

The Chairperson welcomed the team of six staff from Family Bank Limited to the meeting and called on Members, officers from the Auditor-General's office as well as the secretariat to introduce themselves.

He then proceeded to brief the officers on the purpose of the meeting by highlighting the main issues to be addressed which included audit queries raised in the Reports of the Auditor General on the Financial Statements of Nairobi City County Assembly Service Board Car Loan and Mortgage Scheme Funds for the year ended 30 June 2015.

The Chairperson then led the Committee in conducting the inquiry and invited Members to ask questions.

MIN.207/NCCA/PAC/JUNE/2016:

EVIDENCE: SUBMISSIONS BY  
FAMILY BANK LIMITED ON CAR LOAN AND MORTGAGE SCHEME FUNDS

On maintenance of accounting records, the bank officials informed the Committee that the bank statement could not reflect the movement of cash as requested due to system configuration constraints which they explained to the County Assembly Service Board on various occasions. This was indicated in the response submitted on 6<sup>th</sup> June, 2016.

Members requested to be furnished with the minutes of the meeting but the bank officials amended the letter to read the County Assembly Loans Committee and not Service Board. The bank officials confirmed that the Committee was actually a Reconciliation Task Force and communication was through correspondences and not a meeting.

The Committee sought to know why the bank has persistently refused to provide the original funds account statements despite numerous demands and instead submitted mere spreadsheets. The bank officials confirmed that they would provide the original funds statements in the course of the week.

The bank officials also informed the Committee that the bank operated a loan account and not a fund account in order to advance loans to individual members.

Members inquired on the issue of arithmetical errors and the bank officials stated that there were no arithmetical errors in the statements as alleged by the Auditor General.



On interest and other bank charges, the Committee sought to know why the bank was charging administration fee on individual member accounts yet the Service Level Agreement clearly indicated that there would be NIL processing fees on the loans.

In response, the bank officials stated that the bank only charged insurance fees for five years and not loan processing fees. Members were however adamant that there was administration fee charged on their individual accounts and the bank ought to disclose the truth. Members also demanded for a refund of the insurance charges since the contract was terminated within one year.

On legal fees and irregular transfer of funds, the bank officials informed the Committee that the bank was willing to settle the legal fees and was already in court negotiating on the fees to be brought down to a reasonable amount.

Finally, the bank officials promised to submit all relevant documents pertaining car loan and mortgage scheme funds issues by 3<sup>rd</sup> July, 2016.

MIN.208/NCCA/PAC/JUNE/2016:

A.O.B & ADJOURNMENT

The Committee having dispensed with the business of the day and the time being twenty eight minutes past Twelve 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.....

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PRESENT:

- |                                 |                  |
|---------------------------------|------------------|
| 1. Hon. Robert Mbatia, MCA      | Chairperson      |
| 2. Hon. Daniel Mutiso, MCA      | Vice-Chairperson |
| 3. Hon. Shadrack Juma, MCA      |                  |
| 4. Hon. Martin Waweru, MCA      |                  |
| 5. Hon. David Mberia, MCA       |                  |
| 6. Hon. Jackson Ngari, MCA      |                  |
| 7. Hon. Peter Oweru, MCA        |                  |
| 8. Hon. Rose Ogonda, MCA        |                  |
| 9. Hon. Andrew Mbau, MCA        |                  |
| 10. Hon. Moses Ogeto, MCA       |                  |
| 11. Hon. Julius Mwaniki, MCA    |                  |
| 12. Hon. Maurice Gari, MCA      |                  |
| 13. Hon. Njuguna Mwangi, MCA    |                  |
| 14. Hon. Martin Mugo Kanyi, MCA |                  |

ABSENT WITH APOLOGY:

1. Hon. Oscar Lore, MCA
2. Hon. Akuk Mo, MCA
3. Hon. Asha Abdi Sosso, MCA
4. Hon. Tabitha Juma, MCA
5. Hon. Stephen Murathi Kambi, MCA

INATTENDANCE:

1. Mrs. Philomena Nzuki – Principal Accountant (PA)
2. Mr. Fredrick Macharia – Finance Planning Officer (FPO)

SECRETARIAT:

1. Ms. Wangui Jolinda – Clerk Assistant

MIN.195/NCCA/PAC/JUNE/2016:

PRELIMINARIES

The Chairperson called the meeting to order at 12.10 am and opened the meeting with a word of prayer. He then read the agenda of the day which was subsequently adopted for discussion as proposed by Hon. Andrew Mbau and seconded by Hon. Rose Ogonda.

The Chairperson welcomed the Principal Accountant and the Finance Planning Officer from Nairobi City County Assembly to the meeting and called on Members to introduce themselves.

MIN.196/NCCA/PAC/JUNE/2016:                      CONSIDERATION OF THE NCCA  
COMMENTS ON AUDIT RESPONSES FOR 2014/2015 AUDIT OBSERVATIONS FOR  
CAR LOAN AND MORTGAGE SCHEME FUNDS

The Chairman guided the Members through the Letters from both Family Bank Ltd and NCCA and the Members were invited to ask the two officials questions pertaining the car loan and mortgage scheme funds.

Members inquired on various issues which were responded accordingly by the two Assembly officials:-

- a) Whether there was a joint Committee between Family Bank Ltd and the County Assembly and if there was a TOR, what were the terms?

The PA responded that there was a joint Committee which was made up of 3 staff of the Assembly and 3 staff from Family Bank. The Terms of Reference were; to agree on the interest to charge, reconcile individual accounts and submit reconciled accounts to Nairobi City County Assembly. The Committee however drafted the report with recommendations but the officials from Family Bank Ltd never signed the report since the issues raised in the report were contentious.

- b) Whether the individual ledgers for each Member were submitted to NCCA?

The FPO informed the Committee that the documents received from Family Bank Ltd were used to generate ledger accounts for each Member.

- c) Were the transactional statements for the funds received and what was the interest accrued?

The Committee was informed that the statements were received but there were errors noted in the interests accrued.

- d) Was the Legal fees on irregular transfer of funds on both loans paid?

The PA informed the Committee that no legal fees were paid since the Lawyers were contracted by NCCA on behalf of Family Bank Ltd to correspond on the irregularities/malpractices in the administration of the fund.

The Committee therefore resolved to hold a meeting with Family Bank officials and the Clerk of the County Assembly to establish the truth of the matter at hand.

MIN.197/NCCA/PAC/JUNE/2016:

A.O.B & ADJOURNMENT

The Committee having dispensed with the business of the day and the time being fifty minutes past Twelve 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.....

HON. ROBERT MBATIA (CHAIRMAN)



21<sup>st</sup> JULY 2016

**THE CLERK  
NAIROBI CITY COUNTY ASSEMBLY  
P.O.BOX 45844-00100  
NAIROBI, KENYA**



**NAIROBI CITY COUNTY COMMENTS ON AUDIT REPSONSES FOR 2015/2015 AUDIT  
OBSERVATIONS FOR CAR AND MORTGAGE SCHEME FUNDS**

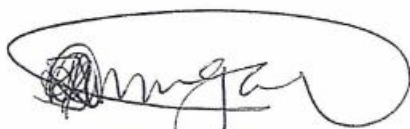
We write further to our letter dated 05<sup>th</sup> July 2016 and received at your office on 06<sup>th</sup> July 2016 on the above subject;

We had advised in our aforementioned letter that we had re-computed interest earned on the car and mortgage fund accounts based on cumulative balances and that the additional interest payable by ourselves was to be Kes 2,864,886.13 being Kes 2,468,612.81 on car loan fund account and Kes 396,273.32 on mortgage loan fund account.

We herein advise that the same has been transferred to your account earlier advised to us. Find attached herein the RTGS confirmation for the same and the revised workings.

In our view this was the only outstanding issue under the reconciliation exercise and the fact that it is now resolved it should close all issues related to the Fund.

For and on behalf of Family Bank Limited  
Signed,



**James Karinga  
Head of Credit**

CC: The chairperson  
Nairobi County Assembly Public Accounts Committee

*Encl: Revised interest computation for car loan fund account  
Revised interest computation for mortgage loan fund account  
Revised car loan fund account statement (reconciled)  
Revised mortgage loan fund account statement (reconciled)*





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----- Instance Type and Transmission -----
Notification (Transmission) of Original sent to SWIFT (ACK)
Network Delivery Status : Network Ack
Priority/Delivery : Urgent/Non-Deliv Warning
Message Input Reference : 1544 160720FABLKENAXXX2888255467
----- Message Header -----
Swift Input : FIN 103 Single Customer Credit Transfer
Sender : FABLKENAXXX
        FAMILY BANK LIMITED
        NAIROBI KE
Receiver : KCOOKENAXXX
        THE CO-OPERATIVE BANK OF KENYA LTD
        NAIROBI KE
MUR : 000MSOG16202004X Banking Priority : NNNN
FIN Copy Service : KPS
----- Message Text -----
20: Sender's Reference
    0120RGC162020012
23B: Bank Operation Code
    CRED
32A: Val Dte/Curr/Interbnk Settl'd Amt
    Date : 20 July 2016
    Currency : KES (KENYAN SHILLING)
    Amount : #3987177,8#
50K: Ordering Customer-Name & Address
    /012000035543
    NAIROBI CITY COUNTY MORGAGE SCHEME
    FUND ACCOUNT
    45844-00100
    NBI
57A: Account With Institution - FI BIC
    KCOOKENAXXX
    THE CO-OPERATIVE BANK OF KENYA LTD
    NAIROBI KE
59: Beneficiary Customer-Name & Addr
    /01141232417501
    /NAIROBI CITY COUNTY ASSEMBLY
    DEVELOPMENT ACCOUNT
70: Remittance Information
    //CITY HALL
    //MORGAGE SCHEME
71A: Details of Charges
    SHA
----- Message Trailer -----
{CHK:E75CC9EC3701}
PKI Signature: MAC & PAC-Equivalent
----- Interventions -----
Category : Network Report
Creation Time : 20/07/16 15:42:47
Application : SWIFT Interface
Operator : SYSTEM
Text
{1:F21FABLKENAXXX2888255467}{4:{177:1607201544}{451:0}{108:000MSOG16202004X}}
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----- Instance Type and Transmission -----  
 Notification (Transmission) of Original sent to SWIFT (ACK)  
 Network Delivery Status : Network Ack  
 Priority/Delivery : Urgent/Non-Deliv Warning  
 Message Input Reference : 1543 160720FABLKENAAXXX2888255466

----- Message Header -----  
 Swift Input : FIN 103 Single Customer Credit Transfer  
 Sender : FABLKENAXXX  
 FAMILY BANK LIMITED  
 NAIROBI KE  
 Receiver : KCOOKENAXXX  
 THE CO-OPERATIVE BANK OF KENYA LTD  
 NAIROBI KE  
 MUR : 000MSOG16202004Y Banking Priority : NNNN  
 FIN Copy Service : KPS

----- Message Text -----  
 20: Sender's Reference  
 012ORG162020011  
 23B: Bank Operation Code  
 CRED  
 32A: Val Dte/Curr/Interbnk Settl'd Amt  
 Date : 20 July 2016  
 Currency : KES (KENYAN SHILLING)  
 Amount : #5808037,7#  
 50K: Ordering Customer-Name & Address  
 /012000035538  
 NAIROBI CITY COUNTY CAR LOAN  
 SCHEME FUND ACCOUNT  
 45844-00100  
 NBI  
 57A: Account With Institution - FI BIC  
 KCOOKENAXXX  
 THE CO-OPERATIVE BANK OF KENYA LTD  
 NAIROBI KE  
 59: Beneficiary Customer-Name & Addr  
 /01141232417501  
 /NAIROBI CITY COUNTY ASSEMBLY  
 DEVELOPMENT ACCOUNT  
 70: Remittance Information  
 //CITY HALL  
 //CAR SCHEME CITY HALL  
 71A: Details of Charges  
 SHA

----- Message Trailer -----  
 {CHK:611F4E905CC8}  
 PKI Signature: MAC & PAC-Equivalent

----- Interventions -----  
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 Creation Time : 20/07/16 15:42:07  
 Application : SWIFT Interface  
 Operator : SYSTEM  
 Text  
 {1:F21FABLKENAAXXX2888255466}{4:{177:1607201543}{451:0}{108:000MSOG16202004Y}}



CAR LOAN

ACCOUNT NAME: NAIROBI CITY COUNTY CAR LOAN SCHEME FUND ACCOUNT

CUSTOMER NO.: 1381739

ACCOUNT NO.: 12000035538

ACCOUNT TYPE: Business Current(KES)

TRANSACTION DATE	PARTICULARS	IN	OUT	TOTAL BALANCE
10/6/2014	REF: RTGS B/O A/C 012-35537	254,000,000.00		254,000,000.00
6/20/2014	SAMUEL KAGIRI MWANGI		2,000,000.00	252,000,000.00
6/21/2014	GEORGE OCHIENG OCHOLA		2,000,000.00	250,000,000.00
6/21/2014	HASHIM KAMAU ATHMAN		2,000,000.00	248,000,000.00
6/24/2014	CHRISTINE ALOO ABUTO		2,000,000.00	246,000,000.00
6/24/2014	WILLIAM ORACHA ABUKA		2,000,000.00	244,000,000.00
6/24/2014	ALHAD AHMED ADAM		2,000,000.00	242,000,000.00
6/24/2014	BEATRICE KWAMBOKA MAKORI		2,000,000.00	240,000,000.00
6/24/2014	MAXWELL OCHIENG OCHAR		2,000,000.00	238,000,000.00
6/24/2014	MAURICE GARI OTIENO		2,000,000.00	236,000,000.00
6/24/2014	MOHAMED ABDI ABDURAHMAN		2,000,000.00	234,000,000.00
6/24/2014	ELKANA OMOGA MAUTI		2,000,000.00	232,000,000.00
6/24/2014	SHADRACK JUMA NYAMBU		2,000,000.00	230,000,000.00
6/24/2014	ALFRED AMBANI MUHINDI		2,000,000.00	228,000,000.00
6/24/2014	WILFRED OLUOCH ODALO		2,000,000.00	226,000,000.00
6/24/2014	ROSE ADHIAMBO OGONDA		2,000,000.00	224,000,000.00
6/24/2014	JOASH OMWENGA MOSE KENGERE		2,000,000.00	222,000,000.00
6/24/2014	JAIR O ATENYA ASITIBA		2,000,000.00	220,000,000.00
6/24/2014	VICTORIA AGANI ALALI		2,000,000.00	218,000,000.00
6/25/2014	SUSAN KARIMI NJUE		2,000,000.00	216,000,000.00
6/25/2014	EMMACULATE MBENGWA MUSYA		2,000,000.00	214,000,000.00
6/25/2014	PETER ANYULE IMWATOK		2,000,000.00	212,000,000.00
6/25/2014	AMOS MBUTHI MUKAMI		2,000,000.00	210,000,000.00
6/25/2014	ERASTUS MUIRURI MBURU		2,000,000.00	208,000,000.00
6/25/2014	DANIEL ORIA ODHAMBO		2,000,000.00	206,000,000.00
6/25/2014	AMINA MOHAMED MOHAMED		2,000,000.00	204,000,000.00
6/25/2014	GEORGE MAINA NJOROGE		2,000,000.00	202,000,000.00
6/25/2014	ALEXINA LIKONO MUDI		2,000,000.00	200,000,000.00
6/25/2014	OMONDI MAURICE AKUK		2,000,000.00	198,000,000.00
6/25/2014	JOYCE NAMBWIRE BOCHA		2,000,000.00	196,000,000.00
6/25/2014	ROSEMARY WAIRIMU MACHARIA		2,000,000.00	194,000,000.00
6/25/2014	ROBERT MBATIA		2,000,000.00	192,000,000.00
6/26/2014	FLORENCE ACHIENG ATHEMBO		2,000,000.00	190,000,000.00
6/26/2014	ROSEANANCY LUCHIRI		2,000,000.00	188,000,000.00
6/26/2014	CELESTYNE ONGERE OWINO		2,000,000.00	186,000,000.00
6/26/2014	FREDRICK OWINO OBENGE		2,000,000.00	184,000,000.00
6/26/2014	RUTH NJERI NYAMBURA		2,000,000.00	182,000,000.00
6/26/2014	JANET MUTHONI KIMONDO		2,000,000.00	180,000,000.00
6/26/2014	ELIZABETH SANG		2,000,000.00	178,000,000.00
6/26/2014	PETER VUKINDU ISUHA		2,000,000.00	176,000,000.00
6/26/2014	MAGDALENE MWENDWA MBOGORI		2,000,000.00	174,000,000.00
6/26/2014	FREDRICK NJOGU NJOROGE		2,000,000.00	172,000,000.00
6/26/2014	BENSON LIGAVOH AMUTAVI		2,000,000.00	170,000,000.00
6/26/2014	DANIEL KITHAMA MUTISO		2,000,000.00	168,000,000.00
6/26/2014	ALEXANDER MUTISYA MULATYA		2,000,000.00	166,000,000.00
6/26/2014	LEAH MUMO MATEE		2,000,000.00	164,000,000.00
6/26/2014	PAUL KADOS KIGUATHI		2,000,000.00	162,000,000.00
6/26/2014	KAREN WANJIKU GITHAIGA		2,000,000.00	160,000,000.00
6/26/2014	SAMUEL NDUNGU NJOROGE		2,000,000.00	158,000,000.00
6/26/2014	ANTHONY KIRAGU KARANJA		2,000,000.00	156,000,000.00
6/26/2014	NELSON MASIGA MARAKALU		2,000,000.00	154,000,000.00
6/26/2014	MILLICENT WAMBUI MUGADI		2,000,000.00	152,000,000.00
6/26/2014	MERCY WANJIKU KARIUKI		2,000,000.00	150,000,000.00
6/26/2014	MARTIN KARANJA KINGETHU		2,000,000.00	148,000,000.00
6/26/2014	PETER WANYOIKE GITAU		2,000,000.00	146,000,000.00
6/26/2014	HAWA DAFALA ABSUNUN		2,000,000.00	144,000,000.00
6/26/2014	RACHEL WANJIKU KAMWERU		2,000,000.00	142,000,000.00
6/26/2014	PATRICK NGARUIYA CHEGE		2,000,000.00	140,000,000.00
6/26/2014	ANDREW MACHARIA MBAU		2,000,000.00	138,000,000.00
6/26/2014	OSCAR OTIENO LORE		2,000,000.00	136,000,000.00
6/26/2014	JOHN WAMWERU KINUTHIA		2,000,000.00	134,000,000.00
6/26/2014	JOHN WAMWERU KINUTHIA		2,000,000.00	132,000,000.00





11  
12

6/27/2014	MIKE OBONYO GUORO		2,000,000.00	130,000,000.00
6/27/2014	HERMAN MASABU AZANGU		2,000,000.00	128,000,000.00
6/27/2014	SAMWEL NYABERI NYANGWARA		2,000,000.00	126,000,000.00
6/27/2014	ALVIN OLANDO PALAPALA		2,000,000.00	124,000,000.00
6/28/2014	DAVID NJOROG KAIRU		2,000,000.00	122,000,000.00
6/28/2014	TABITHA AKINYI JUMA		2,000,000.00	120,000,000.00
6/28/2014	HELEN NAIRUKO KATANGIE		2,000,000.00	118,000,000.00
6/28/2014	MANOAH KAREGA MBOKU		2,000,000.00	116,000,000.00
6/28/2014	KENNETH IRUNGU MWANGI		2,000,000.00	114,000,000.00
6/28/2014	CATHERINE APIYO OKOTH		2,000,000.00	112,000,000.00
6/28/2014	JAMES MWAURA CHEGE		2,000,000.00	110,000,000.00
6/28/2014	CLARENCE KIPKEMOI MUNGA		2,000,000.00	108,000,000.00
6/28/2014	KENNEDY ODURU NYARUMBA		2,000,000.00	106,000,000.00
6/28/2014	PETER OWERA OLUOCH		2,000,000.00	104,000,000.00
6/28/2014	JEFFER ABDULWAHAB KASSAM		2,000,000.00	102,000,000.00
6/28/2014	DORCAS MUTHONI NGANGA		2,000,000.00	100,000,000.00
6/28/2014	PETRONILA NAFULA ACHIENG		2,000,000.00	98,000,000.00
6/30/2014	ALEX SANAICA OLE MAGELO		2,000,000.00	96,000,000.00
6/30/2014	ELIZABETH AKINYI MANYALA		2,000,000.00	94,000,000.00
6/30/2014	IMELDA NAFULA WANJALA		2,000,000.00	92,000,000.00
6/30/2014	CHARLES THUO WAKARINDI		2,000,000.00	90,000,000.00
6/31/2014	maintenance fee		-	90,000,000.00
7/1/2014	ZULFA HAKIM MOHAMMED		2,000,000.00	88,000,000.00
7/1/2014	AWINO NYANGALA		2,000,000.00	86,000,000.00
7/1/2014	JAMES KINUTHIA WAMUJA		2,000,000.00	84,000,000.00
7/1/2014	PETER MIGWI GICHOHI		2,000,000.00	82,000,000.00
7/1/2014	MONICAH WARUIRU NDEGWA		2,000,000.00	80,000,000.00
7/1/2014	JACKSON KIAMA GIKANDI		2,000,000.00	78,000,000.00
7/1/2014	CAROLINE ACHIENG MUGA		2,000,000.00	76,000,000.00
7/1/2014	MARTIN WAWERU GICHUHI		2,000,000.00	74,000,000.00
7/1/2014	PIUS MWAURA MBONO		2,000,000.00	72,000,000.00
7/3/2014	PIUS OWINO OTIENO		2,000,000.00	70,000,000.00
7/3/2014	MARGARET ACHOLA SEWE		2,000,000.00	68,000,000.00
7/3/2014	WILSON ONGELE OCHOLA		2,000,000.00	66,000,000.00
7/3/2014	SAMUEL IRUNGU MWANGI		2,000,000.00	64,000,000.00
7/3/2014	KONALD MELKIZEDEK MILARE		2,000,000.00	62,000,000.00
7/3/2014	DANIEL MBUGUA MARI		2,000,000.00	60,000,000.00
7/3/2014	ALEX OUDA OTIENO		2,000,000.00	58,000,000.00
7/3/2014	MARTIN KINYANJUI MUNGA		2,000,000.00	56,000,000.00
7/3/2014	KENNETH THUGI MUROI		2,000,000.00	54,000,000.00
7/3/2014	MARK NDUNGU NGANGA		2,000,000.00	52,000,000.00
7/3/2014	PETER MURIITHI WARUTERE		2,000,000.00	50,000,000.00
7/3/2014	KINGSLEY WELLINGTON ODIDA		2,000,000.00	48,000,000.00
7/4/2014	NANCY NYAMBURA MWAURA		2,000,000.00	46,000,000.00
7/4/2014	BONIFACE KITAVI DAVID		2,000,000.00	44,000,000.00
7/4/2014	ASHA ABDI SOSSO		2,000,000.00	42,000,000.00
7/7/2014	TABITHA WOTHAYA NDIGIRIGI		2,000,000.00	40,000,000.00
7/8/2014	MICHAEL OGADA OKUMU		2,000,000.00	38,000,000.00
7/8/2014	STEPHEN KAMAU THUO		2,000,000.00	36,000,000.00
7/8/2014	OSMAN ADOW IBRAHIM		2,000,000.00	34,000,000.00
7/10/2014	DAVID NJILITHIA MBERIA		2,000,000.00	32,000,000.00
7/11/2014	JULIUS MWANIKI MUCHIRI		2,000,000.00	30,000,000.00
7/11/2014	KAPEEN DIANAHA		2,000,000.00	28,000,000.00
7/14/2014	MARION NJERI GITHINJI		2,000,000.00	26,000,000.00
7/15/2014	PETER WAHINYA KIMUHU		2,000,000.00	24,000,000.00
7/15/2014	JANE MUASYA		2,000,000.00	22,000,000.00
7/15/2014	PETER WAHINYA NJAU		2,000,000.00	20,000,000.00
7/16/2014	MICHAEL WAINAINA WANJIKU		2,000,000.00	18,000,000.00
7/18/2014	NJUGUNA MANGI		2,000,000.00	16,000,000.00
31/07/2014	maintenance fee		-	16,000,000.00
8/1/2014	STEPHEN MURATHI KAMBI		2,000,000.00	14,000,000.00
8/5/2014	OGETO MOSES NYANGARESI		2,000,000.00	12,000,000.00
6/8/2014	July 2014 principal loan repayments	2,904,463.00		14,904,463.00
8/16/2014	MARTIN MUGO KANYI		2,000,000.00	12,904,463.00
8/21/2014	ABDI IBRAHIM HASSAN		2,000,000.00	10,904,463.00
8/27/2014	JACKSON MWANGI NGARI		2,000,000.00	8,904,463.00
8/28/2014	ISAAC NJOROG NGIGE		2,000,000.00	6,904,463.00
31/08/2014	maintenance fee		-	6,904,463.00
2/9/2014	August 2014 principal loan repayments	4,667,286.56		11,571,749.56





30/09/2014	interest payment on July 2014 principal repayment	20,588.32		11,592,337.87
30/09/2014	interest payment on August 2014 principal repayment	32,939.23		11,625,277.10
30/09/2014	interest payment on un-utilized balance - June 2014	554,635.48		12,179,912.58
30/09/2014	interest payment on un-utilized balance - July 2014	113,416.18		12,293,328.76
30/09/2014	interest payment on un-utilized balance - August 2014	48,728.03		12,342,056.79
30/09/2014	maintenance fee		-	12,342,056.79
9/10/2014	September 2014 principal loan repayments	6,927,758.00		19,269,814.78
10/17/2014	JANET AYAKO WALA		2,000,000.00	17,269,814.78
31/10/2014	maintenance fee		-	17,269,814.78
10/11/2014	October 2014 principal loan repayments	6,987,698.13		24,257,512.91
30/11/2014	maintenance fee		-	24,257,512.91
9/12/2014	November 2014 principal loan repayments	7,020,638.57		31,278,151.48
31/12/2014	interest payment on September 2014 principal repayment	39,789.15		31,317,940.63
31/12/2014	interest payment on October 2014 principal repayment	42,616.31		31,360,556.94
31/12/2014	interest payment on November 2014 principal repayment	42,505.25		31,403,062.19
31/12/2014	interest payment on un-utilized balance - September 2014	70,885.84		31,473,948.03
31/12/2014	interest payment on un-utilized balance - October 2014	105,324.48		31,579,272.52
31/12/2014	interest payment on un-utilized balance - November 2014	146,862.96		31,726,135.48
31/12/2014	maintenance fee		-	31,726,135.48
8/1/2015	December 2014 principal loan repayments	7,117,782.61		38,843,918.09
31/01/2015	maintenance fee		-	38,843,918.09
12/2/2015	January 2015 principal loan repayments	7,144,311.04		45,988,229.12
28/02/2015	maintenance fee		-	45,988,229.12
5/3/2015	BENADETTE WANGUI NGANGA		2,000,000.00	43,988,229.12
17/03/2015	February 2015 principal loan repayments	7,236,935.93		51,225,165.05
31/03/2015	interest payment on December 2014 principal repayment	44,411.66		51,269,576.71
31/03/2015	interest payment on January 2015 principal repayment	44,252.25		51,313,828.96
31/03/2015	interest payment on February 2015 principal repayment	40,521.01		51,354,349.97
31/03/2015	interest payment on un-utilized balance - December 2014	197,956.35		51,552,306.32
31/03/2015	interest payment on un-utilized balance - January 2015	240,601.36		51,792,907.68
31/03/2015	interest payment on un-utilized balance - February 2015	257,497.04		52,050,404.72
31/03/2015	maintenance fee		-	52,050,404.72
4/8/2015	March 2015 principal repayments	7,252,501.24		59,302,905.96
31/04/2015	maintenance fee		-	59,302,905.96
5/8/2015	April 2015 principal repayments	7,270,591.68		66,573,497.64
5/31/2015	maintenance fee		-	66,573,497.64
19/06/2015	May 2015 principal repayments	7,288,727.36		73,862,225.00
6/30/2015	interest payment on March 2015 principal repayment	44,969.51		73,907,194.52
6/30/2015	interest payment on April 2015 principal repayment	43,119.49		73,950,314.00
6/30/2015	interest payment on May 2015 principal repayment	44,320.66		73,994,634.67
6/30/2015	interest payment on un-utilized balance - March 2015	322,741.24		74,317,375.91
6/30/2015	interest payment on un-utilized balance - April 2015	351,706.04		74,669,081.95
6/30/2015	interest payment on un-utilized balance - May 2015	404,814.38		75,073,896.33
6/30/2015	maintenance fee		-	75,073,896.33
7/15/2015	GARNISHEE ORDER MISC CAUSE NO. 148 OF 2013		50,987,985.00	24,085,911.33
16-07-2015	REVISED GARNISHEE ORDER MISC CAUSE NO. 148 OF 2013	50,987,985.00		75,073,896.33
17/07/2015	June 2015 principal repayments	7,308,172.79		82,382,069.12
7/31/2015	interest payment on June 2015 principal repayment	42,157.85		82,424,226.96
7/31/2015	interest payment on un-utilized balance - June 2015	433,070.46		82,857,297.42
7/31/2015	maintenance fee		-	82,857,297.42
	CLEAR BALANCE			82,857,297.42
	VALUE BALANCE			82,857,297.42
	UNCLEAR BALANCE			0





MORTGAGE

ACCOUNT NAME: NAIROBI CITY COUNTY MORTGAGE SCHEME FUND  
 ACCOUNT NO.: 12000035543  
 ACCOUNT TYPE: Business Current(KES)

TRANSACTION DATE	PARTICULARS	IN	OUT	TOTAL BALANCE
2/Oct/14	NAIROBI COUNTY ASSEMBLY 49D2997101	100,000,000.00		100,000,000.00
20/Nov/14	Real time Gross Settlement FROM NAIROBI CITY COUNTY MORTGAGE SCHEME FUND		100,000,000.00	
26/Nov/14	NAIROBI COUNTY ASSEMBLY 49D2997101	100,000,000.00		100,000,000.00
5/Dec/14	loan disbursement to HON. FREDRICK NJOGU NJOROGE		1,100,000.00	98,900,000.00
5/Dec/14	KENNEDY ODURU NYARUMBA		1,130,000.00	97,770,000.00
5/Dec/14	PETRONILA NAFULA ACHIENG		1,100,000.00	96,670,000.00
11/Dec/14	GEORGE OCHIENG OCHOLA		970,000.00	95,700,000.00
11/Dec/14	JANET MUTHONI KIMONDO		860,000.00	94,840,000.00
11/Dec/14	MAXWELL OCHIENG OCHAR		940,000.00	93,900,000.00
11/Dec/14	MERCY WANJIKU KARIUKI		1,120,000.00	92,780,000.00
11/Dec/14	MONICAH WARUIRU NDEGWA		1,120,000.00	91,660,000.00
15/Dec/14	ALEXINA LIKONO MUDI		1,120,000.00	90,540,000.00
15/Dec/14	ALVIN OLANDO PALAPALA		1,130,000.00	89,410,000.00
15/Dec/14	CELESTYNE ONGERE OWINO		390,000.00	89,020,000.00
15/Dec/14	DANIEL KITHAMA MUTISO		1,565,000.00	87,455,000.00
15/Dec/14	DANIEL MBUGUA MARI		1,120,000.00	86,335,000.00
15/Dec/14	DORCAS MUTHONI NGANGA		990,000.00	85,345,000.00
15/Dec/14	ELIZABETH SANG		990,000.00	84,355,000.00
15/Dec/14	HAWA DAFALA ABSUNUN		990,000.00	83,365,000.00
15/Dec/14	JEFFER ABDULWAHAB KASSAM		540,000.00	82,825,000.00
15/Dec/14	JOYCE NAMBUWIRE BOCHA		1,100,000.00	81,725,000.00
15/Dec/14	KINGSLEY WELLINGTON ODIDA		950,000.00	80,775,000.00
15/Dec/14	MARK NDUNGU NGANGA		1,130,000.00	79,645,000.00
15/Dec/14	MIKE OBONYO GUORO		1,130,000.00	78,515,000.00
15/Dec/14	NANCY NYAMBURA MWAURA		1,050,000.00	77,465,000.00
15/Dec/14	PETER OWERA OLUOCH		1,130,000.00	76,335,000.00
15/Dec/14	PETER VUKINDU ISUHA		1,120,000.00	75,215,000.00
15/Dec/14	PETER WAHINYA NJAU		1,130,000.00	74,085,000.00
15/Dec/14	PETER WANYOIKE GITAU		1,120,000.00	72,965,000.00
15/Dec/14	PIUS OWINO OTIENO		1,470,000.00	71,495,000.00
15/Dec/14	RACHEL WANJIKU KAMWERU		860,000.00	70,635,000.00
15/Dec/14	ROBERT MBATIA		1,200,000.00	69,435,000.00
15/Dec/14	TABITHA AKINYI JUMA		1,120,000.00	68,315,000.00
15/Dec/14	TABITHA WOTHAYA NDIGIRIGI		1,100,000.00	67,215,000.00
17/Dec/14	BONIFACE KITAVI DAVID		830,000.00	66,385,000.00
17/Dec/14	CHRISTINE ALOO ABUTO		990,000.00	65,395,000.00
17/Dec/14	DAVID NJILITHIA MBERIA		1,270,000.00	64,125,000.00
17/Dec/14	ELIZABETH AKINYI MANYALA		810,000.00	63,315,000.00
17/Dec/14	JAMES KINUTHIA WAMIJA		1,130,000.00	62,185,000.00
17/Dec/14	JOHN WAWERU KINUTHIA		1,130,000.00	61,055,000.00
17/Dec/14	KENNETH IRUNGU MWANGI		1,130,000.00	59,925,000.00
17/Dec/14	MARTIN KINYANJUI MUNGAI		1,135,000.00	58,790,000.00
17/Dec/14	PETER MIGWI GICHOHI		460,000.00	58,330,000.00
17/Dec/14	PETER MURIITHI WARUTERE		1,050,000.00	57,280,000.00
17/Dec/14	RUTH NJERI NYAMBURA		1,120,000.00	56,160,000.00
17/Dec/14	VICTORIA AGANI ALALI		1,130,000.00	55,030,000.00
18/Dec/14	KENNEDY OKEYO NGONDI		1,300,000.00	53,730,000.00
18/Dec/14	MAURICE GARI OTIENO		1,500,000.00	52,230,000.00
18/Dec/14	MOHAMED ABDI ABDIRAHMAN		1,130,000.00	51,100,000.00
19/Dec/14	ALFRED AMBANI MUHINDI		1,560,000.00	49,540,000.00
19/Dec/14	ALHAD AHMED ADAM		1,560,000.00	47,980,000.00
19/Dec/14	AMOS MBUTHI MUKAMI		1,130,000.00	46,850,000.00
19/Dec/14	ASHA ABDI SOSSO		1,120,000.00	45,730,000.00
19/Dec/14	BEATRICE KWAMBOKA MAKORI		1,096,000.00	44,634,000.00
19/Dec/14	ELKANA OMOGA MAUTI		1,130,000.00	43,504,000.00
19/Dec/14	FREDRICK OWINO OBENGE		1,100,000.00	42,404,000.00
19/Dec/14	JAMES MWAURA CHEGE		1,420,000.00	40,984,000.00

Family Bank Ltd. Head Office, Family Bank Towers.

P.O. Box 74145 - 00200 Nairobi, Muindi Mbingu Street

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Transforming Life!





19/Dec/14	LEAH MUMO MATEE		590,000.00	40,394,000.00
19/Dec/14	MAGDALENE MWENDWA MBOGORI		1,120,000.00	39,274,000.00
19/Dec/14	NELSON MASIGA MARAKALU		580,000.00	38,694,000.00
19/Dec/14	OGETO MOSES NYANGARESI		1,380,000.00	37,314,000.00
19/Dec/14	PATRICK NGARUIYA CHEGE		1,120,000.00	36,194,000.00
19/Dec/14	WILFRED OLUOCH ODALO		1,600,000.00	34,594,000.00
19/Dec/14	WILLIAM ORACHA ABUKA		1,800,000.00	32,794,000.00
20/Dec/14	PETER ANYULE IMWATOK		1,130,000.00	31,664,000.00
22/Dec/14	AWINO NYANGALA		1,130,000.00	30,534,000.00
22/Dec/14	FLORENCE ACHIENG ATHEMBO		650,000.00	29,884,000.00
22/Dec/14	PIUS MWAURA MBONO		1,120,000.00	28,764,000.00
22/Dec/14	ROSE ADHIAMBO OGONDA		1,130,000.00	27,634,000.00
22/Dec/14	ROSEMARY WAIRIMU MACHARIA		1,130,000.00	26,504,000.00
22/Dec/14	SAMUEL NDUNGU NJORGE		1,120,000.00	25,384,000.00
22/Dec/14	SAMWEL NYABERI NYANGWARA		1,500,000.00	23,884,000.00
23/Dec/14	JACKSON MWANGI NGARI		1,120,000.00	22,764,000.00
23/Dec/14	SAMUEL IRUNGU MWANGI		850,000.00	21,914,000.00
23/Dec/14	SHADRACK JUMA NYAMBU		1,290,000.00	20,624,000.00
23/Dec/14	STEPHEN MURATHI KAMBI		1,070,000.00	19,554,000.00
24/Dec/14	CAROLINE ACHIENG MUGA		1,130,000.00	18,424,000.00
24/Dec/14	NJUGUNA MANGI		1,050,000.00	17,374,000.00
31/Dec/14	Interest payment on October 2014 un utilized credit	550,855.89		17,924,855.89
31/Dec/14	Interest payment on November 2014 un utilized credit	423,803.01		18,348,658.90
31/Dec/14	Interest payment on December 2014 un utilized credit	108,405.69		18,457,064.60
31/Dec/14	maintenance fee			18,457,064.60
3/Jan/15	JOASH OMWENGA MOSE KENGERE		1,130,000.00	17,327,064.60
3/Jan/15	MARGARET ACHOLA SEWE		1,130,000.00	16,197,064.60
3/Jan/15	SAMUEL KAGIRI MWANGI		1,120,000.00	15,077,064.60
5/Jan/15	ALEX OUDA OTIENO		1,080,000.00	13,997,064.60
6/Jan/15	ALEX SANAIKA OLE MAGELO		2,900,000.00	11,097,064.60
7/Jan/15	ALEXANDER MUTISYA MULATYA		1,120,000.00	9,977,064.60
7/Jan/15	ANDREW MACHARIA MBAU		1,120,000.00	8,857,064.60
7/Jan/15	CHARLES THUO WAKARINDI		1,350,000.00	7,507,064.60
7/Jan/15	GEORGE MAINA NJORGE		1,120,000.00	6,387,064.60
7/Jan/15	HASHIM KAMAU ATHMAN		1,120,000.00	5,267,064.60
7/Jan/15	IMELDA NAFULA WANJALA		1,000,000.00	4,267,064.60
7/Jan/15	KAREN WANJIKU GITHAIGA		1,120,000.00	3,147,064.60
7/Jan/15	MANOAH KAREGA MBOKU		1,080,000.00	2,067,064.60
7/Jan/15	MARTIN WAWERU GICHUHI		1,560,000.00	507,064.60
7/Jan/15	ROSEANANCY LUCHIRI		1,100,000.00	(592,935.40)
7/Jan/15	WILSON ONGELE OCHOLA		810,000.00	(1,402,935.40)
8/Jan/15	December 2014 principal loan repayments	2,707,258.87		1,304,323.47
31/Jan/15	maintenance fee			1,304,323.47
10/Feb/15	NAIROBI CITY COUNTY	80,000,000.00		81,304,323.47
12/Feb/15	January 2015 principal loan repayments	3,187,166.74		84,491,490.20
26/Feb/15	BENSON LIGAVOH AMUTAVI		1,450,000.00	83,041,490.20
26/Feb/15	CLARENCE KIPKEMOI MUNGA		1,400,000.00	81,641,490.20
26/Feb/15	JACKSON KIAMA GIKANDI		840,000.00	80,801,490.20
26/Feb/15	JAIRI ATENYA ASITIBA		1,450,000.00	79,351,490.20
26/Feb/15	MILLICENT WAMBUI MUGADI		1,450,000.00	77,901,490.20
26/Feb/15	RONALD MELKIZEDEK MILARE		1,800,000.00	76,101,490.20
28/Feb/15	OSCAR OTIENO LORE		1,400,000.00	74,701,490.20
28/Feb/15	maintenance fee			74,701,490.20
4/Mar/15	AMINA MOHAMED MOHAMED		900,000.00	73,801,490.20
4/Mar/15	ANTHONY KIRAGU KARANJA		1,000,000.00	72,801,490.20
4/Mar/15	DAVID NJORGE KAIRU		1,000,000.00	71,801,490.20
4/Mar/15	HELEN NAIRUKO KATANGIE		1,010,000.00	70,791,490.20
4/Mar/15	HERMAN MASABU AZANGU		1,200,000.00	69,591,490.20
4/Mar/15	OMONDI MAURICE AKUK		2,000,000.00	67,591,490.20
4/Mar/15	PETER WAHINYA KIMUHU		1,010,000.00	66,581,490.20
4/Mar/15	SUSAN KARIMI NJUE		590,000.00	65,991,490.20
4/Mar/15	ZULFA HAKIM MOHAMMED		1,000,000.00	64,991,490.20
5/Mar/15	BENADETTE WANGUI NGANGA		1,000,000.00	63,991,490.20
5/Mar/15	CATHERINE APIYO OKOTH		1,000,000.00	62,991,490.20
5/Mar/15	DANIEL ORIA ODHIAMBO		860,000.00	62,131,490.20





5/Mar/15	ERASTUS MUIRURI MBURU		1,000,000.00	61,131,490.20
5/Mar/15	KENNETH THUGI MUROI		1,400,000.00	59,731,490.20
5/Mar/15	OSMAN ADOW IBRAHIM		1,100,000.00	58,631,490.20
11/Mar/15	MICHAEL WAINAINA WANJIKU		1,400,000.00	57,231,490.20
17/Mar/15	February 2015 principal loan repayments	3,197,151.92		60,428,642.12
31/Mar/15	interest payment on December 2014 principal repayment	16,892.04		60,445,534.16
31/Mar/15	interest payment on January 2015 principal repayment	19,741.49		60,465,275.65
31/Mar/15	interest payment on February 2015 principal repayment	17,901.48		60,483,177.12
31/Mar/15	interest payment on January 2015 un utilized credit	9,569.65		60,492,746.77
31/Mar/15	interest payment on February 2015 un utilized credit	419,615.62		60,912,362.39
31/Mar/15	interest payment on March 2015 un utilized credit	380,804.61		61,293,167.00
31/Mar/15	maintenance fee		-	61,293,167.00
8/Apr/15	March 2015 principal loan repayments	4,041,289.22		65,334,456.23
20/Apr/15	MICHAEL OGADA OKUMU		1,000,000.00	64,334,456.23
30/Apr/15	maintenance fee		-	64,334,456.23
11/May/15	April 2015 principal repayments	4,097,681.80		68,432,138.03
30/May/15	maintenance fee		-	68,432,138.03
19/Jun/15	May 2015 principal repayments	4,105,211.26		72,537,349.29
30/Jun/15	interest payment on April 2015 principal repayment	25,058.22		72,562,407.51
30/Jun/15	interest payment on May 2015 principal repayment	24,302.00		72,586,709.52
30/Jun/15	interest payment on June 2015 principal repayment	24,962.61		72,611,672.13
30/Jun/15	interest payment on April 2015 un utilized credit	382,266.86		72,993,939.00
30/Jun/15	interest payment on May 2015 un utilized credit	416,854.82		73,410,793.81
30/Jun/15	interest payment on June 2015 un utilized credit	424,619.32		73,835,413.13
30/Jun/15	maintenance fee		-	73,835,413.13
1/Jul/15	JULIUS MWANIKI MUCHIRI		1,700,000.00	72,135,413.13
17/Jul/15	June 2015 principal repayments	4,115,655.73		76,251,068.86
31/Jul/15	interest payment on June 2015 principal repayment	23,741.53		76,274,810.39
31/Jul/15	interest payment on July 2015 un utilized credit	453,227.60		76,728,037.99
31/Jul/15	maintenance fee		0	76,728,037.99
	CLEAR BALANCE			76,728,037.99
	VALUE BALANCE			76,728,037.99
	UNCLEAR BALANCE			0

Handwritten notes and scribbles in the top right corner.



5<sup>TH</sup> JULY 2016

THE CLERK  
 NAIROBI CITY COUNTY ASSEMBLY  
 P.O.BOX 45844-00100  
 NAIROBI, KENYA



**NAIROBI CITY COUNTY COMMENTS ON AUDIT RESPONSES FOR 2014/2015  
 AUDIT OBSERVATIONS FOR CAR AND MORTGAGE SCHEME FUNDS**

We refer to our letter dated 6<sup>th</sup> June 2016, your subsequent response dated 09<sup>th</sup> June 2016 ref NBI/CA/FM/122/2016 and the hearing held on 29<sup>th</sup> June 2016 by the Public Accounts Committee and respond as hereinunder:

**1. Maintenance of account record**

We once again resubmit the individual members' loan ledgers which kindly acknowledge receipt in settlement of this matter

As earlier communicated in our above referenced letter dated 6<sup>th</sup> June 2016 and other prior correspondences, the bank could not provide a statement in the format required by the County Service Board due to system configuration constraints as previously communicated. We herein re-submit on Bank letter head the fund statement capturing funds movement as adopted by the reconciliation team and presented to the Public Accounts Committee

On interest accrued on the fund, we have revised the interest computation to capture the accumulated principal repayments and herein attach the revised position. The understated interest totaling Kes 2,864,886.13 (Car loan Kshs 2,468,612.81 & Mortgage Kshs 396,273.32) shall be paid to you upon agreement to bring this matter to rest.

We herein attach a list of payments made to Jubilee Insurance on your behalf. The policy documents are in your custody as confirmed in your letter dated 9<sup>th</sup> June 2016 ref NBI/CA/FM/122/2016.

**2 Interest on Service Level Agreement**

Having resolved the interest computation basis as above captured and attached revised position, we are now on the same page on the interpretation of the SLA.

Invoices for the administrative fees: - we wish to affirm that the Bank did not debit any charges on the fund account, the 3% interest was charged on member loans as per the terms and conditions of the SLA duly executed by the parties. The fund has been fully credited with interest at prevailing TB rate as contained in the SLA.



Earnings on the fund have already been paid as earlier communicated. The interest shortfall captured above on this letter following the interest re-computation on accumulated principal repayments shall also be paid upon agreement.

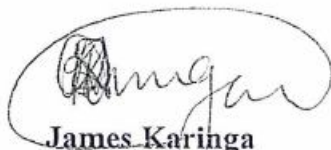
We have availed group life insurance policy for members against death and permanent disability.

On the refund of unutilized group life premiums for individual members will be refunded prorated once computation is finalized.

Legal fees on garnishee order: - the fees are being discussed with the Lawyer handling the matter. The Bank is willing to consider on a without prejudice basis settling fees not exceeding Kshs 500,000.

For and On Behalf of Family Bank

Signed,



James Karinga  
Head of Credit

Cc; Nairobi City County Public Accounts Committee

ENCL: *Individual members loan ledgers*

*Fund reconciliation statements – car and mortgage scheme*

*Revised interest computation for growth of the fund*

*List of payments made to Jubilee Insurance*

*Group life Insurance policy document for death and disability*