REPUBLIC OF KENYA

COUNTY ASSEMBLY OF LAIKIPIA

THE HANSARD

Tuesday, 3rd October, 2023

The House met at the Assembly Chambers at 2.30 p.m.

[The Speaker (Hon. Lantano Nabaala) in the Chair]

PRAYERS

QUORUM CALL

Speaker: Clerk, confirm whether we have quorum.

(Clerk confirmed achievement of quorum)

MOTION

CPAIC AUDIT REPORT ON REVENUE BOARD FOR THE YEAR ENDED 2021

Hon. Simon Kanyutu: Thank you Mr. Speaker, I beg to move the following motion;

THAT, this Assembly adopts the report of the County Public Accounts and Investments Committee (CPAIC) on the report of the Auditor General on the Laikipia County Revenue Board for the year ended 30th June, 2021 dated 31st August, 2023.

Mr. Speaker, the committee did its investigation as required by the law. The objective of the committee is to inquire, investigate and examine the queries raised by the Auditor General in his report of the Laikipia County Revenue Board for the year ended 30th June, 2021.

Mr. Speaker Sir, we also considered the responses provided by the Revenue Board on each of the issues raised by the Auditor General and other matters raised by the Committee with a view of verifying whether the expenditure incurred was done lawfully, effectively and efficiently and report to the County Assembly. The County Public Accounts and Investments Committee consists of the following members:

1. Hon. Parleto Lekopien - Chairman
2. Hon. Simon Kanyutu - Vice-Chairman
3. Hon. Caroline Kihika - Member
4. Hon. Catherine Kibue - Member
5. Hon. Catherine Umija - Member
6. Hon. George Karuiru - Member
7. Hon. Joseph Gitahi - Member

Mr. Speaker, we investigated the report and submission by the representatives of the Laikipia Revenue Board and the following officials appeared before the CPAIC and made the following presentation and submissions on behalf of the Board;

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1. Mr. Kamunya Karundo - C.E.O Revenue Board
2. Mr. Anne Kinyua - Revenue Accountant

The members provided clarification as sought by Members on the following two issues as raised. Inaccuracies in Comparative Figures which they really explained and they were able to satisfy the committee. On the Committee observation, this was one of the errors that occurred; the department should have clear checks and standard operating procedures to ensure that the clerical errors do not happen to avoid future misrepresentation of the financial statements.

Mr. Speaker, there was irregular payments of cash bonus. The payment of the bonus for the board was totalling to Kshs.9,407,000 being a reward for surpassing 2018/2019 Financial Year Revenue Target. However, at the time of payment of the bonuses, the Board did not have an approved bonus reward policy contrary to Public Finance Management Act, 2012, section 104 (1)at which says that;

Subject to the Constitution, a County Treasury shall monitor, evaluate and oversee the management of the public finance and the economic affairs of the County Government including developing and implementing Financial Economic policies of the county. In the circumstances, the management was in bleach of law.

Mr. Speaker, in the management response the financial year 2018/2019, the revenue target was Kshs.800 million. However, Kshs.815 million was collected as revenue. A bonus had not been adopted but the revenue board members passed a resolution to share the bonus. The revenue board has a draft bonus policy in place.

On the committee observations;

1. The revenue Board did not avail a copy of the minutes that resolved on how the bonus shall be shared by both the board and the staff.
2. That the Revenue Board did not have a bonus policy in place.

On the Committee Recommendations;

1. The Revenue Board can institute a motivation policy such as token of appreciation, promotion etc so as to encourage the revenue collectors for surpassing the target.
2. The Revenue Board should formulate and put in place a bonus policy that addresses the prevailing economic condition even though the target have been surpassed.

Mr. Speaker, as a committee we were able to get proper clarification from the board and we approved and agreed that it was their first time as a Board to have done bonusses without a policy but in future they will try refrain. I call upon Hon. Umija to second.

Hon. Catherine Umija: Thank you, Mr. Speaker. I would like to second this motion in regards to the County Revenue Board report. As a matter of fact, this is one of the reports that had few issues. The issues that were found in an honest opinion has small errors. During our discussions we were able to identify these issues and the things that are going to be rectified on their end.

In regards to the financial statement which were able to be shared with the auditor, moving forward there are going to be no errors. With the issue of awarding themselves bonuses, we agreed as a committee that they should have a bonus policy in place so that they will be

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able to surpass their targets. They will know how the bonusses will be shared because there is a bonus policy for it.

These are some of the agreements that we had agreed with the board. We had given them timelines with regards to that. On an honest opinion, this is among the reports that had no issues. Thank you, Mr. Speaker. I second the motion.

(Question proposed)

Speaker: Members, I open the floor for debate on the motion.

Hon. Joseph Gitahi: Thank you, Hon. Speaker for this opportunity. Before anything else, I would like to thank the Committee Members, myself being one of them. I would like to thank the Chairman, though absent but well represented by the Vice-Chair here. I would wish to state that we fully associate ourselves with the issues captured in the report that has been tabled in this Assembly. However, as that is happening, I would wish to reiterate that we need a bonus policy on the Revenue Board so that we can be able to know who has been issued with bonuses and on what criteria.

Having said that, I would wish to state that having observed the report as well as listened from the outside, I would wish to state that we need an absolute adherence to the law. If you are a frequent visitor of social media or listener of what is happening on the ground, you will realize that this Revenue Department is one that people are so concerned about. That is why I state that we need to ensure there is absolute adherence to the laws and policies that have been set on this particular department.

Hon. Speaker, I also wish to state that we are not blind to the issues that are happening at the current level. We have issues with staffing with regards to the Revenue Board, the constitution of the Board and the development of structures that will ensure that even in future we have proper oversight on what this Board is doing and what its employees are doing at the local level within the single and small enterprise systems. I therefore stand to request this House that we adopt this report and the recommendations.

Having said that, I would also wish to request that those in charge of the Revenue Board listen to the recommendations put forward by this committee. These recommendations have been made having looked at the scope of activities as well as the needs that we have as a County Government. I therefore wish to state that we adopt this report for the proper running of the Board and also for this important exercise of collecting revenue.

I do not have much because I know that time on the floor is so precious, so I would wish to cede it to other Members with other opinions. For me, however, I would wish to request the House to adopt this report as it is. Thank you, Hon. Speaker, and thank you to the Chair in his absentia. Thank you also to the Vice-Chair of this committee who has presented this report on the floor.

Speaker: Thank you, Hon. Gitahi for your contribution.

Hon. Nicholas Lempaira: Thank you, Mr. Speaker. I support the report although it is very shallow. It is not coming out clearly on what are some of the issues that were raised by the Auditor. For instance, when you look at the committee findings of 2012, it says that the committee held a sitting on 8th June 2023 to respond to audit issues raised by the Auditor-General and other matters that the committee had sought clarification and explanation on.

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It is not clear about some of the issues which were raised by the auditor which the report might have captured so that we all get familiar with it and be sure that we are not just passing because it is a report. It also came out clear that some staff…

Speaker: A minute Hon. Member. What is it Hon. Umija?

Hon. Catherine Umija: Hon. Speaker, I just want to make a clarification that the report is very clear. There were only two audit issues that were raised and I think that the management response is there and the committee's response.

Speaker: Hon. Lempaira, are you seeing the audit queries in the report?

Hon. Nicholas Lempaira: I am not seeing that audit queries nor the response.

Speaker: I think the Member can guide you.

Hon. Simon Kanyutu: Thank you, Mr. Speaker. I think that it is only that I had not read both details but could the Hon. Member mind to refer to page six. The only variance that was there is just for token and no other issue. Mr. Speaker, as a committee we cannot create issues if they are not raised by the auditor. If the Hon. Member could refer to page six he would get to know the variance that was there.

Hon. Nicholas Lempaira: Mr. Speaker, if the committee clearly stated that these are some of these issues that were raised and the responses, then we could not have any other issue but it seems that my fellow MCA here, Hon. Umija is trying to guide me seriously on it. We are not opposing the report but we just want to say that at least next time you should clearly point out some of these issues because this is one of the most critical departments in the county. We do not take things lightly because the moment we allow this department to go on the wrong way, then the development issues in the county will not be realized. Thank you.

Speaker: Thank you, Hon. Lempaira. The floor is still open and I would like to avail more time. I will therefore like to call the mover to reply.

Hon. Simon Kanyutu: Thank you, Mr. Speaker. I thank the Hon. Members who were able to go through the report and I am very happy because the Members are a bit concerned how a report can lack queries. As a committee, we try as much as possible to ensure that we capture each and every section. We work together as a team and the Hon. Members whom I have mentioned are aware that we went through the whole report.

In case there is any issue, we call upon any Member who has a concern and work together as a team for the benefit of our oversight in the county. I call upon all other Members to support this motion so that we can proceed with others that have been dormant in our cages for years. We are ready to continue and I am told that they are over forty and we have now dealt with two. So very soon we will deal with all so that we can get updated. We have just started with the ones that are being raised on a yearly basis. Thank you.

ADJOURNMENT

Speaker: The sittings of this House now stand adjourned until tomorrow Wednesday, 4th October, 2023 at 9.00 a.m.

The House rose at 2.46 p.m.

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