REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL OPERATIONS OF COUNTY ASSEMBLY OF KWALE

FOR THE PERIOD
1 JULY 2014 TO 30 JUNE 2015

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REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL OPERATIONS OF THE COUNTY ASSEMBLY OF KWALE FOR THE PERIOD 1 JULY 2014 TO 30 JUNE 2015

EXECUTIVE SUMMARY

Background Information

The Constitution of Kenya, 2010 under the Article 176, created the County Governments which consist of the County Assembly and the County Executive. The County Assembly which is the Legislative arm of the County Government consists of the Speaker and Members of County Assembly (elected and nominated). The Kwale County Assembly which is domiciled in Kwale Town has 20 elected and 13 nominated Members all totalling to thirty three (33).

Introduction

The Office of the Auditor-General has the mandate to audit and report on the accounts of the National and County Governments under Article 229 of the Constitution of Kenya and the Public Audit Act, 2003.

The objective of the audit was to ascertain whether the systems formulated and applied by the County Assembly were reliable for the management of the County Assembly's finances in the delivery of services to the local residents.

Terms of Reference

The Office of the Auditor-General is an independent office mandated by the Constitution under Article 229 to audit the accounts of the National and County Government. In this regard, the office planned a management and financial operations audit of the County Assembly of Kwale for the period 1July 2014 to 30 June 2015 with the following audit objectives.

- Assessment of controls over management of cash and bank accounts.
- Assessment of controls over management of assets under the control of the County Assembly.
- Assessment of compliance with the procurement laws in process of acquisition of goods or services
- Assessment of compliance with Public Finance Management Act, 2012 in the utilization of public funds.
- Compliance with other relevant laws and regulations
- To ascertain the integrity and reliability of financial and other information used by management in the utilization of public funds.

- To confirm that all necessary supporting documents, records, and accounts have been kept in respect of all transactions.

Methodology

The approach used in carrying out this audit included the following:

- Interviews with key officers at the County Assembly offices.
- Review of applicable legislation and regulations.
- Examination of payment vouchers and support documents, cashbooks, vote books, bank statements, bank slips, miscellaneous receipt books, procurement documents, stores records, asset registers and other related records.
- Review of minutes of various meetings where there were resolutions regarding utilization of public funds.
- Physical inspection and verifications
- Observation of processes and activities.
- Review of documents used by management to monitor use of funds.

Scope and Determination of Responsibilities

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs).These standards require that the audit is planned and performed so as to obtain reasonable evidence that, in all material respects, expenditure incurred is fairly stated and recording is achieved in all financial transactions.

The matters mentioned in this Report are therefore those that were identified through tests considered necessary for the purpose of achieving the audit objectives and it is possible that there might be other matters and/or weaknesses that were not identified.

The formulation and maintenance of effective control measures and compliance with laws and regulations is the responsibility of the management. Our responsibility is to report on the weaknesses and non-compliance with Laws and regulations identified in the course of the audit.

The following sections below highlight key audit findings noted during the audit of the financial operations for the year ended 30 June 2015.

Key Audit Findings

1.0 Budget Performance Analysis

The County Assembly of Kwale had a final Budget of Kshs.721,835,650 which included the recurrent vote of Kshs.460,085,650 and Development vote of Kshs.261,750,000 as shown below:

Item	Budgeted Allocation Kshs.	Actual 2014/2015 Kshs.	Absorption Rate
Recurrent	460,085,650	349,263,047	76%
Development	261,750,000	56,871,103	22%
Total	721,835,650	406,134,150	56%

The actual recurrent expenditure incurred was Kshs.349,263,047 which represents an absorption rate of 76% while the development expenditure incurred was Kshs.56,879,103 representing absorption rate 22%.
The County Assembly underspent a total of Kshs.235,223,250 on 21 items. The expenditure also revealed that specialized materials and services and construction of building had the highest under expenditure of 90% and 88% respectively of which no explanation was provided.

2.0 Construction of Chain Link Fence and Gate at County Assembly Complex

During the period under review, the County Government of Kwale requested for quotations for the construction of a chain link fence for the County Assembly office of which four bidders responded. Subsequently, a local company was awarded the contract at a contract sum of Kshs.5,336,058. Records availed for audit review indicated that first payment was made through cheque no. 252 of Kshs.2,674,303. The County Assembly engaged the contractor for the works while the same works had been included in the tender advertised on 16 May, 2015 for construction of County Assembly complex which included a provision for the same fence at Kshs.10,395,820.

Consequently, the propriety of Kshs.5,336,058 paid for the chain link fence could not be confirmed.

3.0 Acquisition of Assets

3.1 Land and Buildings

Records availed for audit indicated that the County Assembly of Kwale Purchased three acres of land (plots 1165, 1166 & 1167) at a total cost of Kshs.21,600,000 for construction of speaker's residence vide RTGS dated 20 June 2015. Scrutiny of the documents availed did not confirm how the County Assembly identified the plots.

In absence of solicitation documents for the plot it is not possible to confirm if the procurement procedures were followed in the process of acquiring the plot.

3.2 Motor Vehicles

Information availed for audit indicated that the County Assembly was in custody of six (6) motor vehicles registered under County Government of Kwale. As at the time of audit the Assembly had not effected transfer of these vehicles to their name but were operating and insuring the same.

Further, two Vehicles Prado/Land cruiser registration no KBU 680T and Nissan KBU 750T valued at a total cost of Kshs.13,560,000 were not recorded in the assets register.

Consequently, the motor vehicle balance in the fixed assets register could not be confirmed.

3.3 Computers, Printers and UPS

Review of the fixed assets register availed for audit indicated that the assembly had acquired 20 laptops at a cost of Kshs.1,500,000 and issued them to 20 wards. However audit visit to the various wards done on 7 October 2015, revealed that laptops indicated as allocated to the ward offices could not be physically verified.

Therefore, the existence of the laptops could not be verified.

4.0 Staff Establishment

The County Assembly of Kwale advertised, interviewed and employed eleven staff in various cadres during the year under review. Although the assembly has indicated that the establishment structure for the board is being handled by the county assemblies forum the county assembly board had not approved the optimum structure of the board as required by Section 7 of the County Government Act.

In absence of staff establishment, it was not possible to confirm if the staff recruited during the period was needed.

5.0 Car and Mortgage Loan

The County Assembly of Kwale established a revolving car loan scheme to provided car loans to members of the County Assembly of Kwale and deposited Kshs.103,430,000 as lien for the car loan and mortgage loans to member of the County Assembly.

Information availed for audit indicated that loan applied and advanced to the members amounted to Kshs.94,430,000 resulting to excess lien over the loans advanced by Kshs.9,000,000. This fund balance has been held by the bank for over one year without attracting interest contrary to Section 153 of Public Finance Management Act, 2012 which requires value for money on assets. The management explained that now new loans were to be advanced as the term of the Members of County Assembly is almost coming to the end.

In addition, the management did not avail for audit review the regulations guiding the implementation of the car and mortgage loan as required by the Salaries and Remuneration Commission circular SRC/ADM/CIR/!13 Vol. II (128) dated 17 December 2014.

In absence of guiding regulations it was not possible to verify the terms of the car and mortgage loan and as the fund balance remains idle attracting no interest. Further, it has not been possible to ascertain if the loans totaling Kshs.94,430,000 was disbursed in accordance to the laid down regulations and procedures.

6.0 Procurement

6.1 Taxi Services

During the period under review the County Assembly spent a total of Kshs.4,089,041 on hire of taxi services by various officers. However, no evidence of the officers having been authorized to use taxi services was availed for audit review. Further, the registration numbers for vehicles used during the various journeys and the official duty that had to be undertaken were not indicated in the work tickets.

It is, therefore, not possible to confirm the authenticity of the expenditure totaling to Kshs.4,089,041.

6.2 Purchase of Equipment

Records availed for audit review indicate that the County Assembly of Kwale bought equipment amounting to Kshs.2,386,000 vides PV number 8/52 and cheque no. 630 & 631. The Local Purchase Orders availed for audit verification revealed that 20 desktop computers, 20 printers and 20 UPS failed to have the specifications as required under section 34(1) of the Public Procurement and Disposal Act, 2005. Further, the management failed to produce distribution list for the equipment so procured. In addition, there was no evidence that the Assembly under took competitive procurement process on the equipment.

7.0 Cash Payments and Failure to Produce Board of Survey Certificate

A review of the cash book revealed that there were cash withdrawals amounting to Kshs.88,957,722 done by various officers. There was no explanations why the department was making in cash to the officers, MCA's and suppliers instead of making the payments through the bank in line with Government Financial Regulations and Procedures.

Further, the County Assembly did not constitute a board of survey as required by the financial regulations to check and close the cash book at the end of the financial year and prepare a report for audit purposes.

8.0 Failure to Maintain a Deposits Cash book and Bank Account

During the financial year under review the Assembly engaged several contractors for capital projects implementation. The contract agreements with the contractors included provision for holding retention money by the employer until the defects liability period was over. A review of the assembly cash management system revealed that although the County deducted and retained Kshs.1,465,033 from the payment made to two (2) contractors during the period, these funds were not held separately in a deposits account as required by the financial regulations. Further, no register was maintained to keep track and control of the amounts so deducted and released to the contractors.

Consequently, the accuracy of cash deducted and retained by the Assembly could not be confirmed.

9.0 Seminars and Training

The County Assembly engaged various training consultants to offer training to the members of County Assembly and officers at a total cost of Kshs.15,348,854. However, there was no documentary evidence to show that the training needs were assessed, approved by the County Assembly Public Service Board and a training plan was in place. In addition, one of the training was done in Dar salaam Tanzania costing Kshs.4,323,450 on global learning process; it was not clear why the same training could not have been held in Kenya. Consequently, the propriety of the total expenditure totaling Kshs.15,348,854 could not be confirmed.

10.0 Travel and Subsistence Allowances

10.1 Local Travel and Accommodation

Documents availed for audit review indicated that local travel and accommodation allowances paid to MCAs and assembly staffs during the year amounting to Kshs.5,965,698 was not supported with details of journey made, work tickets, workshop programs and attendance registers.

Under the circumstances the propriety of local travel and accommodation expenses amounting to Kshs.5,965,698 could not be confirmed.

10.2 Foreign Travel and Per Diems Allowances

Examination of documents availed for audit indicated that the County Assembly of Kwale spent Kshs.12,242,086 on foreign travel and night out allowances during the year under review. However, these payments which included night out allowances were not supported and there is no evidence to show that those who travelled abroad actually attended the workshop/trainings.

In the circumstances, the propriety of foreign travel amounting to Kshs.12,242,086 could not be confirmed.

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AUDITOR-GENERAL

Nairobi

01 September 2016

DETAILED FINDINGS

1.0 Budget Performance Analysis

During the year under review, the County Assembly of Kwale had a total budget of Kshs.721,835,650 which included the recurrent vote of Kshs.460,085,650 and development vote of Kshs.261,750,000.

The actual recurrent expenditure incurred was Kshs.349,263,047 which represents an absorption rate of 76% while the actual development expenditure incurred was Kshs.56,879,103 representing absorption rate 22%.

The total actual exchequer releases received by the County Assembly from the executive was Kshs.597,757,225 against a budgeted figure of Kshs.721,835,650 resulting in an under release from the County Executive of Kshs.124,078,425.

The Assembly had an overall utilization of Kshs.406,134,150 which was below the budget of Kshs.721,835,650 and below the actual exchequer releases of Kshs.597,757,225 by Kshs.191,623,075.

Detailed analysis of the budget is as below:

1.1 Development Vote

During the year under review, Kwale County Assembly allocated Kshs.261,750,000 for development projects but managed to spend Kshs.56,879,103 resulting to under expenditure of Kshs.204,870,897 or 22% of the budget.

	Approved Budget	Actual Expenditure	Under Expenditure	%
Construction of County Assembly	170,000,000	26,258,800	143,741,200	85%
Construction of Residential House	50,000,000	-	50,000,000	100%
Pending Bills	41,750,000	30,620,303	11,129,697-	26%
TOTAL	261,750,000	56,879103	204,870,897	78%

There was an overall under absorption of development vote by Kshs.204,870,897 or 87%.

This resulted to public fund remaining idle as it did not meet the intended purpose and neither were the funds re-allocated to meet other pressing needs during the year.

Management has not explained the failure to utilize all the funds budgeted for during the year ended 30 June 2015

Recommendation

Management should ensure that all approved budgetary provisions are utilized during the year in line Public Finance Management Act, 2012. The Accounting Officer should be held accountable for the projects not implemented by the failure to utilized funds.

1.2 Recurrent Vote

During the year under review, the actual recurrent expenditure was Kshs.349,263,047 against a budget of Kshs.460,085,650 resulting to an underutilization of Kshs.110,822,603 or 24% as detailed below,

	Approved Budget	Actual Expenditure	Under Expenditure	%
Basic salaries of permanent employees Total	118,000,000	114,973,358	3,026,642	3%
Personal allowances paid as reimbursements Total	2,032,895	1,830,054	202,841	10%
Personal allowances paid as part of salary Total	49,460,430	47,627,221	1,833,209	4%
Communication, supplies and services Total	3,258,544	3,245,174	13,370	0%
Domestic travel and subsistence Total	49,963,505	49,588,290	375,215	1%
Foreign travel and subsistence Total	13,915,129	13,915,129	-	0%
Government pension and retirement benefits Total	10,849,988	10,600,762	249,226	2%
Hospitality supplies and services Total	21,889,974	21,885,749	4,225	0%
Insurance costs Total	7,489,731	6,319,903	1,169,828	16%
Office and general supplies and services Total	3,815,767	3,795,127	20,640	1%
Other operating expenses Total	63,972,986	48,424,677	15,548,309	24%
Printing, advertising and information supplies & services Total	11,415,824	10,864,405	551,419	5%
Refurbishment of Building	265,932	75,500	190,432	72%
Rentals of produced assets Total	11,110,000	8,835,000	2,275,000	20%
Routine maintenance – other assets Total	762,804	761,850	954	0%

Routine maintenance – vehicles and other transport equipment	2,620,277	2,608,657	11,620	0%
Specialized materials	29,380,712	1,565,420	14,060,000	90%
Training expenses Total	29,380,712	29,380,712	-	0%
Utilities, supplies and services Total	3,472,901	1,523,781	1,949,120	56%
Fuel and lubricants	2,062,581	2,062,581	-	0%
Total	460,085,650	349,263,047	**110,822,603**	24%

The County Assembly underspent by an overall of Kshs.110,822,603 on 21 items as indicated in the above analysis. No explanation was provided for this underutilization of the funds allocated.

Recommendation

Management should ensure that all approved budgetary provisions are utilized during the year in line with the Public Finance Management Act, 2012. Further the Accounting Officer should be held liable and accountable for goods and services not delivered due to poor absorption of funds.

2.0 Construction of Chain Link Fence and Gate at County Assembly Complex

During the period under review, the County Government of Kwale requested for quotations for the construction of a chain link fence for the County Assembly Office of which four bidders responded.

Subsequently, M/s Green County Constructions Company Ltd of P.O. Box 2239-80100 Mombasa were awarded contract CAK/ 006/2015-2016 vide LSO no. 108818 dated 14 May 2015. The contract sum was Kshs.5,336,058. Examination of the documents provided for audit indicated that the County Assembly engaged the contractor for the works while the same works had been included in the tender advertised on 16 May, 2015 for construction of County Assembly complex which included a provision for the same fence at Kshs.10,395,820. It is not clear and the management have not explained the cause of this anomaly.

Recommendations

The management should ensure that public funds are spent prudently and adhere to the Public Procurement and Disposal Act, 2005 when procuring goods and services. Further, there no rationale of awarding same works to two contractors, hence the accounting officer should be held liable for the cost of Kshs.5,336,058.

3.0 Acquisition of Assets

3.1 Land and Buildings

Records availed for audit indicated that the County Assembly of Kwale purchased three acres of land (plots 1165, 1166 & 1167) at a total cost of Kshs.21,600,000 for construction of Speaker's residence vide RTGS dated 20 June 2015. However no evidence was availed to show how the County Assembly identified the plots and how the price was determine in line with Section 54 of the Procurement and Disposal Act, 2005 which requires that the procuring entity shall take reasonable steps to bring the invitation to tender to the attention of those who may wish to submit the tenders. In absence of open tender advertisement as required by the Public Procurement and Disposal Act, 2005 it was not possible to confirm whether the plots were competitively sourced and procured.

Recommendation

The management should adhere to Public Procurement and Disposal Act, 2005 when procuring goods and services. Further, the management should avail for audit review the advertisement used in soliciting for the land failure to which the accounting officer is surcharged for the procurement totaling Kshs.21,600,000.

3.2 Motor Vehicles

Information availed for audit indicated that the County Assembly has in custody six (6) motor vehicles. Review of the logbooks indicated that these vehicles were registered under County Government of Kwale. As at the time of audit, the Assembly had not effected transfer of the vehicles in their name but were operating and insuring the same.

Further, two Vehicles Prado/Land cruiser registration no. KBU 680T and Nissan KBU 750T valued at a total of Kshs.13,560,000 were not recorded in the fixed asset register thus the motor vehicle balance in the fixed assets register could not be confirmed. This contravenes Section 153 of Public Finance Management Act, 2012.

Recommendation

The management should ensure that all motor vehicles under their custody are registered in the name of Kwale County Assembly and the same recorded in the fixed asset register in line with Public Finance Management Act, 2012 failure to which the responsible officer is reprimanded and held responsible for the anomaly.

3.3 Computers, Printers and UPS

Review of the fixed assets register availed for audit indicated that the assembly had acquired 20 laptops at a cost of Kshs.1,500,000 and issued the same to 20 ward offices. However, the laptops were not availed for physical verification in spite of audit visit to various wards on 7 October 2015, contravening Section 153 of Public Finance Management Act, 2012.

Recommendation

The County Assembly should ensure that the laptops issued to the ward offices are controlled in line with Public Finance Management Act, 2012 and are availed for audit verification failure to which the responsible officers are held liable and accountable.

4.0 Staff Establishment

The County Assembly of Kwale advertised, interviewed and employed eleven staff in various cadres during the year under review. However, the County Assembly did not have a staff establishment to indicate the number of employees required in each of the organization level as required by Public Service Human Resource Section Manual, County Public Service Board. Although the assembly has indicated that the establishment structure is being handled by the County Assembly's forum, the County Assembly Board had not approved the optimum structure at the time of the audit.

Recommendation

The management should ensure that a staff establishment is put in place as required by County Government Act, 2012. Further, the Management should avail for audit review the approved staff establishment indicating the number of staff required for each of the departments and in each cadre failure to which the responsible officer should be held liable.

5.0 Car and Mortgage Loan

The County Assembly of Kwale established a revolving car loan scheme to provide car loans to members of the County Assembly of Kwale and deposited Kshs.103,430,000 as lien for the car loan and mortgage loan to the members of County Assembly. Information availed for audit indicated that loan applied and advanced to the members amounted to Kshs.94,430,000 resulting to excess lien over the loans advanced by Kshs.9,000,000. This fund balance has been held by the bank for over one year without attracting interest contrary to Section 153 of Public Finance Management Act, 2012 which requires value for money on assets. The management explained that no new loans were to be advanced as the term of the Members of County Assembly is almost coming to the end.

In addition, the Management did not avail for audit review the regulations guiding the implementation of the car and mortgage loan as required by the Salaries and Remuneration Commission circular SRC/ADM/CIR/I/13 Vol. II (128) dated 17 December 2014.

In absence of guiding regulation it was no possible to verify the terms of the car and mortgage loan and the fund balance remains idle attracting no interest. Further, it has not been possible to ascertain if the loans totaling Kshs.94,430,000 was disbursed in accordance to the laid down regulations and procedures.

Recommendation

The County Assembly should ensure the funds held by the bank in excess of the outstanding loan is returned or invested as per Section 153 of Public Finance

Management Act, 2012 and that the regulation for implementing the benefits is put in place is availed for audit review failure to which the Accounting Officer is held liable and accountable for the anomaly.

6.0 Procurement

6.1 Taxi Services

During the period under review, the County Assembly spent a total of Kshs.4,089,041 on hire of taxi services by various officers. However, no evidence of the officers having been authorized to use taxi services was availed for audit review. Further, the registration numbers for the vehicles used during the various journeys and the official duty that was undertaken were not indicated in the work tickets.

Consequently, it has not been possible to confirm the authenticity of the expenditures totaling to Kshs.4,089,041 on taxi services for the year ended 30 June 2015.

Recommendation

The management should ensure that taxi services are properly authorized in line with Government Financial Regulations and Procedures. Further, documentation in support of taxi expenses amounting to Kshs.4,089,041 should be availed for audit review failure to which the responsible officer is held liable and accountable for the expenses.

Hire of taxi services should be regulated by Management by ensuring requisitions are authorized by a senior officer before engagement of the taxi service.

6.2 Purchase of Equipment

Record availed for audit review indicated that the County Assembly of Kwale bought equipment amounting to Kshs.2,386,000 vides payment voucher number 8/52 and cheque no. 630 & 631. The Local Purchase Orders availed for audit verification revealed that 20 desktop computers, 20 printers and 20 UPS supplied failed to have the specifications as required under section 34(1) of the Public Procurement and Disposal Act, 2005. Further, the management failed to produce distribution list for the equipment so procured. In addition, there was no evidence that the assembly under took competitive procurement process on the equipment.

Recommendations

The management should ensure that all procurements are in line with the Procurement and Disposal Act, 2005 and ensure that equipment specification are clearly stated in every order as per user requirement. Further, the management should avail for audit review evidence that the computers were competitively procured failure to which the responsible officer should be held liable and accountable.

7.0 Cash Payments and Failure to Produce Board of Survey Certificate

A review of the cash book revealed that there were cash withdrawals amounting to Kshs.86,957,722 as detailed in **Appendix I** done by various officers. There was no

explanations why the department was making payments in cash to the officers, MCA's and suppliers instead of making the payments through the bank in line with Government Financial Regulations and Procedures.

Further, the County Assembly did not constitute a board of survey as required by the financial regulations to check and close the cash book at the end of the financial year and prepare a report for audit purposes.

Recommendation

The management should ensure adherence to Government Financial Regulations and Procedures on use of cheque or telegraph transfer when effecting payments.

Further, the County Assembly should avail the board of survey certificates for audit review, failure to which the responsible officer is held liable and accountable.

8.0 Failure to Maintain a Deposits Cash book and Bank Account

During the financial year under review, the Assembly engaged several contractors for capital projects implementation. The contract agreements with the contractors included provision for holding retention money by the employer until the defects liability period was over.

A review of the assembly cash management system revealed that although the County deducted and retained Kshs.1,465,033 from the payment made to two (2) contractors during the period, these funds were not held separately in a deposits account as required by the Section 8 of Government Financial Regulations and Procedures.

Further, no register was maintained to keep track and control of the amounts so deducted and released to the contractors.

Recommendation

The management should maintain register, cash book and a separate deposit bank account are maintained for retention money as per Government Financial Regulation and Procedures failure to which the officer responsible is held liable for the anomaly.

9.0 Seminars and Training

The County Assembly engaged various training consultants to offer training to the members of County Assembly and officers at a total cost of Kshs.15,348,854. Information provided for audit indicated that the Assembly did not provide documentary evidence on training needs assessment, approval of the training by the County Assembly Public Service Board, training plan and evidence of the training done. In addition, training was done in Dar-es-Salaam Tanzania on global learning process for a cost of Kshs.4,323,450 while there was no justification why the same could not be done in Kenya.

Recommendation

The management should adhere to prudent management of public funds in line with Government Financial Regulations and Procedures. Further, the management should provide documentary evidence of Kshs.4,323,450 to show how the training needs were identified and that the training had been approved by the County Assembly Public Service Board failure to which the responsible officer is surcharged for the expenditure of Kshs.4,323,450.

10.0 Travel and Subsistence Allowances

10.1 Local Travel and Accommodation

Documents availed for audit review indicated that local and travel and accommodation allowances were paid to the members of county assembly and the assembly staff amounting to Kshs.5,965,968 as detailed in **Appendix II** was not supported by details of journeys made, work tickets, workshop programs and attendance registers

Under the circumstances, the propriety of local and accommodation expenses amounting to Kshs.5,965,698 could not be confirmed for the year ended 30 June 2016.

Recommendation

The management should ensure that all expenditure are fully supported in line with the Government Financial Regulations and Procedures. Further, the management should avail documented evidence in support of the expenditure amounting to Kshs.5,965,968 failure to which the respective officer is surcharged for the sum of Kshs.5,965,968.

10.2 Foreign Travel and Per Diems Allowances

Examination of Documents availed for audit indicated that the County Assembly of Kwale spent Kshs.12,242,086 as detailed in **Appendix III** on foreign travel and night out allowances during the year under review. However, these payments which included night out allowances were not supported with boarding passes and there is no evidence to show that those who travelled abroad actually attended the workshop/trainings as per Section 149(2) of Public Finance Management Act, 2012.

Recommendation

The management should ensure that all payments are in line with the Section 149(2) of Public Finance Management Act, 2012 and that supporting documents are availed for audit verification failure to which the amount is recovered from the beneficiaries.

Conclusion

The Kwale County Assembly should address the anomalies noted in order to ensure effective delivery of services to the people of Kwale County. Further, laid down Government Procedures and Regulations should be followed to ensure public resources are only used for purposes for which they were intended.

FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

01 September 2016