REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL OPERATIONS OF MACHAKOS COUNTY ASSEMBLY

FOR THE PERIOD
1 JULY 2014 TO 30 JUNE 2015

Table of Contents

Back Ground Information 1
Introduction 1
Terms of Reference 1
Audit Methodology 2
Scope and Determination of Responsibilities 2
Audit Findings 2
1. Budgetary Control and Performance 2
1.1 Recurrent Budget 3
1.2 Development Budget 7
2. Prior Year Issues 8
2.1 Cash and Bank Balances 8
2.2 Members of County Assembly Attendance Register 8
2.3 Overseas Travelling and Subsistence Allowances 9
2.4 ICT Internal Control Environment 9
3. Fraud Assessment 9
4. Expenditure 9
4.1 Subsistence Allowances 10
4.2 Irregular Procurement of Security Services 10
5. Pending Bills 10
6. Internal Audit Function 11
7. Maintenance of Accounting Records 11
7.1 Poor Maintenance of Cash Books 11
7.2 Failure to Disclose Liabilities due to Third Parties 12
7.3 Inaccurate Financial Statements 12

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

Background Information

The Constitution of Kenya, 2010 under 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 County Government consists of the Speaker and Members of County Assembly (elected and nominated). Machakos County Assembly has 40 elected and 16 nominated members.

Introduction

This audit covers the period 1 July 2014 to 30 June 2015. It was undertaken to assess the adequacy and reliability of the systems of management and financial controls instituted by the management of the County Assembly in running its affairs with emphasis on the utilization of public resources.

Terms of Reference

The Office of the Auditor-General is an independent office mandated by the Constitution in Article 229 to audit the accounts of the National and County Governments. In this regard, the office planned an interim audit of the systems of management and financial controls of the Machakos County Assembly for the period 1 July 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 procurement laws in the process of acquisition of goods or services.
- Assessment of compliance with Public Financial 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.

Audit 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, cashbooks, vote books, bank statements, and 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 International Standards of Supreme Audit Institutions (ISSAIs). These standards require that the audit is planned and performed so as to obtain reasonable assurance that, in all material respects, expenditures incurred are fairly stated and fair 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 the audit and it is possible that there might be other matters and/or weaknesses that were not identified.

The maintenance of effective control measures and compliance with laws and regulations are the responsibility of the management. My responsibility is to report on the weaknesses that were identified in the course of the audit.

Audit Findings

1.0 Budgetary Control and Performance

The approved budget for the County Assembly was Kshs.790,000,000 as per the County Appropriation Act, 2014. The County Assembly received Kshs.685,824,012 during the year but the breakdown between the recurrent and development was not given. The County Assembly incurred an expenditure of Kshs.774,003,068 in the year, which exceeded available funds by Kshs.88,179,056. Out of the expenditure in the year, Kshs.649,795,027 or 84% of the expenditure was on recurrent expenditure, while Kshs.124,208,041 was incurred on development. The total expenditure amounted to Kshs.774,003,068 resulting to a deficit of Kshs.88,179,056 due to under funding by the County Treasury by Kshs.104,175,988.

1.1 Recurrent Budget

Expenditure returns availed during the audit indicated that there was an overall underutilisation of funds under the recurrent budget amounting to Kshs.69,572,572 as shown below:

Recurrent Budget Analysis

Item	Budget Kshs.	Actual Kshs.	Difference Kshs.	%
County Assembly				
Basic Salaries - County Assembly Permanent Employees	45,500,000	56,398,106	(10,898,106)	-24
Basic Salaries - County Assembly Temporary Employees	3,900,000	2,253,192	1,646,808	42
House Allowance	19,000,000	19,017,391	(17,391)	-0.09
Commuter Allowance	7,000,000	303,110	6,696,890	96
Extraneous Allowance	1,000,000	-	1,000,000	100
Leave Allowance	500,000	-	500,000	100
Late Duty Allowance	3,500,000	1,110,795	2,389,205	68
Personal Allowance paid - other	3,500,000	3,230,497	269,503	8
Employer Contribution to National Social Security Fund (NSSF)	750,000	-	750,000	100
Employer Contribution to Social Benefit Schemes (Laprofund/Laptrust)	7,110,000	-	7,110,000	100
Domestic Travel and Subsistence, and Other Transportation Costs	94,000,000	91,785,947	2,214,053	2
Foreign Travel and Subsistence, and Other Transportation Costs	34,400,000	30,829,840	3,570,160	10
Travel, Accommodation, Tuition Fees and Other Training Expenses	25,000,000	29,449,176	(4,449,176)	-18
Catering Services,(Receptions), Accommodation, Gifts, Food and Drinks	9,500,000	5,975,430	3,524,570	37
Boards, Committees, Conferences and Seminars	2,000,000	3,183,900	(1,183,900)	-59
Contracted Guards/Other Security Expenses	3,700,000	2,889,170	810,830	22
Cleaning Services	1,500,000	1,521,203	(21,203)	-1
Contracted Professional Services	23,500,000	10,874,003	12,625,997	54
Membership Fees, Dues and Subscriptions to Professional/other Bodies (LSK,ICPAK,ICPSK,AWAK)	500,000	72,360	427,640	86
General Insurance Covers (Motor Vehicle, Fire, Burglary, All Risks)	2,000,000	446,779	1,553,221	78
Group Personal Accident – Staff	5,000,000	0	5,000,000	100
Medical Insurance	13,000,000	18,167,370	(5,167,370)	-40
Purchase of Uniforms/Clothing - Staff	1,500,000	476,170	1,023,830	68
Fuel ,Oils and Other Lubricants	5,700,000	6,016,229	(316,229)	-6
Maintenance of Motor Vehicles and	4,500,000	3,888,491		14

Other Equipment			611,509	
Maintenance of Plant, Machinery and Equipment	1,000,000	829,460	170,540	17
Minor Alterations to Buildings and Civil Works	-	762,150	(762,150)	100
	318,560,000	**289,480,770**	**29,079,230**	**9**
Finance & Management Services			-	
Electricity Expenses	2,500,000	1,977,376	522,624	21
Water and Sewerage Services	2,000,000	631,822	1,368,178	68
General Office Supplies (Papers, Pencils, General Office Stationery and Small Equipment)	3,000,000	2,941,146	58,854	2
Supplies and Accessories for Computers and Printers	1,000,000	1,190,223	(190,223)	-19
Sanitary and Cleaning Materials Supplies and Services	1,000,000	1,089,299	(89,299)	-9
Telephone, Telex, Facsimile and mobile Phone services	2,600,000	1,774,169	825,831	32
Internet connections	1,500,000	452,904	1,047,096	70
Courier and Postal Services	500,000	24,570	475,430	95
Publishing and Printing services	500,000	622,760	(122,760)	-25
Subscriptions to newspapers, Magazines and Other Periodicals	2,000,000	2,200,384	(200,384)	-10
Advertising, Awareness and Publicity	5,000,000	3,055,681	1,944,319	39
Education and Library Supplies (Books, Other Publications)	-	-	-	0
Supplies and Accessories for Computers and Printers	1,000,000	1,533,829	(533,829)	-53
Maintenance of Office Furniture and Equipment	1,033,441	756,400	277,041	27
	23,633,441	**18,250,563**	**5,382,878**	**23**
Legislative Services				
Basic Salaries - Members of County Assembly	100,000,000	131,578,521	(31,578,521)	-32
Attendance/Sitting Allowances	63,000,000	36,992,724	26,007,276	41
Transport/Mileage Allowances	33,000,000	13,567,606	19,432,394	59
Responsibility Allowances	12,000,000	3,031,750	8,968,250	75
Telephone/Airtime Allowance	3,700,000	393,494	3,306,506	89
Capital Transfer to Individual -Mortgage - for Mcas	-	-	-	0
Govt. Pension and retire- other (Service Gratuities - Mcas)	7,000,000	-	7,000,000	100
	218,700,000	**185,564,095**	**33,135,905**	**15**
Ward Office Services				
Basic Salaries - Ward Contractual Employees	26,400,000	24,904,939	1,495,061	6
Other Operating Expenses -Ward Office Rent	7,200,000	8,564,074	(1,364,074)	-19

Ward Office Maintenance	13,440,000	12,496,000	944,000	7
	47,940,000	**45,965,013**	**1,974,987**	**4**
Total	**608,833,441**	**539,260,869**	**69,572,572**	**11**

In addition, some expenditure items exceeded the budgetary allocations during the year under audit by Kshs.56,766,722 as shown below:

Items with Over Expenditure

No	Item	Budget Kshs.	Actual Kshs	Difference Kshs.	%
1.	Basic Salaries - County Assembly Permanent Employees	45,500,000	56,398,106	(10,898,106)	24
2.	Travel, Accom, Tuition Fees and Other Training Expenses	25,000,000	29,449,176	(4,449,176)	18
3.	Boards, Committees, Conferences and Seminars	2,000,000	3,183,900	(1,183,900)	59
4.	Medical Insurance	13,000,000	18,167,370	(5,167,370)	40
5.	Fuel, Oils and Other Lubricants	5,700,000	6,016,229	(316,229)	6
6.	Minor Alterations to Buildings and Civil Works	-	762,150	(762,150)	100
7.	Supplies and Accessories for Computers and Printers	1,000,000	1,190,223	(190,223)	19
8.	Publishing and Printing services	500,000	622,760	(122,760)	25
9.	Subscriptions to newspapers, Magazines and Other Periodicals	2,000,000	2,200,384	(200,384)	10
10.	Supplies and Accessories for Computers and Printers	1,000,000	1,533,829	(533,829)	53
11.	Basic Salaries - Members of County Assembly	100,000,000	131,578,521	(31,578,521)	32
12.	Other Operating Expenses – Ward Office Rent	7,200,000	8,564,074	1,364,074	
	TOTAL	**202,900,000**	**259,666,722**	**56,766,722**	**19**

Further, some expenditure items had unutilised funds from the budgetary allocations during the year under audit of Kshs.56,192,769 as shown below:

Items With Under Expenditure

No	Item	Budget Kshs.	Actual Kshs.	Difference Kshs.	%
1.	Basic Salaries - County Assembly Temporary Employees	3,900,000	2,253,192	1,646,808	42
2.	Commuter Allowance	7,000,000	303,110	6,696,890	96
3.	Extraneous Allowance	1,000,000	-	1,000,000	100
4.	Leave Allowance	500,000	-	500,000	100
5.	Late Duty Allowance	3,500,000	1,110,795	2,389,205	68
6.	Personal Allowance Paid -	3,500,000	3,230,497	269,503	8

	Other				
7.	Employer Contribution to National Social Security Fund (NSSF)	750,000	-	750,000	100
8.	Employer Contribution to Social Benefit Schemes (Laprofund/ Lap trust)	7,110,000	-	7,110,000	100
9.	Domestic Travel and Subsistence ,and Other Transportation Costs	94,000,000	91,785,947	2,214,053	2
10.	Foreign Travel and Subsistence, and Other Transportation Costs	34,400,000	30,829,840	3,570,160	10
11.	Catering Services, (Receptions), accommodation, Gifts, Food and Drinks	9,500,000	5,975,430	3,524,570	37
12.	Contracted Guards/Other Security Expenses	3,700,000	2,889,170	810,830	22
13.	Contracted Professional Services	23,500,000	10,874,003	12,625,997	54
14.	Membership Fees, Dues and Subscriptions to Professional/other Bodies (LSK,ICPAK,ICPSK,AWAK)	500,000	72,360	427,640	86
15.	General Insurance Covers (Motor Vehicle, Fire, Burglary, All Risks)	2,000,000	446,779	1,553,221	78
16.	Group Personal Accident - Staff	5,000,000		5,000,000	100
17.	Purchase of Uniforms/Clothing - Staff	1,500,000	476,170	1,023,830	68
18.	Maintenance of Motor Vehicles and Other Equipments	4,500,000	3,888,491	611,509	14
19.	Maintenance of Plant, Machinery and Equipment	1,000,000	829,460	170,540	17
20.	Electricity Expenses	2,500,000	1,977,376	522,624	21
21.	Water and Sewerage Services	2,000,000	631,822	1,368,178	68
22.	General Office Supplies (Papers, Pencils, General Office Stationery and Small Equipment)	3,000,000	2,941,146	58,854	2
23.	Telephone, Telex, Facsimile and mobile Phone services	2,600,000	1,774,169	825,831	32
24.	Internet Connections	1,500,000	452,904	1,047,096	70
25.	Courier and Postal Services	500,000	24,570	475,430	95
	TOTAL	**218,960,000**	**162,767,231**	**56,192,769**	

1.2 Development Budget

Some expenditure items had unutilised funds from the budgetary allocations during the year under audit of Kshs.99,732,418 or 55% as shown below:

Items with Under Expenditure

No	Item	Budget Kshs.	Actual Kshs	Difference Kshs.	%
1.	Construction of non-Residential Buildings (HQ offices, Library, Chambers)	80,000,000	40,000,000	40,000,000	50
2.	Construction of Buildings - Visitors Parking Slot	27,000,000	-	27,000,000	100
3.	Construction of Buildings - Modern Car Park	1,000,000	-	1,000,000	100
4.	Refurbishment of Buildings-Non Residential (Chambers renovation)	2,000,000	-	2,000,000	100
5.	Other Infrastructure and Civil Works - HQ Compound Landscaping	16,000,000	6,998,943	9,001,057	56
6.	Other Infrastructure and Civil Works - Borehole Drilling/Equipping	1,500,000	-	1,500,000	100
7.	Purchase of Vehicles	3,300,000	2,783,158	516,842	16
8.	Purchase of Office General Furniture	24,666,559	19,962,728	4,703,831	19
9.	Purchase of Computers, Printers and other IT Equipment	2,500,000	2,112,630	387,370	15
10.	Purchase of Exchanges and other Communications Equipment	2,500,000	820,000	1,680,000	67
11.	Purchase of generator	3,600,000	-	3,600,000	100
12.	Purchase of ICT networking and Communications Equipment(Hansard)	2,500,000	2,500,000	-	0
13.	Purchase of household and Institutional Furniture and fittings(for Chamber)	8,500,000	3,086,885	5,413,115	64
14.	Purchase of Household and Institutional Appliances (Cafeteria)	2,000,000	-	2,000,000	100
15.	Purchase of Household	4,100,000	3,169,797	930,203	23

	and Institutional Appliances (Cafeteria)				
	Total	**181,166,559**	**81,434,141**	**99,732,418**	**55**

In addition, the overall expenditure for the County Assembly amounted to Kshs.620,694,910 according to the returns presented for audit from the County Government whereas the financial statements indicated that the expenditure for the year totalled Kshs.774,003,068 resulting to unexplained difference of Kshs.153,308,158.

It is recommended that the County Assembly adheres to the agreed budget in future. Any necessary variation should be proposed to the County Treasury and approved by the County Assembly. Proper records on budget and actual expenditure should be maintained at all times and records maintained by the County Assembly should be shared with the County Executive to ensure correct capture of accounting transactions for the whole County.

2.0 Prior Year Issues

As reported in the previous year, we observed that recommendations on the following issues were not acted upon during the year under review:

2.1 Cash and Bank Balances

a) Maintenance of Accounting Records

The statement of net assets as at 30 June 2014 reflects an amount of Kshs.42,688 under cash balance. However, and as reported in the previous year, the cashbook was not balanced on daily basis and only reflected continuous payments without monthly bank reconciliations as recommended in our previous audit report.

b) Payment Vouchers

As previously reported, payment vouchers were not being fully examined and approved for payment.

2.2 Members of County Assembly Attendance Register

As reported in the previous year, various committee meetings registers revealed that there was inconsistency in the signatures of the attending Members of the County Assembly (MCAs), in that in one day of sitting the signature would differ from the next or previous sitting. There was, therefore, no clear pattern of the signatures by the Members of the County Assembly who attended meetings casting doubts on the genuineness of the payments. However, our recommendation to the County Assembly to confirm signatures of MCAs and insist on those who fail to attend sittings should not be paid sitting allowances was not acted on.

2.3 Overseas Travelling and Subsistence Allowances

The County Assembly Members and staff made various foreign trips during the previous year. It was observed in a number of cases where the members were double paid per diems while at the same time a travel agency had been contracted to provide for full package of the trip including airport transfers, local transport and full board accommodation all totalling Kshs.24,287,027. However, our recommendation to recover the over payment from the concerned MCAs of Kshs.24,287,027 was not acted on.

2.4 ICT Internal Control Environment

The following weaknesses were identified in the County Assembly's IT internal control environment:

- Lack of a formally approved IT security policy to ensure data confidentiality, integrity and availability.
- Non-existence of an Information Technology strategic committee.
- Failure to implement an IT strategic plan that supports business requirements and ensures that IT spending remains within the approved IT strategic plan.
- Lack of training program to build IT capacity.
- Lack of a formally documented and approved process to manage upgrades and system changes made to all financial / performance information systems.
- There was no backup and retention policy. Lack of documented schedule for routine maintenance for IT infrastructure.

Our recommendation for the County Assembly to develop an IT policy to address the key issues regarding the IT control environment has not been addressed.

3.0 Fraud Assessment

As reported in the previous period, the Machakos County Assembly has no system for identifying and responding to the risks of fraud within the entity. It is, therefore, highly exposed to fraud related risks and hence cases of fraud and errors may go undetected.

4.0 Expenditure

The statement of receipts and payments as disclosed under note 4 to the accounts reflects an amount of Kshs.321,210,653 under use of goods and services, which includes expenditures on travel, subsistence and other related expenditure. The following observations were made during the year:-

4.1 Subsistence Allowances

(i) Unsupported Conference Fee for World Ploughing Championship in Bordeaux, France

Three Members of the County Assembly were paid conference fees totalling Kshs.756,000 while they attended a conference for World Ploughing Championship in Bordeaux, France. The expenditure was not supported by documentary evidence to confirm whether the event took place.

(ii) Media Partnership with M-Government Abu Dhabi 2014

Members of the County Assembly made a trip to Abu Dhabi from 23 December 2014 to 3 January 2015 and were paid per diems amounting to Kshs.2,673,900. However, there was no report availed to support what the County Assembly gained from the trip despite having spent such an amount of money.

In addition, an additional claim of Kshs.150,000 was made and paid to the Members as miscellaneous expenses yet the full per diem of Kshs.590,400 had been paid. Some of these miscellaneous expenses were for personal effects.

4.2 Irregular Procurement of Security Services

The County Assembly paid a total of Kshs.3,633,850 for security services during the period, out of which amounts of Kshs.742,400 and Kshs.413,983 were paid to two security companies. The tender committee held on 3 February 2015 awarded the security tender to a different company at Kshs.12,500 per guard. The committee further resolved to contract the company for one year starting February 2015. The County Assembly, however, continued to engage the security services of the earlier two companies not tendered at Kshs.16,000 and Kshs.13,000 per guard up to June 2015, respectively contrary to the resolution of the tender committee. These security companies were paid amounts of Kshs.222,720 and Kshs.192,983 for the service provided after February 2015 and as consequence, Kshs.415,703 was irregularly incurred against the recommendations of the tender committee.

It is recommended that these security expenditures should be incurred in accordance with the Public Finance Management Act, 2012, and financial and procurement rules and regulations. Losses incurred by the County Assembly arising from failure to adhere to rules and regulations should be recovered from the responsible officers.

5.0 Pending Bills

Section 51 (1) (a) of the Public Finance Management (County Governments) Regulations, 2015 prohibits spending or committing of funds until the funds budgeted for and requisitioned for have been authorised by means of an authority to incur expenditure. However, records availed for audit revealed that pending bills as at 30 June 2015 amounted to Kshs.97,734,727. This amount comprised pending bills for which cheques had been written but not released to the creditors although they were included in the payments

and expenditure for the year. There were other outstanding pending bills whose value could not be determined. In addition, the County Assembly did not keep a pending bills/creditors register. The bills schedule was not aged, did not show account head charged or any reference to originating documents and reasons for non-payment.

Further, the pending bills amounting to Kshs.97,734,727 comprise a big proportion of statutory deductions which had not been remitted by year end.

It is recommended that management should maintain a proper register for pending bills, clearly stating why bills have not been paid. The County Assembly should remit all the statutory deductions without further delay failure to which they would attract interest and penalties.

6.0 Internal Audit Function

The following weaknesses were identified regarding the functioning of the internal audit unit:

- The scope of internal audit function did not include evaluating and reporting on internal controls applicable to high risk areas as identified by management.
- Audits for the financial year in the annual audit plan were not finalised.
- Although progress audit reports conducted during the year were made available to us, responses from the management on the issues raised were not availed for audit verification.
- Internal audit unit is understaffed with only one auditor hence it may not have the necessary capacity to carry out the internal audit mandate.
- No confirmation that there is written provision from the accounting officer providing the unit unrestricted access to all records and assets of the County.
- No audit committee is in place to discuss the reports of the internal audit.

It is recommended that the County Assembly Management allocate enough resources to the internal audit unit so as to improve its capacity to carry out its mandate.

In addition, management should ensure that the internal audit unit functions are separated from the operations of the County Assembly and that there is written provision from the accounting officer providing the unit unrestricted access to all records and assets of the County.

7.0 Maintenance of Accounting Records

7.1 Poor Maintenance of Cash Books

The County Assembly had not implemented the Integrated Financial Management Information System (IFMIS) during the period under audit. The cash book was also not

balanced on a daily basis and only reflected continuous payments without monthly reconciliations. Further, the cash column of the cash book was not posted despite numerous cash withdrawals and cash payments by the payment cashier and money withdrawn by the payment cashier was not recorded on the receipt side of the cash column as a contra entry item. In addition, the petty cash book contains many alterations and does not indicate cash book payment voucher numbers supporting the payments. It is also not duly posted to indicate the dates.

It is recommended that management keep proper financial and accounting records and institute sound cash and bank management practices. Further, management should implement IFMIS to ensure efficient and effective processing of financial transactions.

7.2 Failure to Disclose Liabilities due to Third Parties

The County Assembly received an amount of Kshs.2,326,254 from an insurance company being compensation for a deceased member of the County Assembly. An amount of Kshs.900,000 was paid to the beneficiaries as per an agreement made with the family members. The balance of Kshs.1,426,254 had not been paid as at the time of audit and no disclosure had been made in these financial statements.

Further, the County Assembly does not operate general deposit account to hold deposits on behalf of third parties.

It is recommended that a deposit bank account should be opened immediately and maintained at all times for this type of transactions. Further, disclosures should be made of such liabilities as and when they arise.

7.3 Inaccurate Financial Statements

The statement of receipts and payments reflects total receipts in the period amounting to Kshs.685,824,012. At the same time, the County Assembly opened with a deficit of Kshs.7,317,693, which was attributed to pending bills. During the period, the County Assembly incurred total expenditure of Kshs.774,003,068. The excess expenditure of Kshs.88,179,056 is attributed to pending bills. The accrual of pending bills on the face of the financial statements is contrary to the requirements of IPSAS cash basis of accounting.

It is recommended that the County Assembly adheres to the Public Finance Management Act, 2012 and regulations and also ensure that the financial statements are prepared in accordance with the requirements of the Public Sector Accounting Standards Board.

7.4 The County Assembly realized a deficit of Kshs.88,179,055.70 (2013/14 Kshs.731,769,298) during the year which brought the net current assets/net financial position to negative Kshs.100,361,020.50 as at 30 June 2015. This along other matters described in this report indicate the existence of a material uncertainty which may cast doubt about the ability of Machakos County Assembly to continue as a going concern.

Conclusion

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

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

Nairobi

23 September 2016