

# **REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF KAJIADO FOR THE YEAR ENDED 30 JUNE, 2019**

---

## **REPORT ON THE FINANCIAL STATEMENTS**

### **Qualified Opinion**

I have audited the accompanying financial statements of County Executive of Kajiado set out on pages 1 to 49, which comprise the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Kajiado as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

### **Basis for Qualified Opinion**

#### **1.0 Statement of Receipts and Payments**

##### **1.1 Unsupported County Own-Generated Revenue**

The statement of receipts and payments reflects county own-generated revenue totalling Kshs.1,075,900,267 as further disclosed in Note 9 to the financial statements. However, the outsourced electronic system's ledgers reflected collections totalling Kshs.1,060,070,088 resulting to a variance of Kshs.15,830,179 between the two sets of records. Further, the revenue balance reflected in the ledgers was not supported with any revenue summaries.

In addition, the County Executive's revenue account at a local commercial bank reflected collections totalling Kshs.1,029,106,364 which differed by Kshs.46,793,903 and Kshs.30,903,724 from the balances reflected in the financial statements and the outsourced system respectively.

Consequently, the accuracy and completeness of the own-generated revenue balance totalling Kshs.1,075,900,267 reflected in the financial statements has not been confirmed.

##### **1.2 Unsupported Compensation of Employees**

The statement of receipts and payments reflects compensation of employees payments totalling Kshs.2,610,351,093, as further disclosed in Note 11 to the financial statements. The balance denotes an increase of Kshs.503,778,432 or 24% over the sum of Kshs.2,106,572,661 reported in 2017/2018 financial year.

The authorized staff establishment as at 30 June, 2019 was not availed for audit and as a result, the cause of the increase could not be confirmed.

Consequently, the accuracy and validity of the compensation of employees expenditure totalling Kshs.2,610,351,093 reflected in the statement of receipts and payments was not confirmed.

### **1.3 Unsupported Use of Goods and Services**

The statement of receipts and payments reflects use of goods and services payments totalling Kshs.1,420,319,912 as further disclosed in Note 12 to the financial statements. The balance includes the unconfirmed balances described below:

#### **1.3.1 Payments for Undisclosed Budget Items**

Records examined indicated that several payments totalling Kshs.4,000,000 were charged to the goods and services account and reflected in the general ledgers but the budget items they were charged to were not disclosed. The occurrence and validity of the expenditures could not therefore be confirmed.

#### **1.3.2 Revenue Collection Fees**

Expenditure records indicated that revenue collection fees totalling Kshs.49,575,310 were paid to the firm that owns the electronic revenue collection system. Audit examination of the contract agreement, however, indicated the fees due to the firm were set at 6% of the annual collections and were deductible at source by the firm. The revenue totalling Kshs.1,420,319,912 reported in the financial statements would, therefore, have incurred fees totalling Kshs.68,674,485. No explanation has been provided by Management for the difference between the fee paid totalling Kshs.49,575,310 reported in the financial statements and the sum of Kshs.68,674,485 presumed to have been deducted by the firm at source. In addition, Management has not explained how the payments totalling Kshs.49,575,310 were arrived at. Further, the validity of the contract clause that allowed the firm to deduct fees at source was not explained.

In view of these issues the accuracy, completeness and validity of fees paid totalling Kshs.49,575,310 was not confirmed.

#### **1.3.3 Education and Vocational Training Sector Payments**

The records further indicate that a sum of Kshs.15,437,688 was spent on education and vocational training. However, Management did not avail the original payment vouchers and other relevant records for audit review. As a result, it was not possible to confirm whether the goods and services for which the payments were made were received and used for the intended purpose.

### **1.3.4 Supply of Fuel and Lubricants**

In addition, service level agreements for purchases of fuel, oil and lubricants valued at Kshs.67,818,847 were not availed for audit review and consequently, the accuracy and validity of the payments could not be confirmed.

### **1.35 Unsupported Insurance Payments**

Also included in the goods and services expenditure balance are insurance cost payments totalling Kshs.34,452,185, but records on the services provided were not availed for audit review. As a result, the occurrence and validity of the payments could not be confirmed.

In view of these issues, the occurrence, accuracy and validity of the use of goods and services expenditure totalling Kshs.1,420,319,912 reflected in the statement of receipts and payments could not be confirmed.

### **1.4 Unsupported Acquisition of Assets**

Note 17 to the financial statements reflects acquisition of assets expenditures totalling Kshs.2,433,182,187. Examination of payments made under the item, however, revealed payments totalling Kshs.132,256,770 reflected in the ledger without descriptions of the payees and the items purchased. As a result, the nature, occurrence and validity of the payments could not be confirmed.

Consequently, the accuracy and completeness of the acquisition of assets balance totalling Kshs.2,433,182,187 reflected in the financial statements could not be confirmed.

## **2. Statement of Assets and Liabilities**

### **2.1 Unsupported Cash and Cash Equivalents**

The statement of assets and liabilities reflects cash and cash equivalents balance totalling Kshs.551,184,152 as at 30 June, 2019, as further disclosed in Note 21A and Note 21B to the financial statements. However, the opening balance for the year 2017/2018 reflected a bank balance of Kshs.1,108,878,573 whereas the comparative balance reflected in the financial statements for the year under review amounts to Kshs.1,091,708,793 resulting to an unexplained difference of Kshs.17,169,780 between the two sets of records. In addition, the revenue collection account balance amounting to Kshs.50,863,779 indicated as held at a commercial bank as at 30 June, 2019 was not supported with bank certificates. Further, a review of bank reconciliation statements availed for audit reflected stale cheques totalling Kshs.10,308,448 which had not been presented for payment for periods exceeding six (6) months but had not been reversed in the cashbook as required in financial regulations.

In addition, examination of bank statements revealed cash book payment reversals totalling Kshs.6,023,227 out of which a sum of Kshs.2,065,000 was not explained.

In view of these issues, the accuracy, completeness and validity of the cash and cash equivalents balance totalling Kshs.551,184,152 reflected in the statement of assets and liabilities as at 30 June, 2019 could not be confirmed.

## **2.2 Undisclosed Accounts Receivables**

The financial statements have not disclosed accounts receivables as at 30 June, 2019 although other records examined indicate that there were outstanding receipts on ratable properties, loading zones, parking slots, advertisements, single business permit, wayleave fees and outstanding imprests, among others. In addition, Management did not maintain a receivables ledger, even after having hired a valuer to prepare a valuation roll for ratable properties.

In addition, examination of records on revenue collection and management system revealed that the computer servers used by the system were located remotely and the first transaction in the system was dated 14 July, 2016. Management did not explain how and when the migration of data from the system used previously was done. In addition, a backup copy of the data held in the defunct system was not availed for verification. Further, detailed revenue reports showing uncollected balances and how these accrued over time were not availed for audit.

In view of the discrepancies, the nature and amount of revenue balances migrated from the old to the new system as well as those accrued in the new system could not be confirmed. As a result, the nature and amounts of accrued revenue balances as at 30 June, 2019 could not be confirmed.

## **3. Lack of a Fixed Assets Register**

Disclosed in Annex 5 to the financial statements is a summary of fixed assets register that reflects a fixed assets balance of Kshs.5,404,965,697 as at 30 June, 2019. However, Management did not avail the fixed assets register for audit review.

Consequently, the completeness and accuracy of the acquisition of assets balance totalling Kshs.5,404,965,697 as at 30 June, 2019 has not been confirmed.

## **4. Undisclosed Biological Assets**

Further, biological assets, that include cattle of an undisclosed value held in a ranch owned by the County Government have not been accounted for or disclosed in the financial statements.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of County Executive of Kajiado Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

## **Other Matter**

### **1. Budget Control and Performance**

The summary statement of appropriation: recurrent and development combined reflects county own-generated receipts budget and actual on comparable basis totalling Kshs.1,583,856,996 and Kshs.1,075,900,268 respectively resulting to under-collection of Kshs.507,956,729 or 32% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.9,605,177,903 and Kshs.8,374,520,000 respectively resulting to an under-expenditure of Kshs.1,230,657,903 or 13% of the budget.

No plausible explanation has been provided by Management for the large shortfall in collection of own-generated revenue. Failure to collect all the budgeted revenue was largely responsible for the under-expenditure that constrained implementation of planned activities and delivery of services to the residents of Kajiado County during the year under review.

### **2. Pending Bills**

Note 5.10 - other important disclosures to the financial statements reflects cumulative pending bills totalling Kshs.1,307,244,977 as at 30 June, 2019 out of which bills totalling Kshs.400,653,085 were incurred during the year under review. Had the bills been paid during the year, the deficit totalling Kshs.557,694,441 reflected in the statement of receipts and payments would have increased to Kshs.1,864,939,418.

In the report for the 2017/2018 financial year, pending bills owed to suppliers of goods and services as at 30 June, 2018 totalled Kshs.766,806,193 against Kshs.906,591,892 as at 30 June, 2017. Management has not explained the sharp increase in the balance to Kshs.1,307,244,977 as at 30 June, 2019.

Failure to settle bills during the year to which they relate distorts the information presented in financial statements and adversely affects the operations for the subsequent year since the bills form a first charge on the year's budgetary provisions. In addition, unpaid bills slow down economic activity and may discourage local businesses from trading with public entities.

### **3. Prior Year Issues**

The audit report for the prior financial year ended 30 June, 2018 had highlighted several issues under Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Internal Control Risk Management and Governance.

Note 6 of other important disclosures indicates that most of the issues related to the unconfirmed account balances and have since been resolved. However, audit review of other significant issues including those on establishment of an assets register and implementation of projects indicated they were yet to be resolved.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Unconfirmed Validity and Delay in Delivery of Spatial Mapping Contract**

Examination of lands, physical planning and urban development records indicated that in March, 2016 the County Executive issued a tender valued at Kshs.138,230,511 to a land surveyors' firm to carry out topographical mapping and prepare a County Spatial Development Plan.

As at 30 June, 2019, payments made to the firm totalled Kshs.117,180,460 out of which Kshs.74,534,358 was paid during the year under review.

Although Management indicated that the tender was awarded after qualified consultants were, through an advertisement placed in national newspapers, invited to express interest in providing the services, a copy of the advertisement was not availed for audit review. In addition, the technical and financial reports prepared by the Evaluation Committee were dated 12 January, 2016 which date preceded the appointment of the Committee on 11 April, 2016. Furthermore, the report was signed by only two of the Committee's four members. The records, therefore, suggested that the technical and financial reports were prepared before the Committee was approved.

Correspondence from the firm to Management dated 18 April, 2019 acknowledged concerns raised by the County Government's technical team on execution of the contract and suggested that a workshop be held to address the issues. The issues in question were, however, not disclosed to the audit team by Management and therefore their nature and status at the time of the audit was not confirmed. At the end of the financial year under review, the Spatial Development Plan had not been submitted to Management in spite of the payments totalling Kshs.117,180,460 made to the firm.

In view of the insufficient disclosures on the contract, its validity has not been confirmed. In addition, there is no confirmation whether the contract price was arrived at in a competitive way and that the residents of Kajiado County shall receive value for money

on the contract price set at Kshs.138,230,511. Further, the prolonged delay in submission of the Spatial Development Plan to Management implies that no value was obtained on the payments totalling Kshs.117,180,460 made to the firm as at 30 June, 2019.

## **2. Unsatisfactory Implementation of Projects**

Examination of records on acquisition of assets and sampled verification of projects under implementation during the year under review revealed various unsatisfactory matters, including delays in completion of projects, low quality works, unauthorized variations of works and irregular procurement processes, as outlined in Appendix 1 to this report.

Consequently, the validity and value for money on payments totalling Kshs.2,433,182,187 spent on acquisition of assets during the year under review has not been confirmed.

## **3. Irregular Implementation of National Government Functions**

Review of the records from education sector revealed that the County Executive has over several years implemented various projects in primary and secondary schools. As at 30 June, 2019 the expenditure totalled Kshs.63,561,074.

However, Schedule 4(four) of the Constitution assigns management of primary and higher education to the National Government. There was no evidence indicating that the County Government had entered into an agreement with the National Government to implement the projects. Consequently, the legality of the expenditure totalling Kshs.63,561,074 could not be confirmed.

## **4. Non-Compliance with Revenue Collection Contract**

Revenue records examined indicated existence of an agreement between the vendor for revenue collection software, a commercial bank and the County Executive, for collection and banking of county own-generated receipts.

The commercial bank was required to transfer the revenue collected into the County Executive's revenue account within 5 (five) days. However, examination of revenue collection records indicated that the bank held onto the revenues collected longer than the five (5) days allowed in the contract agreement.

No explanation was provided for the failure by Management to enforce the conditions of the revenue collection contract.

## **5. Irregular Re-Allocations of Funds**

Payments for goods and services totalling Kshs.1,420,319,912 made during the year included payments made out of re-allocated budgetary provisions totalling to Kshs.78,564,823. Approvals for the reallocations were, however, not availed for audit review. As a result, the validity of the payments was not confirmed.

## **6. Staff Not Confirmed in Service**

Personnel records examined indicated that contrary to the Employment Act, one hundred and eighty-three (183) employees of the County Executive were on probation although they had worked for more than six (6) months. The records further indicated that Management employed five hundred and twenty-one (521) new employees during the year under review. However, Management did not avail evidence to confirm whether the positions were advertised by the County Public Service Board as required under Section 59(1)(b) of the County Governments Act, 2012.

In view of the omissions, the legal and employment status of the employees could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **1. Failure to Establish Backup Server for the Revenue System**

Further, contrary to the agreement entered into with the system's supplier, Management had not set up a backup computer server to secure data and enable continuation of service should the system fail to function, or during planned downtime. There is, therefore, risk that records on revenue may not be recovered in the event of a disaster or discontinuation of service by the vendor.

In addition, information on the rights granted to the administrator over the system were not availed for audit review and as a result, the extent of control by Management over the system was not assessed.

Management did not explain measures it had taken to ensure compliance with the contract and safeguard public interests in the contract. In the circumstances, I am unable to confirm that the operational and other controls for the revenue collection system are sufficient or effective.



## **2. Lack of Risk Management Policy**

Management did not provide evidence that it had established a risk management policy. As a result, there was no objective means to identify, assess and mitigate risks to the operations of the County Executive.

## **3. Employees Without Payroll Numbers**

Evaluation of the staff register revealed that contrary to the requirements of the Salaries and Remuneration Commission report on the Public Sector Wage Bill issued in June, 2019, and good management practice, twenty-seven (27) permanent employees did not have payroll numbers.

Therefore, the County Executive's payroll records lacked sufficient internal controls.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of intention to dissolve the County Executive.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the County Executive monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Executive's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Executive to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**10 May, 2021**

## Appendix

### Unsatisfactory Implementation of Projects

No	Project Name	Contract Sum (Kshs)	Amount Paid to the Contractor (Kshs) as at 30 June, 2019	Completion date	Observations
1	Tarmacking of A104 KCB Kitengela-Orata-Hospital Road in Kitengela Town	37,935,190	20,125,908	30/6/ 2019	<p>The Project was incomplete but contractor was not on site. The Project Status Report as at 30 June, 2019 indicated the works were at 53% level of completion.</p> <p>The Engineer's Estimates were not availed for audit review.</p> <p>Out of 800 meters of tarmacking work contracted, only 500 meters was done. The remainder 300 metres was graveled instead. No explanation was provided for the variation of the works., or the change, if any in the contract price that resulted thereof.</p> <p>The culverts installed were too small and therefore could not contain storm waters in the rainy season. This resulted in flooding of the road and adjacent areas.</p> <p>The payment voucher dated 10 May, 2019 and the Purchase Order were issued on 21 May, 2019, several days after some of the works were reported as having been completed. No explanation was provided by Management on why the execution of works preceded the purchase order. The anomaly suggested the works contract may have been awarded irregularly.</p>
2	Rehabilitation of (37 Kilometres) Ittilal-Oyarata-Lemongo Rombo Road in Kajiado South	19,510,272	9,948,740	14/7/2018	<p>The works were incomplete and the contractor was not on site.</p> <p>The Project Status Report as at 30 June, 2019 indicated that the works were at 53% level of completion.</p> <p>The Engineer's Estimates were not availed for audit review and as a result, the audit could not confirm how the contract price was arrived at.</p> <p>Concrete and drainage works as well as road furniture, were not done.</p> <p>The payment vouchers were not dated and numbered.</p>

No	Project Name	Contract Sum (Kshs)	Amount Paid to the Contractor (Kshs) as at 30 June, 2019	Completion date	Observations
3	Construction of Inkariak Rongena Sompeta Road in Kimana Ward	14,123,928	14,123,672	16 /5/ 2019	<p>The commencement of works letter and the certificate of completion and Project Status Report were not availed for audit.</p> <p>The length of the contracted works was confirmed as 12.3km and not 17.5km as stated in the Bills of Quantities. Therefore, a portion of the contract price was nugatory.</p> <p>The works were reported as 100% complete.</p> <p>The payment voucher was not numbered and the purchase order was issued on 21 May, 2019, thirty (30) days after some works were reported as completed. The anomalies suggested that the award of the contract was done without following public procurement regulations.</p>
4	Construction of Kiserian Market	61,242,373		19 /4/ 2019	<p>The works were incomplete but the contractor was not on site.</p> <p>The Project Status report as at 30 June, 2019 indicated that the works were at 61% level of completion.</p> <p>Tender evaluation documents and the engineer's estimates were not availed for audit. As a result, it was not possible to confirm how the tender for the works was awarded and the cost of the project arrived at.</p>
5	Construction of Loitoktok Market in Kuku Ward	27,947,613			<p>As at 30 June 2019, the Project was four (4) years behind its planned completion date.</p> <p>With the market yet to be completed the traders were operating from adjacent temporary sheds.</p> <p>Concrete slabs were installed on the side of the market set aside for a perimeter wall.</p> <p>A lockable gate provided for in the BQs was not installed on the refuse collection bin built at the market.</p> <p>The culverts and side ditches provided for in the BQs were not done.</p>
6	Construction of Ngong Sports Complex in Ngong Town	198,464,940	50,397,570	5/7/2019	<p>The works were incomplete but the contractor was not on site.</p>

No	Project Name	Contract Sum (Kshs)	Amount Paid to the Contractor (Kshs) as at 30 June, 2019	Completion date	Observations
					<p>The Engineer's Estimates and other documentation to confirm the extent to which the project had been implemented and whether proper procurement procedures were followed in award of the contract were not availed for audit.</p> <p>The Project Status Report as at 30 June, 2019 indicated that the works were at 36% level of completion.</p> <p>Management did not explain why the project was behind schedule and whether the liquidated damages in the contract had been enforced against the contractor for the delay.</p> <p>Materials left on site were not secure as some parts of the stadium's iron sheet fence had collapsed.</p>
7	Construction of Machine Sheds at Demonstration Farm	4,983,882	4,603,900	Not availed	<p>The works were incomplete and the contractor was not on site.</p> <p>The status report as at 30 June, 2019 indicated that the works were at 92% level of completion.</p> <p>Management did not avail the procurement documents for audit review and as a result, the validity of the tendering process could not be confirmed.</p> <p>The foundation and floor were not raised to allow free flow of stormwaters.</p> <p>The floor though unused, had developed cracks which suggested the workmanship was of low quality.</p> <p>The facility was not secured with doors and barriers.</p> <p>Coating and painting of steel bars was not done.</p> <p>There was rust on some of the newly installed steel bars. This suggested they were of low quality.</p>
8	Construction of a Silage Pit at Demonstration Farm	1,499,660	1,499,660		<p>The pit was not put to use. The paint applied on the walls had peeled off and the roof was not installed.</p> <p>Certificate No.2 indicated that the project was 100% complete.</p>

No	Project Name	Contract Sum (Kshs)	Amount Paid to the Contractor (Kshs) as at 30 June, 2019	Completion date	Observations
9	Construction of Maternity Wing & Wards at Kajiado County Referral Hospital	53,729,145	Not availed		<p>The execution of the project started on 24 April, 2015. Management thereafter approved variations of the contract by Kshs.13,188,838 on 5 May, 2017.</p> <p>Payment certificates 1 to 4 were not availed for audit. Low cost blue gum (soft) wood doors were installed instead of the mahogany(hard) wood provided for in the BQs.</p> <p>Several defects were noted including uneven alignment of the doors and door frames and cracks on the walls.</p>
10	Supply of Magnetic Resonance Imaging (MRI) and Computer Tomography (CT) Scan Equipment to Kajiado Referral Hospital	267,832,517	267,832,517	20 /7/ 2019	<p>The payment voucher dated 10 May, 2019 was not numbered and the purchase order was issued on 21 May, 2019, eleven (11) days after delivery had been completed. This suggested that the procurement was done in an irregular way.</p> <p>The MRI equipment was not delivered. The CT Scan equipment was delivered but was not installed for use.</p>
11	Supply of Two (2) Vehicles – One Double Cabin Pick-Up (manual transmission) and White Color One Car	9,997,600			<p>Management used direct procurement method to purchase the two vehicles. The respective log books were not availed and the vehicles had not been delivered at the time of audit.</p>
12	Purchase of Truck	7,825,000		30/5/2020	<p>The truck was paid for on 28 June, 2019 but was reportedly taken to the dealer for modification into a skip loader for garbage collection at a cost of Kshs.8,700,000. It had not been returned at the time of the audit. Further, the requisition from the user the Department and the logbook were not availed for audit. Consequently, it was not possible to confirm whether procurement of the truck followed due process and whether its legal ownership was transferred to of the Kajiado County Government.</p>
13	Supply, Installation, Commissioning of Service, Fire Suppression, Cooling, Security Cameras (CCTV) and Access Control System	19,509,496	7,573,823	Not availed	<p>The respective tender documents were not availed for audit. As a result, the validity of the process followed to procure the contract was irregular.</p>