

**REPUBLIC OF KENYA**



**THE COUNTY ASSEMBLY OF KITUI**

**SECOND ASSEMBLY – THIRD SESSION – 2019**

**PUBLIC INVESTMENTS AND ACCOUNTS COMMITTEE**

## **REPORT**

**ON AN INVESTIGATION INTO HOW THE COUNTY MINISTRY OF SPORTS  
UTILISED FUNDS MEANT FOR THE SECOND EDITION OF KITUI RUGBY  
SEVENS.**

**CLERK'S CHAMBERS,  
ASSEMBLY BUILDINGS,  
KITUI**

**25<sup>TH</sup> JUNE 2019**

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## **LIST OF ABBREVIATIONS/ACRONYMS**

The following abbreviations have been used in this report

	<b>ABBREVIATION</b>	<b>FULL DESCRIPTION</b>
1	CECM	County Executive Committee Member
2	C.O	Chief Officer
3	L.P.O	Local Purchase Order
4	L.S.O	Local Service Order
5	PIAC	Public Investments and Accounts Committee
	PFMA	Public Finance Management Act
6	RFQ	Request for Quotations
7	T.O.R	Terms Of Reference
8	MDAs	Ministries, Departments and Agencies
9	PPDR	Public Procurement and Disposal Regulations
10	VAT	Value Added Tax
11	ACECA	Anti-Corruption and Economic Crimes Act
12	POEA	Public Officer Ethics Act
13	PPADA	Public Procurement and Asset Disposal Act
14	PCALA	Proceeds of Crime and Anti-money Laundering Act
15	PAA	Public Audit Act

## **PREFACE**

**Hon. Speaker,**

I, the Chairman of the Public Investments & Accounts Committee (PIAC) having been authorized by the Committee, to present the Report on their behalf, do present this Report on investigation into how the County Ministry of Sports utilized **Kshs. 33, 880,441** meant for the Second Edition of Kitui Rugby Sevens. The tournament was hosted at Ithookwe Show Grounds on 1<sup>st</sup> and 2<sup>nd</sup> June, 2018.

The committee scrutinized the areas of expenditure, as well as the use thereof, and very importantly on how effectively, efficiently and economically the resources were appropriated and whether the funds were used for intended purposes, or otherwise, and, more importantly, whether the said funds were spent in accordance with the laid down financial regulations and procedures.

While analyzing the expenditures, the Committee established that in total the Department spent **Kshs. 33, 880,441** and not **Kshs. 29,363,500** as earlier explained by the Minister for Sports Mr. Patrick Musau and Chief Officer Mr. Kimanzi Zakayo in a report presented to the House before the inquiry.

The Committee wishes to at this juncture report that the inquiry has taken some time to complete, due to the range of issues that had to be examined and several concurrent investigations that the Committee waited to be finalised before releasing its report as well as the overlap of its working sessions with other key business of the House. .

**Committee responsibility and function**

Broadly speaking, the role of PIAC as per the County Assembly Standing Order No. 185, is to assist the legislature in holding the Executive to account for its use of public resources.

This is done through examination of public accounts and reporting of the major irregularities established and making recommendations on necessary corrective action.

For the purposes of effectively performing of its functions, the Committee, like any other Committee of the County Assembly, has all such powers, rights and privileges as are vested in the High Court in respect of –

- Enforcing the attendance of witnesses and examining them on oath, affirmation or otherwise;
- Compelling the production of documents; and
- Issue of a commission or request to examine witnesses abroad.

In view of such powers, enshrined in Article 195 of the Constitution (2010) and Standing Order 171, this Committee is entitled to summon persons to procure additional documentary or oral evidence and (where necessary) issue a warrant to compel attendance by any person so required, on the pain of punishment for defiance.

### **Committee membership**

As currently constituted, the Committee consists of the following Members:

<b>S/No.</b>	<b>Name</b>	<b>Designation</b>
<b>1</b>	Hon. Alexander M. Mbili	Chairperson
<b>2</b>	Hon. Alex M. Nganga	Vice Chairperson
<b>3</b>	Hon. Anthony K. Mbiti	Member

<b>4</b>	Hon. Alex W. Mwangangi	Member
<b>5</b>	Hon. Beatrice V. Musyoka	Member

### **Support staff**

<b>S/No.</b>	<b>Name</b>	<b>Designation</b>
1	Teddy Matuku	Hansard Editor
2	Jacob Kimanzi	First Clerk Assistant

### **Genesis of the investigation**

Hon. Speaker, you recall, that the investigation was necessitated after the County Assembly poured cold water on a report presented to the House by the County Executive Committee Member for the Ministry of Tourism, Sports and Culture explaining how funds were utilized on activities relating to the rugby tournament

The Assembly, which felt public money may have been misused, referred the report to the Public Accounts Committee with instructions to expeditiously consider it and report back to this House. This happened during a sitting presided over by Temporary Speaker Hon. David Thuvi, on 27<sup>th</sup> November, 2018. The Report from the Ministry of Sports explaining how the money was spent was presented to the House following a Request for a Statement by the Majority Leader Hon. Peter Kilonzo on expenditures incurred.

The House, was in agreement that the Ministry of Tourism, Sports and Culture failed to satisfactorily respond to queries raised on the spending. That made the Speaker to rule that a statement on the spending be tabled in the House as requested by the Majority Leader Hon. Peter Kilonzo. In his ruling, the Speaker

reckoned that the request for a Statement by the Majority Leader was built on prudence and accountability.

It should be recalled that before the ruling, Members traded arguments on the value of the event to the residents of Kitui. The public eye has been trained on the PIAC to give a verdict on whether the money was put to proper use or not considering that the Committee is placed at the apex of legislative oversight of public finances.

## **PURPOSE OF THE INQUIRY**

### **Hon. Speaker,**

In purview of its oversight role, the intention of the Inquiry conducted by the PIAC was to;

- ✓ Make full and complete examination of the manner in which the County Ministry of Sports in all its aspects, and officers of that Department, controlled transactions with or concerning public monies and, accounted for those monies, collected revenue, controlled and monitored expenditure.
- ✓ Enable the Committee to report to the legislative Assembly in a meaningful way on the transactions undertaken and whether the statutory requirements, accountability and compliance with financial and procurement regulations were observed.
- ✓ The purpose of the Inquiry was not to improperly pursue or criticize any person, but to make a constructive and informed Report to the legislature on how the monies in question were utilized by the Ministry during the Rugby tournament.

;

## **THE AUTHORITY TO REPORT AND REFER**

**Hon. Speaker,**

The Committee did find authority to make this Report in Standing Order 185 (2) and Section 149 (1) to (5) of the Public Finance Management Act (PFMA), 2012 as well as Articles 195, 201(a) (d) (e) and 226 (2) of the Kenyan Constitution (2010).

Where satisfied of a possibility of a prima facie case that a Public Officer(s) may not have complied with Financial Regulations regarding the expenditures incurred, the Committee has in another section of this report made referrals of the person(s) culpable for financial misconduct to the relevant and more competent investigative agency for appropriate action.

This House should bear in mind that investigative committees like the PIAC typically do not possess enforcement powers, capable of prosecuting persons for breaches of the law. The Committees are required to refer such matters to the appropriate authorities and may make such recommendations as they think fit in relation to any referral made pursuant to prevailing legislations and anti-corruption laws which include;

- The Anti-Corruption and Economic Crimes Act (ACECA), No 3 of 2003.
- The Public Officer Ethics Act (POEA) , No 4 of 2003
- The Public Procurement and Asset Disposal Act (PPADA), 2015.
- The Proceeds of Crime and Anti-money Laundering Act, 2009
- The Public Audit Act, No. 34 of 2015
- The Ethics and Anticorruption Commission Act (EACCA)and
- Leadership and Integrity Act which came into play after promulgation of the 2010 Constitution.

The Committee, just like any other committee of the legislative Assembly, is also empowered to refer for prosecution, any witness who fails to comply with a

notice to produce any document, paper or book and / or any person who fails to comply with a summons issued and served by the Committee. These powers are derived from Article 195 of the Kenyan Constitution (2010).

## **METHOD OF INQUIRY**

The Inquiry by the PIAC into how the Ministry of Sports expended Kshs. 33, 880,441 was a public hearing at which sworn evidence was taken from the Minister and Chief Officer.

The Committee inquired into sixteen items of expenditure, each addressing a different area of departmental operations as categorized by the Vote-Controller in his written response.

## **CONDUCT OF THE INQUIRY**

### ***The gathering of evidence***

The Committee determined that evidence for the inquiry should be elicited through verbal interrogation of the ministry officials responsible for the expenditures and examination of the documentary evidence submitted relating to the expenditures in question.

The Committee also determined that in the face of financial constraints it was not appropriate to conduct costly advertising of its inquiry and to call for public submissions as the matter was not in the public domain per-se. The inquiry was announced through internal channels with officials of the Sports Ministry informed vide a letter dated 29<sup>th</sup> November 2018.

In the interest of procedural fairness, in particular the right to be heard, the Committee vide a letter dated 31/01/2019 informed the CECM and C.O of the Inquiry's Terms of Reference and specifically requesting that they avail the

Committee of the opportunity to explore the concerns raised by the House in relation to expenditures in question.

In addition, the Committee requested documents/Information pertaining to the expenditures. These included Payment Vouchers, Cash Sale receipts, Local Purchase Orders, Local Service Orders, Invoices, Delivery Notes, Payment Schedules, and Tender Documents.

### **INQUIRY TERMS OF REFERENCE**

With the County Assembly having on 27<sup>th</sup> November, 2018, mandated the PIAC to scrutinize the report presented to the House by the County Minister for Sports explaining how the funds (Kshs. 33, 880,441) meant for the Rugby tournament was spent and table a report for consideration by the House, the committee did adopt the following Terms of Reference (T.o.R):

That the PIAC examine and report on issues relating to the administration and use of the Kshs. 33, 880,441, with particular reference to:

1. The nature and purpose of the Rugby tournament;
2. The sources of funding;
3. The use, administration and management of the funds;
4. The statutory requirements, accountability and compliance;
5. The costs, benefits and potential liabilities of the events and;
6. Any other matter that the Committee deemed necessary to investigate.

### **MEETING/COMMITTEE PROCEEDINGS**

The Committee held six sittings involving the Sports Minister Mr. Patrick Musau and the Chief Officer Mr. Kimanzi Zakayo. The duo were invited to

shed light on how the funds were utilized. The sittings were held on 18<sup>th</sup> and 19<sup>th</sup> December 2018 and 15<sup>th</sup> February 2019 at Committee Room 2 within the Assembly precincts.

The Committee reviewed existing financial frameworks and submission by the witnesses. The following were particularly reviewed; Relevant Articles of the Kenyan Constitution (2010), The Public Procurement and Asset Disposal Act, (PPADA), 2015 and related regulations, the Public Finance Management Act, 2012 and related regulations and other documents availed by the witnesses with whom the committee interfaced.

During the sessions, the witnesses were given an opportunity to explain their own viewpoints regarding the expenditures in question while Members of the PIAC cross-examined them. That was observed since as earlier stated the committee is not meant to witch-hunt anybody, but to ensure that records are straightened. Thereafter, the Committee, retreated to compile this report.

While interviewing the witnesses, the Committee observed traditionally established legislative procedures. For instance, reading the relevant provisions in the Constitution and the Standing Orders to accentuate the Committee's legal standing, and putting the witnesses on oath to ascertain the authenticity and accuracy of their submissions to the Committee, as provided for in Article 195 (2) (a) of the Constitution (2010) and Standing Order No. 171. Besides, the hearings were open to the public in line with Standing Order 178 (1).

The Committee proceedings were taken down verbatim by officers of the Official Report (Hansard) Office. This was done in recognition that for oral testimony, witnesses' statements should be recorded and transcribed as part of the evidence provided to a Committee.

The records of evidence adduced, documents, and notes received by the Committee form the basis of the observations and recommendations of the Committee as outlined in the Report.

**ACKNOWLEDGEMENT**

In conclusion, Mr. Speaker, the Committee wishes to record its appreciation to the Offices of the Speaker and the Clerk of the County Assembly for facilitating the work of the Committee in fulfilment of its mandate. The committee is also indebted to the CECM and C.O for dutifully honoring their obligations and making submissions before the Committee.

Members of the committee deserve special mention for investing their precious time to conduct hectic and lengthy hours of working on PIAC sessions. Their sincere and devoted endeavours deserve appreciation, acclaim and commendation.

Last but not the least, many thanks goes to the support staff (Jacob Kimanzi and Teddy Matuku) who worked with great zeal and zest in scheduling, arranging and coordinating frequent working sessions and timely compilation of this report.

**-Unanimous view**

The Report reflects the unanimous view of the Committee. On behalf of the committee, therefore, I now wish to table the report and urge the House to adopt it and the recommendation(s) therein.

**SIGNED .....**

**HON. ALEXANDER MUNUVE MBILI, MCA**

**CHAIRMAN, PUBLIC INVESTMENTS & ACCOUNTS COMMITTEE**

**DATE: 25/06/2019**

**ADOPTION OF THE REPORT ON AN INVESTIGATION INTO HOW KSHS. 33,880,441 MEANT FOR THE SECOND EDITION OF KITUI RUGBY SEVENS WAS SPENT.**

We, the Members of the Public Investments and Accounts Committee have, pursuant to Standing Order 179, adopted this report and hereby affix our signatures to affirm our approval and confirm its accuracy, validity and authenticity:-

<b>S/No</b>	<b>Members</b>	<b>Signature</b>
1	Hon. Alexander Munuve Mbili	
2	Hon. Alex Mutambu Nganga	
3	Hon. Anthony Kyusya Mbiti	
4	Hon. Beatrice Velesi Musyoka	
5	Hon. Alex Wambua Mwangangi	

## **SUBMISSION BY THE CECM AND C.O ON HOW THE KSHS. 33, 880,441, WAS UTILISED.**

County Sports Minister Patrick Musau accompanied by the Ministry's Chief Officer Mr. Kimanzi Zakayo appeared before the committee for three days namely on 18<sup>th</sup> and 19<sup>th</sup> December 2018 and 15<sup>th</sup> February 2019. The duo submitted as follows, that;

- The Second Edition of Kitui Rugby Sevens was organized by the County Ministry of Sports to boost training opportunities for the local youth as well as the economy. The objectives of event corresponded with the 3<sup>rd</sup> and 5<sup>th</sup> pillars of Kitui Governor Hon. Charity Ngilu's manifesto.
  - The tournament attracted 24 rugby teams and over 20,000 fans from across Kenya and beyond and was graced by Her Excellency the Governor Hon. Charity Ngilu.
  - Other dignitaries present included Kitui Senator Hon. Enoch Kiiro Wambua, Members of Parliament and County Assembly, Youth and Women leaders, County Officials as well as representatives from the corporate world and Rugby fraternity.
  - Unlike the First Edition which attracted only 8 rugby teams and about 2,000 fans, the Second Edition was more successful with 24 teams and over 20,000 fans participating.
  - During preparation for the tournament, the Ministry roped in other relevant departments to ensure things worked well during the tournament.
  - The event had the blessings of the cabinet which received updates on progress of the preparations. The event delivered the following achievements;
- ❖ **Short term economic benefits:-**Kitui town saw a surge in visitors, rugby players and fans from across Kenya and beyond including Uganda as well as Members of the Fourth Estate (media) representing different

and major outlets. That provided an increase in spending and injection of money into the local economy. In short, Kitui raked in millions from the windfall.

- **Profile of Kitui County was raised:** - This raised profile is important for giving economic benefits, such as attracting tourists and business investment as well as a persistent increase in recognition.
  - **Enthusiasm and excitement:** - The event whipped up local team support and appetite for rugby (development of local talent) as well as exposing local teams to international players. That will help in promoting uptake of the sport which has lasting benefits for the health of the county. Additionally, the event was a major opportunity for rugby league to attract new fans. It attracted a new audience and/or reminded lapsed fans about, how great live sport in general is.
  - **Local tourism sector was given an impetus:** - The many visitors got an opportunity to sample local tourists' attractions, culture, hospitality, the peace loving and welcoming nature of the Kamba people hence promoting the local tourism sector.
  - **Peace, coexistence and integration:** - The event provided an opportunity for fostering peace, coexistence and integration amongst different communities as well as exposing local women to world's biggest and best-loved major sports event.
- 
- To keep the visitors entertained- day and night- the Ministry engaged the services of Kenya's premiere comedy show, Churchill Live. Two top Kamba musicians-Ken Wambua Wa Maria (Yatta International) and Alex Kasau Kisinga (Nguuni Lovers) were also brought on board.
  - The Kitui County Government and Kenya Rugby union did sign a Memorandum of Understanding on hosting of the tournament. That was done to express a convergence of will between the parties involved and as required by the Kenya Rugby Union regulations.

- Hosting the sport exposed local youth to the world’s biggest and best-loved major sports event and as such there was nothing wrong with staging the event. Furthermore, the objectives of the tournament including boosting the local economy were met and that is all what mattered, according to the Minister and the Chief Officer.
- To ease planning and implementation of planned activities, various sub-committees were formed and assigned various tasks as follows;

<b>S/no.</b>	<b>Name of Committee</b>	<b>Roles</b>
1	Marketing and publicity	<ul style="list-style-type: none"> <li>• Develop publicity ads, itinerary and program for the tournament.</li> <li>• Use different modes of publicity/communication-website, print, broadcast, social media, e-mail, physical mail, road shows, Bill Boards etc. to socialize/publicize the event and attract participation. Solicit for partners and sponsors/ Meet and invite rugby legends,</li> <li>• Design and audit of visibility materials</li> </ul>
2	Infrastructure	<ul style="list-style-type: none"> <li>• Coordinate preparation of the pitch and branding, ensure all access roads were upgraded and establish emergency exits.</li> </ul>
3	Tournament	<ul style="list-style-type: none"> <li>• Design accreditation materials and engage the Kenya Rugby union on pertinent issues before the tournament. Develop the tournament and judging manuals for Pimp my ride,</li> </ul>

		<ul style="list-style-type: none"> <li>• Oversee invitation of the rugby and pimp my ride teams and constitution of the Tournament Secretariat.</li> <li>• Work in conjunction with the Infrastructure committee in preparation of the pitch and Ithookwe airstrip and upgrading of access roads.</li> <li>• Categorize the prize money and set suitable amounts. Identify event runners and carry out Risk assessment. Coordinate clean-up of the venues and adjacent environs.</li> </ul>
4	Security committee	<ul style="list-style-type: none"> <li>• Oversee security operations including assessment of security risks, collection of intelligence information, development of traffic management plans and implementation, planning on distribution of security personnel during the tournament and site visits.</li> </ul>
5	Hospitality and entertainment	<p>During the tournament;</p> <ul style="list-style-type: none"> <li>• If necessary, coordinate lodging and transportation logistics for guests &amp; dignitaries.</li> <li>• Set up first aid kits at the venue and have information brochures handy.</li> <li>• Provide assistance to guests to check into their rooms, provide an overview of facility, amenities, parking etc.</li> <li>• In case of natural disaster, work with Registration Committee to take remedial actions</li> </ul>

		<ul style="list-style-type: none"> <li>• Hold discussions with key stakeholders (banks, petrol stations, hotels, restaurants and bar owners) on how to give specialized services to the guests.</li> <li>• Develop a website to promote the event online.</li> </ul>
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## **EXPENDITURE INCURRED**

The Minister and Chief Officer submitted that;

- ❖ The expenditure incurred was informed by recommendations of the various sub-committees and all payments made were dully supported by relevant documents. The documents included payment schedules, cash sale receipts, invoices, delivery notes, Local Purchase Orders (LPOs) and Local Service Orders (LSOs). Breakdown of the expenditures was as follows;

<b>No.</b>	<b>Item</b>	<b>Description</b>	<b>Unit cost</b>	<b>No. of days</b>	<b>Total expenditure</b>
1	Mobile Toilets	22 Units	9,000	3	0
2	Hospitality& Catering Services	1,200 pax	1,000	2	2,499,980
3	Tents and Chairs	-	-	3	640,850
4	Live Broadcasting 1	1	-	-	2,248,000
5	Live Broadcasting – KTN	1	-	-	0
6	Radio mentions	4 Stations	30,000	10	1,095,400
7	Churchill show	1	-	1	5,220,000
8	Team Allowance	180	4,500	3	1,200,000

9	Prize Money	-	-	-	2,100,000
10	Bleachers	2,000 pax	1	3	1,320,000
11	Bill Boards	6	180,000	-	955,320
12	Banners, Tear Drops, T-shirts, Flags, Reflectors	-	-	-	7,089,950
13	PA, Stage setup, Generator & Flood lights	-	-	-	3,039,500
14	Police allowance & fuel & Other Allowances	-	-	3	3,039,500
15	Painting of Majengo / Town	-	-	-	2,564,441
16	Mineral water (500ml)	600 packets	495	-	297,000
	<b>TOTAL</b>				<b>32,950,441</b>

Allowances paid to other participants;

No.	Item	Units	Unit cost	Days	Total
1	Referees	20	6,667	3	400,000
2	MC	2	10,000	3	60,000
3	Home teams' transport allowance	45	2,000	-	90,000
4	technician(In-charge)	3	3,333	3	30,000
5	Electrician allowance	2	5,000	2	20,000
6	Plumber allowances	2	5,000	2	20,000
7	Marshals allowances	10	2,000	2	40,000

8	Protocol team allowances	4	2,000	3	24,000
9	Secretariat allowances	6	2,000	3	36,000
10	Team Liaisons allowance	2	5,000	2	20,000
11	Store man allowances	1	5,000	2	10,000
12	Photographer	1	15,000	2	30,000
13	Videographer	1	25,000	2	50,000
14	Sniffer Dogs & Handlers	4	25,000	1	100,000
	<b>TOTAL</b>				<b>930,000</b>

## **ECONOMIC BENEFITS OF THE TOURNAMENT**

The Minister and Chief Officer submitted as follows;

❖ That Kitui County received an economic stimulus that made hosting the tournament more than worthwhile. The business fraternity within Kitui town and its environs raked in about Kshs. 182,560,000 and the County government Kshs. 1,050,000 in tax revenue.

❖ The earnings were as categorized below;

<b>Kind of business</b>		<b>Estimated earnings</b>
<b>1</b>	Hotels	Kshs 21,600,000
<b>2</b>	Petrol stations	Kshs 60,000,000
<b>3</b>	Boda Boda	Kshs. 12,000,000
<b>4</b>	Small Vendors	Kshs 21,000,000
<b>5</b>	Bar owners	Kshs 50.560,000

<b>6</b>	Restaurant owners	Kshs 18,000,000
<b>7</b>	Revenue collection	Kshs 1,050,000
	<b>TOTAL</b>	<b>Kshs. 182, 560, 000</b>

The Committee;

- Concurs that Rugby is one of the world’s most recognised sport events and that it’s economic and business impact is very real.
- Acknowledges that Kitui County reaped economic benefits from the tournament but the level of earnings could not be quantified as no economic impact study was carried out and that the calculations by the Management were based on wild estimates.

## **SPECIFIC FINDINGS AND OBSERVATIONS**

The inquiry/investigation revealed a number of irregularities, override of stipulated controls, overstepping of given mandate and breach of procurement laws and regulations and weaknesses in the department’s internal control environment.

These findings are discussed in detail below.

### **ITEM 1- MOBILE TOILETS-**

#### **Findings and observations**

- The witnesses admitted that the mobile toilets were provided but remained cagey on the expenditure incurred. The Committee concluded that transactions relating to this expenditure were shrouded in mystery. No verification could be made from the documents provided.

- Preparations for the tournament held on 1<sup>st</sup> and 2<sup>nd</sup> June 2018 started as early as March 2018. Hence the Management had ample time to follow due process in some of the procurements but opted to disregard the Open Tender Method in favour of Request for Quotation Method which is prone to conflict of interest.
- This is considering the fact that the choice of the service provider is left at the discretion of the procurement managers who can easily manipulate award of tenders.

## **ITEM 2- HOSPITALITY & CATERING SERVICES**

### **Findings and observations**

- Expenditure incurred-Kshs. 2,499,980
- Date payment was processed-15<sup>th</sup> October 2018.
- Successful bidder:-Rolencia Investments at Kshs. 2,499,980.
- Reserve price for the contract- Kshs. 2,400,000. Thus, the winning Bidder quoted above the reserve price by Kshs. 99,980.
- Other bidders and the prices quoted.
  - ✓ Green tech Irrigation Limited- Kshs. 2,520,000
  - ✓ Supplant Solutions Limited- Kshs. 2,560,000
  - ✓ Kincem Limited- Kshs. 2,600,000
  - ✓ Zurky General Traders Limited- Kshs. 2,800,000
- Method of procurement: - Request For Quotations (RFQ). The use of RFQ was irregular as the tender amount qualified for open tender. Threshold matrix for Class A procuring entity is Kshs. 2,000,000 for Goods and Services and Kshs. 4,000,000 for works. This is provided at the First Schedule of the Public Procurement and Disposal Regulations (PPDR), 2013.
- No evidence was provided to prove that the circumstances pertaining at the time warranted the use of RFQ which mostly is suitable under emergency

situations. The use of this method in turn, limited competition contrary to the requirement of the PPADA, 2015.

- Open Tender Method is preferred by law especially for procurements whose value exceed Kshs. 2,000,000 for Goods and Services and Kshs. 4,000,000 for Works. This is because the method is fair, equitable, transparent, competitive and cost effective.
- The committee expressed reservations that all the Bidders seemed to be legitimate and tax compliant as per registration taxation certificates, but in reality some could have been a scam. This calls for forensic examination to determine whether all the firms were legitimate.

### **Observations**

The Committee holds the view that;

- a) Bids were distinct from one another by a systemic pricing pattern. i.e. there were sudden and identical increases in prices or price ranges by bidders that cannot be explained by cost increases. Prices submitted by Bidders increased in regular increments. Further, all Bids ended in rounded numbers suggesting Bid rigging or sharing of confidential information by the parties involved which is outlaed by Section 66 (1) of the PPADA, 2015.*
- b) Some “shadow bidders” may have submitted higher priced bids to facilitate the selection of the designated winner and to give the appearance of competition. Detailed/further investigation is required to identify the ownership and legitimacy of the firms involved in this transaction.*
- c) The use of the wrong tender methods, leading to tender rigging, is a frequent complaint in the Auditor General’s annual audit reports on government agencies. Further investigation is required to establish whether the Management dealt with genuine or fake/phoney contractors. .*

*d) The underlying objectives of procurement and tendering are concerned with ensuring competition, which is viewed as a key factor in achieving the twin objectives of: accountability in the spending of public money; and transparency in the steps of the decision-making processes.*

### **ITEM 3- TENTS AND CHAIRS**

#### **Findings and observations**

- Expenditure incurred-Kshs. 645,850.
- Items procured as per documents provided-3 VIP tents, 25 normal tents each with a capacity of 100 persons, 1,250 chairs and 30 tables.
- Date payment was processed:-27<sup>th</sup> June 2018
- Reserve price- Kshs. 645,000.
- Successful bidder-Domuki Investments at Kshs. 645,850. Thus the winning Bidder quoted above the reserve price by Kshs. 850.
- Other bidders and prices quoted
  - ✓ Nenny Enterprises- Kshs. 753,500
  - ✓ Vanrich General Merchants- Kshs.774, 000.
  - ✓ Elpaa investments limited- Kshs. 1,140,000
- Registration and taxation certificates showed that all the Bidders were legitimate and tax compliant.
- Method of procurement:-Request for Quotations.

*The Committee considers this expenditure realistic based on calculations made as per the prevailing market prices at the time. However, further investigation is required to ascertain whether the bidders were legitimate and tax compliant and if the tendering process delivered value for money.*

### **ITEM 4-PRE LIVE BROADCASTING**

## Findings and observations

- Expenditure incurred- Kshs. 2,248,000
- Date of payment- 22<sup>nd</sup> June 2018.
- Reserve price- Kshs. 2,000,000.
- Successful bidder-Reality Media Limited at Kshs. 2,248,000 as recommended by the Tender Evaluation Committee. Thus the winning Bidder quoted above the reserve price by Kshs.248, 000
- Method of procurement: Request for Quotations. The use of RFQ was irregular as the tender amount qualified for open tender.
- Three Bid Evaluation Reports submitted contained conflicting information. One report showed that five (5) companies were issued solicitation documents and returned them for preliminary, technical and financial evaluation. The firms included;
  - ✓ Reality Media limited,
  - ✓ Royal Jones Merchants and Supplies,
  - ✓ Reproskan Consultancies,
  - ✓ Totty Agencies and
  - ✓ Four Fortune Enterprises.
- But save for Reality Media Limited, quotation forms attached to the Bid Evaluation Report belonged to companies which did not place bids but are reported to have quoted as follows;
  - ✓ Bold Media Limited-Kshs. 2,650,000,
  - ✓ Awali Entertainment Limited-Kshs.3, 100,000,
  - ✓ Project Studio Creations Limited-Kshs. 2,500,000 and
  - ✓ Big Ideas Entertainment Company Limited-Kshs. 3,000,000.
- Further, whereas the matter at hand was pre-live broadcasting of Rugby events, two reports indicated that the service provider was being sought to provide for security barriers and metal detectors. The Committee attributed submission of three Evaluation Reports instead of one to either a mix-up or

an attempt to confuse, deceive and withhold information relating to this expenditure. Curiously, taxation and registration certificates of the companies save for Bold Media Limited were filed upside down. The Committee deemed this as a tactic to frustrate it from retrieving certain information.

*The Committee holds the view that;*

- a) Purchase terms appeared to have been tailored for a particular selected vendor. This is derived from the myriad of irregularities surrounding the transaction including the missing details of companies which submitted bids save for Reality Media Limited. There are indications of collusion and no concrete evidence was provided to prove that the entities were prequalified or registered. The law was clearly violated specifically Sections 55, 57 and 66 of the PPADA, 2015 and Article 227(1) of the Constitution (2010).*
- b) The procurement process followed in appointing the service provider, therefore, was not in accordance with a system that was fair, equitable, transparent, competitive and cost effective as contemplated in Article 227 (1) of the Kenyan Constitution (2010).*
- c) With details of companies which submitted bids missing, the Committee could not establish which entity bid the lowest and highest and whether the contract was awarded to the most qualified bidder.*
- d) It cannot be an overstatement to suggest that Kitui residents did not get value for money regarding this expenditure.*

#### **ITEM 5- LIVE BROADCASTING**

*Scrutiny of documents confirmed that no expenditure was incurred on this item (live broadcasting) after the procurement process was terminated and funds earmarked for the activity reallocated during a supplementary budget. In this regard, the Committee urges the House to put this matter at rest.*

## **ITEM 6-RADIO ADVERTISEMENTS**

### **Findings and observations**

- Expenditure incurred - Kshs. 1,095,400
  - Vernacular FM Radio Stations which aired the adverts and amount paid.
    - ✓ Musyi FM- Kshs-290,000
    - ✓ Mbaitu FM- Kshs. 295,000
    - ✓ Syokimau FM-Kshs. 278,400 and
    - ✓ County FM-Kshs. 232,000
  - Method of procurement:-Not indicated
- a) The Committee considers this expenditure realistic based on the fact that radio advertising is a bit expensive and that the four vernacular radio Stations engaged aired the adverts for ten days.*
- b) However, the Committee deplored the criteria used to award the business to Musyi, Mbaitu, Syokimau and County FM stations at the exclusion of other local FM stations namely Athiani, Thome, and Wikwatyo FM stations.*
- c) The Committee counselled that Athiani, Thome, and Wikwatyo are blossoming FM stations with a wide outreach and it were fair if they also were accorded an opportunity to run the adverts.*

## **ITEM 7-COMEDY SHOW (CHURCHILL LIVE)**

### **Findings and observations**

Scrutiny of the Bid Evaluation Report (BER), Payment Voucher, Internal Memos, LSO and other relevant documents revealed that;

- Budget ceiling-Kshs. 4, 500,000.
- Expenditure incurred-Kshs. 5,220,000 inclusive of Valued Added Tax (VAT) of Kshs. 720,000).
- Method of procurement:-Request for Proposals.
- Reserve price -not indicated.
- Successful bidder:-Laugh Industry Limited at Kshs. 5,220,000 (Inclusive of VAT)
- Date payment was processed 31<sup>st</sup> May 2018. Payment made in respect of consultancy to provide a brief on identification, development and promotion of tourism attractions and talent and not comedy/entertainment as submitted by the witnesses. This was noted from the Payment Voucher, LSO and Internal Memo dated 30<sup>th</sup> May, 2018 through which the C.O authorized payment to Laugh Industry Limited. Further, the supplier was paid upfront (31<sup>st</sup> May 2018) yet the event was held on 1<sup>st</sup> and 2<sup>nd</sup> June 2018. That was an illegality. Section 146 of the Public Procurement and Asset Disposal Act, 2015 states that; **“No Works, Goods or Services contract shall be paid for before they are executed or delivered and accepted by the accounting officer of a procuring entity or an officer authorized by him or her in writing except where so specified in the tender documents and contract agreement. Such an advance payment shall not be paid before the contract is signed.**
- Other Bidders whose prices were not disclosed.
  - ✓ Beyond Safari Consultants Limited.
  - ✓ Artvantage Media Limited.
  - ✓ Greencast General Contractors.
  - ✓ Concepts, Brands and Ideas Studios.
  - ✓ Maumba General Contractors.
  - ✓ Arklink Business Associates.
  - ✓ Trace Opportunities Limited.
  - ✓ Delta Agr Tech and Engineering (K) Limited.

- ✓ MutomoTech Building and Construction Co. limited.
- Bid evaluation report showed that Beyond Safari Consultants Limited, Maumba General Contractors, Arklink Business Associates, Trace Opportunities Limited, Delta Agr Tech and Engineering (K) Limited, and MutomoTech Building and Construction Co. limited were eliminated for defaulting on their tax obligations.
- Registration and taxation certificates showed that all companies were legitimate and tax compliance. But further investigation is required to establish whether the entities were legitimate and tax compliant.
- With the Service provider paid upfront, the County could have lost had unforeseen circumstances forced cancellation of the event.

*The committee holds the view that;*

- a)** *Among scenarios that play out in identifying a looming or existing contractor fraud are when a contractor is paid upfront for a service or product yet to be rendered or delivered without a written agreement.*
- b)** *Failure to reveal, in the Bid Evaluation Report, the prices quoted by other Bidders causes suspicion of possible intentional wrong doing and an attempt to hide information to frustrate the investigation. As a result of the omission, it was not possible establish which firm bid the lowest and highest and whether award of the contract went to the most qualified bidder.*
- c)** *“Shadow bidders” may have submitted higher priced bids to facilitate the selection of the designated winner and to give the appearance of competition. .*
- d)** *Persons and Companies submitting quotations ought to be registered. This requirement is provided under Sections 57 and 71 of the PPADA, 2015. It was not possible to ascertain whether all the bidders were legitimate or shell entities due to lack of relevant documentation including registration/ incorporation certificates.*

- e) There is possibility that fictitious companies were brought on board to obtain government contracts. Usually such fictitious companies, also called front or shell companies, have no substantial assets or permanent business facilities; often they are not registered or listed in business or telephone directories.*
- f) In view of these lapses (failure to reveal what other bidders quoted, paying the contractor in advance and for a different service other than entertainment), it is evident that the procurement was executed in accordance with a system that was not fair, equitable, transparent, competitive and cost effective manner. To this end, the committee believes that it cannot be an overstatement to suggest that Kitui residents did not get value for money regarding this expenditure.*

*Further, the Committee faulted the Management for;*

- g) Flouting procurement rules by deciding on the service provider without any formal evaluation process or competition. This violated Section 80 of the PPADA, 2015.*
- h) Negotiating for the prices which possibly was done in return for inducement. This was fraudulent, even if the irregularly chosen supplier was the best supplier for this particular contract. This is specified in Section 66 (1) of the PPADA, 2015 which outlaws collusion and conflict of interest in public procurement.*
- i) The Committee observed that an expenditure of Kshs. 5,220,000 without proper /credible documents explaining and supporting the genuineness of these payments cannot be viewed as legitimate charge against public funds.*

## **ITEM 8-TEAM ALLOWANCE**

### **Findings and observations**

- Expenditure incurred –Kshs. 1,200,000.
- In some cases it was not possible to establish how much the participants were paid as the amount was not shown in the payment schedule.
- In one of the payment schedule where six payees repeated their signatures after signing in the wrong column, the signatures did not match.
- Curiously, in some cases, details of payees including their names and signatures were written in a similar handwriting suggesting foul play. **(See annex 1)**

*The committee;*

- a) Suspects that documents used to process payments could have been fraudulently altered so that original figures signed for were changed.*
- b) Holds the view that this matter should be subjected to further investigation to bring out the truth and appropriate action taken if criminal falsification is detected.*
- c) Faulted the Management for unilaterally determining the rates at which the allowances were paid without reference to any approved criteria.*

## **ITEM 9-PRIZE MONEY**

### **Findings and observations**

- Expenditure incurred-Kshs. 2,100,000.

*Reiterates its reservations under ITEM 8 above in respect of the amount paid to the participants, their details (names, signatures and ID Nos.) and the documents used to process the payments.*

## **ITEM 10- BLEACHERS**

### **Findings and observations**

- Expenditure incurred-Kshs. 1,392,000
- Date of payment- 29<sup>th</sup> June 2018.

- Reserve price- 1,400,000.
- Successful Bidder-Kwendana General Supplies Limited at Kshs. 1,392,000.
- Other bidders and prices quoted.
  - ✓ Kyeni Commercial Enterprise-Kshs. 1,800,000
  - ✓ Dreamer ICT Solutions-Kshs. 1,550,000
  - ✓ Royal Jones Merchants and Supplies-Kshs. 2,000,000
- Company Registration and KRA Certificates showed that the bidders were legitimate and tax compliance.
- Method of procurement-Request For Quotations

*The Committee holds the view that further investigation is required to establish whether;*

- *The bidders were the legitimate and tax compliant.*
- *The procurement process delivered value for money.*

## **ITEM 11-BILL BOARDS**

### **Findings and observations**

- Expenditure incurred-Kshs. 955,320
- Reserve price- Kshs. 960,000.
- Successful Bidder- Cerdour Enterprises at Kshs. 955,320.
- Other bidders and prices quoted.
  - ✓ Reanna Enterprise-Kshs. 978,000
  - ✓ Neshiny Technologies-Kshs. 996,000
  - ✓ Zaky Buyly-Kshs. 1, 020, 000
  - ✓ Bunzytech Technologies-Kshs. 1,032,000.
- The Bidders were legitimate and tax compliant according to KRA and company Registration certificates.
- Method of procurement:-Request For Quotations

*The Committee holds the view that further investigation is required to establish whether;*

- *The bidders were legitimate and tax compliant.*
- *The procurement process delivered value for money.*

## **ITEM 12-BANNERS, TEAR DROPS, T-SHIRTS, FLAGS, REFLECTORS**

### **Findings and observations**

#### **a) Banners**

- Expenditure incurred-Kshs. 369,200
- Reserve price- Kshs. 370,000.
- Successful Bidder- Cerdour Enterprises at Kshs. 369,200.
- Other bidders and prices quoted.
  - ✓ Reanna enterprise-Kshs. 450,000
  - ✓ Neshiny technologies-Kshs. 380,000
  - ✓ Zaky buyly-Kshs. 430,000
  - ✓ Bunzytech technologies-Kshs. 424,000
- Method of procurement:-Request For Quotations

#### **b) Tear drops**

- Expenditure incurred-Kshs. 1,953,000
- Reserve price- Kshs, 1, 957,500.
- Successful Bidder- Petmart Venture Supplies at Kshs. 1,953,000.
- Other bidders and prices quoted.
  - ✓ GeekTech Investments -Kshs. 2,016,000
  - ✓ Damadet Ventures- Kshs. 2,205,000
  - ✓ Jiloda Ventures -Kshs. 2,065,500
  - ✓ Lynin Investments Limited-Kshs. 2,520,000
- Method of procurement:-Request For Quotations

**c) Polo T-shirts**

- Expenditure incurred-Kshs. 1,780,000
- Reserve price- Kshs. 1,800,000.
- Successful Bidder- Nilecon Agencies at Kshs. 1,780,000. Nilecon was not tax-compliant and its KRA and Youth Access to Government Procurement Opportunities (YAGPO) certificates were expired. See Annex 2 A and 2B
- Other bidders and prices quoted.
  - ✓ Mika Family Company K. Limited-Kshs. 2,200,000
  - ✓ Nzeeu Investments- Kshs. 2,100,000
  - ✓ Stiwatex Communication Co. Limited -Kshs. 1,800,500
- Method of procurement:-Request For Quotations

**d) Car stickers (A4), Car and Boda Boda Flags (Cloths A4) and Car and Boda Boda (Cloth A3)**

- Expenditure incurred-Kshs. 1,007,000
- Reserve price- Kshs. 1,050,000.
- Successful Bidder- Nilecon Agencies at Kshs. 1, 007,000.
- Other bidder and price quoted.
  - ✓ Stiwatex communication Co. Limited-Kshs. 1,200,000
- Method of procurement:-Request For Quotations

**e) Boda Boda Reflectors**

- Expenditure incurred-Kshs. 1,980,750
- Reserve price- Kshs. 1,995,000.
- Successful Bidder- Stiwatex Communication Co. Limited at Kshs. 1,980,750
- Other bidder and price quoted

✓ Nilecon Agencies -Kshs. 2, 137,500.

- Method of procurement:-Request For Quotations
- Total expenditure incurred under this cluster was–Kshs. 7,089,950.
- Company Registration and KRA certificates showed that all the Bidders were legitimate and tax compliant apart from Nilecon Agencies.

*The committee;*

- a) Cited this as a clear case of contract splitting, dividing or breaking them up into separate parts (numerous contracts with values just under procurement thresholds. This is outlawed under Section 54 (1) of the PPADA, 2015. It states “ No procuring entity may structure procurement as two or more procurements for the purpose of avoiding the use of a procurement procedure except where prescribed.” Further Section 176 (1) (h)-states that –A person shall not split procurements contrary to Section 60 of the Act.*
- b) Observed that often in corruption or fraudulent schemes the perpetrators endeavor to avoid higher level review or competitive bidding. To this effect, they often tailor a contract to fall just under the procurement threshold, or seemingly arbitrarily split a contract into several smaller contracts to accomplish that purpose and circumvent requirements of the law.*
- c) Faulted the management for awarding contracts for supply of Polo T-shirts and car stickers to Nilecon Agencies yet the firm was not tax-compliant and its KRA and Youth Access to Government Procurement Opportunities (YAGPO) certificates were expired. This contradicted government procurement criteria.*
- d) Was not convinced that these payments were a proper charge against public funds due to lack of proper/credible documents explaining and supporting the genuineness of the payments.*

### **ITEM 13-PUBLIC ADDRESS SYSTEM, STAGE SETUP, GENERATOR & FLOOD LIGHTS**

#### **a) Generator & Flood Lights**

### **Findings and observations**

- Expenditure incurred-Kshs. 1,523,000
- Reserve price- Kshs. 1,530,000.
- Successful Bidder- Netasam Enterprises Limited at Kshs. 1,523,000. This company was not tax compliant hence it should not have been awarded the contract. Its KRA certificate had expired on 02/02/2018. See annex 3.
- Other bidders and prices quoted
  - ✓ Novett Services-Kshs. 1,577,000
  - ✓ Gemur Contractors-Kshs. 1,600,000
- Method of procurement:-Request For Quotations.

### **b) Public Address System and Stage Set up**

#### **Findings and observations**

- Expenditure incurred-Kshs. 1,516,500
- Date of payment- 25<sup>th</sup> June 2018.
- Reserve price- Kshs. 1,520,000.
- Successful Bidder- Karnah General Supplies at Kshs. 1,516,500
- Other bidders and prices quoted.
  - ✓ Quasalu Agencies -Kshs. 4, 500, 000.
  - ✓ Four Hc Limited -Kshs. 2,400,000.
  - ✓ Rocrace Supplies-Kshs. 3,200,000.
  - ✓ Wemasalu Investments-Kshs. 2,700,000.
- All the bidders were legitimate and tax compliant except Netasam Enterprises Limited. This was noted from company registration and KRA certificates.
- ❖ Method of procurement:-Request For Quotations

*Committee observed as follows, that;*

**(a) Total expenditure under this cluster was Kshs. 3,039,500.**

(b) *Netasam Enterprises Limited should not have been awarded the contract to provide a generator and floodlights for defaulting on its tax obligations. Section 41 (1) (g) of the Act (PPADA)-provides grounds for debarment of a person from participating in procurement or asset disposal proceedings; they include if the person has defaulted on his or her tax obligations. Further, Section 55 of the PPADA 2015 (Eligibility to bid)-defines capacity of persons to engage in tendering –tax compliance has been given prominence.*

(c) *Further investigation is required to establish;*

- *Whether the bidders were legitimate and tax compliant.*
- *Why there was splitting of the contracts and sidestepping of competitive bidding.*
- *The circumstances under which Netasam Enterprises Limited was awarded the contract yet it defaulted on its tax obligations.*

#### **ITEM 14- COST OF FUEL AND ALLOWANCES FOR POLICE AND OTHER PARTICIPANTS**

##### **Findings and observations**

Expenditure incurred on;

- Fuel- Kshs. 250,000.
- Allowances for security personnel- Kshs. 1,500,000.
- Allowances for other participants- Kshs. 930,000.
- Total expenditure - Kshs. 2,680,000.

*The Committee reiterates its observations under ITEM 8 above in respect of the;*

- *Documents used to process payments,*
- *Genuineness of the payees names, their signatures, and ID Nos. and*
- *The rates at which the allowances were paid.*

## **ITEM 15-PAINTING OF COMMERCIAL BUILDINGS IN MAJENGO AREA / TOWN**

### **Findings and observations**

- Expenditure incurred- Kshs. 2,564,441
- Date of payment- 25<sup>th</sup> June 2018.
- Reserve price- Kshs. 2, 822,480.
- Successful bidder- M/s. Recfa Contractors and General Supplies at Kshs. 2,564,441
- Other bidders and prices quoted.
  - ✓ Lanrich General Merchants - Kshs. 3, 867, 550.
  - ✓ Crown Office Solutions Limited- Kshs. 2,974,430.
  - ✓ Cash and Carry Supplies - Kshs. 3,376,380.
- Method of procurement:-Request For Quotations

*While acknowledging that a major clean-up was carried out in Kitui town, some streets re-carpeted and commercial buildings spruced up, as the county geared to host the second edition of Kitui Rugby Sevens, the Committee nevertheless reiterates its reservations under ITEM 2 above (Hospitality and Catering Services) in respect of;*

- *The use of RFQ method*
- *Whether the Bidders were legitimate and tax compliant*

## **ITEM 16- MINERAL WATER (500ML)**

### **Committee findings**

- Expenditure incurred-Kshs. 297,000.
- Date of payment- 25<sup>th</sup> June 2018.
- Reserve price- Kshs. 300,000.

- Successful bidder-Elpaa Investments at Kshs. 297,000
- Other bidders and prices quoted.
  - ✓ Juseth Investments -Kshs. 309, 000.
  - ✓ Nenny Enterprises Limited -Kshs. 312,000.
- Method of procurement:-Request For Quotations

*The Committee considers this expenditure realistic based on calculations made as per the prevailing market prices at the time. In that regard, the committee urges the House to put the matter at rest.*

### **OTHER ALLOWANCES PAID**

<b>No.</b>	<b>Item</b>	<b>Units</b>	<b>Unit cost</b>	<b>Days</b>	<b>Total</b>
1	Referees	20	6,667	3	400,000
2	MC	2	10,000	3	60,000
3	Home teams' transport allowance	45	2,000	-	90,000
4	technician(In-charge)	3	3,333	3	30,000
5	Electrician allowance	2	5,000	2	20,000
6	Plumber allowances	2	5,000	2	20,000
7	Marshals allowances	10	2,000	2	40,000
8	Protocol team allowances	4	2,000	3	24,000
9	Secretariat allowances	6	2,000	3	36,000
10	Team Liaisons allowance	2	5,000	2	20,000
11	Store man allowances	1	5,000	2	10,000
12	Photographer	1	15,000	23	30,000
13	Videographer	1	25,000	2	50,000

14	Sniffer Dogs & Handlers	4	25,000	1	100,000
	<b>TOTAL</b>				<b>930,000</b>

*The committee;*

- a) Suspects that documents used to process payments could have been fraudulently altered so that original figures signed for were changed.*
- b) Holds the view that this matter should be subjected to further investigation to bring out the truth and appropriate action taken if criminal falsification is detected.*
- c) Faulted the Management for unilaterally determining the rates at which the allowances were paid without reference to any approved criteria.*

**RECOMMENDATIONS FOR FOLLOW -UP AND APPLICATION**

- **The Ethics and Anti-Corruption Commission (EACC) and the Directorate of Criminal Investigations (D.C.I.) should carry out further investigation into this matter with a view to holding suspects accountable should theft of public funds be confirmed and to have the lost amount recovered.**
- **Surcharge the County Executive Committee Member (CECM) and Chief Officer (CO) in the County Ministry of Tourism, Sports and Culture pursuant to the provisions of Article 226(5) of the Constitution of Kenya, 2010 which states that, “If the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not.”**

**CONCLUSION**

The Committee is confident that its inquiry will act as the catalyst for significant Change within Ministries, Departments and Agencies (MDAs) on how the MDAs utilize public funds. This impetus for reform is welcome, but well overdue. The endemic nature of the problems requires structural as well as cultural change,

and this process will take time and commitment to permeate the public service. The Committee hopes this report will assist to restore public confidence in this process.