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# **REPORT ON THE PENDING BILLS VERIFICATION EXERCISE**

**NOVEMBER, 2024**

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## **ABBREVIATIONS**

CGN	County Government of Nyandarua
PFMA	Public Finance Management Act
CoB	Controller of Budget
CRA	Commission on Revenue Allocation
CoG	Council of Governor
OAG	Office of the Auditor General
KISIP	Kenya Informal Settlement Programme
CAIP	County Aggregation & Industrial Park

## Terminologies

**Pending Bills;** Refers to county's obligation on works, goods or services already executed but not paid.

**Recurrent pending bills;** Refers to pending bills that are non-capital in nature.

**Development pending bills;** refers to pending bills that are capital in nature.

**Further Review;** refers to incomplete pending bills that will require more information to be provided.

**Commitments;** refers to major multi-year phased county projects which are ongoing. These projects includes KISIP, major county hospitals such as JM Kariuki Memorial, County headquarter, Governor's residence, CAIP etc. The projects have running contracts and certificates are raised progressively during the project implementation cycle.

## FOREWORD

The County Executive Committee for Finance recognizes the critical importance of transparency, accountability, and prudent financial management in the delivery of public services. Pending bills remain a significant challenge to the effective functioning of county governments, as they not only strain fiscal resources but also undermine trust among contractors, suppliers, and the public at large.

This report on pending bills provides a comprehensive overview of the obligations accrued by the County, the underlying causes of their accumulation, and the measures being undertaken to address them. It is intended to serve as both an informative record and a guiding framework for corrective action. By highlighting the scale and nature of these commitments, the report underscores the need for strengthened financial discipline, improved planning, and enhanced oversight in expenditure management.

The County Executive Committee is committed to implementing reforms that will ensure timely settlement of obligations, prevent the recurrence of arrears, and promote sustainable financial practices. We believe that through collective responsibility, adherence to fiscal policies, and collaboration with stakeholders, we can restore confidence in the County's financial systems and foster an environment conducive to growth and development.

We invite all stakeholders—citizens, suppliers, oversight bodies, and development partners—to engage with this report constructively. Together, we can chart a path toward financial stability, efficient service delivery, and the realization of our shared vision for prosperity.

A handwritten signature in blue ink, appearing to read 'Mary Kamande', with a stylized flourish above the name.

**Mary Kamande**

**CECM- Finance, Economic Planning & ICT**

## **Acknowledgement**

On behalf of the Pending Bills Committee, I wish to extend my sincere gratitude to all those who contributed to the preparation of this report. The process of compiling, verifying, and analyzing pending bills required the collective effort of many stakeholders, and it is through their dedication that this document has been completed.

We acknowledge the invaluable support of the County Treasury staff, departmental heads, and officers who provided critical data and insights. Their cooperation ensured that the Committee had access to accurate and timely information. We also appreciate the input of suppliers, contractors, and service providers who engaged with us candidly, thereby enriching our understanding of the challenges surrounding pending bills.

Special recognition goes to the Office of the Auditor, the Controller of Budget, and other oversight institutions whose guidance and recommendations have shaped the Committee's approach. Their commitment to accountability and fiscal discipline has been instrumental in steering this exercise toward meaningful outcomes.

Finally, I commend the members of the Pending Bills Committee for their diligence, professionalism, and unwavering commitment throughout this process. This report is a testament to our shared resolve to promote transparency, restore financial credibility, and safeguard the delivery of essential services to our citizens.

It is our hope that the findings and recommendations herein will serve as a foundation for sustainable financial management and foster renewed confidence among stakeholders.



**Joram Kiarie**  
**Chairperson – Pending bills committee 2024.**

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background

The establishment of County Governments in 2013 brought about improvements in service delivery through devolvement of functions and their attendant resources. With over ten years of devolution, infrastructural projects and other non-capital projects have been implemented across the country. Further, devolution brought about a people driven decision making process. The implementation of these projects through the budget process is majorly funded by the national transfers in form of equitable shares and conditional grants as well as the own source revenue. Currently, the major source of budget funding is from equitable share which has consistently accounted for over 70% of the total budget funding. The next major source of budget funding is through the conditional grants which account for about 20% and lastly own source revenue which contributes 10%.

Of the three main sources, it's only equitable share which is predictable in terms of funds flow as it is guided by the CARA and the disbursement schedule. The conditional grants disbursement to counties are sometimes erratic resulting to difficulties in effecting payments when due. On the other hand own source revenue for the county has been the biggest drawback in effecting payments when they are due. This is caused by persistent failure to meet the set revenue targets which had already been budgeted for. Various reasons for failing to meet the set revenue targets include;

- Lack of a scientific framework for revenue projections lead to overestimated targets,
- Low collection capacity,
- Insufficient automation levels,
- Inadequate staff dealing with revenue collection, and
- Lack of some facilitative policy and legislative instruments.

Consequently, failure to realize targeted revenues has resulted to county's inability to settle payment obligations when they fall due and the challenge of pending bills settles in from here. These challenge is being faced by all counties resulting to a total pending bills stock of Kshs. 150B for the 47 devolved units.

In an attempt to resolve the pending bills challenge, the National Treasury, Parliament, OAG, IBEC, CoB, CoG and CRA have been working closely to support counties settle them. For instance, OAG undertook a special audit of all the 47

Counties accrued up to 30th June 2018. The findings of this audit revealed that Nyandarua County on this material date had a total pending bills stock of Kshs. 1,138,159,126 made up of Kshs. 297,078,779.26 and Kshs. 841,080,347.86 as ineligible and eligible bills respectively.

Further, the Nyandarua County is in receipt of a letter from the Controller of Budget Ref: COB/CIR/002/VOL.II (45) dated 16<sup>th</sup> September, 2024 on the status of implementation of a Senate resolution vide letter Ref: SEN/RESOLS/05/2024(03) of 09<sup>th</sup> May, 2024 on the status of Pending Bills in Counties.

The resolution required all County Governments to:

- i. Pay verified pending bills amounting to Kes 1 billion by end of Financial Year 2023/2024 and those above Kes 1 billion by the end of the FY 2024/25,
- ii. Prepare and submit to the Controller of budget a payment plan and prioritize payment of pending bills as first charge on the County Revenue Fund, and
- iii. Counties to only pay pending bills contained in their procurement plans.

It is against the above directives that a County Pending Bills Special Verification exercise is being carried out to conduct special verification of all pending bills.

The Public Finance Management Act, 2012 Section 36 requires all public entities to maintain accurate records of all debts and to prepare regular reports on the status of pending bills, including the reasons for their delay.

## **1.2 Establishment of the Nyandarua County pending bills special verification committee**

Vide an appointment by CECM for Finance, Economic Planning and ICT, the Nyandarua County pending bills special verification committee was constituted with the following membership;

- 1) Joram Kiarie - Chief Officer, Economic Planning – Chair
- 2) Peter Thiari - Chief of Staff
- 3) Anthony Mbogo - Director Internal Audit
- 4) Benson Wanyoike - Ag. Director Economic Planning
- 5) Virginia Karanja - A.g. Director Finance
- 6) Beatrice Muthoni - A.g. Director Supply Chain
- 7) Fredrick Irungu - Head Financial Reporting Unit

The Terms of Reference for the Committee was:

- i. To verify all pending bills as at 30<sup>th</sup> June 2024 with a view to make recommendations to the County Government on the extent to which the pending bill is payable or not,
- ii. To identify cases where there may have been fraudulent or false claims against the county government and make appropriate recommendations,
- iii. To obtain/attach and record full details of each pending bill, number, date, name of supplier, LPOs and all related order documents, contract details, full description of goods/works/services provided, including all other relevant details unique to each pending bill,
- iv. To record description of the work done, goods supplied, services given and dates including exact locations,
- v. To obtain evidence of delivery/performance/delivery of reports (for consultancy services),
- vi. To obtain evidence of the receipt of goods and services/performance,
- vii. To carry out (where applicable) physical verification including circumstantial and corroborative evidence of work done and delivery,
- viii. To quantify and evaluate value for money of the work done, goods delivered or service given,
- ix. To compile a comprehensive report on the above and recommend mitigating measures on how to handle pending bills going forward,
- x. To perform any other function incidental to execution of the committee's mandate.

The committee further co-opted the following members into the committee;

1. Samuel Ndung'u - Accountant
2. Joseph Kihiko - Deputy Director Internal Audit
3. Kelvin Chege – procurement officer

Further, a secretariat was constituted with the following membership;

1. Willy Gichora - Principal Economist
2. Mary Wangechi - Records Officer
3. Joseph Mburu - Economist II
4. Sarah Waweru - Principal Administrative Officer

The Committee's mandate and review exercise was to be executed and report submitted within ten (10) working days.

### **1.3 Scope**

The committee was directed to verify all pending bills which had remained unsettled from the inception of the County Government dispensation up to 2023/24 FY for all departments and agencies.

### **1.4 Deliverables**

The committee was required to compile a comprehensive report on the status of the pending bills in the County to date and further recommend mitigating measures on how to handle pending bills going forward.

## CHAPTER TWO

### VERIFICATION METHODOLOGY

To carry out the pending bills verification exercise, Nyandarua County pending bills special verification committee held its inaugural meeting on 17<sup>th</sup> October, 2024.

In the inaugural meeting, the committee developed its work plan which was to guide the exercise as follows:

1. Circularization of departments and agencies to submit pending bills documents; all county government departments and entities were notified to identify all pending bills under their custody. The said notification was dispatched on 17<sup>th</sup> October, 2024 and provided a response deadline of 23<sup>rd</sup> and 24<sup>th</sup> October as per an agreed submission schedule. They were required to; prepare and forward all pending bills owed to contractors/suppliers containing both the historical and current bills. The departments were also asked to nominate a liaison person who will provide technical assistance and correspondences.
2. Receipt of pending bills documents from departments on 23<sup>rd</sup> and 24<sup>th</sup> October, 2024.
3. Examination of the pending bills files between 25<sup>th</sup> October- 29<sup>th</sup> October, 2024.
4. Sampled verification of the pending bills.
5. Confirmation of payment status of pending bills.
6. Report writing.
7. Submission of report to CECM.

By virtue of the quantitative and qualitative nature of the data to be collected and analysed, the following methodology was deployed to accurately run an objective process:

- (i) End to end process evaluation of execution of the projects implementation.
- (ii) Interviews of the various officers involved in project implementation as well as stakeholders (users and contractors).
- (iii) Site visits of projects to document status /progress of implementation photographic evidence was captured in some cases.

- (iv) Review of documentation relating to projects that were primarily services rendered which do not physically exist in the field e.g. hire of trucks.

## CHAPTER THREE

### VERIFICATION PROCESS OF PENDING BILLS

#### 3.1 Receipt of pending bills documents from departments

Departments and agencies were instructed to forward all the pending files and supporting documents under their custody to the committee.

The following were the submissions by county departments and agencies;

DEPARTMENT	TOTAL PENDING BILLS	No of files
Office of the Governor	2,968,380	3
County Secretary & Head of Public Service	4,893,965	6
Office of The County Attorney	67,524,057	34
Public Service Administration & Devolution	5,888,408	12
County public Service Board	0	0
Finance ,Economic Planning and ICT	61,201,645	18
Health Services	96,431,213	39
Education, Children, Gender Affairs, Culture and Social Services	127,798,413	84
Tourism, Cooperative Development, Trade & Industrialization	41,280,922	24
Youth Empowerment, Sports and Arts	30,479,610	0
Water, Environment, Climate Change& Natural Resources	240,643,003	112
Public Works, Roads, Transport, Housing & Energy	582,704,221	319
Lands, Physical Planning and Urban Development	46,592,729	74
Municipalities	12,203,258	12
Agriculture ,Livestock & Fisheries	94,560,816	69
EMERGENCY	2,235,017,197	3
FACILITY TRANSFERS	3,189,141	
<b>TOTAL</b>	<b>3,683,786,990</b>	

### 3.2 Review of the pending bills files

The files were reviewed per department under the following categories;

- 1) Historical pending bills - before the current administration,
- 2) Pending bills incurred by the current administration,
- 3) Emergency projects,
- 4) Phased projects,
- 5) Conditional grants,
- 6) Variations for projects.

All received files were thoroughly examined with focus being on the following checklist;

s/ NO	ITEM	Date	Yes/No
1	Copy of an approved budget		
2	Professional opinion		
3	Notice of Award Letter (Intent to enter into a contract		
4	Acceptance Letter		
5	L.S.O /L.P.O		
6	Inspection Report		
7	S13/Completion certificate/post inspection report		
8	Delivery and Invoice. (Original)		
9	Approved Certificates		

Examined files using the checklist were either;

- Certified as complete pending bills,
- Requiring further review; some files were taken back to departments if they were discovered to be missing some documents as per the developed checklist.

Verified and complete files were stamped and given a folio number.

### 3.3 Incomplete files

The files noted to be missing crucial documents were returned to their respective departments. Most of the files requiring further review were noted not have;

- Attached budget
- Evidence of work done as they lacked Inspection minutes, S13, delivery notes and invoices.
- Completion certificates.

They have had the rest of the support documents

Departments were accorded the opportunity to work on the files and action on any gaps identified.

### **3.4 confirmation of payment status of these files**

This was done for files whose payment status was questioned by the pending bills committee based on past experience and records availed.

This was aimed at avoiding double payment of files.

## CHAPTER FOUR

### REVIEW FINDINGS

#### 4.1 County pending bills stock as at 30<sup>th</sup> June, 2024

The verification exercise revealed the pending bills stock for the County as at 30<sup>th</sup> June, 2024 to be **Kshs.1,322,799,338**. This amount comprises of both complete pending bills and those that require further review and clarification. Further, the amount includes both the recurrent and development.

The value of the pending bills per department is as shown below;

DEPARTMENT	TOTAL PENDING BILLS
Office of the Governor	2,968,380
County Secretary & Head of Public Service	4,893,965
Office of The County Attorney	67,524,057
Public Service Administration & Devolution	5,888,408
County public Service Board	-
Finance ,Economic Planning and ICT	61,201,645
Health Services	96,431,213
Education, Children, Gender Affairs, Culture and Social Services	132,797,313
Tourism, Cooperative Development, Trade & Industrialization	41,280,922
Youth Empowerment, Sports and Arts	30,479,610
Water, Environment, Climate Change& Natural Resources	240,643,003
Public Works, Roads, Transport, Housing & Energy	462,913,282
Lands, Physical Planning and Urban Development	45,792,729
Municipalities	12,203,258
Agriculture ,Livestock & Fisheries	84,182,400
Emergency	3,189,141
Facility Transfers	30,410,011
<b>TOTAL</b>	<b>1,322,799,338</b>

#### 4.2 complete and cleared pending bills

The complete pending bills files as verified by the committee amount to **Kshs. 1,322,799,338**. This comprises of Kshs. **385,177,614** for recurrent and **Kshs. 937,621,724** for development.

DEPARTMENT	RECURRENT	DEVELOPMENT	TOTAL PENDING BILLS
Office of the Governor	2,968,380		2,968,380
County Secretary & Head of Public Service	4,893,965		4,893,965
Office of The County Attorney	67,524,057	-	67,524,057
Public Service Administration & Devolution	5,888,408		5,888,408
County public Service Board			-
Finance ,Economic Planning and ICT	61,201,645		61,201,645
Health Services	66,632,483	29,798,730	96,431,213
Education, Children,Gender Affairs, Culture and Social Services	38,617,008	94,180,305	132,797,313
Tourism, Cooperative Development,Trade & Industrialization	6,845,510	34,435,412	41,280,922
Youth Empowerment,Sports and Arts	25,288,042	5,191,568	30,479,610
Water, Environment, Climate Change& Natural Resources	349,800	240,293,203	240,643,003
Public Works,Roads, Transport,Housing & Energy	-	462,913,282	462,913,282
Lands, Physical Planning and Urban Development	9,234,626	36,558,103	45,792,729
Municipalities	2,208,227	9,995,031	12,203,258
Agriculture ,Livestock & Fisheries	63,115,452	21,066,948	84,182,400
EMERGENCY		3,189,141	3,189,141
FACILITY TRANSFERS	30,410,011		30,410,011
<b>TOTAL</b>	<b>385,177,614</b>	<b>937,621,723</b>	<b>1,322,799,337</b>

This files should be budgeted for through the county annual cycle and paid in line with the recommended payment plan.

List of all verified and complete pending bills is as shown in annex 1.

### 4.3 Incomplete pending bills which require further review

These refers to files which were submitted but were not fully supported.

This files amount to Kshs. 394,501,385 and are made up of Kshs. 59,551,301 as recurrent and Kshs. 334,950,084 as development.

<b>DEPARTMENT</b>	<b>RECCURENT</b>	<b>DEVELOPMENT</b>	<b>TOTAL PENDING BILLS</b>
Office of the Governor			-
County Secretary & Head of Public Service			-
Office of The County Attorney	6,005,340	-	6,005,340
Public Service Adminstration & Devolution			-
County public Service Board			-
Finance ,Economic Planning and ICT			-
Health Services	8,452,937	2,498,650	10,951,587
Education, Children,Gender Affairs, Culture and Social Services	12,445,800	24,443,248	36,889,048
Tourism, Cooperative Development,Trade & Indutrialization	3,549,400	14,792,247	18,341,647
Youth Empowerment,Sports and Arts			-
Water, Environment, Climate Change& Natural Resources	3,516,883	155,123,711	158,640,593
Public Works,Roads, Transport,Housing & Energy		111,944,030	111,944,030
Lands, Physical Planning and Urban Development	1,715,152	12,451,224	14,166,376
Municipalities		1,499,436	1,499,436
Agriculture ,Livestock & Fisheries	23,865,789	12,197,537	36,063,326
EMERGENCY			-
FACILITY TRANSFERS			-
<b>TOTAL</b>	<b>59,551,301</b>	<b>334,950,084</b>	<b>394,501,385</b>

These files have been returned to the respective departments and agencies for their necessary action.

Annex 2 shows the list of incomplete files.

#### 4.4 Non pending bills

The review identified presented files that did not meet the minimum conditions to qualify as pending bills due to the following reasons;

1. Non submission of files for physical verification
2. Verified payment status
3. Overdue supply / delivery of over two (2) years

These files were not considered for processing as they did not meet the qualifying threshold.

The table shows the submitted lists per department which were not considered to be pending bills.

DEPARTMENT	RECURRENT	DEVELOPMENT	TOTAL
Office of the Governor			-
County Secretary & Head of Public Service			-
Office of The County Attorney	-	-	-
Public Service Administration & Devolution			-
County public Service Board			-
Finance ,Economic Planning and ICT			-
Health Services			-
Education, Children,Gender Affairs, Culture and Social Services			-
Tourism, Cooperative Development,Trade & Industrialization			-
Youth Empowerment,Sports and Arts			-
Water, Environment, Climate Change& Natural Resources			-
Public Works,Roads, Transport,Housing & Energy		45,588,157	45,588,157
Lands, Physical Planning and Urban Development		800,000	800,000

DEPARTMENT	RECURRENT	DEVELOPMENT	TOTAL
Municipalities			-
Agriculture ,Livestock & Fisheries	13,078,126		13,078,126
EMERGENCY			-
FACILITY TRANSFERS			-
<b>TOTAL</b>	<b>13,078,126</b>	<b>46,388,157</b>	<b>59,466,283</b>

These submissions were disregarded by the committee and should be cancelled with the files discarded as they have no further use.

Annex 3 shows the list of submissions which were considered as non- pending bills.

#### 4.5 Phased projects and Commitments;

These are the major multi-year phased county projects which are ongoing. These projects includes KISIP, major county hospitals such as JM Kariuki Memorial, County headquarter, Governor's residence, CAIP etc. The projects have running contracts and certificates are raised progressively during the project implementation cycle. These projects amount to Kshs. **2,235,017,197**.

They are as shown in the table.

S/ N O.	Suppliers/C ontractor's Name	Details of Work Performed	Locatio n	(A) Outstan ding Pending Bill Amount as at 30th June 2023 (Kshs)	(B) Amount † Paid in Cash (Kshs)	(A-B) Outstan ding Penden g Bill Amount as at 30th June 2024 (Kshs)	Rem arks
1	Bridge promotion limited	construction and completion of governors residence	olkalou	43,415,6 36	11,826, 451	31,589,1 85	ong oing

2	universal trend	proposed construction of nyandarua industrial park	njabini	464,360,410	35,526,100	428,834,310	ong oing
3	CIVITRA Company limited	Works for public security lighting and social amenities in Huruma and Njabini settlements	Olkalou /Njabini	30,997,626	-	30,997,626	Grant KISIP II- Ong oing
4	HK builders	construction of roads,footpath, drainage system and public lighting	olkalou and njabini	393,704,387	-	393,704,387	Grant KISIP II- Ong oing
5	Good luck logistics	construction of county headquarters	kaimbaga	449,097,569	118,872,351	330,225,219	ong oing
	Blue valley	upgrade of JM complex		1,468,740,156	480,000,000	988,740,156	
	Civitra limited	construction of radiology unit at bamboo health centre		11,496,972	2,395,215	9,101,757	
	Civitra limited	construction and completion of maternity theatre-bamboo health centre		25,115,942	24,708,800	407,142	

	Civitra limited	construction and completion of pharmacy and lab unit-manunga health centre		8,074,615		8,074,615	
	Quality equipment bargain	construction and completion of maternity theatre-chamuka dispensary		28,342,801	15,000,000	13,342,801	
<b>Total</b>				<b>2,923,346,114</b>	<b>688,328,917</b>	<b>2,235,017,197</b>	

## CHAPTER FIVE

### CHALLENGES & RISKS

#### 5.1 Challenges

- a. Inadequate time provided to the team to run the exercise.
- b. Lack of information and co-operation from some departmental heads the exercise got off to a slow start.
- c. The vastness of the documents particularly in the roads department posed a challenge.
- d. Not all documents were received for verification. Critical reports from the Roads department were not released to the committee as envisaged despite numerous correspondences by the Chairperson.

#### 5.2 Risks

- i. **Authority at risk**- Failure to adequately define and articulate authority levels may result in transactions outside expectations, or confusion on who can commit to what, causing delays in executing.
- ii. **Policies and Procedures at risk**-Lack of compliance with established policies and procedures may result in unacceptable performance by public servants, which may, in turn, cause inability to achieve government mandate.
- iii. **Communication risk**-Lack of clear and comprehensive communication up, down, and laterally within departments may result in misunderstanding regarding management's expectations and untimely identification of performance shortfalls.
- iv. **Budget risk**-Inability to prepare meaningful budgets and forecasts on a timely basis may diminish the County Government's ability to monitor and understand actual financial and operating results, which in turn could limit the ability to react to performance gaps and/or modify objectives and performance targets on a timely basis.
- v. **Supply chain risk**-Failure to effectively manage the supply chain may result in higher than acceptable costs, or service delivery delays.
- vi. **Litigation risk**-Failure to comply with legislations, laws, regulations, contract agreements resulting in litigations against the County Government.

## CHAPTER SIX

### RECOMMENDATIONS & CONCLUSIONS

#### 6.1 criteria for payment of pending bills

The cleared pending should be paid using the following criteria;

- Historical pending bills should be paid in the budget cycle i.e. 2025/26 FY,
- All files with a value of less than Kshs 1 million be paid before the end of 2026/27 FY.

#### 6.2 Payment plan

It is recommended that existing pending bills stock be settled within the period 2024/25 FY and 2027/28 FY. This is to be administered through the County Debt Management Strategy Papers and approved by the County Assembly as required by the Public Finance Management Act and its attendant regulations.

#### 6.3 payment of recurrent pending bills

It is recommended that all recurrent pending bills relating to;

- Utilities such KPLC, water and sewerage
- Catering services
- Fuel and maintenance
- Advertisements
- Building maintenance ( and not refurbishments)

Be settled using the existing budgets immediately. They will therefore require no special/additional allocations.

#### 6.4 Emergency files pending bills

These pending bills should be paid using the existing emergency fund.

#### 6.5 Phased projects pending bills

These pending bills majorly relate to flagship and donor funded projects.

#### 6.6 Incomplete pending bills files

Files which were deemed incomplete due to missing documents, lacking original or certified supported documents, having unsigned documents etc. in spite of numerous appeals to be submitted will considered in subsequent financial years once fully documented.

## 6.7 Files with investigation agencies

Some of the files are under investigations with EACC, DCI among other institutions. The files relate to complete projects but concerns were raised on either procurement process, conflict of interest, workmanship etc. upon clearance by the investigation agencies, the files will be reverted back to the county for payment or otherwise depending on the outcome of the investigations.

## 6.8 Other recommendations

- The verification process will be succeeded by usual examination before payment.
- The balanced budget approach to be adhered in letter and spirit; going forward, the county government projects captured in the budget should be feasibly payable. The revenue estimation models should be realistic and based on previous actual collections.
- Allocation for pending bills settlement in line with the payment plan be a first charge in budget preparation process until they are fully cleared.
- Monitoring and evaluation exercise be carried out before payment of the bills.
- Tendering process to ensure there is value for money.
- The County government needs to set up an automated pending bills tracking system.
- Filed deemed paid but presented be disposed appropriately to avoid repayment.
- Records management to be improved. This should include adoption of digitization.
- All pending files be under the custody of county treasury.
- Communicate to all county creditors on the pending bills payment plan. This will reduce panic from them. A complaints handling channel should also be established.
- Pending bills exceeding the contract period be cancelled in conformity with the PFMA & PP& AD Act 2015.
- The payment status for the verified pending bills be reported to the county executive committee on quarterly basis.

## 6.8 Conclusion

The review findings and observations noted in this report if not addressed may have a negative impact on achievement of strategic objectives of the projects. Management commitment to address the issues raised will go a long way to mitigate potential risks that may arise during project implementation.

In order to realise delivery of value for money, we recommend that the issues raised in this report be addressed comprehensively in order for the county to leverage on the devolution of resources for sustainable development.

## ANNEX

### COMPLETE AND CLEARED PENDING BILLS LIST

ANNEX

INCOMPLETE PENDING BILLS LIST