

**GOVERNMENT OF NAIROBI CITY COUNTY**



**THE NAIROBI CITY COUNTY ASSEMBLY**

**OFFICE OF THE CLERK**

**SECOND ASSEMBLY  
(SIXTH SESSION)**

*Paper laid by  
Hon. Peter Wanjohi  
on 8th Feb, 2022  
PWA  
8/2/2022*

**NCCA/TJ/PL/2022(5)**

**8<sup>th</sup> February 2022**

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**PAPER LAID**

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Pursuant to Section 37 and 38 of the Public Audit Act, 2015, I beg to lay the following Paper on the Table of the Assembly, today Tuesday 8<sup>th</sup> February, 2022:

— **THE SPECIAL OF THE AUDITOR GENERAL ON PENDING BILLS OF COUNTY GOVERNMENTS FOR THE FINANCIAL YEARS 2018/2019-2019/2020.**

**(The Leader of Majority Party)**

Copies to:  
The Speaker  
The Clerk  
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REPUBLIC OF KENYA

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NAIROBI

Ref. C.868 (L3) / (95)

9 January, 2022

Clerk of the County Assembly  
County Assembly of Nairobi  
P.O. Box 45844-00100  
NAIROBI



Dear

CCA,

**REF: SPECIAL AUDIT ON PENDING BILLS OF COUNTY GOVERNMENTS  
FOR THE FINANCIAL YEARS 2018/2019 – 2019/2020**

The Special Audit Report of the Auditor-General on the County Assembly of Nairobi is now complete as provided for under Section 37 and 38 of the Public Audit Act, 2015.

Enclosed, please find a copy of the Special Audit Report.

Yours

Sincerely,

F.O. Odhiambo  
For: AUDITOR-GENERAL

PCA (L3P)  
Pls deal.  
H  
Ms. Clerk  
7/2/22

CONFIDENTIAL



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Paper last by  
Hon. Peter Wanyo  
D/Management/lead  
P. P.  
PCA  
8/2/2022

**SPECIAL AUDIT REPORT OF THE AUDITOR-GENERAL**  
**ON**  
**PENDING BILLS**  
**FOR COUNTY ASSEMBLY OF NAIROBI**  
**AS AT 30 JUNE 2020**



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## List of Abbreviations and Terms

The following abbreviations and terms are used in this report

Abbreviation	Full Description
CARA	County Allocation of Revenue Act
CoB	Controller of Budget
CoG	Council of Governors
IBEC	Intergovernmental Budget and Economic Council
KRA	Kenya Revenue Authority
PSASB	Public Sector Accounting Standards Board
NCCA	Nairobi City County Assembly
NCCG	Nairobi City County Government
NMS	Nairobi Metropolitan Services
PFMA	Public Finance Management Act
PPADA	Public Procurement and Assets Disposal Act
OAG	Office of the Auditor-General
ToR	Terms of Reference
Eligible	Refers to pending bills fully supported with requisite documentation, whose goods were delivered and taken on charge, services rendered and works done.
Ineligible	Refers to pending bills not fully supported with requisite documentation, pending bills whose goods were partially delivered or not delivered, services partially rendered or not rendered, works not done and commitments classified as pending bills.



## **1.0 EXECUTIVE SUMMARY**

### **1.1 Introduction**

- 1.1.1 The National Treasury requested the Auditor-General to undertake an audit on the pending bills for the respective County Assemblies with an objective of establishing and providing independent and reasonable assurance on the amounts owed to the various suppliers, statutory deductions and outstanding personnel dues in all counties for the financial years 2018/2019 and 2019/2020. This special audit was provided with a pending bills schedule amounting to Kshs.26,059,930 by the County Assembly of Nairobi as at 30 June, 2020.

### **1.2 Key Findings**

#### **i) Completeness, Presentation and Disclosures of Pending Bills**

- 1.2.1 The special audit noted that there were pending bills amounting to Kshs.26,059,930 as disclosed by the County Assembly of Nairobi. The disclosed pending bills were classified into three categories in line with the Public Sector Accounting Standards Board (PSASB) prescribed format.
- 1.2.2 The special audit undertook variance analyses by comparing pending bills balances from various reports and revealed variances as highlighted in the detailed section of this report. Further, supplier circularization exercise yielded additional pending bills amounting to Kshs.4,962,262 as at 30 June, 2020 in relation to advertising, air ticketing, airtime, training and documentation processing services. In addition, the Management's listing of pending bills included an amount of Kshs.7,584,142 which was not disclosed in the financial statements.
- 1.2.3 Based on the aforementioned, the special audit could not confirm the completeness, presentation and disclosure of the total pending bills amounting to Kshs.26,059,930 for the County Assembly of Nairobi as at 30 June, 2020, and subsequent settlement including the unsettled balance as at 30 April, 2021.

#### **ii) Budgeting and Procurement Planning**

- 1.2.4 The special audit team was provided with schedules of pending bills transactions valued at Kshs.26,059,930 while supplier circularization yielded additional pending bills amounting to Kshs.4,962,262, all totaling to Kshs.31,022,192. However, supporting documents for transactions amounting to Kshs.18,236,864 were provided for the special audit review. The special audit confirmed that transactions amounting to Kshs.17,404,649 were done within budgetary provisions and procurement plans while balance of

Kshs.12,785,328 was not supported with any form of documentation from either the County Assembly of Nairobi or the suppliers.

### **iii) Irregularities in the Procurement Processes**

- 1.2.5 The special audit noted that the County Assembly of Nairobi owed various suppliers a total of Kshs.31,022,192 as at 30 June, 2020. However, it was verified that pending bills totaling Kshs.14,399,289 were ineligible due to lack of supporting documents.

### **iv) Pending Bills Not Paid as First Charge**

- 1.2.6 Pending bills amounting to Kshs.11,048,582 which should have been a first charge in financial years of 2019/2020 and 2020/2021 were still outstanding as at 30 April, 2021. This was contrary to Regulation 41(2) of the Public Finance Management (County Government) Regulations, 2015.

### **v) Irregularities due to Institutional Weaknesses**

- 1.2.7 The special audit noted the following institutional control weakness during the reviews.
- i. That commitments were being disclosed as pending bills contrary to IPSAS 16, Paragraph 80 on presentation of financial statements and disclosures;
  - ii. That there were instances of non-payment for approved pending bills, which are supposed to be a first charge to the budget in the County Assembly of Nairobi contrary to Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015; and
  - iii. The root causes for some of these irregularities in the County Assembly of Nairobi were attributed to:
    - a) Late disbursement by The National Treasury causing late remittance of statutory deductions and penalties;
    - b) Poor record keeping, for example, the pending bills at the closure of the financial year 2018 were erroneously omitted in financial year 2019 but reappeared in the financial year 2020;
    - c) Starting a new project without clearing the old projects;
    - d) Starting new projects without appropriations and budget provisions;
    - e) Weak budgeting system whereby pending bills are not included in the subsequent years budget; and
    - f) Failure to take responsibility and honor Pending Bills where the County leadership changes, especially during transitions.



### **1.3 Conclusion**

- 1.3.1 The County Assembly of Nairobi had total pending bills amounting to Kshs.31,022,192 during the period under review. Verification of the pending bills revealed that a total of Kshs.16,622,903 was eligible while the balance of Kshs.14,399,289 was ineligible. The ineligible pending bills were attributed to lack of supporting documents.
- 1.3.2 The special audit also noted that the County Assembly had paid eligible pending bills amounting to Kshs.8,283,892, leaving an outstanding balance of Kshs.8,339,011 as at 30 April, 2021.

### **1.4 Recommendations**

- 1.4.1 The special audit recommends the following:
- a) The County Governments should ensure prudent liquidity management especially funds that are a first charge as per Circular 7/2019 from The National Treasury. All pending recurrent and development bills should be paid first during the year, before any new projects are started.
  - b) The County Governments should take stock and obtain a Status Report for all projects; ongoing, stalled, completed and not in use, and completed projects which have not been handed over to ensure ownership, and these should formally be handed over to the County Governments.
  - c) The County Governments should comply with all legal enforcement thresholds for wage bill and development spending.
  - d) The County Governments should make expenditure commitment against approved procurement plan based on allocations and allotments from approved budget in accordance with Public Procurement and Asset Disposal Act and Regulations.
  - e) The County Governments should provide an aged analysis and classify all the pending bills as per the PSASB prescribed format and further as either recurrent or development in the annexures to the financial statements.
  - f) The County Governments should ensure that all procurement and payments are processed through the Integrated Financial Management Information System (IFMIS).
  - g) Timely Exchequer release by The National Treasury as per Public Finance Legislative Frameworks and according to the cash disbursement schedule approved by the Senate to ensure timely spending as per approved budgets.



- h) A proposal to ring fence the funds meant to settle the pending bills to avoid and control discretionary payment to suppliers to ensure openness, fairness, transparency, and accountability in the payment process, including payment on a first-in-first out basis.

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**23 December, 2021**

## 2.0 INTRODUCTION

### i) Background

- 2.1.1 The Office of the Auditor-General has in the recent past undertaken a special audit of pending bills at the request of The National Treasury in the financial year 2018/2019, which covered the period from the inception of devolution in 2013/2014 to 30 June, 2018, with a report issued as at 28 February, 2019.
- 2.1.2 The respective Counties were then required to prepare and submit payment plans for settlement of the eligible pending bills to The National Treasury, with the Controller of Budget supervising the implementation. On the ineligible bills, the Intergovernmental Budget and Economic Council (IBEC) meeting of 18 June, 2019, resolved that each County Government establishes a County Pending Bills Committee with the mandate of reviewing the eligibility of the bills previously categorized as ineligible. This was in light of any additional available information post the special audit review.
- 2.1.3 The National Treasury issued Circular No.4/2021 dated 15 March, 2021 to all County Governments, where it was noted that County Governments had continued to accumulate pending bills. As a result, it was agreed in a consultative meeting between the Cabinet Secretary, The National Treasury and Planning and the Council of Governors on 15 March, 2021 that all outstanding pending bills as at 30 June, 2020 be settled.
- 2.1.4 Additionally, reports from the Controller of Budget indicated that County Governments had not made any significant payments of pending bills between 1 July, 2020 and 15 March, 2021. County Governments were required to budget and submit payment plans for the pending bills with periodic status updates to the Controller of Budget.
- 2.1.5 The Auditor-General received a request from The National Treasury to undertake a special audit of pending bills for the financial years 2018/2019 and 2019/2020. The main objective was to establish and provide an independent and reasonable assurance on the amounts owed to the various suppliers by the respective Counties as at 30 June, 2019 and 30 June, 2020. Pending bills are amounts owed to suppliers for goods and services rendered but not paid for.
- 2.1.6 The prescribed accounting framework for reporting for County Governments is the International Public Sector Accounting Standards (IPSAS) Cash Basis which only recognizes expenditures when paid as opposed to when incurred. Consequently, disclosure of pending bills is by way of notes and annexures to the financial statements. The completeness and fair statement of these balances can therefore only be established by way of corroborating information, which formed part of the objective of this special audit.

## **ii) Objective of the Special Audit**

- 2.1.7 The objective of the special audit was to establish and provide an independent and reasonable assurance on the amounts owed to the various suppliers, statutory deductions to various institutions and outstanding personnel costs due to staff by the respective Counties as at 30 June, 2019 and 30 June, 2020.
- 2.1.8 Further, the special audit undertook root cause analysis to determine the perennial causes of pending bills with a view of providing appropriate recommendations to deter re-occurrence.

## **iii) Terms of Reference (TORs)**

- 2.1.9 The special audit was guided by the following Terms of References:
- a) Completeness and fair presentation of the Statement of Pending Bills;
  - b) Disclosures of the pending bills in accordance with the framework and format set out by the Public Sector Accounting Standards Board (PSASB), pursuant to Section 81(1) and Section 164 (1) of the PFM Act, 2012;
  - c) Expenditure arising from the pending bills had been budgeted and planned for in the procurement plan in accordance with the provisions of Section 45(3) (a) of the PPAD Act, 2015;
  - d) Obligations in relation to goods, works and services are procured in accordance with the law; Article 227 of the Constitution of Kenya, and Section 45 of the PPAD Act, 2015;
  - e) Goods, works and services rendered were inspected and accepted in accordance with the provisions of Section 48(4)(a)(b) PPAD Act, 2015;
  - f) Pending bills form the first charge to the subsequent period's budget in accordance with Regulation 42 (a) of the, PFM (National Government) Regulations, 2015, Regulation 41(2) of the PFM (County Government) Regulations 2015 and the National Treasury Circular No. 10- 2020 of 16 June, 2020;
  - g) Confirm whether there was a deliberate delay in the release of payments to suppliers to frustrate the settlement process;
  - h) Nugatory costs incurred from the delayed settlement of bills;
  - i) Analysis of Exchequer Allocations and Releases and how it affected the pending bills;
  - j) Determine if there were irregularities involving the misuse of public funds and identify related weaknesses in management controls that may imperil the integrity and effective settlement of pending bills;
  - k) Identify instances and patterns of inefficiencies that may have led to accumulation of pending bills; and
  - l) Give recommendations and proposals for future amendment to laws and policies to minimize re-occurrences, and to ensure economical use of available funds.



#### iv) Audit Scope, Challenges and Limitations

- 2.1.10 The special audit on pending bills for the County Assembly of Nairobi focused on the period from 1 July, 2018 to 30 June, 2020.
- 2.1.11 The special audit experienced challenges and limitations which were mitigated in several ways in order to maintain the quality of the results of the audit findings. Some of the challenges and measures taken included:
- a) Health related risks among audit team members due to Covid -19 pandemic. The audit team exercised caution and observed the Ministry of Health protocols during the special audit.
  - b) Delays in provision of documents by the County Assembly of Nairobi and the Suppliers. The audit team held various consultative meetings, correspondences and discussions on the way forward and the consequences for the delays.
  - c) The special audit was not provided with documents as detailed in **Appendix I**.

#### v) Audit Approach and Methodology

- 2.1.12 The special audit team held an entry meeting at the County Assembly of Nairobi on 2 June, 2021. During the meeting, a detailed work plan was shared and applied in the execution of the special audit. An exit meeting was subsequently 16 June, 2021 held at the end of the special audit exercise.
- 2.1.13 The following evidence gathering methodologies were applied during the audit:

##### Document Review

- 2.1.14 The audit team reviewed various documents including:
- a) Audited financial statements as at 30 June, 2019 and 30 June, 2020;
  - b) Pending bills listing as at 30 June, 2019 and 30 June, 2020;
  - c) Pending bills payment plan and status reports, payables ledgers and registers;
  - d) Tenders and quotation files;
  - e) Unpaid pending vouchers constituting pending bills;
  - f) Contracts of works/goods/services, local purchase orders (LPOs)/local service orders (LSOs);
  - g) Certificates of works done or services offered, certificates of completion/handover reports, project files, project management committee minutes;
  - h) Invoices, delivery notes, inspection and acceptance reports, goods received notes S13 for the pending bills for the financial years 2018/2019 and 2019/2020;

- i) Approved budgets and procurement plan for the financial years 2018/2019 and 2019/2020;
- j) Requisitions to Controller of Budget for payments of pending bills in 2018/2019 and 2019/2020;
- k) Development/recurrent/deposits cash books/bank statements for the financial years 2018/2019 and 2019/2020;
- l) Special audit report on pending bills, on the County Government of Nairobi as at 30 June, 2018;
- m) County Pending Bills Committee report on verification and validation of all the ineligible pending bills as at 30 June, 2018; and
- n) Supplier submissions on pending bills as at June 2019.

### **Data Analysis**

2.1.15 The audit team analyzed data obtained from the IFMIS payment details, IFMIS invoice registers, IFMIS purchase orders, Internet Banking (IB) bank statements, pending bills listings provided by the County, the first special audit report, ineligible pending bills verification committee report and supplier circularization records.

### **Field Visits**

2.1.16 The special audit team did not conduct any field visits since there was no reported pending bills that required physical verifications in the County Assembly of Nairobi.

### **Interviews**

2.1.17 The special audit team interviewed the following Senior Officers of the County Assembly of Nairobi and the suppliers to clarify various issues to assist in corroborating the findings in this special audit report:

- a) Clerk to the County Assembly;
- b) Controller of Budget Officer – Nairobi County;
- c) Director of Finance and Accounts;
- d) Head of Procurement;
- e) Store Clerk;
- f) Accountant II; and
- g) County Assembly Engineer and Clerk of works.

2.1.18 The information and data obtained during the interviews were analyzed, authenticated and corroborated before using it as evidence in our report.

### **Circularization**

2.1.19 The special audit also conducted a national circularization exercise via print media in an effort to widely reach out suppliers and contractors to provide information on the amounts owed by the County Government entity.

### **Root Cause Analysis**

2.1.20 To determine the perennial causes of the pending bills and to give appropriate recommendations to deter re-occurrence, the information and data obtained was analyzed, authenticated and corroborated.

#### **vi) Report Structure**

2.1.21 This report is structured in the following format:

- a) Executive Summary;
- b) Introduction;
- c) Detailed Findings; and
- d) Appendices.

2.1.22 The special audit report should be read in its entirety in order to fully comprehend the approach to the audit and the findings. The report has covered analysis and facts as understood with the aim of informing The National Treasury on the status of the pending bills in the County Assembly of Nairobi, bearing in mind the challenges experienced and any limitations thereof.



### 3.0 DETAILED FINDINGS

#### 3.1 Completeness, Disclosures and Presentation of Pending Bills

- 3.1.1 The special audit noted that there were pending bills amounting to Kshs.26,059,930 as disclosed by the County Assembly of Nairobi. The pending bills were classified into three categories in line with the Public Sector Accounting Standards Board (PSASB) prescribed format as summarized in **Table 1** below.
- 3.1.2 Further, supplier circularization exercise yielded additional pending bills amounting to Kshs.4,962,262 as at 30 June, 2020 in relation to advertising, air ticketing, airtime, training and documentation processing services. In addition, the Management's listing of pending bills included an amount of Kshs.7,584,142 which was not disclosed in the financial statements.

**Table 1: Summary of Total Pending Bills by Category**

Category	County Assembly Records (Kshs.)	Supplier Circularization (Kshs.)	Total Amount (Kshs.)
Pending Bills Accounts Payables	25,985,576	4,962,262	30,947,838
Pending Bills Staff Payables	56,400	0	56,400
Pending Bills Other Payables	17,954	0	17,954
<b>Total</b>	<b>26,059,930</b>	<b>4,962,262</b>	<b>31,022,192</b>

- 3.1.3 The special audit undertook variance analyses by comparing pending bills balances from various reports, which included a comparison between:
- County Assembly generated reports (Accounts Payables) and the presented financial statements for the financial year 2019/2020 and revealed variances as shown in **Table 2** below and detailed in **Appendix II**.

**Table 2: Analysis of Variance in Pending Bills Accounts Payables from Various Reports**

Details	Amounts (Kshs.)
County Assembly generated reports	25,985,576
Presented Financial Statements	5,049,207
<b>Variance</b>	<b>20,936,369</b>

- ii. County Assembly generated reports (Staff Payables) and the presented financial statements for the financial year 2019/2020 and revealed variances as shown in **Table 3** and detailed in **Appendix III**.

**Table 3: Analysis of Variance in Pending Bills Staff Payables from Various Reports**

Details	Amounts (Kshs.)
County Assembly generated reports	56,400
Presented Financial Statements	0
<b>Variance</b>	<b>56,400</b>

- 3.1.4 Based on the aforementioned, the special audit could not confirm the completeness, presentation and disclosure of the total pending bills amounting to Kshs.31,022,192 for the County Assembly of Nairobi as at 30 June, 2020, and subsequent settlement including the unsettled balance as at 30 April, 2021.

### 3.2 Budgeting and Procurement Planning

- 3.2.1 The special audit team was provided with schedules of pending bills transactions amounting to Kshs.26,059,930 by the County Assembly of Nairobi while supplier circularization exercise yielded additional pending bills amounting to Kshs.4,962,262, both totaling to Kshs.31,022,192. However, supporting documents provided for audit review amounted to Kshs.18,236,864. Review of the documents revealed that transactions giving rise to pending bills amounting to Kshs.17,404,649 were done within the budgetary provisions and procurement plan while the balance of Kshs.832,215 was neither budgeted for nor in the procurement plans as summarized in **Table 4** and detailed in **Appendix IV**.

**Table 4: Procurements Outside the Budget and Procurement Plans**

Total Pending Bills (Kshs.)	Total Amount whose documents were provided (Kshs)	Amount in the Budget and Procurement Plan (Kshs)	Amount Outside the Budget and Procurement Plan (Kshs)
31,022,192	18,236,864	17,404,649	832,215

### 3.3 Irregularities in the Procurement Processes/Causes of the Pending Bills

- 3.3.1 The County Assembly of Nairobi had total outstanding pending bills amounting to Kshs.31,022,192 as at 30 June, 2020 owed to various suppliers which is a decrease of Kshs.5,646,479 or 15% from a reported balance of Kshs.36,668,671 as at 30 June, 2018.



- 3.3.2 The special audit confirmed that pending bills amounting to Kshs.16,622,903 were eligible and therefore chargeable to public funds. The balance of Kshs.14,399,289 was confirmed to be ineligible due to lack of supporting documents. The eligible and ineligible pending bills are summarized in **Table 5** and detailed in **Appendix V** and **VI**.

**Table 5: Eligible and Ineligible Pending Bills**

Entity	Total Pending Bills (Kshs)	Eligible Amounts (Kshs)	Ineligible Amounts (Kshs)
Pending Bills Accounts Payables	30,947,838	16,622,903	14,324,935
Pending Bills Staff Payables	56,400	0	56,400
Pending Bills Other Payables	17,954	0	17,954
<b>Total</b>	<b>31,022,192</b>	<b>16,622,903</b>	<b>14,399,289</b>

- 3.3.3 The special audit also noted that the County Assembly had paid eligible pending bills amounting to Kshs.8,283,892 out of the eligible amount of Kshs.16,622,903, leaving an outstanding balance of Kshs.8,339,011 as at 30 April, 2021.

#### 3.4 Pending Bills Not Paid as First Charge

- 3.4.1 Review of documents revealed that pending bills amounting to Kshs.11,048,582 as listed in **Table 6** and detailed in **Appendix VII**, which should have been paid as a first charge in subsequent financial years of 2019/2020 and 2020/2021 were still outstanding as at 30 April, 2021. This was contrary to Regulation 41(2) of the Public Finance Management (County Government) Regulations, 2015 which states that debt service payments shall be a first charge on the County Revenue Fund and the Accounting Officer shall ensure this is done to the extent possible that the County Government does not default on debt obligations. Consequently, the County Assembly of Nairobi is in the breach of the law.

**Table 6: Pending Bills Not Paid as a First Charge**

Entity	2018/2019 (Kshs)	2019/2020 (Kshs)	Total (Kshs)
County Assembly of Nairobi	10,617,477	431,105	11,048,582

#### 3.5 Potential Nugatory Costs

- 3.5.1 Review of documents and claims provided by suppliers revealed that Kshs.4,962,262 owed by the Nairobi City County Assembly had not been included in the pending bills as indicated in **Table 7** and detailed in **Appendix VIII**. The Management risks incurring additional nugatory costs in arbitrating the disputed pending bills.



**Table 7: Potential Nugatory Costs on Disputed Bills**

Item	Amount as per NCCA (Kshs)	Amount as per the Vendor/Suppliers (Kshs)	Disputed Amount (Kshs)
Pending Bills Accounts Payables	0	4,962,262	4,962,262

### 3.6 Analysis of Exchequer Allocation and Releases

- 3.6.1 Review of documents relating to budgeting, funds allocation by The National Treasury in line with County Allocation of Revenue Act (CARA) and dates when funds were released, as summarized in **Table 8** and detailed in **Appendix IX (a) and IX (b)**, revealed that Kshs.1,284,352,567 and Kshs.1,158,349,827 in respect to funds released in 2018/2019 and 2019/2020 respectively were not released as stipulated in Section 4(2) of the County Allocation of Revenue Act, 2018.
- 3.6.2 The Act states that each County Government's allocation shall be transferred to the respective County Revenue Fund in accordance with a payment schedule approved by the Senate and published in the gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act, without undue delay and without deduction, except when the transfer has been stopped under Article 225 of the Constitution of Kenya.
- 3.6.3 Further, this was contrary to Section 17(6) of the Public Finance Management Act, 2012, which states that The National Treasury shall, at the beginning of every quarter, and in any event, not later than the fifteenth day from the commencement of the quarter, disburse monies to County Governments.

**Table 8: Delayed Exchequer Releases**

Financial Year	Allocations Vs Actual Releases (Kshs)			Delayed Releases (Kshs)				
	Allocation	Releases	Variance	Delayed Quarter 1	Delayed Quarter 2	Delayed Quarter 3	Delayed Quarter 4	Total
2018/19	1,386,671,700	1,284,352,567	102,318,433	302,632,444	334,509,581	262,555,894	265,828,739	1,165,826,658
2019/20	1,409,977,879	1,158,349,827	251,628,052	160,313,162	170,629,949	337,794,114	199,151,831	867,889,056

#### 4.0 APPENDICES

##### Appendix I: Documents Not Provided for Audit Review

Name of Supplier	Description	Amount (Kshs)	Remarks
RISCAR	Supply of goods	673,200	PV and other supporting Documents not Provided
CIC Group Ltd	Supply of services	351,600	PV and other supporting Documents not Provided
Kenya Literature Bureau	Supply of services	366,451	PV and other supporting Documents not Provided
KENSUN	Supply of services	94,000	PV and other supporting Documents not Provided
Naivasha County Club Hotel	Supply of services	189,323	PV and other supporting Documents not Provided
Public Service Commission	Supply of services	172,648	PV and other supporting Documents not Provided
Coop Bank Various	Supply of services	323,000	PV and other supporting Documents not Provided
Honoraria	Supply of services	100,000	PV and other supporting Documents not Provided
Coop Bank Various	Supply of services	206,000	PV and other supporting Documents not Provided
Coop Bank Various	Supply of services	20,360	PV and other supporting Documents not Provided
Bills by Legal Services	Supply of Services	6,385,476	PV and other supporting Documents not Provided
African Touch Safaris Ltd	Supply of services	298,480	No supporting documentation provided by the supplier nor Assembly
Safaricom Ltd	Supply of services	1,520,232	No supporting documentation provided by the supplier nor Assembly
Kenya School of Government	Supply of services	1,606,731	No supporting documentation provided by the supplier nor Assembly
MFI Documents Solutions Ltd	Supply of services	403,471	No supporting documentation provided by the supplier nor Assembly
Laura Mwendu	Other Staff Payables	28,200	No supporting documentation provided by the supplier nor Assembly
Hon. Juliet June Ndegwa	Other Staff Payables	28,200	No supporting documentation provided by the supplier nor Assembly
Lendix Agencies	Amounts Due to Third Parties	17,954	No supporting documentation provided by the supplier nor Assembly
<b>Total</b>		<b>12,785,326</b>	



### Appendix II: Pending Bills Accounts Payables Variance Analysis

Details	Balance as at 30 June 2020 (Kshs)	Balance as per Pending Bills Special Audit (Kshs)	Balance as per 2018/19 Financial Statements (Kshs)	Balance as per 2019/20 County Financial Statements (Kshs)	Balance as per Pending Bills Committee (Kshs)	Balance as per submissions by Suppliers (Kshs)	Variance Analysis (Kshs)				
							County Vs Special Audit	County Vs FS 2018/2019	County Vs FS 2019/2020	County Vs Committee	County Vs Supplier
Supply of Services	25,985,576	-	13,352,229	5,049,207	0	4,962,262	25,985,576	12,633,347	20,936,369	25,985,576	21,023,314

### Appendix III: Pending Staff Payables Variance Analysis

Details	Balance as at 30 June 2020 (Kshs)	Balance as per Pending Bills Special Audit (Kshs)	Balance as per 2018/19 Financial Statements (Kshs)	Balance as per 2019/20 County Financial Statements (Kshs)	Balance as per Pending Bills Committee (Kshs)	Balance as per submissions by Suppliers (Kshs)	Variance Analysis (Kshs.)				
							County Vs Special Audit	County Vs FS 2018/2019	County Vs FS 2019/2020	County Vs Committee	County Vs Supplier
Allowances to MCAs	56,400	0	56,400	0	0	0	56,400	56,400	0	56,400	56,400
<b>Totals</b>	<b>56,400</b>	<b>0</b>	<b>56,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>56,400</b>	<b>56,400</b>	<b>0</b>	<b>56,400</b>	<b>56,400</b>



### Appendix IV: Total Pending Bills Vs Budget Provision and Procurement Plan

Departments	Total Pending Bills (Kshs.)	Total Amount whose documents were provided (Kshs)	Amount Within the Budget and Procurement Plan (Kshs)	Amount Outside the Budget and Procurement Plan (Kshs)	Amount Outside the Budget (Kshs)	Amount Outside the Procurement Plan (Kshs)
Pending Bills Accounts Payables	30,947,838	18,236,864	17,404,649	832,215	832,215	351,600
Pending Bills Staff Payables	56,400	0	0	0	0	0
Pending Bills Other Payables	17,954	0	0	0	0	0
<b>Total</b>	<b>31,022,192</b>	<b>18,236,864</b>	<b>17,404,649</b>	<b>832,215</b>	<b>832,215</b>	<b>351,600</b>

### Appendix V: Eligible Pending Bills Accounts Payables

Name of Supplier	Description	Tender/Contract No	Amount (Kshs)
Vendour Services	Supply Of Cleaning Materials	NCCA/RFQ/35/03/2018-2019	165,000
Naivasha County Club Hotel	Payment For Conference Facilities For Sectoral Committee On Legal And Justice In Naivasha From 25-19th March 2018	Not Available	318,450
Naivasha County Club Hotel/Sawela Lodge Ltd	Payment For Conference Facilities For Finance Office Between 22-23 June 2018	Not Available	112,655
Muthomi Karanja	Final Fees For Litigation Services	N/A	1,856,000
LAPFUND	Gratuity For MCA's And Ward Staff June 2019	N/A	3,925,069
Deloitte Consultancy Ltd	Consultancy Fees For Organization Review For NCCA	NCCA/PQR/04/2018	1,268,805
Baycon Limited Africa	Payment Of Transmission Services For Services For Assembly Live Coverage	NCCA/RFQ/64/06/2019	2,315,159
Milele Limited	Provision Of Upgrading Services To NCCA Committee Rooms Conference System.	NCCA/HD/MEMO/123	696,039
LAPFUND	Gratuity For MCA's And Ward Staff May 2019		3,927,718
Madison General Insurance	Payment For Provision Of Medical Insurance	IND/012/764/2017	710,127

Name of Supplier	Description	Tender/Contract No	Amount (Kshs)
First Assurance Company Limited	Payment For Additional Premium Policy	MED/2019/230/10/22	1,327,881
<b>Total</b>			<b>16,622,903</b>

### Appendix VI: Ineligible Pending Bills

Name Of Supplier	Description	Contract Amount	Reason
<b>Ineligible Accounts Payables</b>			
Riscar	Supply of mineral water	673,200	No supporting documentation
Cinatime Enterprises Ltd	Renovation of general store	480,615	No supporting documentation
CIC Group Ltd	Excess undertaking for members hospitalization in 2018-19	351,600	No supporting documentation
Kenya Literature Bureau	Pv not provided hence no details	366,451	No supporting documentation
Kensun	Procurement committees	94,000	No supporting documentation
Naivasha County Club Hotel	Payment for conference facilities between 15-16 June	189,323	PV not provided for review
Public Service Commission	Payment for 31% pension contribution for May & June 2019	172,648	PV not provided for review
Coop Bank Various	Procurement committees	323,000	PV not provided for review
Honoraria	Staff training and development committee	100,000	PV not provided for review
Coop Bank Various	HR advisory committee	206,000	PV not provided for review
Coop Bank Various	Law society of Kenya	20,360	PV not provided for review
Nation Media Group	Tender notice	109,446	Nation Media Group provided evidence of placement of advert but Assembly disowned the pending bills but did not provide countering evidence.
Nation Media Group	Tender notice	109,446	Nation Media Group provided evidence of placement of advert but Assembly disowned the pending bills but did not provide countering evidence.



Name Of Supplier	Description	Contract Amount	Reason
Nation Media Group	Vacancy announcement	58,000	Nation Media Group provided evidence of placement of advert but Assembly disowned the pending bills but did not provide countering evidence.
Nation Media Group(Taifa Jumapili)	Usiriki wa umma	92,568	Nation Media Group provided evidence of placement of advert but Assembly disowned the pending bills but did not provide countering evidence.
Nation Media Group	Change of dates	128,412	Nation Media Group provided evidence of placement of advert but Assembly disowned the pending bills but did not provide countering evidence.
Nation Media Group	Notice to nominee	65,772	Nation Media Group provided evidence of placement of advert but Assembly disowned the pending bills but did not provide countering evidence.
Nation Media Group(Taifa Leo)	Pongezi	63,540	Nation Media Group provided evidence of placement of advert but Assembly disowned the pending bills but did not provide countering evidence.
Nation Media Group	The 2nd Assembly	128,412	Nation Media Group provided evidence of placement of advert but Assembly disowned the pending bills but did not provide countering evidence.
Nation Media Group	Public participation notice	228,750	Nation Media Group provided evidence of placement of advert but Assembly disowned the pending bills but did not provide countering evidence.
Nation Media Group	Submission of memoranda	149,000	Nation Media Group provided evidence of placement of advert but Assembly disowned the pending bills but did not provide countering evidence.
African Touch Safaris Ltd	Supply of services	298,480	No supporting documentation
Safaricom Ltd	Supply of services	1,520,232	No supporting documentation
Kenya School Of Government	Supply of services	1,606,731	No supporting documentation
MFI Documents Solutions Ltd	Supply of services	403,471	No supporting documentation
Bills By Legal Services	Legal services	6,385,476	No documentation provided
<b>Sub-Total</b>		<b>14,324,935</b>	
<b>Ineligible Staff Payables</b>			
Laura Mwendu	Staff payables	28,200	No supporting documentation



Name Of Supplier	Description	Contract Amount	Reason
Hon. Juliet June Ndegwa	Staff payables	28,200	No supporting documentation
<b>Sub-Total</b>		<b>56,400</b>	
<b>Ineligible Other Payables</b>			
Lendix Agencies	Retention money	17,954	No supporting documentation
<b>Grand-Total</b>		<b>14,399,287</b>	

### Appendix VII: Pending Bills Not Paid as a First Charge

Supplier	Description	2018/2019	2019/2020	Total
Various Law Firms	Representing NCCA in Various Cases in Various Courts	6,385,476		6,385,476
Naivasha County Club Hotel	Payment for Legal and Justice Committee From 25-19th March 2018		318,450	318,450
Naivasha County Club Hotel/Sawela Lodge Ltd	Payment for Conference Facilities for Finance Office Between 22-23 June 2018		112,655	112,655
Muthomi Karanja	Final Fees for Litigation Services	1,856,000		1,856,000
CIC Group	Excess Undertaking/Cover for Members Hospitalization In 2018/19	351,600		351,600
Deloitte Consultancy Ltd	Consultancy Services for Organizational Review at Ncca	1,268,805		1,268,805
Nation Media Group	Advertising Services	109,446		109,446
Nation Media Group	Advertising Services	109,446		109,446
Nation Media Group	Advertising Services	58,000		58,000
Nation Media Group	Advertising Services	92,568		92,568
Nation Media Group	Advertising Services	128,412		128,412
Nation Media Group	Advertising Services	65,772		65,772
Nation Media Group	Advertising Services	63,540		63,540
Nation Media Group	Advertising Services	128,412		128,412
<b>Total</b>		<b>10,617,477</b>	<b>431,105</b>	<b>11,048,582</b>

### Appendix VIII: Potential Nugatory Costs Disputed Payments

Supplier	Category	Amount as per Supplier	Amount as per the NCCA	Variance
Nation Media Group	Supply of services	1,133,346	0	1,133,346
African Touch Safaris Ltd	Supply of services	298,480	0	298,480
Safaricom Ltd	Supply of services	1,520,232	0	1,520,232
Kenya School of Government	Supply of services	1,606,731	0	1,606,731
MFI Documents Solutions Ltd	Supply of services	403,471	0	403,471
<b>Total</b>		<b>4,962,260</b>	<b>0</b>	<b>4,962,260</b>

### Appendix IX (a): Delayed Exchequer Releases 2018/2019

Allocations Vs Releases		Delayed Releases															
Allocation as per 2018/2019 CARA	Releases	Variance	Amount Released in Quarter 1		Date Released as per the law	Amount Released in Quarter 2	Date Released as per the law	Amount Released in Quarter 3	Date Released as per the law	Amount Released in Quarter 4	Date Released as per the law	Variance	Amount Released on Time	Date Released	Amount Released on Time	Variance	
			(Kshs)	(Kshs)													(Kshs)
1,386,671,700.00	1,284,352,557	102,319,133	302,632,444	302,632,444	15-07-18	367,719,298	15-10-19	310,268,765	15-01-20	303,732,060	15-04-20	262,555,894	47,712,871	08/01/19 to 25/03/19	37,903,321	265,828,739	
				302,632,444	24-07-2018 to 27/09/18		11/10/18 to 14/12/18	32,909,717		334,809,581		34,809,581			09/04/19 to 06/19		

### Appendix IX (b): Delayed Exchequer Releases 2019/2020

Allocations Vs Releases		Delayed Releases																			
Allocation as per 2019/2020 CARA	Releases	Variance	Amount Released in Quarter 1	Date Expected as per the law	Date Released	Variance	Amount Released in Quarter 2	Date Expected as per the law	Date Released	Variance	Amount Released in Quarter 3	Date Expected as per the law	Date Released	Variance	Amount Released in Quarter 4	Date Expected as per the law	Date Released	Variance			
(Kshs)			(Kshs)				(Kshs)				(Kshs)				(Kshs)						
1,409,977,879.00	1,158,349,827	251,628,052	160,313,162	15-07-18	06/08/19 to 05/09/19	160,313,162	306,190,137	15-10-19	19/09/19 to 10/12/19	135,560,188	170,629,949	470,615,919	15-01-20	06/01/20 to 27/03/20	132,821,805	337,794,114	221,230,609	15-04-20	01/04/20 to 26/06/20	22,078,778	199,151,831