

EMBU COUNTY GOVERNMENT



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EMBU COUNTY PENDING BILLS REPORT TO STAKEHOLDERS AND MEMBERS OF THE PUBLIC:

1. Introduction

The Assumption of the Office of Governor's report was presented to H.E. the Governor of Embu County upon taking up office as the Second Governor of Embu County. The report unearthed a pending bill of KSh.2,126,816,790.50, which in the opinion of the new administration, were untenable amidst the tough economic times, budgetary constraints and the need to expedite service delivery to the people in especially health and development of critical infrastructure.

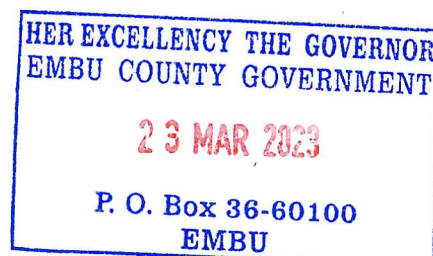
2. Embu County Pending Bills Verification Committee

The new administration committed to ensuring that deserving citizens get their dues and the citizens of Embu get value for their money in the most transparent and humane way possible.

On assuming Office and in conformity with the County Governments Act 2012, the Governor of Embu County Government established the Embu County Pending Bills Verification Committee vide Gazette Notice No. 664 of 27th January 2023, whose objective was providing an independent assurance on the amounts owed to the various suppliers and outstanding staff dues as at Assumption of the Office of Governor's report

The Committee had the following terms of Reference:

- i. Scrutinize and analyze all existing stock of Embu County Government pending bills, with a view to making appropriate recommendations to the County Treasury for payment or otherwise.



- ii. To obtain and record the history of the bill (s).
- iii. To obtain all the necessary documentation and circumstantial evidence of performance/delivery of goods and services.
- iv. To evaluate the circumstances for non-settlement.
- v. To determine proportionately the amounts payable (eligible) or non-payable (ineligible).
- vi. To make final recommendations/final report for the closure of pending bills to:
 - a. H.E .Governor -Embu County
 - b. The National Treasury
 - c. The Controller of Budget
 - d. The Auditor General
 - e. Inter-Governmental Budget and Economic Council (IBEC)
 - f. Perform any other function incidental to the forgoing.

The Committee, having completed its investigations, drew up with the following findings, conclusions and recommendations.

3. Key Findings:

The findings of the committee, after rigorous examination of the bills were as below:

i. Completeness, Presentation and Disclosures of Pending Bills

The Committee established that there were other undisclosed bills presented to the Committee amounting to KSh.232, 532, 088 thus bringing the total pending bills list to KSh.2, 359,348,966.

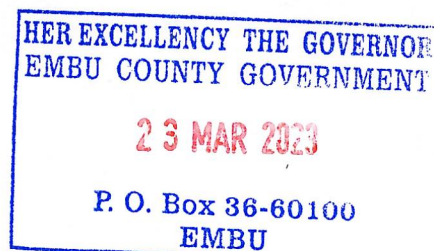
ii. Repeated Bills

The Committee compared the bills for repetition from the total KSh.2,359,348,966 and found a total amount of KSh.170,183,198 were repetitions.

iii. Examination of Bank Statements

After analysis of Bank statements and cash books, it was established that further bills amounting to KSh.529, 564,846 were paid up as at 28th February, 2023. This brought down the total pending bills for the Committee's verification to a balance of KSh.1, 659,600,922.

Of the settled pending bills, staff emoluments arrears inherited amounted to KSh.532, 699,860. Out of this amount, KSh.372, 331,535 was prioritized, financed and settled in the current financial year leaving a balance of KSh.160, 368,325.



iv. Site Verifications for Infrastructural Projects

The Committee identified, visited and inspected infrastructural projects which included roads, buildings and water works amounting to KSh.585, 858, 002 for site verification.

After the site visits, it was established that

- i. KSh.390, 718,955 worth of projects were complete and eligible.
- ii. Multi-year works in progress amounting to KSh. 53,463,237 were identified
- iii. Projects worth KSh.111, 395, 678 were found ineligible on account of having not started or stalled.

v. Provisions in 2022/2023 Budget

The Committee noted that KSh.568,608, 427 development projects which are in the pending bills list are provided for in the development supplementary budget 2022/23.

4. Conclusions

After analyzing the remaining pending bills amounting to KSh.1,659,600,922 the Committee made the following classifications and recommendations.

i. Eligible Pending Bills

Pending bills amounting to KSh.705, 216, 250 representing 42.49% of the Kshs 1,659,600,922 pending bills were found eligible for settlement. These exclude legal department bills whose bill of costs were not availed for scrutiny and where provided were excessively charged. The files are recommended for court taxation to determine actual amounts.

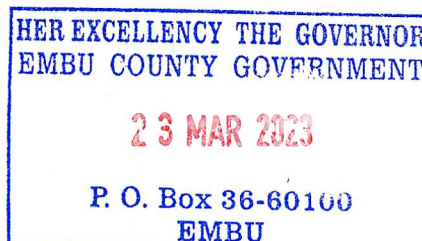
ii. Eligible Works in Progress

Pending bills amounting to KSh.43, 844, 783 relate to works that are in progress and would be settled after inspection and certification is carried out. These include multi-years phased projects. For example, the renovation of the County Headquarters.

iii. Ineligible Pending Bills

Pending bills amounting to KSh.954, 384, 671 representing 57.51% of the Kshs 1,659,600,922, found ineligible. These include the following categories:

- i. Incomplete work on site KSh.112, 079, 361 (6.75%)



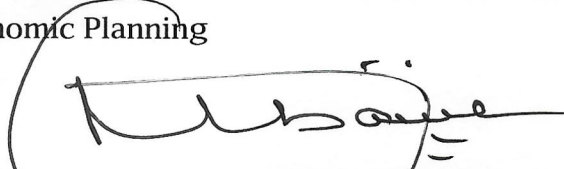
- ii. Projects worth KSh.422, 413, 802 (25.45%) were not supported by relevant documents and subject procurement files were not available hence classified as ineligible.
- iii. Projects worth KSh.419, 891, 509 (25.30%) were either abandoned, not started or projects where partial invoices were raised but works on site did not support the same.

5. Recommendations:

The following recommendations have thus been made:

- i. There are ineligible development projects with no contractual timelines, no local purchase Orders (LPOs), budgetary provisions nor termination clauses. The County is advised to review their priorities in relation to the current County Integrated Development Plan (CIDP).
- ii. Impose sanctions against
 - a) Contractors that have not performed in accordance with procedures, Bills of quantities and contractual agreements.
 - b) Engineers, works officers and inspection teams who failed to exercise due diligence in the performance of their work for example Kyeni water works, various isolation wards.
 - c) Procurement officers who failed to provide documentation in relation to procurement procedures as outlined in the treasury framework on the dominant and control rules in procurement.
 - d) County Attorney and any other County officer who failed to exercise due diligence on pending legal bills.

This information can be verified from the Office of the CECM for Finance and Economic Planning



**H.E. HON. CECILY MUTITU MBARIRE, M.G.H.,
GOVERNOR, EMBU COUNTY**

