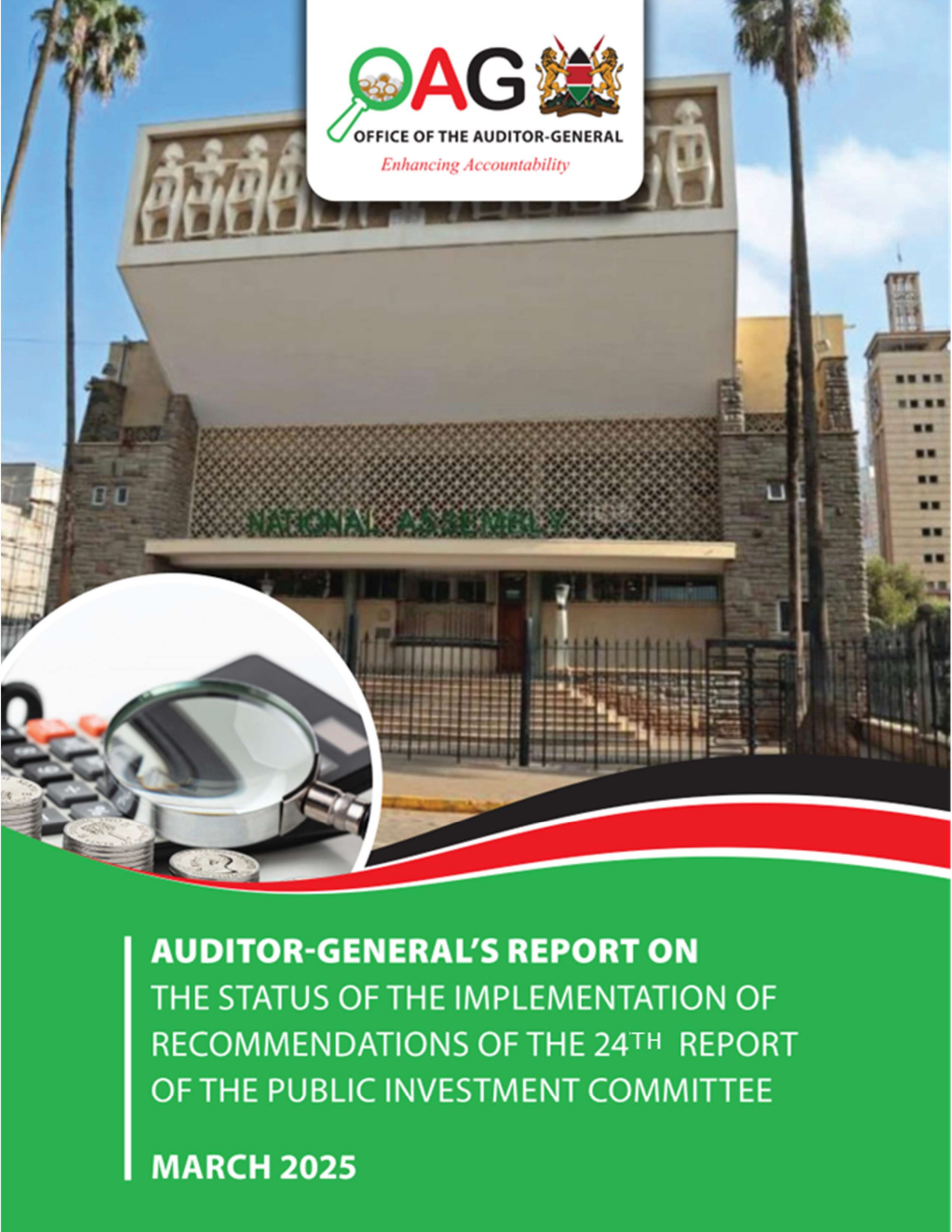
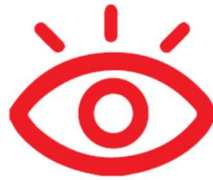




**AUDITOR-GENERAL'S REPORT ON
THE STATUS OF THE IMPLEMENTATION OF
RECOMMENDATIONS OF THE 24TH REPORT
OF THE PUBLIC INVESTMENT COMMITTEE**

MARCH 2025



VISION

Making a difference in the lives and livelihoods of the Kenyan people



MISSION

Audit services that impact on effective and sustainable service delivery



OUR CORE VALUES

Integrity • Credibility • Relevance •
Accountability • Independence

FOREWORD BY THE AUDITOR-GENERAL

I am pleased to present this report on The Status of Implementation of Recommendations for the 24th Public Investment Committee report for various state corporations. The report is an assessment of the extent to which the government entities acted upon the recommendations made by the National Assembly. Section 31(3)(b) of the Public Audit Act, 2015 requires The Auditor-General to include in her report; how responsive the State organ or public entity has been to past audit findings and recommendations.

In my previous Consolidated Reports for the Audit of National Government Ministries Departments and Agencies (referred as Blue Book), I have reported that the mechanism for follow up on implementation of audit recommendations is ineffective and as such most audit queries recur in subsequent years due to lack of decisive action. My Office identified the gap in the process and developed follow-up tools namely; the Framework for Tracking, Follow-Up and Reporting on Implementation of Audit Recommendations, a financial and compliance audit manual and modules, designed to carry out the tracking and follow-up of audit recommendations. This report seeks to further improve on the follow up on implementation of audit recommendations by providing Parliament with an objective review on how the Accounting Officers have implemented the recommendations emanating from the audit reports for various State Corporations as adopted by the National Assembly on 07 June, 2022. Section 204(1)(g) of the Public Finance Management Act, 2012 provides that the Cabinet Secretary for matters relating to finance may apply sanctions to a national government entity that fails to address issues raised by The Auditor-General, to the satisfaction of The Auditor-General

The report of the Auditor-General presents the status of the implementation of recommendations made by the National Assembly in its twenty fourth (24th) Public Investments Committee Report for State Corporation as adopted on 07 June, 2024. The report is a culmination of the four hundred and forty three (443) recommendations tracked, which cut across forty-six (46) entities. Out of the forty-six (46) entities, twenty one(21) entities did not respond to our request for feedback on the actions taken to implement the recommendations of the National Assembly as required by Section 31(1) and Section 53 of Public Audit Act, 2015. The twenty-one(21) entities that did not provide

any response to our request comprised of one(1) investigative agency, eight (8) State Corporations, five(5) State departments and seven (7) additional state agencies. The one hundred and forty four (144) recommendations relating to the twenty-one (21) non-responsive entities were deemed unimplemented as failure to respond implied that the entities did not take any corrective actions.

The report is an assessment of the extent to which the recommendations by The National Assembly in the twenty fourth (24th) Public Investments Committee Report for State Corporations were acted upon by the relevant entities Further, the report identifies gaps in the implementation process and issues recommendations for improving the follow-up mechanisms, in order to ensure that legislative intent of recommendations translates into tangible outcomes.

Through this report, My Office reaffirms our commitment to support the Legislature in enhancing accountability and fostering a culture of continuous improvement within the public sector. The goal is to ensure that the recommendations made by the Legislature contribute meaningfully to the development and welfare of the citizens of Kenya.

The report is submitted to Parliament in accordance with Article 229(7) of the Constitution of Kenya, 2010 and Section 39(1) of the Public Audit Act, 2015. I have also submitted a copy of the report to The National Treasury.

I thank the entire staff of the Office of the Auditor-General for their commitment, passion and professionalism in carrying out their duties despite the challenges posed by the lack of adequate funds and tight timelines.


FCPA Nancy Gathungu, CBS
AUDITOR – GENERAL

28 March, 2025

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LIST OF ACRONYMS

AG	– Auditor-General
AWSB	– Athi Water Service Board
AWWDA	– Athi Water Works Development Agency
CCIO	– Constitutional Commissions and Independent Offices
CEO	– Chief Executive Officer
ECA	– Expected Corrective Action
EOT	– Extension of Time
EPRA	– Energy and Petroleum Regulatory Authority
ERP	– Enterprise Resource Planning
GoK	– Government of Kenya
FY	– Financial Year
IAS	– International Accounting Standards
IFPP	– INTOSAI Framework of Professional Pronouncements
IFMIS	– Integrated Financial Management Information System
IFRS	– International Financial Reporting Standards
INTOSAI	– International Organization for Supreme Audit Institutions
INTOSAI GUID	– INTOSAI Guidance
INTOSAI P	– INTOSAI Principles
IPSAS	– International Public Sector Accounting Standards
ISSAI	– International Standards for Supreme Audit Institutions
KDIC	– Kenya Deposit Insurance Corporation
KenGen	– Kenya Electricity Generating Company PLC
KeNHA	– Kenya National Highways Authority
KeRRA	– Kenya Rural Roads Authority
KETRACO	– Kenya Electricity Transmission Company
KMA	– Kenya Maritime Authority
KMFRI	– Kenya Marine and Fisheries Research Institute
KNBS	– Kenya National Bureau of Statistics
KNH	– Kenyatta National Hospital
KNSL	– Kenya National Shipping Line
KPA	– Kenya Ports Authority
KPLC	– Kenya Power Company
KRA	– Kenya Revenue Authority
KRC	– Kenya Railways
KWS	– Kenya Wildlife Service
LPO	– Local Purchase Order
NCWSC	– Nairobi City Water and Sewerage Company
NEMA	– National Environment Management Authority
NGAO	– National Government Administration Officers
NHC	– National Housing Corporation
NHIF	– National Hospital Insurance Fund
NLC	– National Land Commission

NSSF	– National Social Security Fund
NTSA	– National Transport Safety Authority
NWSB	– North Water Services Board
OAG	– Office of the Auditor-General
PAPs	– Project Affected Persons
PFM	– Public Finance Management
PIC	– Public Investments Committee (Defunct)
PPADA	– Public Procurement and Disposal Act
PPE	– Property Plant and Equipment
PPP	– Public-Private Partnership
PSASB	– Public Sector Accounting Standards Board
SAI	– Supreme Audit Institution
SCAC	– State Corporations Advisory Council
SGR	– Standard Gauge Railway
SRC	– Salaries and Remuneration Commission
TARDA	– Tana Athi Regional Development Authority
WSP	– Water Service Provider

EXECUTIVE SUMMARY

Introduction

The Auditor-General is mandated under Article 229 of the Constitution of Kenya, 2010, to audit and report on the use of public resources by all entities funded from public funds. Section 31(3)(b) of the Public Audit Act, 2015 requires the Auditor-General to include in her report how responsive a state organ or public entity has been to past audit findings and recommendations.

Within three months after Parliament or the County Assembly has debated and considered the final report of the Auditor-General and made recommendations, a state organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit as required by Section 31(1) the Public Audit Act, 2015. Additionally, Section 53 of the Act, requires that the Accounting Officer of the entity to take the relevant steps to implement the recommendations of parliament on the report of the Auditor-General; or written explanations to the Parliament on why the report has not been acted upon. It is therefore very critical to have an effective follow-up mechanism with following attributes;

- (a) **Impact Measurement:** Ensures public resources are used efficiently and audit recommendations lead to tangible improvements.
- (b) **Legal Compliance:** Ensures adherence to the Public Audit Act, 2015, promoting accountability.
- (c) **ISSAI Standards:** Aligns with international auditing standards, enhancing transparency and credibility.
- (d) **Service Delivery:** Improves public service delivery by ensuring recommendations are implemented.
- (e) **Fiscal Responsibility:** Enhances responsible fiscal management as per the Public Finance Management Act, 2012.

Methodology

Section 29 of Kenya's Public Audit Act, 2015 mandates the Office of the Auditor-General (OAG) to adopt international standards and practices for audits, adhering to the

Constitution and legal provisions. The Office of the Auditor-General applies the INTOSAI Framework of Professional Pronouncements (IFPP). One key principle, Principle 7 of INTOSAI P-10, requires each Audit Office to have a mechanism that ensures all observations and recommendations made by the Auditor-General and the Legislature are properly addressed and reports are prepared for follow-up and sanctioning. In June 2022, the Office of the Auditor-General developed a Follow-up Framework and Methodology for Tracking and Reporting on Implementation Status of Audit Recommendations.

The follow-up process starts with Office of the Auditor-General reviewing the Legislative Report on Audit Recommendations to confirm that the timelines for implementation have lapsed. The report is thereafter subjected to an in-depth review of the general and entity-specific recommendations with the aim of classifying them according to responsibility of implementation or action required, similarity of actions or output and fiscal implication. The recommendations are then summarized and allocated to respective audit entities, constitutional commissions and/ or third-party implementing agencies depending on where the responsibility of implementation lies.

Recommendations are categorized into policy-based, investigative-based, legislative-based, administrative-based, prosecution-based, and research-based. The follow-up process culminates in a status report submitted to the relevant legislative house for further action.

Key Findings

This report provides an assessment of the implementation status of audit recommendations made by the Public Investments Committee of the National Assembly in its 24th Report on various State Corporations, adopted on 7 June, 2022. The Office of the Auditor-General tracked four hundred and forty-three (443) recommendations, across forty-six (46) entities, in line with its constitutional and statutory mandate to ensure accountability and efficiency in the use of public resources.

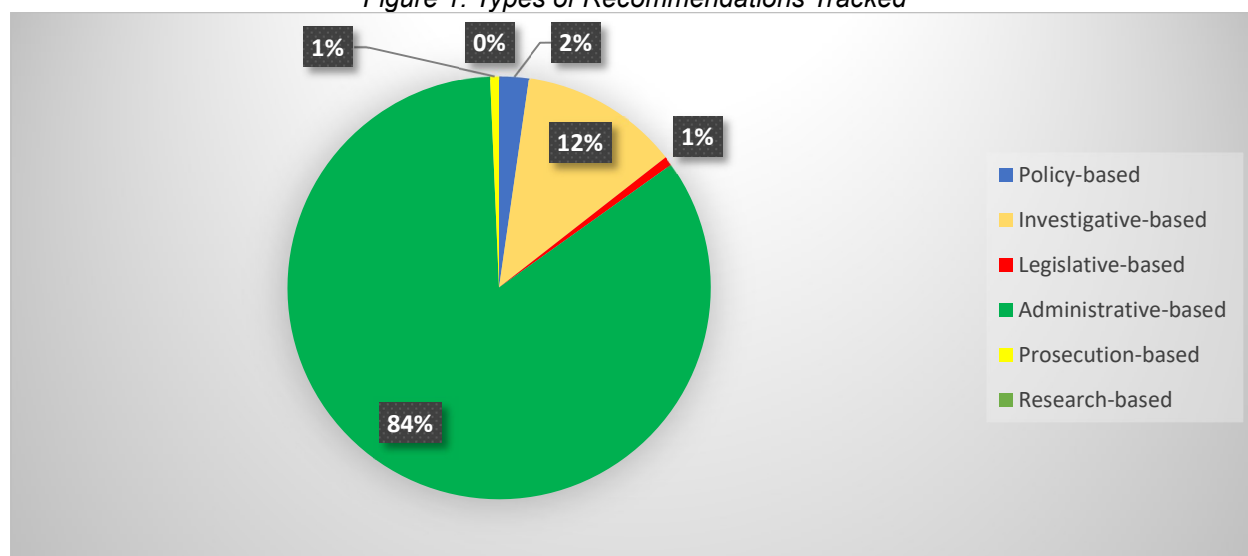
1. Response Rate

The Office of the Auditor-General (OAG) requested the 46 entities consisting of the audited entities, Constitutional Commissions & Independent Offices (CCIOs) and other implementing entities to make written representation on the actions they have taken to address the recommendations covered in the PIC 24th Report. The Management of these audited entities and CCIOs were required to officially respond in writing to the Office of the Auditor-General. Out of the 46 entities, twenty-five (25) representing 54% of the entities responded to OAG's request for feedback on the actions taken to implement Legislative recommendations.

2. Types of Recommendations Tracked

The report categorizes all the four hundred and forty-three recommendations tracked into: administrative-based: three hundred and seventy-three (373) representing 84%, investigative-based fifty-four (54) representing (12%), policy-based: ten (10) representing (2%), legislative-based: three (3) representing (1%), prosecution-based: three (3) representing (1%) and research-based: zero (0) or (0%). The Majority, three hundred and seventy-three (373) of the recommendations were Administrative-based calling upon the Accounting Officer(s) to act within their legal/ regulatory mandate to remedy an irregularity/ omission in the use of public resources.

Figure 1: Types of Recommendations Tracked

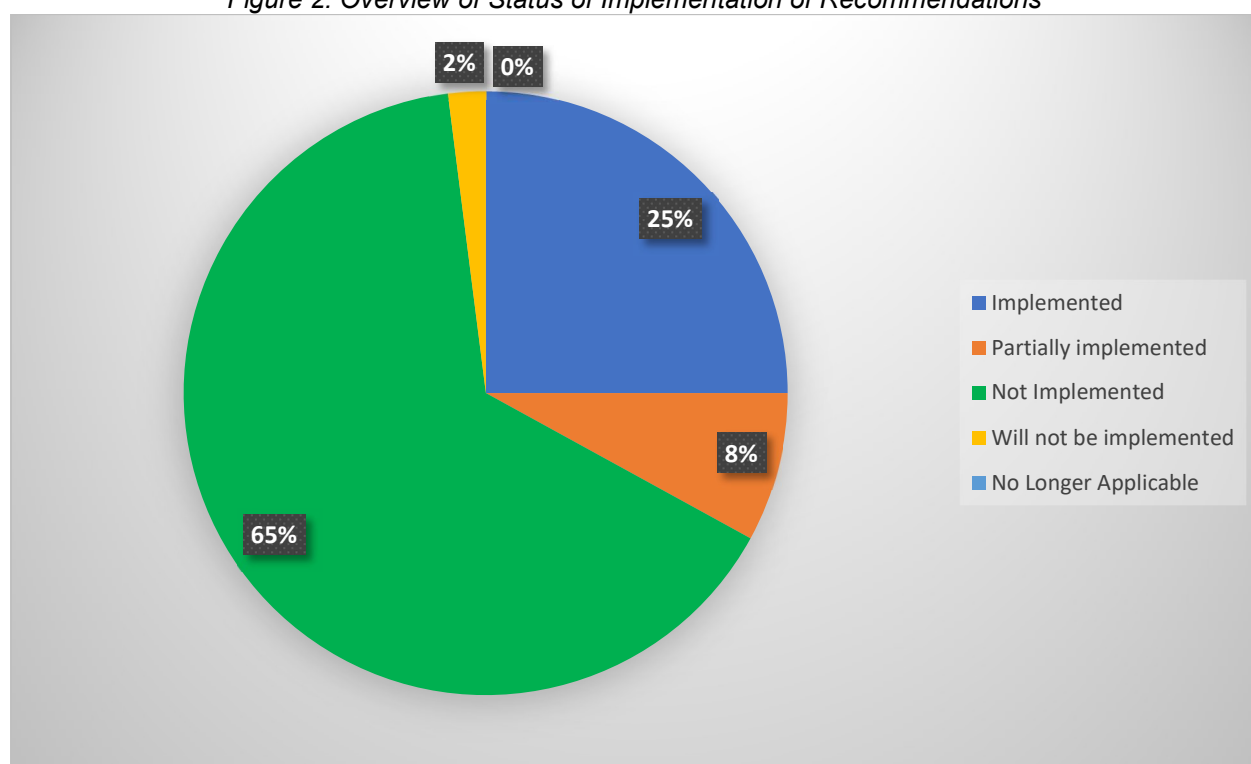


Source: OAG Analysis of tracked recommendations and management responses

Implementation Status

Out of the tracked four hundred and forty-three (443) recommendations, two hundred and ninety-nine (299) recommendations representing 68% had a management response. The implementation status was as follows; one hundred and twelve (112) representing 25% were implemented, thirty-three (33) representing (8%) were partially implemented, ten (10) representing 2% could not be implemented and two hundred and eighty-eight (288) (which includes one hundred and forty-four (144) recommendations that the management did not respond to) representing 65% were not implemented. Therefore, 75% of all the recommendations were not fully implemented. The summary of the Implementation Status is as shown in **Figure 2** and **Table 1** below and a detailed report is provided in **Appendix I** of this report.

Figure 2: Overview of Status of Implementation of Recommendations



Source: OAG Analysis of tracked recommendations and management responses

Table 1: Summary tabulation of Implementation Status

No	Entity	Total	Implemented		Partially implemented		Not Implemented		Will not be implemented		No Longer Applicable	
			No.	%	No.	%	No.	%	No.	%	No.	%
	Responsive Entities											
	Audited entities	227	65	29%	30	13%	126	56%	6	3%	0	0%
	Constitutional commissions and independent offices	54	46	85%	2	4%	6	11%	0	0%	0	0%
	Referrals to other entities	18	1	6%	1	6%	12	67%	4	22%	0	0%
	Sub-Total	299	112	38%	33	11%	144	48%	10	3%	0	0%
	Non-Responsive Entities											
	Audited entities	108	0	0%	0	0%	108	100%	0	0%	0	0%
	Constitutional commissions and independent offices	5	0	0%	0	0%	5	100%	0	0%	0	0%
	Referrals to other entities	31	0	0%	0	0%	31	100%	0	0%	0	0%
	Sub-Total	144	0	0%	0	0%	144	100%	0	0%	0	0%
	Grand-Total	443	112	25%	33	8%	288	65%	10	2%	0	0%

Source: OAG Analysis of tracked recommendations and management responses

Key Observations

The forty-six (46) entities tracked exhibited low levels of corrective actions taken (25%) to implement the recommendations directed to them. Recommendations rolling over from one year to the subsequent years was observed in the tracked entities' reports spanning more than one year. Therefore, the mechanism for follow-up on implementation of audit recommendations is ineffective and as such most audit queries recurred in the subsequent years due to lack of decisive action. In addition, out of the four hundred and forty-three (443) recommendations, ten (10) recommendations could not be implemented. This was due to the fact that the responsibility to implement was bestowed to one Accounting Officer while the mandate was vested in a different agency/Accounting Officer other than the one assigned. Another challenge was the effect of natural causes for example where the responsible subject was deceased or a natural calamity has rendered a shift in classification of the resource like the case of submerged land near lake Baringo, the Kenya Marine and Fisheries Institute could not obtain a title deed. In the overall, the level of compliance with statutory requirements for implementing audit recommendations, as stipulated in the Public Audit Act, 2015 and the Public Finance Management Act, 2012 was low.

Conclusions

The analysis of tracked recommendations and management responses arrived at the following conclusions:

- i) Implementation of audit recommendations is very low at (25%) three years after the report was adopted by the National Assembly.
- ii) Proper implementation could improve management of public funds and result in cost savings.
- iii) The majority (84%) of recommendations were administrative, but many remain partially implemented due to lack of timely reporting to Parliament as guided in the National Assembly report.
- iv) Recommendations that require resources or third-party interventions for example adequate funding by The National Treasury or Commissions face delays.
- v) Misunderstanding of audit recommendations often results in inadequate corrective actions.

Recommendations

The following recommendations were arrived at analysis of tracked recommendations and management responses:

- i) Make implementation of audit recommendations a key performance target for Accounting Officers.
- ii) Establish a select Parliamentary committee solely focused on tracking the implementation recommendations emanating from audit reports.
- iii) Enforce stricter sanctions for those failing to implement audit recommendations, and anchor them in law.
- iv) Ensure budget considerations include provisions for recommendations requiring additional resources.
- v) Build capacity among Accounting Officers for better understanding and execution of recommendations.
- vi) Develop a mechanism to coordinate multi-agency efforts for implementing audit recommendations.

CHAPTER ONE: INTRODUCTION

1.1. Mandate of the Office of the Auditor-General

The Auditor-General is mandated by the Constitution of Kenya, under Article 229, to audit and report on the use of public resources by all entities funded from public funds. These entities include; the National Government, County Governments, the Judiciary, Parliament, Statutory Bodies/State Corporations, Commissions, Independent Offices, Political Parties funded from public funds, other government agencies and any other entity funded from public funds. In carrying out the mandate, the Auditor-General is also required, under Article 229(6) of the Constitution, to assess and confirm whether the public entities have utilized the public resources entrusted to them lawfully and in an effective way.

Further, the objects and authority of the Auditor-General, as outlined in Article 249 of the Constitution are: to protect the sovereignty of the people; to secure the observance by all State Organs of democratic values and principles; and, to promote constitutionalism. The Auditor-General has also been given powers by the Constitution, under Article 252, to conduct investigations, conciliations, mediations and negotiations and to issue summons to witnesses for the purpose of investigations.

1.2. Submission of Audit Reports and Scrutiny by Legislature

The effective functioning of democratic institutions is critical to the realization of good governance and accountability in public administration. It follows this that the Constitution, under Article 229, confers on the Auditor-General the responsibility of auditing and submitting audit reports of all entities funded by public funds to Parliament and/or the relevant County Assemblies within six (6) months of the end of every financial year.

Further, Article 229(8) requires that the respective legislative houses debate and consider the reports and take appropriate action within three months after receiving them. This underscores the pivotal role that legislature plays through overseeing the operations of the government and ensuring that public funds are managed efficiently and in an effective way.

Central to this oversight role is the issuance of recommendations following committee deliberation on audit reports and adoption by the respective legislative houses. These recommendations, once adopted, are intended to guide government agencies in improving service delivery, addressing inefficiencies, and fostering accountability within public institutions.

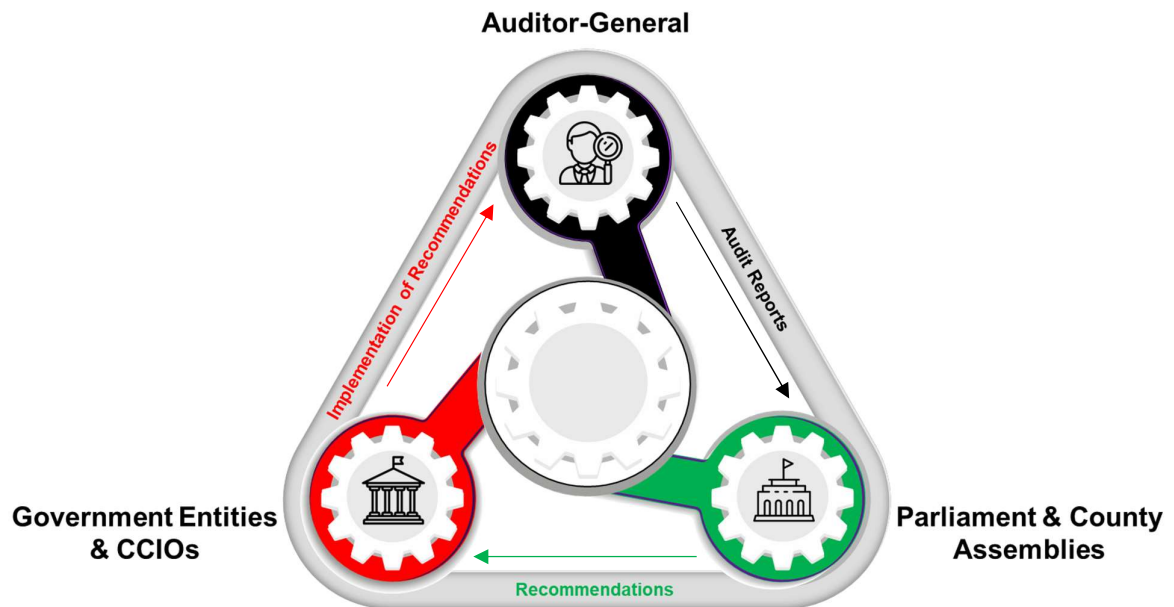
1.3. Implementation of Recommendations

Accounting officers of state organs and public entities are thereafter required to institute measures to implement the recommendations made by Parliament and/ or County Assemblies within three (3) months of their adoption or provide explanation(s) for any failure thereto, pursuant to Section 53 of the Public Audit Act, 2015.

1.4. Follow-up on Implementation of Recommendations

Section 31(1) of the Public Audit Act, 2015 requires that within three (3) months after Parliament or the County Assembly has debated and considered the final report of the Auditor-General and made recommendations, a state organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit. This requirement completes the accountability process by ensuring that recommendations made from issued audit reports are implemented as indicted in **Figure 3** below:

Figure 3: Fiscal Accountability Process



Source: OAG

Implementation of legislative audit recommendations is fundamental to ensuring that the reforms pursued through the Auditor-General's reports translate into tangible improvements in governance and public service delivery.

1.5. The Importance of Follow-up of Implementation of Legislative Recommendations

The role of the Legislature in Kenya extends beyond law-making. Parliament and County Assemblies are entrusted with the critical task of ensuring effective governance and holding the executive accountable in accordance with Article 95 and Article 185 of the Constitution of Kenya, 2010. Tracking, following up, and reporting on the status of implementation of recommendations made by these legislative institutions are essential functions for strengthening democracy, promoting good governance, and enhancing public service delivery.

Tracking and following up on the implementation of recommendations is important, specifically in the context of audits, legislative work, legal compliance, and fiscal responsibility, as detailed below: -

1.5.1. Measuring and Realizing Impact from Audit and the Work of Legislative Committees

One of the core functions of the Legislature, both at the national and county levels, is to ensure that public resources are used efficiently and effectively. Legislative committees play a critical role in scrutinizing the work of the executive and the utilization of public funds. Similarly, the Office of the Auditor-General conducts audits to assess whether government programs, departments, and agencies are functioning as intended.

Tracking and following up on the implementation of recommendations from these audits and committee reports is critical in measuring the real impact of these oversight efforts. Recommendations often point to areas where financial mismanagement, inefficiencies, or lack of transparency have been identified, and they outline corrective actions that need to be taken. Without systematic tracking and following up, there is a risk that these recommendations could remain unaddressed, rendering the audit and related oversight processes ineffective.

By monitoring the status of implementation of recommendations, Parliament and County Assemblies can assess whether the proposed changes or improvements have been realized and whether public resources are being used effectively. This process ensures that audit findings translate into concrete actions, ultimately improving the functioning of public institutions and the quality of services provided to citizens.

1.5.2. Compliance with Legal and Statutory Requirements

The Public Audit Act, 2015 mandates OAG to audit the public sector and submit reports to Parliament, County Assemblies, and other relevant bodies. Section 31 of the Public Audit Act, 2015 specifically requires the Executive to respond to the Auditor General's recommendations and to report back on the actions taken to address audit queries. Further, Section 53 of the Act further requires the Executive to implement the recommendations made in audit reports and provide periodic feedback on the progress of implementation.

Tracking the implementation of recommendations is essential for ensuring compliance with these statutory requirements. It enables the Legislature to ensure that the Executive is not only acting on audit findings but is also adhering to the legal requirements set forth in the Public Audit Act, 2015. This process of checking on

compliance promotes accountability, ensuring that there is follow-through on corrective actions taken and that public institutions do not omit or delay addressing issues of public concern.

1.5.3. Compliance with Auditing Standards Requiring Supreme Audit Institutions to Institute a Follow-Up Mechanism

The International Standards of Supreme Audit Institutions (ISSAIs), issued by the International Organization of Supreme Audit Institutions (INTOSAI), sets out global-best-practices for public sector auditing. The Standards require Supreme Audit Institutions (SAIs), such as Kenya's Office of the Auditor General, to not only conduct audits, but also establish a follow-up mechanism to track the implementation of recommendations. ISSAIs emphasizes the importance of monitoring and reporting on the progress of corrective actions taken by the government, following audit findings and recommendations.

By aligning Kenya's audit practices with ISSAIs, the Country ensures that its public audit systems are transparent, credible, and internationally recognized. Tracking and following up on the implementation of audit recommendations is a critical part of this framework. It ensures that the recommendations of the Auditor-General lead to meaningful improvements in public financial management and governance.

For Kenya, adhering to ISSAIs is not just a matter of compliance with international norms, but also a key part of fostering trust in public institutions and improving the overall effectiveness of its governance systems.

1.5.4. Improving Service Delivery to the Public

One of the direct benefits of tracking and following up on the implementation of recommendations is the improvement of service delivery to the public. Recommendations from Parliament and County Assemblies often focus on areas where public service delivery is weak or ineffective.

By ensuring that recommendations are followed through and implemented, the Legislature helps to ensure that government programs deliver the services they are intended to provide. Through systematic monitoring of progress, Parliament and County Assemblies can ensure that citizens benefit from tangible improvements in

service delivery, thus strengthening the legitimacy of government institutions and enhancing public trust.

Furthermore, the effective implementation of audit recommendations strengthens the institutional framework of public accountability, which is foundational to good governance in Kenya.

1.5.5. Enhancing Fiscal Responsibility

The Public Finance Management (PFM) Act, 2012 provides the legal framework for managing public finances in Kenya, ensuring that public resources are used prudently, transparently, and in a manner that benefits citizens. The PFM Act, 2012 outlines the responsibilities of the government in terms of planning, budgeting, expenditure, and reporting. One of its key principles is fiscal responsibility, which calls for the efficient management of public funds to support sustainable development.

Tracking and following-up on implementation of recommendations from both Parliament and County Assemblies play a critical role in enhancing fiscal responsibility. By monitoring the implementation of audit recommendations, the Legislature ensures that both national and county governments comply with these requirements, ultimately leading to more responsible fiscal management and better governance.

CHAPTER TWO: METHODOLOGY FOR TRACKING, FOLLOW-UP & REPORTING ON IMPLEMENTATION OF RECOMMENDATIONS

2.1. Introduction

Section 29 of the Public Audit Act, 2015 requires the Office of the Auditor-General to apply the applicable international standards, principles and practices in its audits - subject to the Constitution of Kenya, 2010 and any written law. Consequent to this legal provision, OAG has adopted the INTOSAI Framework of Professional Pronouncements (IFPP).

One of the Pronouncements in the IFPP is INTOSAI P-10 Principle 7 on the existence of effective follow-up mechanisms on SAI recommendations, which requires SAs to have their own internal follow-up system to ensure that the audited entities properly address their observations and recommendations, as well as those made by the Legislature, and subsequently submit their follow-up reports to the Legislature for consideration and action, even when SAs have their own statutory power for follow-up and sanctions.

It follows this, that OAG in June 2022 deployed a Framework for Tracking, Follow-Up and Reporting on the Implementation of Audit Recommendations. This Framework alongside selected adopted sections in GUID 3920 guided the development of an appropriate methodology for the follow-up system, which can be summarized into the following process: -

2.2. Review of the Legislative Report

This constitutes the review of the Legislative report to confirm whether the timelines allocated for audited entities, CCIOs and other obligated entities to implement the recommendations have lapsed. Further, the report is subjected to an in-depth review of the general and entity-specific recommendations, with the aim of classifying the recommendations according to the responsibility of implementation, similarity of actions or output and fiscal implication. The recommendations are then summarized and allocated to respective audit entities and/ or third-party implementing agencies, depending on where the responsibility of implementation lies.

2.3. Status Circularization to Audited Entities and CCIOs

The Office of the Auditor-General subsequently requests in writing, the responsible entity(ies) to make a representation on the actions they have taken to address the recommendations covered in the subject Legislative report. Responses by the audited entities and CCIOs management to this request are also required to be officially done in writing to OAG, for them to be considered as management representation.

2.4. Verification of Management Responses

The Office of the Auditor-General is required to identify the Expected Corrective Actions (ECAs) from each recommendation, depending on the responsibility of implementation, activities to be undertaken, timeframe for implementation and the desired output. From the identified ECAs, the Office then develops procedures for verifying the management representation. However, responses received from CCIOs, as recommendation implementors, based on their mandate(s), are not subjected to any verification process by the Office.

2.5. Conclusion on the Status of Implementation of Recommendations

The Office then summarizes the findings of the verification process in a conclusion statement for each recommendation. This conclusion is subjected to the criteria in **Table 2**, in arriving at an assessed status for the recommendation.

Table 2: Categories of the Status of Implementation of Recommendations

Decision criteria	Status
a. When all expected corrective actions have been concluded	Implemented
b. When expected corrective actions are initiated but not concluded	Partially Implemented
c. When expected corrective actions have not been initiated	Not Implemented
d. When no expected corrective action can be instituted to address the recommendation	Not Implementable
e. Mandate to implement the recommendation does not belong to the indicated entity or has shifted to a different entity through legislation	Not Applicable

Source: OAG Financial and Compliance Audit Methodology

The recommendations being tracked are then categorized depending on the type of recommendation as follows:

- i. Policy-based recommendations touch on developing or changing a policy guideline to address an underlying issue;

- ii. Investigative-based recommendations invite investigative agencies to initiate investigation on issues raised during the deliberations of audit reports;
- iii. Legislative-based recommendations are referrals to the Parliament/ Senate or County Assembly for review or amendment of an existing law or enactment of a new law all together to resolve a deficiency or gap noticed in the existing statutes;
- iv. Administrative-based recommendations require Accounting Officers to act within their capacity as the Accounting Officer of their entity to remedy an irregularity/ omission in the use of public resources;
- v. Prosecution-based recommendations prompt prosecution agencies to initiate prosecution based on an outright identified offense; and
- vi. Research-based recommendations require Accounting Officers to undertake research to identify the plausible cause and effect and thus resolving an occurrence or coming up with proper guidelines to address an issue.

2.6. Status Report

The culmination of the follow-up process is a report that details the rationale for follow-up, methodology applied and the status of implementation of recommendations for all entities covered by the report. This report is to be submitted to the relevant Legislative house for further action based on the requirement of Principle 7 of the INTOSAI P-10.

CHAPTER THREE: STATUS OF IMPLEMENTATION OF RECOMMENDATIONS

A. RECOMMENDATIONS FOR AUDITED ENTITIES

KENYATTA NATIONAL HOSPITAL

1. Inventories Financial Year 2012/2013

Recommendation

The National Assembly recommended that the Accounting Officer for the Kenyatta National Hospital should always adhere to statutory timelines on provision of documents for audit, failure to which the sanctions provided for under the Public Audit Act, 2015 ensues.

Management Response

The Accounting Officer submitted that the Hospital has adhered to statutory timelines on provision of documents for audit on timely manner.

Conclusion on Status

Provision of documents for audit in our subsequent audits have been done within the statutory timelines.

Recommendation Category: Administrative

Implementation status: Implemented

2. Trade And Other Receivables Financial Year 2012/2013 - 2017/2018

Recommendation

The National Assembly recommended that the KNH should provide for adequate funds for bad and doubtful debts in its books to cushion debtors that are emergency in nature.

Management Response

The Accounting Officer submitted that the long outstanding debts whose recoverability is doubtful have been provided for on monthly basis as impaired in the hospital's financial statements in accordance to International Public Sector Accounting Standards (IPSAS) and the Hospital Finance Manual and Policy.

Conclusion on Status

The provision for bad debts was made in accordance to International Public Sector Accounting Standards (IPSAS), the Hospital Finance Manual and the Policy. The recommendation was implemented.

Recommendation Category: Administrative

Implementation status: Implemented

3. Trade And Other Receivables Financial Year 2012/2013 - 2017/2018

Recommendation

Further, the National Assembly recommended that the KNH and NHIF should use same accounting standard (reconciliation) to avoid discrepancies on the amount due to KNH from NHIF.

Management Response

The Accounting Officer submitted that the hospital does monthly reconciliations with NHIF and discrepancies found are resolved on time.

Conclusion on Status

The KNH and NHIF do reconciliations and any discrepancies found are resolved on time. However, a review of the 2023/2024 Financial Statements revealed that only partial reconciliation was being carried out.

Recommendation Category: Administrative

Implementation status: Partially Implemented

4. Trade And Other Receivables Financial Year 2012/2013 - 2017/2018

Recommendation

In addition, National Assembly had recommended that the Chief Executive Officer of the KNH should ensure that any officer allocated imprest surrenders within seven days failure to which recovery should ensue as provided for under Regulation 93(6) of the Public Finance Management Regulations of 2015.

Management Response

The Accounting Officer submitted that all imprests issued to officers for official purposes had been surrendered within the stipulated time and recoveries made for un-surrendered imprests.

Conclusion on Status

The KNH reported temporary imprest in their financial statements for the financial year 2023/2024. The evidence to support the recoveries done for the un-surrendered imprests were not provided for review.

Recommendation Category: Administrative

Implementation status: Partially Implemented

5. Prepayment Issues

Recommendation

The National Assembly recommended that the Board of KNH should fully implement the PIC recommendations, as contained in the 19th Report, on the matter within three months of adoption of this report by surcharging the then Chief Executive Officer, Dr. Meshack Onguti for the loss totaling Kshs.31,733,575.90.

Management Response

The Accounting Officer submitted that as a state corporation, the Hospital is subject to the State Corporations act and the regulations made thereunder. It is the Inspector-General (corporations) who has the statutory mandate to review any claim submitted, in order to determine the adequacy and reliability of the evidence submitted in support of the surcharge. We await the outcome of the process. Pursuant to the powers conferred on the Inspector-General (Corporations) by section 19 of the State Corporations Act, CAP 466 of the Laws of Kenya, the Hospital has submitted the Claim for surcharge of Dr. Onguti to the Inspectorate of State Corporations.

Conclusion on Status

There is no documentary evidence on the part of the hospital that the Claim was submitted for surcharge of Dr. Onguti to the Inspectorate of State Corporations and that it awaits the outcome of the process.

Recommendation Category: Administrative

Implementation status: Not Implemented

6. Property, Plant and Equipment (2012/2013)

Recommendation

The National Assembly recommended that the KNH should keep proper and accurate books of account at all times. Further, the National Assembly recommended that the KNH Chief Executive Officer should expedite conclusion on the issues relating to LR No.209/12767.

Management Response

The Accounting Officer submitted that the matters are closed.

Conclusion on Status

The Accounting Officer submitted that the matters are closed. However, in the subsequent audits and in particular financial year ending 30 June, 2023 audit issues on incomplete and inaccurate records were raised, thus KNH did not keep proper and

accurate books of account. Further, details of how the matter on LR No.209/12767 was addressed were not provided.

Recommendation Category: Administrative

Implementation status: Not Implemented

7. National Hospital Insurance Fund (NHIF) Loss of Kshs.323,843,000 (Financial Year 2012/2013)

Recommendation

The National Assembly recommended KNH and NHIF Management should always be proactive in negotiations and signing of new contracts that responds to the needs of the medical environment.

Management Response

The Accounting Officer submitted that the amount has been on the increase due to;

- i. Increased national uptake of NHIF whereas the rebate rates have remained constant.
- ii. Increase of Hospital critical care capacity from 21 beds to over 100 ICU beds where the cost of service is significantly higher than the rebate rate of Kshs.4,000 per day
- iii. Increase in other specialized care services such as specialized surgeries, increased diagnostic services and expansion of newborn unit.

The Hospital Management has continued to engage the Fund on matters of NHIF contract rates of reimbursement on the provision of health services. The hospital has a new contract (2022-2024) with effect from July, 2022.

Conclusion on Status

The Hospital renegotiated contract commencing on 1 July, 2022 to enhanced the number of claimable services, however, annual losses were incurred over the subsequent years such as Financial Year 2022/2023 with a loss of Kshs.379,100,000 which is still significant.

Recommendation Category: Administrative

Implementation status: Partially Implemented

8. Borrowings (Financial Year 2012/2013 to Financial Year 2017/2018)

Recommendation

The National Assembly recommended that the KNH and The National Treasury should share information on the loan repayments to ensure that the KNH reflects the accurate status of the loan.

Management Response

The Accounting Officer submitted that the Government of Kenya entered into a credit agreement on 31 January, 2006 with Instituto De Credito Oficial of the Kingdom of Spain for a loan amounting to Euro 14 million for the purpose of financing the supply of medical equipment to KNH. The government initially proposed to disburse the proceeds of the credit agreement as a loan to KNH, however, due to social obligation the Hospital continuous to offers to indigent Kenyan citizens which impacts on the financial performance, the Board of Management requested The National Treasury to convert the Loan from an on-Lend loan to an on-Grant to the Hospital. In compliance to Public Investment Recommendations, The National Treasury and Planning, Ministry of Health and Kenyatta National Hospital jointly commenced the process of resolving this matter. The National Treasury and planning reviewed the Hospital request positively and drafted a subsidiary Grant agreement between Government of Kenya and KNH on the Spanish loan, which the Hospital signed on 12 April, 2022, the Cabinet Secretary, Ministry of Health signed on 21 June, 2022 and the Cabinet Secretary, The National Treasury and Planning signed on 4 August, 2022, effectively approving the on-granting of the proceeds of the credit facility to the Hospital.

Following the signing of the subsidiary grant agreement that convert the Euro 14 million Loan from an on-Lend loan to an on-Grant to the Hospital, KNH Board approved the passing of necessary book entry that extinguishes the long term borrowing in the Hospital books of account and recognized the Euro 14 million as a capital grant from the Government in the Financial Year 2021/2022. The treatment was discussed with and accepted by The Auditor-General during the audit of the Hospital's annual report and financial statement for the year ended 30 June, 2022.

Conclusion on Status

The treatment was disclosed in the Hospital's annual report and financial statement for the year ended 30 June, 2022.

Recommendation Category: Administrative

Implementation status: Implemented

9. Receivables From Exchange Transactions Financial Year 2013/14 - Payment to Monarch Insurance

Recommendation

The National Assembly recommended that the Hospital Management should sue the Monarch Insurance Company for reimbursement of its money together with the accrued interest.

Management Response

The Accounting Officer submitted that the Hospital is unable to follow up on the recovery of the amounts advanced since Section 4 (1) of the Limitation of Actions Act, CAP 22 provides that actions founded on contract may not be brought after the end of six (6) years from the date on which the cause of action accrued. In spite of this, the Hospital Management through Director Corporate Services & Legal Services is seeking leave to bring an action against Monarch Insurance Company out of time. It is upon leave being granted that the suit against the insurance company can be sustained.

Conclusion on Status

The Hospital did not sue the Monarch Insurance Company for reimbursement of its money together with the accrued interest.

Recommendation Category: Prosecution

Implementation status: Not Implemented

10. National Hospital Insurance Fund (NHIF) Loss (Financial Year 2013/2014 TO 2017/2018) - Free Maternity Loss

Recommendation

The National Assembly recommended that the KNH should re-engineer its operations and ensure that they minimize the cost while offering services to Kenyans.

Management Response

The Accounting Officer submitted that the Hospital Management has engaged the Ministry of Health in order to improve the reimbursement rate from the current rate of Kshs.17,500 to favorable rates at Kshs.48,000 and Kshs.22,000 for cesarean section and normal delivery respectively. These rates were included in the contract proposal forwarded on 26 January, 2022 vide letter reference KNH/FIN /85/Vol. II/132.

Conclusion on Status

The Hospital Management has not provided documentary evidence on how it has re-engineered its operations and ensured that they minimize the cost while offering services to Kenyans.

Recommendation Category: Administrative

Implementation status: Not Implemented

11. Property, Plant and Equipment (Financial Year 2014/2015 TO 2017/2018) - Provisions of Hot Water System**Recommendation**

The National Assembly recommended that then KNH CEO should be reprimanded for failure to claim compensation from KPLC.

Management Response

The Accounting Officer submitted that the matter is closed.

Conclusion on Status

The Accounting Officer submitted that the matter is closed. However, there are no details of the action taken to have the matter closed or documents to show that the reprimand was executed.

Recommendation Category: Administrative

Implementation status: Not Implemented

12. Unsupported Costs Financial Year 2014/2015 - Subsistence Allowance**Recommendation**

The National Assembly recommended that then Accounting Officers of the KNH should be reprimanded for approving an illegality notwithstanding the recovery of the amount from the two doctors.

Management Response

The Accounting Officer submitted that the issue was closed since the amount was recovered from the two doctors.

Conclusion on Status

There is no evidence of execution of the reprimand to the then Accounting Officer for approving an illegality.

Recommendation Category: Administrative

Implementation status: Not Implemented

13. Restated Expenditures

Recommendation

The National Assembly recommended that the Accounting Officer for the KNH should always ensure prompt reconciliation of the Hospital's accounts.

Management Response

The Accounting Officer submitted that the Hospital has implemented the Committee's recommendation and prepares monthly financial statements accompanied with the supporting schedules which has highly reduced the unsupported expenditures and reduced the chances of restating the financial statements.

Conclusion on Status

The supporting schedules were availed and reconciliation of the Hospital's accounts done as reviewed during the audit for the financial year 2023/2024.

Recommendation Category: Administrative

Implementation status: Implemented

14. Trade and Other Payables from Exchange Transactions (Financial Year 2014/2015 to Financial Year 2017/2018)

Recommendation

The National Assembly recommended that the Accounting Officer for the KNH should always ensure that documents on payables are in order and payments made promptly.

Management Response

The Accounting Officer submitted that the Hospital Board of Management has issued guidelines on prioritization of old outstanding accounts payments through the Finance Procedure Manual to ensure that payments to suppliers are made within the stipulated credit period.

Conclusion on Status

The issue trade and other payables has been raised and reported in subsequent years with an increasing trajectory implying that payments are not made promptly as recommended by the National Assembly.

Recommendation Category: Administrative

Implementation status: Not implemented.

15.Receivables from Non-Exchange Transactions (Financial Year 2015/2016)

Recommendation

The National Assembly recommended that the Accounting Officer for the KNH should apply for expeditious conclusion of the matter.

Management Response

The Accounting Officer submitted that the matter is before the court pending court's directions.

Conclusion on Status

The hospital has not provided any documentary evidence to show that it has applied for expeditious conclusion of the matter.

Recommendation Category: Prosecution

Implementation status: Not Implemented

16.Employee Cost (Financial Year 2015/2016)

Recommendation

The National Assembly recommended that;

- i) The State Corporation Advisory Committee should expedite processing approval of the KNH staff establishment and Human Resource Instruments.
- ii) The KNH board should develop a policy on succession management at the Hospital to ensure that critical departments are well resourced and that whenever staff retire, there are ready officers to take over.
- iii) The Accounting Officer for the KNH should ensure that the KNH has and applies an allowance policy as approved through the collective bargaining agreement negotiation process.

Management Response

The Accounting Officer submitted that;

- i) The Hospital Establishment was approved by the State Corporation Advisory Committee in May, 2021. The Hospital is implementing it in phases due to financial challenges.
- ii) The HR instruments approved in 2021 established a succession management unit within the Human Resource Division to enable the Hospital manage issues of succession. The Hospital has also developed a training needs assessment (TNA) and conducted skills gap analysis to assist in Human Resource planning

as well prioritize acquisition through training and sourcing of the critical skills the Hospital requires.

- iii) The Hospital has an approved Human Resource Policy and Procedures Manual which has guidelines and clearly states the allowances payable to staff. Further, the allowances are as guided by the Salary Remuneration Commission (SRC).
- iv) The collective bargaining agreement negotiation process is based on the existing policies within the Hospital and the guidance from SRC.

Conclusion on Status

The staff establishment and Human Resource Instruments were approved by the State Corporation Advisory Committee in May, 2021 and the collective bargaining agreement negotiation process is based on the existing policies within the Hospital and the guidance from SRC.

Recommendation Category: Administrative

Implementation status: Implemented

17. Security investigation expenses (Financial Year 2015/2016 TO 2017/2018)

Recommendation

The National Assembly recommended that then Accounting Officer for the KNH should be reprimanded for irregularly paying allowances to police officers. Further, the Accounting Officer should only pay allowances lawfully approved by the Salaries and Remuneration Commission.

Management Response

The Accounting Officer submitted that the Hospital has an approved Human Resource Policy and Procedures Manual which has guidelines and clearly states the allowances payable to staff as guided by the Salary Remuneration Commission (SRC).

Conclusion on Status

There is no documentary evidence that the then Accounting Officer was reprimanded. Further, the approved Human Resource Policy and Procedures Manual which has guidelines and clearly states the allowances payable to staff could only be used to guide on KNH staff and not hired security who are not in the KNH approved Human Resource instruments which could not be verified.

Recommendation Category: Administrative

Implementation status: Not Implemented

18. Board Members (Financial Year 2015/2016 to 2017/2019)

Recommendation

The National Assembly recommended that the Cabinet Secretary in charge of Health ensures compliance with Section 7(2) of the National Cohesion and Integration Act, 2008 when appointing directors of the KNH Board.

Management Response

The Accounting Officer submitted that the current Board appointments complies with Section 7(2) of the National Cohesion and Integration Act, 2008.

Conclusion on Status

The Hospital complied with Section 7(2) of the National Cohesion and Integration Act, 2008 with regard to the appointing directors of the KNH Board.

Recommendation Category: Administrative

Implementation status: Implemented

19. Impairment allowance (Financial Year 2016/2017)

Recommendation

The National Assembly recommended that the Accounting Officer for the KNH should always adhere to statutory timelines on submission of documents for audit verification.

Management Response

The Accounting Officer submitted that the Management has complied with the submission of the documents to the Office of the Auditor-General on set timelines. In addition, Management is in the process of implementing robust ERP system that will ease irretrievability of documents.

Conclusion on Status

Provision of documents for audit in our subsequent audits have been done within the statutory timelines.

Recommendation Category: Administrative

Implementation status: Implemented

20. Cash and Cash Equivalents Financial Year 2017/2018

Recommendation

The National Assembly recommended that the Accounting Officer for the KNH should always ensure prompt reconciliation of the Hospital's books of account.

Management Response

The Accounting Officer submitted that the Management is committed to maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Hospital through monthly reconciliations throughout the reporting period. In addition, implementation of ERP system will ease the reconciliation of the Hospital's books of account.

Conclusion on Status

The balances have continually been reconciled and availed for audit verification.

Recommendation Category: Administrative

Implementation status: Implemented

21. Inconsistencies in Depreciation Policy (Financial Year 2017/2018)**Recommendation**

The National Assembly recommended that the Accounting Officer for the KNH should ensure consistency in treatment of depreciation of the Hospital's assets.

Management Response

The Accounting Officer submitted that the Hospital Management carried out re-computation amounts using straight line method as stipulated in the Finance Manual and passed the necessary adjustments required in the books of account in the FY2019/2020. After concurrence with The Auditor-General, the financial statements for the FY2018/2019 were restated.

Conclusion on Status

The Hospital Management has ensured consistency in treatment of depreciation of the Hospital's assets.

Recommendation Category: Administrative

Implementation status: Implemented

22. Security investigation expenses (Financial Year 2015/2016 TO 2017/2018)**Recommendation**

The National Assembly recommended that the Accounting Officer should only pay allowances lawfully approved by the Salaries and Remuneration Commission.

Management Response

The Accounting Officer submitted that the Hospital has an approved Human Resource Policy and Procedures Manual which has guidelines and clearly states the allowances payable to staff as guided by the Salary Remuneration Commission (SRC).

Conclusion on Status

The approved Human Resource Policy and Procedures Manual which has guidelines and clearly states the allowances payable to staff could only be used to guide on KNH staff and not hired security who are not in the KNH approved Human Resource instruments which could not be verified.

Recommendation Category: Administrative

Implementation status: Not implemented.

23. Employee costs (Financial Year 2015/2016)**Recommendation**

The National Assembly recommended that;

- i) The KNH board should develop a policy on succession management at the Hospital to ensure that critical departments are well resourced and that whenever staff retire, there are ready officers to take over.
- ii) Further, the Accounting Officer for the KNH should ensure that the KNH has and applies an allowance policy as approved through the collective bargaining agreement negotiation process.

Management Response

The Accounting Officer submitted that the Hospital Establishment was approved by the State Corporation Advisory Committee in May, 2021. The Hospital is implementing it in phases due to financial challenges. The HR instruments approved in 2021 established a succession management unit within the Human Resource Division to enable the Hospital manage issues of succession. The Hospital has also developed training needs assessment (TNA) and conducted skills gap analysis to assist in Human Resource planning as well prioritize acquisition through training and sourcing of the critical skills the Hospital requires. The Hospital has an approved Human Resource Policy and Procedures Manual which has guidelines and clearly states the allowances payable to staff. Further, the allowances are as guided by the Salary Remuneration Commission (SRC). The collective bargaining agreement negotiation

process is based on the existing policies within the Hospital and the guidance from SRC

Conclusion on Status

The Succession Management Unit was established within the Human Resource division and the collective bargaining agreement negotiation process is based on the existing policies within the Hospital and the guidance from SRC.

Recommendation Category: Administrative

Implementation status: Implemented

24. Negative Working Capital**Recommendation**

The National Assembly recommended that KeNHA should devise other new ideas of financing projects and propose them to the National Assembly for approval.

Management Response

The Accounting Officer submitted that the Recommendations have been noted. Management had mooted alternative project financing models to supplement the Exchequer in project financing. These alternative models included Road Annuity Project financing and Public Private Partnerships (PPP). The former model did not take off due to the high cost of bids following the government's inability to offer sovereign guarantees to participating contractors or establish a local contractors' bank that will avail concessionary credit to contractors. The latter model, PPP has been successful. It has led to the expedited design and construction of the Nairobi Expressway. Two major projects namely the dualling of Nairobi – Nakuru – Mau Summit and the Mombasa – Nairobi Expressway are planned to be implemented through PPPs.

Conclusion on Status

The Road Annuity Project financing did not take off due to the high cost of bids, while the Public Private Partnerships (PPP) which has been successful were prior years initiatives by the National Government, The Authority needs to come up with more new ideas of financing projects and proposed them to the National Assembly for approval as recommended.

Recommendation Category: Legislative

Implementation status: Partially Implemented

25. High Interest on Delayed Contractors Payments**Recommendation**

The National Assembly recommended that KENHA Management should procure services based on the approved budget to avoid over commitment.

Management Response

The Accounting Officer submitted that the Management has noted the Committee's recommendations. The Management wishes to clarify that, prior to commencement of procurement of any GoK fully funded development project, it receives formal assurances from The National Treasury that adequate funds will be made available during the project life cycle to facilitate its smooth implementation and timely completion. However, due to the ever-increasing GoK commitments emanating from public demand, it has been difficult for The National Treasury to keep its part of the bargain in terms of effective project financing during the initial planned life cycle.

Owing to this reality, Management has cut down its uptake of new development projects, fully funded by GoK, to a bare minimum. Presently, Management is concentrating with the completion of ongoing development projects while incurring the avoidable interest on delayed payment resulting from employer's payment default occasioned by low sector ceilings since cancelling ongoing projects will not be cost effective. Management has noted the Committee's recommendations. Management has since Financial Year 2020/2021 been making full disclosures on contingent liabilities as required by Financial Reporting Standards on Contingent Liabilities, IAS17.

Conclusion on Status

The authority still makes commitments above the budget ceiling, contrary to the requirements of the Public Procurement and Asset Disposal Act, 2015. Further, The National Treasury has not been remitting adequate funds on a timely basis hence high interest on delayed contractors' payments.

Recommendation Category: Administrative

Implementation status: Not Implemented

26. Contingent liabilities (Financial Year 2019/2020)**Recommendation**

The National Assembly recommended that KeNHA should always disclose contingent liabilities in its books.

Management Response

The Accounting Officer submitted that the Management has noted the Committee's recommendations. The Management wishes to clarify that, prior to commencement of procurement of any GoK fully funded development project, it receives formal assurances from The National Treasury that adequate funds will be made available during the project life cycle to facilitate its smooth implementation and timely completion. However, due to the ever-increasing GoK commitments emanating from public demand, it has been difficult for The National Treasury to keep its part of the bargain in terms of effective project financing during the initial planned life cycle.

Owing to this reality, Management has cut down its uptake of new development projects, fully funded by GoK, to a bare minimum. Presently, Management is concentrating with the completion of ongoing development projects while incurring the avoidable interest on delayed payment resulting from employer's payment default occasioned by low sector ceilings since cancelling ongoing projects will not be cost effective.

Management has noted the Committee's recommendations. Management has since Financial Year 2020/2021 been making full disclosures on contingent liabilities as required by Financial Reporting Standards on Contingent Liabilities, IAS17.

Conclusion on Status

The authority has been disclosing contingent liabilities in the financial statements.

Recommendation Category: Administrative

Implementation status: Implemented

27. Development Pending Bills Financial Year 2019/2020**Recommendation**

The National Assembly recommended that the KeNHA should only implement projects after assurances from The National Treasury that there are adequate funds to implement the project.

Management Response

The Accounting Officer submitted that the Management has noted the Committee's recommendations. Management wishes to clarify that, prior to procurement of GoK fully funded development project, it receives formal assurances from The National Treasury that adequate funds will be made available during the project life cycle to facilitate its smooth implementation and timely completion. However, due to the ever-

increasing GoK commitments emanating from public demands, it has been difficult for The National Treasury to keep its part of the bargain in terms of effective project financing.

Conclusion on Status

The authority still over commits above the budget ceiling, contrary to the requirements of the Public Procurement and Asset Disposal Act, 2015. Further, The National Treasury has not been remitting adequate funds on a timely basis hence huge development pending bills.

Recommendation Category: Administrative

Implementation status: Not Implemented

28. Delayed Construction of Marigat Bridge and Approach Roads Along Marigat - Marich Pass (B17) Road Financial Year 2019/2020

Recommendation

The National Assembly recommended that Kshs.19,431,400.00 paid for supervision of extension of works should be borne by the contractor. KeNHA should get this amount from the liquidated damages before issuance of a practical completion certificate.

Management Response

The Accounting Officer submitted that the Management has noted the Committee's recommendations. Management is currently consulting the Office of the Attorney General on the best approach of handling the matter since the Extension of Time (EOT) granted to the Contract followed due process as per the contract between the Authority and the Contractor. The decision of the Evaluation Committee was duly communicated to the Contractor which led to the joint signing of Addendum No. 1 with the Contract. Attached and marked as KeNHA/ Marigat/ Bridge/ docs is a copy of the Evaluation Committee's Report which contains extracts of the contract document and contract claim for EOT.

Conclusion on Status

The authority did not recover the Kshs.19,431,400.00 paid for supervision of extension of works and thus the recommendation was not implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

29. Company Land**Recommendation**

The National Assembly recommended that the Accounting Officer for Rivatex East Africa Ltd should always provide documents for audit within the required timelines.

Management Response

The Accounting Officer submitted that the original title deed was availed for verification. The land without fixtures was earmarked for future expansion of the factory upon modernization and had already been utilized to construct the Spinning Department, a shed, the new tailoring unit, the new boilers & extension of the finished goods store.

Conclusion on Status

The National Assembly had recommended that the Accounting Officer for Rivatex East Africa Ltd should ensure provision of documents for audit within the required timelines. There was no similar audit issue raised in the subsequent audits.

Recommendation Category: Administrative

Implementation status: Implemented

30. Trade & Other Receivables Financial Year 2015/2016 to Financial Year 2017/2018 - Prepayments**Recommendation**

The National Assembly recommended that the Rivatex Management should ensure deliveries are done before payments are made.

Management Response

The Accounting Officer submitted that the prepayment of Kshs.13,978,936 was for cotton while the balance of Kshs.124,000 was in relation to the supply of dark room film from Seragraphics which cannot be traced. The prepaid cotton was delivered and received in 2019 as per the goods received notes and delivery notes provided to the Office of the Auditor-General for verification.

Conclusion on Status

The National Assembly recommended that only received deliveries for service, goods or works should be paid for to minimize loss of public funds through proper contract management in future. However, instances were noted in the subsequent audits where

suppliers or contractors did not adhere to contract delivery timelines despite considerable payments having being made.

Recommendation Category: Administrative

Implementation status: Not Implemented

31. Long Outstanding Trade & Other Receivables

Recommendation

The National Assembly recommended that the Management of Rivatex should continue pursuing the remaining balance.

Management Response

The Accounting Officer submitted that Kshs.14,384,290 related to Note 18(a) of which Rivatex had been following up on the debts in line with its debt policy (report on status of recovery provided). Rivatex had managed to collect some of the debts as per the reduced balances in 2017.

Conclusion on Status

There is no evidence that the Management's had made efforts to recover the long outstanding amount. Further, no evidence of recovery and the current status of the long outstanding debts of Kshs.1,500,741.98 due since the year 2017 cited in the Accounting Officer's submission.

Recommendation Category: Administrative

Implementation status: Not Implemented

32. Long Outstanding Trade & Other Receivables

Further, the National Assembly recommended that the Management should include punitive clauses for delayed deliverables by suppliers.

Management Response

The Accounting Officer did not submit any response on inclusion of punitive clauses for delayed deliverables by suppliers in the contracts.

Conclusion on Status

There was no response nor any documentary evidence of the implementation.

Recommendation Category: Administrative

Implementation status: Not Implemented

33. Trade Creditors & Payables Financial Year 2015/2016

Recommendation

The National Assembly recommended that the Management of Rivatex should always provide documents for audit verification as required section 62(a) and (b) of the Public Audit Act, 2015.

Management Response

The Accounting Officer submitted that the creditor's ledger, quotation / tenders, Local purchase order, invoices, demand notices or suppliers' statements were later availed for audit verification. Treasury Circular Ref: AG3/101/(7S) required Accounting Officers to achieve efficient utilization of resources. Rivatex did not receive any recurrent subventions from the Government for operations or salaries hence it procured goods and services on credit with repayments spread over the agreed upon credit period in line with good business & corporate practice based. Out of the accumulated trade creditors and other payables amounting to Kshs.51,406,658 as at 30 June, 2016, Kshs.38,774,978 which was the bulk of the total figure was payable to Goller GmbH for the Washing machine which was still being assembled and was paid on 26 July, 2016 upon delivery. The remaining Trade and Other Payables figure reduced by Kshs.903,994 to Kshs.12,631,680 in line the credit period.

Conclusion on Status

The National Assembly had recommended that the Accounting Officer for Rivatex East Africa Ltd to ensure provision of documents for audit within the required timelines. No similar audit issue was raised in the subsequent audits.

Recommendation Category: Administrative

Implementation status: Implemented

34. Unsupported Prior Year Adjustments Financial Year 2015/16

Recommendation

The National Assembly recommended that the Management of Rivatex should always provide documents for audit verification as required under section 62(a),(b) of the Public Audit Act, 2015.

Management Response

The Accounting Officer submitted that prior year adjustment to the cost of sales of Kshs.51,511,214 related to an independent professional valuation of work in progress in line with IFRS 13. The valuation report for the work in progress was later availed for

audit verification as it was received after year end giving rise to the prior year adjustment.

Conclusion on Status

The National Assembly had recommended that the Accounting Officer for Rivatex East Africa Ltd to ensure provision of documents for audit within the required timelines. No similar audit issue was raised in the subsequent audits.

Recommendation Category: Administrative

Implementation status: Implemented

35. Budget Control and Performance Financial Year 2015/2016 to Financial Year 2017/2018

Recommendation

The National Assembly recommended that the Management of Rivatex East Africa Ltd should budget well to avoid queries on budget control.

Management Response

The Accounting Officer submitted that the Annual budget projections for revenue & expenditure in line with standard budgeting practices was based on assumptions that certain factors would prevail during the budget implementation period. The company had assumed its funding requests would be approved and that the government would have advanced it KSh.1 billion for modernization of some critical areas in the factory. However, the government allocated less thus hindering the achievement of the set targets affecting production and consequently the sales as well as expenses due to use of machines with low efficiency.

In addition, the machines ordered were expected to be fully installed before the end of the financial year which was not the case thus the delay. The unavailability of high-quality installation accessories locally further delayed the process of installation.

Going forward, Rivatex East Africa Ltd will adopt a more robust and flexible budgeting process in the next financial year to avoid under expenditure.

Conclusion on Status

The Management of Rivatex East Africa Ltd has progressively improved the budget process over time. However, similar queries continue to appear in the subsequent audit reports and thus Rivatex East Africa Ltd has not been budgeting properly, making reasonable adjustments as and when required within the provisions of the law.

Recommendation Category: Administrative

Implementation status: not Implemented

36. Failure To Observe One Third Staff Establishment Rule

Recommendation

The National Assembly recommended that the Board of Rivatex East Africa should put in place measures to address the ethnic imbalance in the staff establishment within the 2022/2023 financial year.

Management Response

The Accounting Officer submitted that during the revival phase of Rivatex East Africa Limited, the Company recalled all the former skilled and experienced employees of the collapsed Rivatex and the response was majorly from those residing within Uasin Gishu County. The revival & recall was done in 2007 before the enactment of the National Cohesion and Integration Act, 2008. The Company is currently engaging employees from other ethnic communities and the trend has since improved with a view to comply with the Act.

Conclusion on Status

The Board of Rivatex East Africa has not indicated the measures it has put in place to address the ethnic imbalance in the staff establishment within the 2022/2023 financial year. The imbalance persists and was reported in the 2022/2023 financial year audit report.

Recommendation Category: Policy

Implementation status: Not Implemented

37. Inventory Financial Year 2017/18

Recommendation

The National Assembly recommended that the Rivatex East Africa Ltd should always stock chemicals that can be able to move out.

Management Response

The Accounting Officer submitted that Inventory balance of Kshs.664,478,202 as per note 18 of the financial statements was fully supported by stock take reports. Included in the raw materials of the store's ledger was chemicals (slow moving) figure of Kshs.15,484,685 not moving for the past 2 years. The Chemicals were reviewed in conjunction with the Supporting India Trade and Investment for Africa (SITA) and will be used for production of light shade products as their efficacy has not fully diminished

as well as for research purposes as part of the company's mandate for research & product development for its undergraduate & postgraduate programs in Manufacturing, industrial & Textile.

Conclusion on Status

Rivatex Management did not indicate the measures taken to minimize overstocking of slow-moving stock. However, the issue did not recur in the subsequent audit report.

Recommendation Category: Administrative

Implementation status: Implemented

38. Human Resource Management – Failure to Observe One Third Basic Salary Rule

Recommendation

The National Assembly recommended that the Management of Rivatex should comply with the provisions of Section 19(3) of the Employment Act, 2007.

Management Response

The Accounting Officer submitted that this matter related to Sacco deductions from employees' who access loans through the company Sacco which is independent of the company's operations, the Company had noted the recommendations according to Section 19(3) of the Employment Act and had since put in measures to ensure compliance with the same. It instituted measures to ensure the same did not occur in the payroll.

Conclusion on Status

Management has not fully complied with the provisions of Section 19(3) of the Employment Act, 2007 since the audit issue appeared in the subsequent audits. The Management did not show the measures put in place and how the situation improved.

Recommendation Category: Administrative

Implementation status: Not Implemented

KENYA ELECTRICITY GENERATING COMPANY (KENGEN)

39. Audit of KenGen's Books of Accounts

Recommendation

The National Assembly recommended that the books of accounts for KenGen be exclusively audited by the Office of the Auditor-General.

Management Response

The Accounting Officer submitted that KenGen had been paying TARDA Kshs.62M annually for dam maintenance and catchment preservation areas as per the attached letter for The National Treasury that was addressing separations of Assets. The Office of the Auditor General (OAG) has taken up this matter. The Office of the Auditor General is the principal auditor of KenGen's books of accounts, and they have been carrying out the compliance while supervising the delegated auditors including the audit for the year ended 30 June, 2024. The final Audit Opinion of the Financial Statement of KenGen has always been issued by The Auditor-General.

Conclusion on Status

Deloitte and Touche has an existing contract with the Office of the Auditor-General to audit KenGen books of Accounts. The contract is due to expire after the audit for Financial Year 2024/2025.

Recommendation Category: Administrative

Implementation status: Not Implemented

40. Amount due from Kenya Power and Lighting Company PLC (Financial Year 2019/2020)

Recommendation

The National Assembly recommended that the Accounting Officers for both the KenGen and the KPLC should ensure reconciliation of the figures and settlement of the amounts due.

Management Response

The Accounting Officer submitted that under the leadership of the KenGen and KPLC Managing Director and CEOs, the balances between the two companies have been reconciled. The related party balances for the two companies now agree and attached are signed-off reconciliations as at 30 June, 2024. The amount owing from KPLC is at 30 June, 2024 is Kshs.17,096,299,000 as per our financial statement

(USD.19,495,567.83 and Kshs.14,571,096,584.42) Exchange rate: Kshs.129.5270/USD which is the same as the amount confirmed by KPLC as at 30 June, 2024. The amount recorded for Aggreko was reconciled as at 30 June, 2024 between KenGen and KPLC and agree to be Kshs.231,086,000 as per the attached signed reconciliation between the two parties.

Both KenGen and KPLC Managing Director & CEOs have instituted a monthly payment plan which has led to reduction of KPLC debt significantly, with average credit days decreasing from 147 days in Financial Year 2022/2023 to 101 days in the current year due to ongoing monthly payment plans and reconciliations.

Conclusion on Status

The two companies have since agreed and reconciled the balance owing as Kshs.17,096,299,000 which has since been updated in KPLC's financial statements. The two companies also agreed on the amounts owed by Aggreko as Kshs.231,086,000 as per the signed reconciliation. Further, KenGen and KPLC have entered into a monthly payment plan to settle the outstanding balance. The amount due has not been fully settled.

Recommendation Category: Administrative

Implementation status: Partially Implemented

41. Non-Valuation of Property, Plant and Equipment (Financial Year /2020/2021)

Recommendation

The National Assembly recommended that the Accounting Officer of the KenGen should always ensure that the entity's assets are valued as per the set timelines.

Management Response

The Accounting Officer submitted that this was noted and the valuation was completed and incorporated in the Financial Statements for the year ended 30 June, 2022.

Conclusion on Status

The valuation of KenGen assets was completed in 2022 and incorporated in the financial statement as at 30 June, 2022.

Recommendation Category: Administrative

Implementation status: Implemented

42. Capital Work in Progress (Financial Year 2020/2021)

Recommendation

The National Assembly recommended that the Accounting Officer for KenGen should ensure expeditious transfer of assets belonging to KETRACO and recovery of the attendant costs expended in running them.

Management Response

The Accounting Officer submitted that in the year 2010, the Government of the Republic of Kenya received financing for the Kenya Electricity Expansion Project (KEEP) from various financiers for the construction of 280MW Olkaria IV & I AU Geothermal Project. KenGen was the Implementing Agency for the construction of Olkaria IV & I AU power plants, High Voltage Substations and Transmission Lines (the Project). The High Voltage Substations and Transmission Lines (LOT C) were implemented by KenGen on behalf of KETRACO.

Upon completion of the Project in 2015 and in accordance with the Implementation Agreement, KenGen was to sign a Novation agreement that would govern the transfer of assets and fulfilment of obligations thereof. This is in line with KETRACO's mandate as outlined in the Sessional Paper No.4, 2004, on Energy and Energy Act No. 12, 2006. KenGen incurred costs in the implementation of the project and has been servicing the loan principal and interest since June, 2015. The total cost incurred and due to KenGen by KETRACO as at 30 June, 2024 amounted to (EURO 36,897,460 equivalent to KShs 5,123,798,954).

In June, 2024, the Government, through The National Treasury, signed an amendment to the Subsidiary Loan Agreement with KenGen to offset an equivalent amount from EIB on-lent loan as consideration for the transfer of the asset to KETRACO. The Novation Agreement was subsequently signed between KenGen and KETRACO to officially transfer the assets.

Conclusion on Status

KenGen entered into a novation agreement with KETRACO to transfer the assets. However, the copy of agreement provided was not dated and sealed as required. Further, no acknowledgement of receipt of the assets was provided.

Additionally, KenGen provided an amended Subsidiary Loan Agreement to offset an equivalent amount of Kshs.5,123,798,954 from EIB on-lent loan as consideration for

transfer of assets to KETRACO, however, it is not clear whether the full consideration was received including the attendant costs expended in running those assets.

Recommendation Category: Administrative

Implementation status: Partially Implemented

43. Capital Work in Progress (Financial Year 2020/2021)

Recommendation

Further, The National Assembly recommended that the Accounting Officer for the KENGEN should provide the feasibility study reports for both Meru and Karura Hydro Projects for audit within the 2021/2022 financial year. Failure to which the sanctions imposed under the Public Audit Act, 2015 should ensue.

Management Response

The Accounting Officer submitted feasibility study reports for 400MW Wind Farm Development in Isiolo and Karura Peaking Plant - Project.

Conclusion on Status

The feasibility study reports availed by KenGen were for 400MW Wind Farm Development in Isiolo and Karura Peaking Plant - Project. No evidence was provided on how the former feasibility study report relates to the Meru Hydro Project.

Recommendation Category: Administrative

Implementation status: Partially Implemented

44. Amounts due to Kenya Power and Lighting Company PLC (Financial Year 2019/2020)

Recommendation

The National Assembly recommended that the Accounting Officers of EPRA, KenGen and the KPLC should meet and reconcile the figures in issue. The first meeting of the same should be convened by the Accounting Officer of KenGen.

Management Response

No response received from the client

Conclusion on Status

KenGen did not provide evidence of having convened a meeting with EPRA and KPLC nor having reconciled the figures in the issue.

Recommendation Category: Administrative

Implementation status: Not Implemented

45. Other Income (Financial Year 2017/2018)**Recommendation**

The National Assembly recommended that the Accounting Officer for the KPA should put in place mechanisms for reviewing the accuracy of documents before they are made public for action.

Management Response

The Accounting Officer submitted that the Authority has instituted processes to ensure that the documents are reviewed at Divisional, Department, and Executive Committee levels before issuance to the public.

Conclusion on Status

The management did not provide any evidence on the mechanism or processes instituted to ensure documents are accurate before publishing to the public.

Recommendation Category: Policy

Implementation status: Not Implemented

46. Establishment Expenses; Incentive Scheme (2017/2018)**Recommendation**

The National Assembly recommended that the Accounting Officer for the KPA should only pay allowances lawfully approved by the Board of KPA and State Corporations Advisory Council after consulting the Salaries and Remunerations Commission.

Management Response

The Accounting Officer submitted that management ensures compliance with applicable law(s) and regulations and acts as required. Allowances for union staff are based on the negotiated Collective Bargaining Agreement while the ones for Management are based on the approved Human Resource Instruments.

Conclusion on Status

A review of the subsequent audit reports, and in particular, the year ended 30 June, 2022 to assess adherence to Salaries and Remuneration Commission's approved circulars on remunerative allowances at the KPA revealed continued non-adherence.

Recommendation Category: Administrative

Implementation status: Not Implemented

47. Overtime Allowances

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should always ensure that the allowances payable at the KPA are within the structures of the law as signed and communicated from time to time from the Salaries and Remuneration Commission and State Corporations Advisory Council as well as the signed Collective Bargaining Agreements.

Management Response

The Accounting Officer submitted that the Management ensures compliance with applicable law(s) and regulations and acts as required. Allowances for union staff are based on the negotiated Collective Bargaining Agreement while the ones for Management are based on the approved Human Resource Instruments.

Conclusion on Status

A review of the subsequent audit reports, in particular, the year ended 30 June, 2022, to assess adherence to Salaries and Remuneration Commission's approved circulars on remunerative allowances at the KPA revealed continued non-adherence.

Recommendation Category: Administrative

Implementation status: Not Implemented

48. Operating Expenses (Financial Year 2017/2018) - Marine Spares

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should develop strong monitoring mechanisms to ensure adherence of standard operating procedures at the Authority.

Management Response

The Accounting Officer submitted that the management's previous response stands. At the time of servicing Nahodha II, it was discovered that the cylinder heads had cracks, and it was inevitable for the service provider to replace the cracked cylinder heads prior to LPO issuance after the invoice. The work was carried out and the Cylinder heads were replaced. The replaced cracked cylinder heads were delivered and at the time of audit were available at the Marine Engineering dockyard location. The Authority has Standard Operating Procedures guiding maintenance of equipment and assets of the Authority.

Conclusion on Status

The recommendation required the Accounting Officer for the KPA to develop strong monitoring mechanisms for adherence to standard operating procedures at the Authority. The actions in the submission do not address the implementation of the Recommendation.

Recommendation Category: Administrative

Implementation status: Not implemented.

49. Repairs To Port Infrastructure**Recommendation**

The National Assembly recommended that the Accounting Officer for the KPA ensure recovery of the monies paid to the contractors of Takaungu and Jomvu Kuu within the 2022/2023 Financial Year.

Management Response

The Accounting Officer submitted that the Government gave a directive in 2016 for all State Corporations and Agencies to secure all their properties by fencing and erecting a sign board clearly stating the ownership of the properties. The board of KPA approved the fencing of all KPA properties. With relation to the parcels of land at Takaungu and Jomvu Kuu, the contractors were handed over the site and work commenced. However, it was met with resistance from the community/squatters who pulled down the fences.

The management has expensed the works. The contracts were frustrated by the violent squatters who had invaded the plots and therefore beyond the control of the Authority and the vendor. Therefore, it was not possible for recovery measures to be undertaken.

Conclusion on Status

The Accounting Officer indicated that it was not possible for recovery measures to be undertaken. The contractors were frustrated by the violent squatters who had invaded the plots and therefore could not execute the contract as expected.

Recommendation Category: Administrative

Implementation status: will not be implemented

50. Administrative Expenses: Licenses and Computers

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should ensure that the authority's financial statements are presented in manner consistent with the International Public Sector Accounting Standards.

Management Response

The Accounting Officer submitted that the Authority clarifies that the Integrated Security System maintenance spares are procured on a demand basis (as the need arises). This ensures the Authority doesn't tie up capital and incur carrying costs. They are received and are immediately expensed upon issuance. These spares don't form part of the Authority's inventory. The Authority complies with the IAS 2 on Inventory Accounting.

The financial statements of the Authority are prepared on the basis of International Financial Reporting standards.

Conclusion on Status

The financial statements prepared in accordance with International Public Sector Accounting Standards.

Recommendation Category: Administrative

Implementation status: Implemented

51. Property Plant and Equipment; Approval of Access Road

Recommendation

The National Assembly recommended that the Accounting Officer of the KPA should seek belated ministerial approval of the impugned access road and ensure that it was available for usage by the public.

Management Response

This issue was satisfactorily explained and resolved as cited in the PIC 23rd report on consideration of the OAG's reports on the Financial Statements of State Corporations, page 450.

Conclusion on Status

This issue was not satisfactorily explained and resolved since no evidence of belated ministerial approval.

Recommendation Category: Administrative

Implementation status: Not Implemented

52.Assets Disclosed on Estimated Values

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should ensure valuation of assets added to KPA assets and coming from SGR should be valued and an accurate figure reflected in the KPA's books of account.

Management Response

The Accounting Officer submitted that the Authority has procured the services of a valuer to undertake the valuation exercise.

Conclusion on Status

No documentary evidence was provided to confirm that the valuation of the Assets had been conducted.

Recommendation Category: Administrative

Implementation status: Not Implemented

53.Works-In-Progress

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should ensure that all the Project Affected Persons that were duly compensated vacate the land for construction of Lamu Port within three months of adoption of this report.

Management Response

The Accounting Officer submitted that contrary to the observation made, Lamu port project land was included in the PPE schedule at the value of Kshs.1,925,347,734.70. The amounts relate to compensation of Project Affected Persons (PAPs) supervised by the National Lands Commission (NLC). As of this date, the first 3 berths are complete and operational.

Conclusion on Status

The Accounting Officer did not provide any evidence that all the Project Affected Persons that were duly compensated vacated the land for construction of Lamu Port within three months of adoption of the report but rather disputes the finding.

Recommendation Category: Administrative

Implementation status: Not Implemented

54.Receivables and Prepayments (2017/2018) - Long Outstanding Receivables

Recommendation

The National Assembly recommended that the Judiciary expedite conclusion of matters touching on KPA's long outstanding debts.

Management Response

The Accounting Officer submitted that Kenya Ports Authority (KPA) issued a customer notice on July 6, 2023, announcing a transition to cash-based payment terms for port services.

Conclusion on Status

This matter was addressed in the PIC's 23rd Report that called KPA to expedite negotiations with the Kenol Kobil and stop trading with defaulting debtors. The management has enforced cash-based payment for KPA services but the debt level continues to rise.

Recommendation Category: Administrative

Implementation status: Partially Implemented

55.Receivables and Prepayments (2017/2018) - Long Outstanding Receivables

Recommendation

Further, the National Assembly recommended that going forward, the KPA should vet its debtors and only do business with those debtors that honour their debt obligations.

Management Response

The Accounting Officer submitted that the Kenya Ports Authority (KPA) issued a customer notice on July 6, 2023, announcing a transition to cash-based payment terms for port services.

Conclusion on Status

The Management designed a credit control and debt policy in 2021. The Board approved the policy on 30 April, 2021 but no evidence of vetting was provided.

Recommendation Category: Policy

Implementation status: Partially Implemented

56. Other Investments

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should ensure that the authority's investments in Chase Bank are recouped from the SBM Bank

Management Response

The Accounting Officer submitted that the remainder of the funds of Kshs.747,607,813 are held by the Government's KDIC. KDIC has confirmed that the amount will be paid to KPA when the funds are available.

Conclusion on Status

Although the Accounting Officer submitted that the remainder of the funds of Kshs.747,607,813 are held by the Government's KDIC, there was no evidence to prove the fact. In addition, the Accounting Officer then did not recoup the authority's investments in Chase Bank from the SBM Bank as recommended.

Recommendation Category: Administrative

Implementation status: Not implemented.

57. Recruitment

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should always adhere to the lawfully approved organizational structure whenever recruiting staff.

Management Response

The Accounting Officer submitted that the Authority ensures compliance with applicable law(s) and appropriate regulations and Acts in staff employment. The current Organization Structure was duly approved and has addressed most of this issue. Relevant Board approvals for the said recruitment were in place.

Conclusion on Status

The Kenya Ports Authority (KPA) has now adhered to the PIC recommendation to recruit staff in line with the approved organizational structure.

Recommendation Category: Administrative

Implementation status: Implemented

58. Recruitment

Recommendation

Further, the National Assembly recommended that the Accounting Officer for the KPA should restructure the KPA's establishment to ensure that there are no staff on supernumerary employment.

Management Response

The Accounting Officer, submitted that the Authority ensures compliance with applicable law(s) and appropriate regulations and Acts in staff employment. The current Organization Structure was duly approved and has addressed most of this issue. Relevant Board approvals for the said recruitment were in place.

Conclusion on Status

The Management did not provide any evidence that the staff establishment ensures that there are no staff on supernumerary employment.

Recommendation Category: Policy

Implementation status: Not Implemented

59. Gender Composition - Financial Year 2017/2018

Recommendation

The National Assembly recommended that going forward, the KPA Board should adopt a recruitment policy that ensures gender parity.

Management Response

The Accounting Officer submitted that the Authority had made great efforts to enact the gender provisions contained in Article 232 (1) (h) and (i) regarding representation of Kenya's diverse ethnic groupings, both genders and persons with disability and that since the directives were issued the Authority has progressively improved on the gender balance.

Conclusion on Status

The KPA Board had not developed or adopted a recruitment policy that ensures gender parity in recruitment.

Recommendation Category: Policy

Implementation status: Not Implemented

60. Short Term Deposits (2017/2018)

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should always adhere to the law and government policies on investments.

Management Response

The Accounting Officer submitted that Short-Term deposits of Kshs.17,988,504,000.00 as at 30 June, 2018 were all invested in Treasury Bills. However, during Financial Year 2017/2018 management made call deposits ranging from 1-75 days. No deposits ran up to 91 days to qualify for the purchase of Treasury Bills. The Authority ensures compliance with applicable law(s) and regulations and acts within approvals granted. All the call deposits were made in banks approved by The National Treasury.

Conclusion on Status

The Accounting Officer had not indicated the measures taken to ensure adherence to the law and government policies on investments.

Recommendation Category: Administrative

Implementation status: Not Implemented.

61. Operating Revenue (2018/2019) Undercharging of Revenue from Storage of Empty Containers

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should always submit documents for audit within the statutory timelines, failure to which the sanctions provided under the Public Audit Act, 2015 ensue.

Management Response

The Management takes note of the OAG's observations and the PIC's recommendations. In the subsequent financial years' audit, the Authority has ensured compliance and has taken corrective action to minimize recurrence and non-compliance.

Conclusion on Status

Although the Management of the Authority indicates that they have taken corrective action to minimize recurrence and non-compliance, the corrective actions were not disclosed, and similar audit issues were reported in the subsequent audit reports.

Recommendation Category: Administrative

Implementation status: Not implemented

62. Un-confirmed licenses revenue

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should always submit documents for audit within the statutory timelines failure to which the sanctions provided under the Public Audit Act, 2015 should apply.

Management Response

The Accounting Officer submitted that the Management takes note of the OAG's observations and the PIC's recommendations. In the subsequent financial years' audit, the Authority has ensured compliance by submitting documents for audit as expected and has taken corrective action to minimize recurrence and non-compliance.

Conclusion on Status

Although the Management of the Authority indicates that they have taken corrective action to minimize recurrence and non-compliance, the corrective actions are not disclosed and similar audit issues were reported in the subsequent audit reports.

Recommendation Category: Administrative

Implementation status: Not implemented

63. Basic Salary Paid for Hours Not Worked (2018/2019)

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should adhere to Salaries and Remuneration Commission's approved circulars on remunerative allowances at the KPA.

Management Response

The Accounting Officer submitted that the Authority ensures compliance with applicable law(s) and appropriate regulations and Acts within approvals granted. Staff remuneration is guided by the Approved salary structures as approved by the Salaries and Remuneration Commission and the registered Collective Bargaining Agreement.

Conclusion on Status

A review of the subsequent audit reports, in particular, the year ended 30 June, 2022 to assess adherence to Salaries and Remuneration Commission's approved circulars on remunerative allowances at the KPA revealed continued non-adherence.

Recommendation Category: Administrative

Implementation status: Not Implemented

64. Administrative Expenditure (Financial Year 2018/2019) - Wrong charge to development studies expenditure

Recommendation

The National Assembly recommended that the KPA be paid by the KRC Kshs.33,880,500 spent in transfer of containers belonging KRC.

Management Response

The main role of development studies vote includes research activities, port logistical support activities, comparative studies, port improvement activities, conferences related to corporate development amongst others.

The cost of transferring empty containers EX ICDN from Port Reitz marshalling area to the Port and development studies relate to port logistical support activities.

The Authority temporarily outsourced the services of transferring non-merchant empty containers from the yard at the SGR area, for storage at the yard located at Toyo area, to decongest the SGR area and create adequate space for operations.

These are legitimate expenses of the Authority and refunds from KRC is not possible.

The Authority complies with the Public Procurement and Asset Disposal Act.

Conclusion on Status

The recommendation will not be implemented due to the prevailing circumstances that do not warrant execution as recommended.

Recommendation Category: Administrative

Implementation status: will not be implemented

65. Administrative Expenditure (Financial Year 2018/2019) - Wrong charge to development studies expenditure

Recommendation

Further, the National Assembly recommended that the Accounting Officer for the KPA should always adhere to the procurement laws whenever procuring for goods and services.

Management Response

The Accounting Officer submitted that the main role of development studies vote includes research activities, port logistical support activities, comparative studies, port improvement activities, conferences related to corporate development amongst others. The cost of transferring empty containers EX ICDN from Port Reitz marshalling area to the Port and development studies relate to port logistical support activities. The

Authority temporarily outsourced the services of transferring non-merchant empty containers from the yard at the SGR area, for storage at the yard located at Toyo area, to decongest the SGR area and create adequate space for operations. These are legitimate expenses of the Authority and refunds from KRC is not possible. The Authority complies with the Public Procurement and Asset Disposal Act.

Conclusion on Status

A review of the subsequent audit reports revealed that similar audit issues of non-compliance with procurement law were raised.

Recommendation Category: Administrative

Implementation status: Not Implemented

66. Insurance Premiums - Unconfirmed Plant All Risk Policy Insurance

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should always adhere to statutory timelines on submission of documents for audit.

Management Response

The Accounting Officer submitted that Plant All Risks cover is arranged on replacement basis that is new for old which means when there is total loss the Authority is paid value of new a machine similar to the one that is damaged. In case of repairs old spare parts are replaced with new ones. Therefore, sum insured is the purchase price and not the book value of the machine. All assets insured under the policy have identification numbers issued by the Authority (local numbers) which numbers are usually used by insurers in identifying the assets.

Conclusion on Status

Although, the Management of the Authority has explained the circumstances leading to the audit issue, the corrective actions undertaken to address the recommendation were not disclosed and similar audit issues were reported in the subsequent audit reports.

Recommendation Category: Administrative

Implementation status: Not implemented

67. Insurance Premiums - Variation of Staff Group Cover Insurance

Recommendation

The Accounting Officer for the KPA should always adhere to statutory timelines on submission of documents for audit within the required timelines.

Management Response

The Authority takes note of the recommendations and confirms that currently no delays are experienced in submission of documents.

Conclusion on Status

Although, the Management of the Authority indicates that currently no delays are experienced in submission of documents, similar audit issues were reported in the subsequent audit reports.

Recommendation Category: Administrative

Implementation status: Not implemented

68. Insurance Premiums - Unsettled Claims

Recommendation

The National Assembly recommended that the KPA should sue AMACO for recovery of the premiums paid.

Management Response

The Accounting Officer submitted that the Contract of the said insurance company was terminated in March 2019 and the Authority did not pay renewal premium for insurance year 2019, and therefore no money was lost. Insurance year runs from 1 January to 31 December of every calendar year. Regarding settlement of claims, KPA paid garages using part of the withheld premium. The premiums cannot be recovered as the insurance ran for the one-year period.

Conclusion on Status

The Accounting Officer did not implement the recommendations.

Recommendation Category: Prosecution

Implementation status: Not Implemented

69. Insurance Premiums - Insurance for Kenya Ports Authority Pension Scheme Assets

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should recover all the monies paid as insurance for the KPA pension Scheme.

Management Response

The Accounting Officer submitted that the Authority arranges insurance cover for Kenya Ports Authority Pension Scheme due to lack of insurance expertise at the said scheme. However, the Pension Scheme is now independent with full capacity to undertake procurement of insurance services. The Pension Scheme refunded the Authority the premiums paid on its behalf.

Conclusion on Status

There is no evidence that KPA recovered all the monies paid as insurance for the KPA pension Scheme.

Recommendation Category: Administrative

Implementation status: Not Implemented

70. Receivables And Prepayments (Financial Year 2018/2019): Debt Recoverability

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should pursue all KPA debtors and ensure that they honour their debts.

Management Response

The increase in receivables is mainly due to disputed cases which are being negotiated with the customers for settlement. The Authority continues trading with these customers as a way of enforcing recovery as we have seen cases where customers have gone to court seeking injunction compelling KPA to allow them to continue operating and estopping collection of debt. In view of this inefficiency in the legal system the prudent thing to do is to negotiate, persuade and threaten.

Conclusion on Status

The Management did not provide any evidence that they had pursued the debtors to honor their debts.

Recommendation Category: Administrative

Implementation status: Not Implemented

71. Doubtful debts

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should continue pursuing recovery of the pending debts due to the KPA.

Management Response

The Accounting Officer submitted that the Authority has continued to pursue the debtors through negotiations and court processes.

Conclusion on Status

There was no evidence that the Authority had continued to pursue the debtors through negotiations and court processes in absence of documentation as submitted.

Recommendation Category: Administrative

Implementation status: Not Implemented

72. Unconfirmed borrowings obligation (Financial Year 2018/2019)

Recommendation

The National Assembly recommended that the financial rejuvenation plan the KNSL should be disclosed to the public.

Management Response

The Accounting Officer submitted that a multi-agency Technical Committee was established to advise and negotiate on the value proposition offered by MSC on the Revival of KNSL. The committee draws membership from The National Treasury, the State Department for Shipping & Maritime, the State Department for Transport, the Office of the Attorney General, Blue Economy Standing Implementation and Kenya Ports Authority. Whereas the negotiations have not been finalized, a tentative clause agreed by all the Committee members is that an annual Fixed fee shall be payable to KPA to ensure annual JICA loan obligation is fully covered. The process of revival of KNSL encountered challenges both operational and legal. The Government direction changed and CT2 is now fully operated by the Authority.

Conclusion on Status

The Cabinet on 21 January, 2025 approved divestiture/dissolution of KNSL as per the cabinet news dated 21 January, 2025. The continued existence of KNSL as an entity is not guaranteed and therefore the recommendation will not be implemented.

Recommendation Category: Administrative

Implementation status: Will not be implemented

73. Budgetary control and performance

Recommendation

The National Assembly recommended that the Accounting Officer should always ensure that budgeting is accurately done.

Management Response

The Accounting Officer submitted that the budgeting process is guided by the anticipated macro-economic projections in the country and the region. Where there are significant changes in the macro-economic indicators, the revenue budget is significantly affected. The significant increase in storage revenue at the ICD resulted from operationalization of SGR with increased containers delivered to ICD.

Revenue Budget

The wider growth margin on revenue compared to budget is due to storage. A brief look at the performance of container revenue both for Mombasa and ICD, out of the total revenue earned storage. Storage revenue performance was Kshs.12,608 million in 2018/19. Storage revenue is not a core revenue activity and is usually highly discounted during the budgeting process being a sign of inefficiencies.

Expenditure Budget

Over expenditure under impairment loss was due to disputed bills which increased trade receivables. The Authority has set up a dispute resolution committee to resolve disputes. As provided for in the policy the Authority is pursuing the debts through meetings and customers are allowed to enter into a payment plan which are monitored by the debts collections officers. The increase in other losses was due to revaluation deficit while over expenditure under finance cost was due discounts allowed to customers which is pegged on the amount of revenue collected. Management will endeavor to ensure that the above items are adequately budgeted for.

Regarding approval of supplementary budget, approval was granted vide letter referenced MOT&I/FIN/004VOL.XVI (108) dated 5 July, 2019.

Conclusion on Status

The Accounting Officer did not indicate with evidence the measures taken to ensure that budgeting is accurately done.

Recommendation Category: Administrative

Implementation status: Not Implemented

74. Staff establishment (Financial Year 2018/2019): Irregular payment of acting allowances

Recommendation

The National Assembly recommended that both the Accounting Officer and the KPA Board should always ensure that KPA officers appointed in acting capacities should not exceed the timelines of service in acting positions provided in law.

Management Response

The Authority has a policy in place to guide on the acting capacities.

Conclusion on Status

The management still did not follow the regulations provided in their approved Human Resource Policy.

Recommendation Category: Administrative

Implementation status: Not implemented.

75. Irregular payment of special duty allowances - 2018/2019

Recommendation

The National Assembly recommended that the then accounting for the KPA should be reprimanded for irregularly paying special duty allowances to certain officers for more than six months.

Management Response

The Accounting Officer submitted that the Authority pays duty allowance to staff who do not qualify for the higher positions against which they have been recommended to act and that this is critical for continuity of work.

Conclusion on Status

There was no evidence of reprimand by the Accounting Officer or appointing Authorities to the then accounting for the KPA.

Recommendation Category: Administrative

Implementation status: Not Implemented

76. Overtime allowances paid to employees on training grades (Financial Year 2018/2019)

Recommendation

The National Assembly recommended that going forward, the Accounting Officer for the KPA should only pay lawfully approved allowances.

Management Response

The Accounting Officer submitted that on the contrary, no manager in Grade HM4 was paid overtime, the staff in your list were promoted to managerial positions after July 2018, however the overtime noted as paid to them were arrears due to them given that the CBA for 2018/2019 was implemented in August, 2018 and backdated to 1 January, 2018 when they were still Unionisable employees. Samples Promotion letters and pay-slips for some staff in the list was availed.

Regarding payment of overtime to trainees, the position is that this was necessitated by staff shortages and pressure of work especially that was being experienced following the inception of the SGR container freight services.

Conclusion on Status

The Accounting Officer ceased paying the allowances in question.

Recommendation Category: Administrative

Implementation status: Implemented

77. Duty Travel Allowances (Financial Year 2018/2019)**Recommendation**

The National Assembly recommended that the Accounting Officer for the KPA should adhere to statutory timelines in the provision of documents for audit.

Management Response

The Authority shall endeavor to provide documents to the Office of the Auditor-General within the statutory timelines.

Conclusion on Status

Although, the Management of the Authority indicates that they endeavour to provide documents to the Office of the Auditor-General within the statutory timelines, similar audit issues were reported in the subsequent audit reports.

Recommendation Category: Administrative

Implementation status: Not implemented

78. Gender composition - Financial Year 2018/2019**Recommendation**

The National Assembly recommended that the KPA board should introduce affirmative action programmes to adhere to the gender representation.

Management Response

The Accounting Officer submitted that the Authority has made great efforts to implement the gender provisions contained in Article 232 1) h) and i) regarding representation of Kenya's diverse ethnic groupings, both genders and persons with disability. This is despite the Port (and Shipping) industry being one of the most male-dominated industries in the world.

Table below illustrates that since the directives were issued the Authority has progressively improved on the gender balance as the figures show in **Table 3** below;

Table 3: Gender Distribution in KPA

Date	Total	Male		Female	
	Count	Count	%	Count	%
Oct 2006 (Before the 30% Directive on gender)	4,725	3,844	81.35%	881	18.65%
Jun-24	6,245	4,853	77.71%	1,392	22.29%

Source: Kenya Ports Authority

Through deliberate efforts to comply, the Authority has improved from a 18.65% to 22.29% female employees in the total workforce. The Authority is committed to complying to all prevailing laws, rules and regulations and guidelines.

In addition, the Authority recruited 16 staff during the 2023/2024 Financial Year. 11 staff (69 percent) were female while the rest were male. This was a result of a demonstrated and deliberate effort by Management to shore up the numbers of female staff in the Authority.

Conclusion on Status

The management is yet to meet the statutory requirement.

Recommendation Category: Administrative

Implementation status: Partially Implemented

79. Ethnic composition (Financial Year 2018/2019)

Recommendation

The National Assembly recommended that the KPA board should introduce affirmative action programmes to adhere to gender representation.

Management Response

The Accounting Officer submitted that the Authority is currently renewing efforts to ensure compliance with Section 7(2) of the National Cohesion and Integration Act, 2008. The current staff numbers and composition in terms of ethnic representation are

partly historical in nature. The dominant community may over time have had more representation especially before the Act came into existence in 2008.

It suffices to say that the Authority has recently made efforts to improve the numbers by actively hiring from under-represented communities hence reducing the numbers of the dominant community to ensure that in the long run there is compliance with the constitution.

Conclusion on Status

The Accounting Officer did not indicate measures taken to ensure compliance with Section 7(2) of the National Cohesion and Integration Act, 2008 and did not adhere to gender representation.

Recommendation Category: Administrative

Implementation status: Not Implemented

80. Corporate social responsibility expenditure

Recommendation

The National Assembly recommended that considering that management owned up violating the procurement Act, the then Accounting Officer for the KPA and his then head of the procurement function should be reprimanded.

Management Response

Your observation and comments are noted. The non-compliance with internal procedure was noted on this case we have streamlined the process going forward.

Conclusion on Status

There is no evidence that the then Accounting Officer for the KPA and his then head of the procurement function officers were reprimanded as per the recommendation.

Recommendation Category: Administrative

Implementation status: Not Implemented

81. Unsupported training expenditure

Recommendation

The National Assembly recommended that the then Accounting Officer for the KPA and his then head of the procurement function should be reprimanded for violating the procurement Act.

Management Response

The Accounting Officer submitted as follows;

Occupational Health and Safety Training

The proposal for the training of the Occupational Health and Safety Committee/Nebosh International General Certification in OSH originated from the Safety Branch/Port Fire Officer who are responsible for the safe Port environment and safety of the employees in the Authority. Safety Branch is represented in all the department by Occupational Health and Safety Committee. The training of the committee was to ensure they get knowledge which will assist them to create awareness on how to reduce or eliminate hazards to employees in their respective departments. Approval for this training was sort after the 3 consultants gave their quotation. M/s Brainstorm Management Consultants, M/s Eureka Educational & Training Consultants and M/s Varel Engineering Company. M/s Varel Engineering Company was awarded the training since they were lowest bidder.

Brainstorm Management Consultants and Eureka Educational & Training Consultants were awarded the tender to conduct Health, safety and Environment course for Kenya Ports Authority staff but following complaints from Safety officer (item 4) who noted that the Consultants were not among the approved training Institution for Occupational Health and Safety and attached for us a list of the approved ones (Item 4). Further to this, the firms of reference of one tender for training on Occupational Health and Safety did not specify that the institution must be DOSHS accredited but only specified that the course contents in the curriculum for workplace Safety & Health Committees.

The Varel Engineering Company training calendar was forwarded to the department by the Safety Officers but to cut costs we opted for in-house training to save costs.

Training of Teachers

The Ministry of Education introduced Competency Based Curriculum (CBC) for Early Years Education throughout the Country in the year 2017 where pilot project was carried out in 4700 Government schools, this also involved training of a few teachers in the same schools.

In 2018 all schools were required to comply with the directive immediately then.

The training was not in the training plan for the year under review but the Government decision and directive regarding this matter was not foreseen.

None of the prequalified suppliers for provision of training had indication that they were qualified to offer training for Early Years Education (ECD). Based on this, we liaised with the three vendors who had expressed interest in training ECD, and they were evaluated on that basis.

This was a crash program to be compliant as demanded by the Ministry of Education. Given the urgency of the matter, the committee process could have adversely delayed the implementation. Those who were trained are KPA teachers, their supervisors and 12 volunteer's teachers some of whom have rendered the service for many years and are still with us.

As indicated, this was a crash program and compliance were required within a short period. The county Government funding was not an option in view of the above and the fact that KPA schools are classified under private schools.

The Authority communicated with the vendor after the approval of training and training was successfully carried out as per the approved program and trainees issued with certificates at the end of the training.

A total of 38 teachers and supervisors were trained, and the list is available.

The training was supervised by the County Officials. The trainees were not bonded as KPA only bonds a trainee who attend a course that last more than six months or cost over 2 million shillings per employee.

KPA confirms that there was no breach of procurement law.

Conclusion on Status

There is no evidence that the then Accounting Officer and his then head of the procurement function were reprimanded for violating the procurement Act.

Recommendation Category: Administrative

Implementation status: Not implemented

82. Electrical services expenditure (Financial Year 2018/2019)

Recommendation

The National Assembly recommended that the then Accounting Officer for the KPA and his then head of the procurement function should be reprimanded for violating the procurement Act.

Management Response

The Accounting Officer submitted that the 14 biannual contractors were notified of award of the tender captioned above on 3 November, 2016 vide letter PSM/CTC/1/01(007) VOL.1. The Authority therefore subsequently invited them for contract signing and execution. As expected, the biannual contractors did not all come and sign their contracts at the same time with some delays of over three (3) months. The contracts did not therefore expire on the same time with some contracts running

up to March 2019 and therefore eligible to be awarded jobs as per contractual law. For the sake of works progression and so that we do not disadvantage those whose contracts had expired, an extension of contract was sought from the Managing Director. The extension was supposed to cover from the period the contract expired on 2 November, 2018 for three months or up to when a new contract shall have come in force. Instructions to issue LPOs for all the captured works in the annex were therefore issued during the three months' period from 2 November, 2018 to 2 February, 2019.

Conclusion on Status

There was evidence that the then Accounting Officer for the KPA and the then head of the procurement function were reprimanded for violating the procurement Act.

Recommendation Category: Administrative

Implementation status: Not Implemented

83. Port infrastructure and electrical repairs

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should ensure adherence to the International Public Sector Accounting Standards and also submit documents for audit within the statutory timelines.

Management Response

The Accounting Officer submitted that the Management confirms that the KPA financial statements are prepared based on International Financial Reporting Standards. SAP procedures require capital expenditure be accumulated in orders before capitalization. The order accumulation process is done in an expense account before settlement to a work in progress and subsequently the expenditure is capitalized.

Management was not in breach of International Financial Reporting Standards.

Conclusion on Status

Although, the Management of the Authority has adhered to the International Public Sector Accounting Standards, the failure to submit documents within the statutory timelines continued to attract similar audit issues reported in the subsequent audit reports.

Recommendation Category: Policy

Implementation status: Partially Implemented

84. Kisumu Port (Financial Year 2018/2019)

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should always adhere to the procurement law when procuring goods and services.

Management Response

The Accounting Officer submitted that the Management adheres to the Procurement Plan and Approved Budget. Where expenditure is projected to exceed the Approved Budget, supplementary budget approvals are obtained.

Conclusion on Status

Similar issues have continued to be raised in the subsequent audit reports

Recommendation Category: Legislative

Implementation status: Not Implemented

85. Unconfirmed storage revenue

Recommendation

The National Assembly recommended that the Accounting Officer for the KPA should always adhere to statutory timelines on submission of documents for audit.

Management Response

The Accounting Officer submitted that the observation was noted. Management had developed procedures to ensure that documents are submitted within the statutory timelines.

Conclusion on Status

Although, the Management of the Authority indicates that they have developed procedures to ensure that documents are submitted within the statutory timelines, the procedures are not disclosed and similar audit issues were reported in the subsequent audit report.

Recommendation Category: Administrative

Implementation status: Not implemented

86. Weak controls on management of overtime (Financial Year 2018/2019)

Recommendation

The National Assembly recommended that considering that management owned to irregularities in payment of overtime allowance, the Accounting Officer of the KPA

should always adhere to the Salaries and Remuneration Commission on payment allowances.

Management Response

The Authority does not have a policy on the payment of allowance in its HR manual policy document. However, overtime is paid to union staff based a registered CBA.

Conclusion on Status

A review of the subsequent audit reports, in particular, the year ended 30 June, 2022 to assess adherence to Salaries and Remuneration Commission's approved circulars on remunerative allowances at the KPA revealed continued non-adherence.

Recommendation Category: Administrative

Implementation status: Not Implemented

NATIONAL HOUSING CORPORATION

87. Stalled Projects Financial Year 2012/13 to Financial Year 2014/15

Recommendation

The National Assembly recommended that the then Managing Director of the NHC should be reprimanded for commencing a project before critical approvals such as NEMA certificate. Further, in future, public participation should be done (including with tenants and the locals) before implementation of a housing project.

Management Response

The Accounting Officer submitted that the Corporation acknowledges the Committee's recommendation regarding the reprimand of the then Managing Director for initiating a project before obtaining critical approvals such as the NEMA certificate.

The necessary steps to implement this recommendation, including the issuance of a formal reprimand, has been done. The Corporation remains committed to ensuring compliance with all regulatory requirements in future projects. Further, Public participation has been incorporated as a key component of the planning process. This practice is currently being applied in all our projects to ensure transparency and inclusivity.

Conclusion on Status

The Management did not provide evidence of execution of the formal reprimand and that public participation is done for all housing projects.

Recommendation Category: Administrative

Implementation status: Not Implemented

88. Property Plant and Equipment Financial Year 2012/2013 - Land and Buildings

Recommendation

The National Assembly recommended that the management of NHC should apply for expeditious conclusion of the matter touching on Mavoko Land that was pending in Court.

Management Response

The Accounting Officer submitted that the case is still pending determination by the Court. The court case is scheduled for hearing of the petitions on the 13/03/2025. Further, conclusion of the Court cases are guided by the provisions of the Civil Procedure Act and Rules made thereunder as well as Court's directions.

Conclusion on Status

The management of NHC did not provide any evidence that they had applied for expeditious conclusion of the matter touching on Mavoko Land that was pending in Court.

Recommendation Category: Administrative

Implementation status: Not Implemented

89. Property, Plant & Equipment Financial Year 2013/14**Recommendation**

The National Assembly recommended that the Accounting Officer for the NHC should expedite securing titles to all its NHC's land.

Management Response

The Accounting Officer submitted that the NHC has processed and obtained various Titles. Further, NHC has taken the following steps in securing its Titles Deeds. The Corporation sought intervention of the Principal Secretary, Ministry of Lands, Public Works, Housing, Urban Development and Physical Planning to fastrack titling process.

- a. Establishment of a desk at the Ministry of Lands, Public Works, Housing, Urban Development and Physical Planning and National Land Commission and assigned an officer to handle title processing for NHC's parcels of land. The Corporation has continued to do a follow up at lands office.
- b. Outsourcing titling and Part Development Plan (PDPs) to consultants to fast track titling process at land office.
- c. Securing of the Corporation's parcels of land through fencing/construction of boundary wall.
- d. Ongoing Court litigation for the Corporation's grabbed land parcels in Malindi and Eldoret to enforce NHC's ownership rights over the subject properties. Eldoret Court cases were dismissed in favor of the Corporation on the 6 July, 2023.
- e. The Corporation has forwarded 9No. of its grabbed plots to Ethics and Ant-Corruption Commission (EACC) to investigate how the Corporation land parcels were irregularly allocated and commence the cancellation of the fraudulently obtained titles (see a bundle of copies of letters forwarding the matter to EACC).

Conclusion on Status

The corporation had obtained some of the title deeds

Recommendation Category: Administrative

Implementation status: Partially Implemented

90. Property, Plant & Equipment Financial Year 2013/14**Recommendation**

Further, the National Assembly recommended that the Accounting Officer for the NHC should expedite securing titles to all its NHC's land. Further, the Accounting Officer for the NHC should issue eviction notices to squatters occupying the NHC's land.

Management Response

The Accounting Officer submitted that the Court case on Mariguini land was determined in NHC's favor. However, State Department for Housing & Urban Development (SDHUD) is proposing to take it over for purposes of slum upgrading and therefore assume the responsibility of removing the squatters on the land.

Jomo Kenyatta Makande;

This is currently the subject in a court case being, Mombasa HCC No. 241 of 2011 Municipal Council of Mombasa Versus NHC. However, during the pendency of the Court case, the National Land Commission (NLC) has determined the legal ownership of portions of the land claimed by third parties in favor of NHC vide the gazette notice number 1547 of 15/02/2019. NLC further recommended the Land Registrar to cancel any title arising from the purported excision within the main title for land parcel, Mombasa/Block 13 XII/1114 (Makande Estate). To date the Land Registrar has not acted on the NLC recommendation. Further, the Corporation's advocates have engaged with the lawyers for Mombasa County Government with a view to executing a consent settlement. However, the County Government is not co-operating and therefore the matter will finally be determined by the Court. Our Advocates have moved to Court to have the findings of the NLC adopted as the final Judgment of the Court and the application no date has been given.

Eldoret Elgon View;

The Court is yet to determine case number ELC 15 of 2022 relating to the subject matter. The suits were dismissed on the 6 July, 2023.

Conclusion on Status

The Accounting Officer did not implement the recommendation.

Recommendation Category: Administrative

Implementation status: Not Implemented.

91. Property, Plant & Equipment Financial Year 2013/14

Recommendation

The National Assembly recommended that the Accounting Officer for the NHC should do a search on all the NHC's land and place caveats against them.

Management Response

NHC is continuously reviewing the status of its various properties, with a view to placing cautions where it is deemed necessary and the property is under threat of grabbing; in line with the Recommendations. According to recommendation of the Committee, the Department for land has since established a desk and assigned land officers to fast-track titling process for the NHC's parcels of land.

Conclusion on Status

There is no evidence that a search on all NHCs' land and placement of caveats against them had been done.

Recommendation Category: Administrative

Implementation status: Not Implemented

NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY

92. Property, Plant & Equipment – also appears up to the Financial Year 2016/2017

Recommendation

The National Assembly recommended that NEMA management should request the mother Ministry and or the NTSA to register the vehicles so as to facilitate disposal. For those vehicles from DANIDA, they should be sold as spare parts. All these should be done as a matter of urgency.

Management Response

The Accounting Officer submitted that the vehicles KBB 792T, KBB 794T, KBB 846T, KBB 791T, KBB 796T, KBB 793T, KBA 081A, KBB 797T, KBB 847T were transferred to NEMA by the Community Development for Environmental programme- Capacity Building Facility (CDEMP-CBF) in 2014. They handed over the duly signed transfer forms and the logbooks to the authority.

The authority, however, did not pay for the custom duties which were a necessary consideration to change the ownership name to the Authority's name. This was because this would not have made economic sense since these vehicles were already old and of low value. (Copies of transfer forms attached)

A. The Authority has been running successive Danida Projects stating with the EPS, NRM and GGEP. In each successive project, the Authority has been utilizing the vehicles purchased from the preceding project. The Authority has been communicating with Danida requesting for an official handover of the Assets including the Motor Vehicles. This is as per the requirements of the Finance Agreement. The Authority is still finalizing with the donor who has concluded carrying out a close audit of the Green Growth Project. Once complete, another official communication to officially transfer the vehicles. The following documents have been attached

1. Copies of vehicle transfer forms
2. Copies of vehicle Logbooks
3. Copy of Letter to Danida NEMA/7/36 VOL. 11 requesting transfer.

Conclusion on Status

There was no registration done as per PIC recommendation. No follow up was done with DANIDA to transfer the vehicles so as to dispose as spare parts.

Recommendation Category: Administrative

Implementation status: Not implemented

93. Lack of ownership documents

Recommendation

The National Assembly recommended that the Accounting Officer for the NEMA should aggressively pursue the relevant offices and secure ownership of the Authority's land.

Management Response

The Accounting Officer submitted that the Management noted the observation and would like to confirm that for Kilifi, Lamu, Embu, Isiolo, Kajiado and Samburu Green points the Authority had obtained allocation letters. Further, for the Taita Taveta Green point the Authority had a PDP in place while for the Homa bay and Elgeyo Marakwet Green point the process of obtaining the PDP is in progress. The following documents have been attached.

- a. Copies of Allocation letters for Kilifi, Lamu, Embu, Isiolo, Kajiado and Samburu Green points.
- b. Copy of PDP for Taita Taveta Green point.

Conclusion on Status

Although the Accounting Officer has initiated steps to secure ownership documents, no title deeds have been acquired.

Recommendation Category: Administrative

Implementation status: Not implemented.

94. Irregular board expense (Financial Year 2019/2020)

Recommendation

The National Assembly recommended that Accounting Officer of the state corporation should always adhere to National Treasury Regulations and Salaries and Remuneration Commission guidelines on board expenses.

Management Response

The Accounting Officer submitted that the Management had noted the observation and would like to confirm that the current Board budget and Work plan has been prepared in line with the provisions of the Head of public service Circular OP/CAB/9/1A of 11 March, 2020 on Management of State Corporations. Further, the Board of Management was sensitized on the provisions of the Circular.

The wide mandate of NEMA has partly contributed to Board Expenditure beyond the recommended threshold. As such, a request for additional funding of board expenses beyond the stipulated threshold of Kshs.30,000,000 is to be made to SCAC through the Cabinet Secretary for approval.

Conclusion on Status

There was no approval letter from SCAC attached to approve expenses above the threshold. Additionally, the Accounting Officer did not adhere to National Treasury Regulations and Salaries and Remuneration Commission guidelines on board expenses since similar audit issue had been raised in The Auditor-General Report for the 2023/2024 financial year thus not in compliance.

Recommendation Category: Administrative

Implementation status: Not implemented

95. Receivables (Financial Year 2019/2020)

Recommendation

The National Assembly recommended that the Accounting Officer for the NEMA should ensure that issued imprests are accounted for within the statutory timelines.

Management Response

The Accounting Officer submitted that the Authority has continued to adhere to imprest management regulations and has always ensured that staff surrender their outstanding imprest within 7 days when back from the field.

However, on the long outstanding imprests of Kshs.7,100,580 it had taken long to resolve as a result of some being court cases, some staff are deceased and some required the approval of the board of management to clear.

The management comment on each of the cases is as **Table 4** below:

Table 4: Comments on outstanding receivables

Salary Advance						Management Comment/Remarks
ADVP0353	Samuel Mwangi Kamau	46,333.30	46,333.30	46,333.30	6/30/2015	The matter is before court.
PTC88	Veronica Cherop Kimutai	20,000.00	20,000.00	20,000.00	4/25/2018	Management to recover from staff.
P0282	Wambayi Hildegard Chessa	137,363.00	137,363.00	137,363.00	6/30/2015	The officer is deceased. A Board Approval was obtained to write off the Amount.

Salary Advance						Management Comment/Remarks
P0464	Catherine Atieno Adwonga	152,863.26	0.00	152,863.26	8/7/2018	The imprest was recovered from staff. This was in the Months of June, July and August, 2020 each month an amount of Kshs 50,955.
EU0002	Humphrey Busili	287,196.00	287,196.00	287,196.00	6/30/2015	The matter was cleared in court. A Board Approval was obtained to write off the Amount.
P0431	Chritine Lamon	334,000.00	334,000.00	334,000.00	6/30/2015	The office resigned.
P0059	Mohamed D. Ali	346,256.00	346,256.00	346,256.00	6/30/2015	The officer resigned.
P0158	Lemiso	358,094.35	358,094.35	358,094.35	6/30/2015	The officer is deceased. A Board Approval was obtained to write off the Amount
CNT0077	Fareed Mohamood Omar	381,500.00	0.00	381,500.00	-	The imprest was surrendered on 13 November, 2019 via ISF-5608.
P0111	Peter O Obiere	1,664,567.70	1,664,567.70	1,664,567.70	6/30/2015	The matter was cleared in court. A Board Approval was obtained to write off the Amount.
P0353	Samuel Mwangi Kamau	3,418,740.00	3,418,740.00	3,418,740.00	6/30/2015	The matter is before court.
			TOTAL	7,100,580		

Source: NEMA

Conclusion on Status

Out of the outstanding imprest of Kshs.7,100,580 only Kshs.152,863 was recovered, while the other amount could not be recovered either due to court cases, the concerned officer deceased or resigned and thus irrecoverable. However, there were no records to show that the officers were either deceased or resigned.

Recommendation Category: Administrative

Implementation status: Partially Implemented

NORTH WATER SERVICES BOARD

96. Financial performance Financial Year 2011/2012, 2012/2013

Recommendation

The National Assembly recommended that the North Water Services Board should develop an elaborate policy on how assets received through donation will be charged in books of account.

Management Response

The Accounting Officer submitted that deficit in the financial statements was because of the non-monetary expenditure incurred on depreciation of Property, plant and equipment, some of which were purchased through donor funding. Since the Board relied mostly on government donor funding to finance most of her operations, the expenditure on these funds were linked to the Performance Contract (PC) whose deliverables were expected at the end of the financial year. This required the Board to utilize 100% of its grants to achieve the targets of each contract year, thus leaving a shortage for financing the non-monetary expenditure on depreciation of PPE. The Agency has put a policy in place on how to receive and account for assets from donations in the books of accounts.

Conclusion on Status

There is no policy in place on how assets received through donations will be valued and recorded in the books of the Board.

Recommendation Category: Policy

Implementation status: Not Implemented

97. Trade and Other Receivables Financial Year 2011/12 to 2017/2018

Recommendation

The National Assembly recommended that all the arrears due to the North Water Services Board from the County Governments/ water bodies are paid for as a matter of urgency considering that these arrears form first charge whenever a new financial year commences.

Management Response

The Board attributed the arrears to major government institutions not honoring their monthly bills and the challenges of transition period and the confusion that was with the county government and interference with their operations, but that notwithstanding,

the Board was talking to them and obtained a promise to pay our arrears. The Agency is still following up on the arrears.

Conclusion on Status

The arrears due to the North Water Services Board amounting to Kshs.23,880,969 from water service providers were still outstanding as at the time of this report. It would be expected that NWSB would have taken the initiative to demand the arrears as per the recommendation. However, there is no evidence either in the form of initiative from the Board or from the water service providers.

Recommendation Category: Administrative

Implementation status: Not Implemented

98. Irregular charge on JICA project funds (Financial Year 2012/2013)

Recommendation

The National Assembly recommended that the management should always obtain the requisite approvals from the board and the donors whenever there is need to utilize excess funds from the donation vote.

Management Response

The Accounting Officer submitted that this was an inter-account borrowing. The board borrowed JICA funds to finance other completed projects which was later refunded back. This was a case where projects progressed much faster than envisaged and counterpart funding received had been exhausted. As Board waited for additional funding, it utilized projects funds whose progress were a bit slow, thus saving the government from paying interest on delayed payments, which could have been in millions of shillings. The agency adopted this recommendation in its future dealings with the donors by strictly using donor funds for its intended purpose. Any reallocation in future will be done after approval by the Board and donor.

Conclusion on Status

The Management complies with the donor requirements and conditions and there has not been any inter account borrowing during the subsequent years.

Recommendation Category: Administrative

Implementation status: Implemented

99. Payment for services not rendered – Nyahururu Water and Sanitation project contract

Recommendation

The National Assembly recommended that the Management should always provide documents for audit review within the specified timelines to avoid unnecessary queries.

Management Response

The Accounting Officer submitted that during the start of the discussion on modalities of managing the accommodation of the supervision team on site and it was found out that providing housing which included procurement of furniture and utensils was very difficult to maintain. It was then agreed that the Resident engineer and other supervision staff be provided with site and accommodation allowances so that they can arrange for their own accommodation. Contractor provided the allowances which were later reimbursed through the certificates. The Agency has adopted this recommendation in its future audit review.

Conclusion on Status

The Agency adopted the recommendation by ensuring that documents requested for audit review are provided to auditors within the required timelines as recommended.

Recommendation Category: Administrative

Implementation status: Implemented

100. Disclosure and presentation of financial statements: Unvouched Expenditure

Recommendation

The National Assembly recommended that Management should always avail documents for audit within the timelines provided under the Public Audit Act, 2015.

Management Response

The Accounting Officer submitted that after the audit report, the donor requested clearance of the issues raised through the Office of the Auditor-General , another special audit on the issues raised was done by the Office of the Auditor-General and clearance report was issued. Payment vouchers with their supporting documents totaling to Kshs.988,012,349.20 were availed to the auditors and a clearance report issued. The Agency has adopted this recommendation in its future audit review.

Conclusion on Status

The Agency has been complying with the statutory timelines on provision of documents to auditors during audit.

Recommendation Category: Administrative

Implementation status: Implemented

101. Unaccounted for funds**Recommendation**

The National Assembly recommended that the Management should adhere to the provisions of the Public Audit Act, 2015 on submission of audit reports within the statutory timelines.

Management Response

The following documents were availed for audit purposes relating to the unaccounted-for funds of Euros.1,197,352.78: -

1. Account reconciliation statements
2. Special accounts statements
3. Summary of revolving funds by loan
4. Central Bank of Kenya- Reconciliation

All these documents were verified by the Auditors and a clearance report to that effect was issued.

Conclusion on Status

The Agency has been complying with the statutory timelines on the provision of documents to auditors during audit.

Recommendation Category: Administrative

Implementation status: Implemented

102. Trade and Other Receivables Financial Year 2015/16**Recommendation**

The National Assembly recommended that all the arrears due to the North Water Services Board as a matter of urgency are paid by the County Governments/ water bodies considering that these arrears form first charge whenever a new financial year commences.

Management Response

The Accounting Officer submitted that companies have attributed the arrears to major government institutions not honoring their monthly bills hence affecting the cash flow management by the Water Service Providers (WSP). Some have already cleared their debts like Isiolo Water Service Provider (Kshs.325,336) and we received Kshs.1,500,000 from Nyahururu WSP towards settlement of their debt. We are also in talks with other WSPs to settle their debts. The Agency is still following up on the arrears.

Conclusion on Status

The arrears are still outstanding to date despite the Agency making follow-ups.

Recommendation Category: Administrative

Implementation status: Partially Implemented

103. Award of contracts for capital projects amounting to Kshs.73,790,106 to various contractors for construction and rehabilitation of various water works Financial Year 2016/2017

Recommendation

The National Assembly recommended that the Management should always provide documents for audit within the statutory timelines as per the Public Audit Act of 2015.

Management Response

The Accounting Officer submitted that Forms of tenders, Confidential Business Questionnaires and other tender documents were supported with company profile and all other relevant documents. Practical certificate of Completion and final inspection report is hereby attached. Concerning variations, items of costs were agreed on during site meeting and a snag list of items highlighted for inclusion in the project. The same was communicated to the management and approval obtained for the same. The Agency has adopted this recommendation by complying with the statutory timelines during audit review.

Conclusion on Status

The Agency has been complying with the statutory timelines on provision of documents to auditors during audit.

Recommendation Category: Administrative

Implementation status: Implemented

104. Unaccounted for fuel amounting to Kshs.1,667,510 (Financial Year 2016/2017)

Recommendation

The National Assembly recommended that the Management should always provide documents for audit within the statutory timelines as per the Public Audit Act of 2015.

Management Response

This fuel has been accounted for and fuel taken on charge in the bulk fuel register and entered in the work tickets. The Agency has adopted this recommendation by complying with the statutory timelines during audit review.

Conclusion on Status

The Agency has been complying with the statutory timelines on the provision of documents to auditors during audit.

Recommendation Category: Administrative

Implementation status: Implemented

105. Receivables from Non-Exchange Transactions (Financial Year 2017/2018)

Recommendation

The National Assembly recommended that all the arrears due to the North Water Services Board are paid by County Governments/ water bodies as a matter of urgency considering that these arrears form first charge whenever a new financial year commences.

Management Response

Since the enactment of Water Act, 2016 which placed water companies under County Governments, we have faced challenges collecting debts from water companies. This Act also stopped us from collecting water levies from water companies with effect from May, 2017. However, we have been demanding our debts from them, this we did in writing severally to them demanding payment of the debts they owed us. The Agency is still following up on the arrears.

Conclusion on Status

The arrears due to the North Water Services Board amounting to Kshs.23,880,969 from water service providers were still outstanding as at the time of this report. It would be expected that NWSB had taken the initiative to demand the arrears as per the

recommendation. However, there is no evidence either in form of initiative from the Board or from the water service providers.

Recommendation Category: Administrative

Implementation status: Not Implemented

106. Development Account Financial Year 2017/2018: The payments in bank statement not in cash book (Financial Year 2017/2018)

Recommendation

The National Assembly recommended that NWSB should pursue the bank to resolve the matter.

Management Response

The Accounting Officer submitted that they have severally written to the bank to correct the errors of payments debited twice, but they have not yet acted upon it. However, we are still pursuing the matter. The Agency is still pursuing the matter with KRA.

Conclusion on Status

The Accounting Officer initiated the process of resolving the errors. However, they have not yet reconciled the bank statement to the cashbook.

Recommendation Category: Administrative

Implementation status: Not Implemented

107. Expenditure on projects Financial Year 2013/2014

Recommendation

The National Assembly recommended that the North Water Services Board should comply with the procurement laws and the Public Audit Act, 2015 on submission of documents for audit review within the statutory timelines.

Management Response

The Accounting Officer submitted that most of the projects undertaken in the financial year were contracted and supervised by a consultant and a project manager. Inspection committees for works were formed as and when the project was complete and was based on the nature of the project, all the projects were inspected by different committees and provided a report on the project. In this case therefore monthly progress/site meetings were held at the various project sites and progress reports attached. The Agency has adopted this recommendation by complying to the statutory timelines during audit review.

Conclusion on Status

The Management has been complying with the Public Procurement and Assets Disposal Act, 2015 and ensures that documents are provided to auditors within the statutory timelines.

Recommendation Category: Administrative

Implementation status: Implemented

108. Bank Reconciliation Statement (Financial Year 2017/2018)**Recommendation**

The National Assembly recommended that the Board should continue pursuing correction of the said error.

Management Response

The Accounting Officer submitted that they have severally written to the bank to correct the errors of payments debited twice, but they have not yet acted upon it. However, we are still pursuing the matter. The Agency is still pursuing the matter with KRA.

Conclusion on Status

The Accounting Officer has initiated the process of resolving the errors. However, the error has not been corrected.

Recommendation Category: Administrative

Implementation status: Not Implemented

ATHI WATER SERVICES BOARD

109. Property, Plant & Equipment Financial Year 2014/2015 & Financial Year 2015/2016

Recommendation

The National Assembly recommended that the management of the Athi Water Services should conduct an audit of all its property and a search with the lands office to ascertain ownership of land under the Agency.

Management Response

The Accounting Officer submitted that AWWDA has undertaken the valuation of its assets, and an asset register developed. The Asset Movement schedule was restated updated and disclosed in the financial statements for Financial Year 2015-16 and the movement schedule provided to the auditors subsequently and the issue has been resolved.

Conclusion on Status

Although the Accounting Officer indicated that AWWDA has undertaken the valuation of its assets, and an asset register developed. There is no evidence that an audit was conducted for all its property and a search done with the lands office to ascertain ownership of land under the Agency. The recommendations were not Implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

110. Property, Plant & Equipment Financial Year 2014/2015 & Financial Year 2015/2016

Recommendation

Further, The National Assembly recommended that the management should always be guided by the Public Sector Accounting Standards when preparing financial statements especially on Work in Progress recognition.

Management Response

The Accounting Officer submitted that AWWDA has undertaken the Valuation of its assets and an asset register developed. The Asset Movement schedule was restated and updated and disclosed in the Financial Statements for Financial Year 2015-16 and the movement schedule provided to the auditors subsequently and the issue addressed.

Conclusion on Status

The Accounting Officer indicated that the Asset Movement Schedule was restated, updated and disclosed in the Financial Statements for Financial Year 2015-2016.

Recommendation Category: Administrative

Implementation status: Implemented

111. Debtors Financial Year 2014/2015 & Financial Year 2015/2016**Recommendation**

The national Assembly recommended that the CEO of AWWDA should aggressively pursue the money owed to the entity.

Management Response

The Accounting Officer submitted that the Management was advised by the Office of the Attorney General to seek alternative debt collection solution. In line with the Directive the AWWDA sought to have the outstanding amounts incorporated in NCWSC Tariffs and also have AWWDA granted a license to undertake bulk water sales so as to recover the debts from the Nairobi Water and Sewerage company and other WSPs that have benefited from the Investments. The License to operate bulk water sales granted.

Conclusion on Status

Although the Accounting Officer was granted License to operate bulk water sales and the outstanding amounts incorporated in NCWSC Tariffs, there is no evidence of the amount so far recovered and whether the method is effective and efficient or aggressive as recommended.

Recommendation Category: Administrative

Implementation status: Partially Implemented

112. Creditors and Accruals Financial Year 2014/2015**Recommendation**

The National Assembly recommended that the management should always be guided by the Public Sector Accounting Standards when preparing financial statements.

Management Response

The Accounting Officer submitted that the accounts were revised and payments made to the office of The Auditor-General.

Conclusion on Status

The AWWDA is guided by the Public Sector Accounting Standards when preparing financial statements.

Recommendation Category: Administrative

Implementation status: Implemented

113. Non-Compliance with Legal Notice No. 101 of August 2005 - Transfer Plan Recommendation

The National Assembly recommended that the CEO and the mother Ministry should expeditiously secure ownership documents of the assets queried by the Auditors.

Management Response

The Accounting Officer submitted that the Board undertook the valuation of all inherited assets and submitted the reports to the ministry and the transitional authority. The Board does not have the ownership documents and therefore cannot incorporate the assets in its financial statements. We are therefore still waiting for policy direction from the ministry on this matter. On 6 July, 2020, the CS Gazetted the National Public Water Works within our area of Jurisdiction through Gazette Notice No. 4574 and vested the Management and Maintenance of this Assets with Athi Water Works Development Agency.

Conclusion on Status

The Accounting Officer indicated that the Board does not have the ownership documents and therefore cannot incorporate the assets in its financial statements. Further, the Board is waiting for policy direction from the ministry on this matter.

Recommendation Category: Administrative

Implementation status: Not Implemented

114. Bank Charges**Recommendation**

The National Assembly recommended that the Agency should always adhere to the Public Sector Accounting Standards on disclosure to avoid raising such audit queries.

Management Response

The Accounting Officer submitted that subsequent to the audit the withholding tax on interest income was included in the schedule and disclosed separately. The same was shared with the auditors and the matter was cleared. The Financial statements were

revised and AWWDA is adhering to the Public Sector Accounting Standards on disclosure.

Conclusion on Status

The Financial statements were revised and AWWDA has been adhering to the Public Sector Accounting Standards on disclosure.

Recommendation Category: Administrative

Implementation status: Implemented

115. Property, Plant & Equipment Financial Year 2015/16 to 2017/2018- Fully Depreciated Assets

Recommendation

The National Assembly recommended that the management should ensure expeditious valuation of its assets and adhere to the 5-year revaluation policy.

Management Response

The Accounting Officer submitted that AWWDA had undertaken the Valuation of its assets, and an asset register developed.

Conclusion on Status

The Accounting Officer submitted that AWWDA had undertaken the Valuation of its assets and an asset register developed. However, the Board in response to the previous recommendation had indicated in the that it does not have the ownership documents and therefore cannot incorporate the assets in its financial statements and thus the submission is inconclusive.

Recommendation Category: Administrative

Implementation status: Partially Implemented.

116. Over expenditure Financial Year 2015/2016

Recommendation

The National Assembly recommended that the Agency should always follow the law regarding implementation of the budget. Further, the management should always provide documents for audit as per the timelines provided by the PFM and Public Audit Act guidelines.

Management Response

The Accounting Officer submitted that the Agency is implementing the budget within the approved estimates and the documents are provided within the timelines.

Conclusion on Status

The recommendations are implemented.

Recommendation Category: Administrative

Implementation status: Implemented

117. Creditors and Accruals Financial Year 2015/2016**Recommendation**

The National Assembly recommended that the Agency should always provide documents for audit verification failure to which the provisions of Section 62 of the Public Audit Act, 2015 should ensue.

Management Response

The Accounting Officer submitted that documents are provided within the timelines.

Conclusion on Status

The recommendation is implemented.

Recommendation Category: Administrative

Implementation status: Implemented

118. Cash and Bank Balances Financial Year 2015/2016**Recommendation**

The National Assembly recommended that in future, the Agency should only deposit money in government-linked banks. Further, the agency should pursue recovery of the deposits from SBM and KDIC.

Management Response

The Accounting Officer submitted that the Authority has subsequently ensured that the deposits are only in government linked banks and the approvals are provided by The National Treasury. The Agency continues to recover the funds from SBM. The only outstanding amount is Kshs.7,362,977 which is held by KDIC which is paid as they recover from the revenue generated by KDIC.

Conclusion on Status

The Accounting Officer indicated that the Authority has subsequently ensured that the deposits are only in government linked banks where the approvals are provided by The National Treasury and that only an amount of Kshs.7,362,977 is outstanding with KDIC. However, there is no evidence of the recoveries being made.

Recommendation Category: Administrative

Implementation status: Partially Implemented

119. Long Outstanding Receivables Financial Year 2017/18

Recommendation

The National Assembly recommended that the Chief Executive Officer of the AWSB should reflect the amount awarded by the courts in the AWSB's books in Financial Year 2019/2020.

Management Response

The Accounting Officer submitted that the amount due from High Court have been received. The Financial statements have been updated with the amounts received.

Conclusion on Status

The recommendation was implemented.

Recommendation Category: Administrative

Implementation status: Implemented

KENYA WILDLIFE SERVICE

120. Property Plant and Equipment (Financial Year 2017/2018 and 2018/2019)

Recommendation

The National Assembly recommended that KWS management should fast track the process of getting ownership documents of its properties.

Management Response

The Accounting Officer submitted that the Service currently has 29 National Parks, 28 National Reserves, 4 Marine Parks, 6 Marine National Reserves, 8 National Sanctuaries and 192 Stations, outposts and Other Land Parcels. This makes it 263 parcels of Land. The Service has so far acquired 54 title deeds, and the rest are in various stages of processing as per attached summary.

Conclusion on Status

The management indicated that they are processing titles for 263 parcels of land, only 54 have been concluded on. However, the management did not provide a status for the remaining 209 parcels of land whose titles are yet to be obtained.

Recommendation Category: Administrative

Implementation status: Partially Implemented

121. Property Plant and Equipment (Financial Year 2017/2018 and 2018/2019)

Recommendation

Further, the National Assembly recommended that the management of KWS should ensure that the assets register is updated.

Management Response

The Accounting Officer submitted that the Service Assets Register is continuously updated on a monthly basis the only challenge being the time taken to go round the eight (8) conservation areas then update the register. This means there is usually a time lag between the payments of the items and updating the register. However, management is exploring the acquisition of an ERP system that is going to integrate all the systems, making it easy for data and information management.

Conclusion on Status

KWS management indicated that they update their asset register on a monthly basis. However, a review of the Financial Year 2023/2024 audit report revealed that the register excluded unvalued one hundred and thirty-five (135) parcels of land

approximately 48,000 km² comprising; national parks and reserves, sanctuaries, stations, outposts and other land parcels owned by the Service with seventy-four (74) parcels surveyed and sixty-one (61) parcels not surveyed hence understating the value of property, plant and equipment.

Recommendation Category: Administrative

Implementation status: Not Implemented

122. Compensation for land hived off (Financial Years 2017/18 and 2018/2019)

- Standard Gauge Railway (SGR)

Recommendation

The National Assembly recommended that the management of Kenya Wildlife Service should aggressively follow settlements of the Kshs.6 million.

Management Response

The Accounting Officer submitted that the Management has been following up the debts through sending reminder letters.

Conclusion on Status

The Management indicated that they had been following up the debts through sending reminder letters, but the Kshs.6million is still outstanding and the recovery is doubtful.

Recommendation Category: Administrative

Implementation status: Not Implemented

123. Unaccounted for Revenue Receipts (Financial Year 2018/2019)

Recommendation

The National Assembly recommended that the management should expedite procurement of a system that is integrated and accountable to avoid pilferage within the 2022/2023 financial year.

Management Response

The Accounting Officer submitted that the Revenue attributed to 1,225,525 receipts were accounted for fully in financial year 2018/2019. These were system generated reference numbers for POIPOS transactions and not physical sales receipts. For revenue collections, the service has onboarded eCitizen as per presidential directive. On 23 August, 2023, all revenues are collected through paybill 222222 that is the official government paybill. Revenue attributed to 1,225,525 receipts were accounted for fully in financial year 2018/2019. These were system generated reference numbers

for POIPOS transactions and not physical sales receipts. For revenue collections, the service has onboarded eCitizen as per presidential directive.

Conclusion on Status

Kenya Wildlife Service Management had on boarded the use of eCitizen but it had not yet procured a system to be integrated with eCitizen to be accountable to avoid pilferage within the 2022/2023 financial year as recommended.

Recommendation Category: Administrative

Implementation status: Not Implemented

124. Net Staff Receivables - Staff Advances

Recommendation

The National Assembly recommended that the KWS Accounting Officer should ensure that all the outstanding issues on receivables are addressed within the 2022/2023 Financial Year.

Management Response

The Accounting Officer submitted that Kshs.246,017 related to medical old cases. Kshs.7,481,371 was outstanding balance relating to deceased employees. The service requested approval from The National Treasury for write off but we are yet to receive response. Kshs.3,249,871 outstanding ex-staff advances related to salary advance issued to staff who left before paying all the advances. One staff repaid Kshs.528,157 is still outstanding since the staff concerned have not yet cleared.

Conclusion on Status

The Accounting Officer indicated that the service requested approval from The National Treasury for writing off implying that the debts may no longer be recoverable.

Recommendation Category: Administrative

Implementation status: Will not be implemented.

125. Failure to deploy E-Procurement System Financial Year 2018/2019

Recommendation

The National Assembly recommended that the KWS board should adopt the e-procurement and implement the IFMIS system in all her financial transactions.

Management Response

The Accounting Officer submitted that Service is currently exploring acquisition of an ERP System which incorporates e-procurement. The Service has not yet implemented

IFMIS. Management wrote letters requesting The National Treasury for procurement staff training on IFMIS Use but this has not yet been undertaken.

Conclusion on Status

The Accounting Officer had not acquired an ERP System that incorporates e-procurement thus has not adopted the e-procurement and implemented the IFMIS system in all her financial transactions.

Recommendation Category: Administrative

Implementation status: Not implemented.

126. Southern Bypass (Financial Years 2017/2018 and 2018/2019)

Recommendation

The National Assembly recommended that the management of KWS should aggressively follow up on payment of the balances of Kshs.2,474,710,000 from the Kenya National Highways Authority and The National Treasury.

Management Response

The Accounting Officer submitted that the Management has been following up the debts through sending reminder letters.

Conclusion on Status

The Management indicated that they had been following up the debts through sending reminder letters, for the Kshs.2,474,710,00 owing from the Kenya National Highways Authority and The National Treasury. The debt was still outstanding and the recovery doubtful.

Recommendation Category: Administrative

Implementation status: Not Implemented

127. Understatement of Revenue Financial Year 2018/2019

Recommendation

The National Assembly recommended that the management should reconcile and provide information for audit review in the next audit cycle.

Management Response

The Accounting Officer submitted that the Service uses IFRS accounting. The variance of Ksh.246,849,501 noted being the difference between Kshs.4,104,332,501 bankings and Kshs.3,857,483,000 revenue reported for the year is composed of:

- a. Kshs.86,628,513 was money deposited by visitors, loaded to their Safaricard but had not been utilized as at 30 June, 2019.
- b. Kshs.100,506,107 was money paid during the financial year but related to debtors' invoices unpaid from the prior year under review.
- c. The differences are amounts reflected in the bank as receipts/ revenue in the bank though not processed in the general ledger until such a time when clients present the banking advice slips. Reconciliations were done and deposit slips have been captured and all variances cleared.

The Mpesa variance of Kshs.807,107 was occasioned by circumstances where one Mpesa transaction was used to load more than one concession card. One concession card cannot accommodate more than 99 group visitors especially schools.

Conclusion on Status

The reconciliations were done and presented for audit.

Recommendation Category: Administrative

Implementation status: Implemented

128. Short Term Deposits Financial Year 2018/2019

The National Assembly recommended that;

- i. The Accounting Officer for the KWS should be reprimanded on his failure to submit the requested documents for audit.
- ii. The Accounting Officer of the KWS should submit the requested documents to the Office of the Auditor-General for audit during the 2022/2023 audit cycle.

Management Response

The Accounting Officer submitted that the amount relates to deposits which had been retired but adjustments had not been properly done in the ledger. This was finalized and the right adjustments done.

Conclusion on Status

The reconciliations were done and presented for audit review. However, there is no evidence that the Accounting Officer for KWS was reprimanded on his failure to submit the requested documents for audit.

Recommendation Category: Administrative

Implementation status: Partially Implemented

129. Unconfirmed Trade and Other Receivables Financial Year 2018/2019**Recommendation**

The National Assembly recommended that the Accounting Officer for the KWS should recover the un-surrendered imprest within the 2022/2023 financial year.

Management Response

The Accounting Officer submitted that Kshs.6,230,023 was imprest held by the staff at the close of financial year 2018/2019. These imprests were surrendered in the succeeding financial year 2019/2020. Kshs. 813,526 outstanding imprest who had left the service but had not cleared due to various issues ranging from death, pending court cases, disciplinary cases.

Conclusion on Status

An imprest amounting to Kshs.813,526 still remains outstanding.

Recommendation Category: Administrative

Implementation status: Partially Implemented

130. Unconfirmed Trade and Other Receivables Financial Year 2018/2019**Recommendation**

Further, the National Assembly recommended that the Accounting Officer for the KWS should always adhere to the provisions of the Public Finance Management Act, 2012 relating to surrender of imprests.

Management Response

The Accounting Officer instituted strict measures to manage imprest and through an internal circular issued in 2023 directed strict measures to manage imprest. Recoveries for the unpaid imprest are currently being undertaken for those staff with overdue imprests.

Conclusion on Status

The management has been ensuring compliance with the provisions of the Public Finance Management Act, 2012 relating to the surrender of imprests.

Recommendation Category: Administrative

Implementation status: Partially Implemented

131. Presentation of the financial statements**Recommendation**

The National Assembly recommended that the Management of Kenya Maritime Authority should always adhere to public Sector Accounting Standards on reporting of financial statements.

Management Response

The Accounting Officer submitted that the Authority has ensured its financial statements conform to the requirements of the Public Sector Accounting Standards.

Conclusion on Status

The Accounting Officer had instituted measures to ensure that the authority complies with the Public Sector Accounting Standards.

Recommendation Category: Administrative

Implementation status: Implemented

132. Legal Fees**Recommendation**

The National Assembly recommended that then corporation secretary (Jane Otieno) should be reprimanded for approving payment to the law firm without adherence to clause 6.0 of the contract demanding usage of advocates remuneration order. Further, the National Assembly recommended that the cooperation secretary (Jane Otieno) should be reprimanded for handpicking a law firm to do a simple job that should have been done internally and not advising the board properly to instruct the law firm in disregard of the Attorney-General Circular Ref. AG/CONF/6/E/247 VOL.II of 16 April, 2014.

Management Response

The Accounting Officer submitted that then Corporation Secretary (Ms. Jane Otieno) was reprimanded through letter Ref KMA/HRM/05132(I) dated 1 November, 2022.

Conclusion on Status

The Corporation secretary was reprimanded as per the letter Ref KMA/HRM/05132(I) dated 1 November, 2022 provided.

Recommendation Category: Administrative

Implementation status: Implemented

133. Legal Fees

Recommendation

The National Assembly further recommended that the signatories George Mangaoi, Mr. Cosmas Cherop and Mr. John Omingo should be reprimanded for paying the law firm without payment voucher and in contravention of the instructing letter demanding usage of advocates remuneration order.

Management Response

The Accounting Officer submitted that the signatories Mr. George Macgoye, Mr. Cosmas Cherop and Mr. John Omingo were reprimanded through letters Ref KMA/HRM/01148, KMA/HRM/02055, and KMA/HRM/03008 dated 1 November, 2022 respectively.

Conclusion on Status

The signatories were reprimanded as per the letter Ref letters KMA/HRM/01148, KMA/HRM/02055, and KMA/HRM/03008 dated 1 November, 2022 provided were provided.

Recommendation Category: Administrative

Implementation status: Implemented

134. HIV and AIDS related awareness

Recommendation

The National Assembly recommended that the Accounting Officer for the KMA should only make payments using the rates approved by the Salaries and Remuneration Commission.

Management Response

The Accounting Officer submitted that the Authority adheres to the rates approved by the Salaries and Remuneration Committee to make payments.

Conclusion on Status

The Authority currently makes payments using the rates approved by Salaries and Remuneration Commission.

Recommendation Category: Administrative

Implementation status: Implemented

135. HIV and AIDS related awareness

Recommendation

Further, the National Assembly recommended that the Accounting Officer for the KMA should adhere to statutory timelines on provision of documents for audit failure to which the sanctions provided in the Public Audit Act, 2015 and Public Finance Management Act, 2012 should ensue.

Management Response

The Accounting Officer submitted that the Authority commits to provide all documents required within the statutory timelines.

Conclusion on Status

Although the Accounting Officer commits to provide all documents required within the statutory timelines, the issue of documents not provided during audit appeared the subsequent audit reports thus breaching the commitment.

Recommendation Category: Administrative

Implementation status: Not Implemented

136. Professional and consultancy fees

Recommendation

The National Assembly recommended that the then Director General for the KMA, Cosmas Cherop, should be reprimanded for undue delay caused and signing of the contract without a performance bond. Further, the National Assembly recommended that the then Corporation Secretary should be reprimanded for attesting to the contract that had no performance bond.

Management Response

The Accounting Officer submitted that the then Director General, Mr. Cosmas Cherop was reprimanded through letters Ref KMA/HRM/02055(II) dated 1 November, 2022. The then Corporation Secretary (Jane Otieno) was reprimanded through letter Ref KMA/HRM/05132(III) dated 1 November, 2022.

Conclusion on Status

The Recommendation was implemented.

Recommendation Category: Administrative

Implementation status: Implemented

137. Irregular payment of lunch allowances to board of directors

Recommendation

The National Assembly recommended that the Accounting Officer should adhere to the guidelines provided by the Salaries and Remuneration Commission relating to remuneration of Board Members.

Management Response

The Accounting Officer submitted that the Authority has since adhered to the provisions of the Salaries and Remuneration Commission circular relating to remuneration of Board Members by only paying accommodation allowance to Board members who spend night(s) away from permanent duty station.

Conclusion on Status

Authority has since adhered to the provisions of the Salaries and Remuneration Commission circular on remuneration of Board Members

Recommendation Category: Administrative

Implementation status: Implemented

138. Repairs and Maintenance

Recommendation

The National Assembly recommended that the Accounting Officer for the KMA should always adhere to statutory timelines on submission of documents for audit failure to which the sanctions provided for under the Public Audit Act, 2015 ensues.

Management Response

The Accounting Officer did not submit any response

Conclusion on Status

The Accounting Officer did not submit any response.

Recommendation Category: Administrative

Implementation status: Not Implemented

139. Maintenance of Buildings

Recommendation

The National Assembly recommended that the Accounting Officer and the procurement function of the KMA should always adhere to the Public Procurement and Asset Disposal Act, 2015 when procuring for goods and services.

Management Response

The Accounting Officer did not submit any response.

Conclusion on Status

The Accounting Officer did not commit to adhere to the Public Procurement and Asset Disposal Act, 2015 when procuring for goods and services. A review of the subsequent audit reports reveals similar non-compliance.

Recommendation Category: Administrative

Implementation status: Not Implemented

140. Cash and Cash Equivalents**Recommendation**

The National Assembly recommended that the Accounting Officer of the KMA should put measures in place to ensure that all payments should go through the checks and balances before final release of funds.

Management Response

The Accounting Officer did not submit any response.

Conclusion on Status

The Accounting Officer did not disclose the measures put in place to ensure that all payments go through the checks and balances before final release of funds.

Recommendation Category: Administrative

Implementation status: Not Implemented

141. Trade and Other Receivables from Exchange Transactions**Recommendation**

The National Assembly recommended that the KMA should develop and maintain data bank/records of the small boat owners. Further, the National Assembly recommended that the Accounting Officer for the KMA should devise a robust debt collection mechanism, especially from the boat owners to ensure maximum collection of debt.

Management Response

The Accounting Officer did not submit any response

Conclusion on Status

In absence of a response, it was not clear whether, the Accounting Officer maintained a data bank/records of the small boat owners. The Accounting Officer also did not

provide any evidence on the robust debt collection mechanism devised especially from the boat owners.

Recommendation Category: Administrative

Implementation status: Not Implemented

142. Other Non-Trade Receivables

Recommendation

The National Assembly recommended that the Accounting Officer of the KMA should pursue recovery of the paid monies either from the company or its directors.

Management Response

The Accounting Officer did not submit any response.

Conclusion on Status

In the absence of a response, the recovery of the monies paid either from the company or its directors could not be confirmed.

Recommendation Category: Administrative

Implementation status: Not Implemented

143. Provision for Doubtful Debts

Recommendation

The National Assembly recommended that the Accounting Officer for the KMA should, always, adhere to its policy on analysis of debtors before providing for doubtful debts.

Management Response

The Accounting Officer submitted that the Authority has since adhered to the provision of its credit policy by making provisions for debts over 100 days.

Conclusion on Status

The Accounting Officer had adhered to the policy on analysis of debtors before providing for doubtful debts.

Recommendation Category: Administrative

Implementation status: Implemented

144. Purchase of Land for Search and Rescue Centers

Recommendation

The National Assembly recommended that the Director-General should always be clear whenever advertising for Expression of Interest to avoid exploitation of vagueness that may be in such advertisements.

Management Response

The Accounting Officer submitted that the Authority has ensured that all procurements initiated are clear and concise.

Conclusion on Status

The Accounting Officer indicated that all the procurements initiated are clear and concise. However, in the subsequent audit, The Auditor-General raised an issue on irregular and exorbitant contract variation costs arising from exploitation of similar loopholes.

Recommendation Category: Administrative

Implementation status: Not Implemented.

145. Leasehold Land

Recommendation

The National Assembly recommended that the Accounting Officer for the KMA should seek for a belated approval from KRC to lift the conditions imposed on the impugned land to allow its usage for commercial purposes.

Management Response

The Accounting Officer submitted that the Authority has initiated the approval from KRC to lift the conditions imposed on the impugned land to allow its usage for commercial purposes.

Conclusion on Status

The Accounting Officer indicated that the Authority had initiated the approval from KRC to lift the conditions imposed. However, there was no documentary proof inform of the correspondence seeking the said lift the conditions imposed.

Recommendation Category: Administrative

Implementation status: Not Implemented.

146. Leasehold Land

Recommendation

Further, the National Assembly recommended that the Accounting Officer of the KMA should always ensure that the law is adhered to whenever executing contracts of such magnitude.

Management Response

The Accounting Officer did not submit a response to this recommendation.

Conclusion on Status

The Accounting Officer did not provide any response on whether he/she had adhered to the law.

Recommendation Category: Administrative

Implementation status: Not Implemented.

147. Capital Work in Progress

Recommendation

The National Assembly recommended that the main contractor should reimburse the KMA the Kshs.6 million paid for security.

Management Response

The Accounting Officer submitted that the advance Payment Guarantee of Kshs.9,706,352 was recovered from Interim Payment Certificate No. 8.

Conclusion on Status

Although, the Accounting Officer submitted that the advance Payment Guarantee of Kshs.9,706,352 was recovered from Interim Payment Certificate No. 8. The National Assembly had observed the amount of Kshs.9,706,352 was already recovered but went ahead and recommended that the main contractor reimburses Kshs.6 million more paid for security.

Recommendation Category: Administrative

Implementation status: Not Implemented.

148. Materials on Site

Recommendation

The National Assembly recommended that the Accounting Officer for the KMA should always submit documents for audit verification as per the Public Audit Act, 2015 and PFM Act, 2012 failure to which the sanctions imposed on the said legislations ensue.

Management Response

The Accounting Officer did not submit any response.

Conclusion on Status

The Accounting Officer did not commit to adhering to the statutory requirements.

Recommendation Category: Administrative

Implementation status: Not Implemented

149. Payment of Rent**Recommendation**

The National Assembly recommended that the Accounting Officer of the KMA should recover the Kshs.2 million paid for rent from the main contractor in the next tranche of payment certificate.

Management Response

The Accounting Officer submitted that Mbaraki tenants rent totaling to Kshs.3,977,500 was recovered in Interim Payment Certificate no. 18 through PV2021/00937.

Conclusion on Status

The Accounting Officer indicated that the amount was recovered in Interim Payment Certificate no. 18 through PV2021/00937. However, the evidence and how the recovery related to the recommended amount were not provided.

Recommendation Category: Administrative

Implementation status: Partially Implemented

150. Raft Piling**Recommendation**

The National Assembly recommended that the Accounting Officer for the KMA should always adhere to statutory timelines on provision of documents for audit failure to which the sanctions provided for in both the Public Audit Act, 2015 and Public Finance Management Act, 2012 should apply.

Management Response

The Accounting Officer submitted that the Authority continues to adhere to the provisions of the law.

Conclusion on Status

The Accounting Officer for the Authority provides documents for audit within statutory timelines.

Recommendation Category: Administrative

Implementation status: Implemented

151. Construction of Headquarters Subcontracts

Recommendation

The National Assembly recommended that the Accounting Officer of the KMA should always adhere to the law relating to procurement.

Management Response

The Accounting Officer submitted that the Authority continues to adhere to the provisions of the law.

Conclusion on Status

The Accounting Officer for the Authority did not adhere to the law relating to Procurement since, a review of the subsequent audit reports reveals non-compliance with Public Procurement and Asset Disposal Act, 2015.

Recommendation Category: Administrative

Implementation status: Not Implemented

KENYA RAILWAYS CORPORATION (KRC)

152. Property, Plant and Equipment

Recommendation

The National Assembly recommended that the Accounting Officer for the Kenya Railways Corporation should ensure completion of valuation of the KRC assets within the 2021/2022 financial year.

Management Response

The Accounting Officer submitted that the Kenya Railways was expected to ensure complete valuation of its assets for purposes of accurate financial reports. However, this did not take place as expected in Financial Year 2021/22. This was a result of budgetary allocation challenges considering the vastness of the KRC land assets.

Conclusion on Status

The Accounting Officer did not indicate the action taken subsequently to implement or initiate the implementation of the parliament recommendation but cited budgetary allocation as the challenge due to the vastness of the KRC land assets. The recommendation was not implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

153. Current Assets (Short Term Investments)

Recommendation

The National Assembly recommended that the Accounting Officer for the KRC should ensure that all the KRC deposits at Chase Bank are recovered.

Management Response

The Accounting Officer submitted that the amounts are yet to be recovered. However, the Corporation has taken diligent steps to ensure proper recognition of the amount in the KR financial. As per the last update by KDIC which was issued to the public on 10 May, 2021, the liquidation process has commenced and the insured deposit.

Conclusion on Status

The Accounting Officer has not recovered any amount in respect of the KRC deposits at Chase Bank even though the Corporation has taken diligent steps to ensure proper recognition of the amount in the KRC financial statements. The recommendation was not implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

154. Inventories

Recommendation

The National Assembly recommended that the Accounting Officer for the KRC should always ensure timely stock take is done and proper records kept.

Management Response

The Accounting Officer submitted that KRC carried out stock take.

Conclusion on Status

Although the Accounting Officer submitted that KRC carried out stock take, it was not clear for which period since the inventories balance as at 30 June, 2022 was not supported by stock taking sheets as reported by in The Auditor-General 's report for the year ended 30 June, 2022.

Recommendation Category: Administrative

Implementation status: Not Implemented

155. Trade and Other Receivables

Recommendation

The National Assembly recommended that the Accounting Officer for the KRC should always provide documents for audit within the statutory timelines provided under the Public Audit Act, 2015.

Management Response

The Accounting Officer submitted that the Corporation has been supportive of the statutory audit process by OAG team and ensured that during the audits there is a dedicated team which has an overall coordinator and a dedicated unit that supports external audit process by ensuring timely provision of all documentation required.

Conclusion on Status

Although the Accounting Officer indicated that the Corporation has been supportive of the statutory audit process with regard to provision of documents for audit within the statutory timelines provided under the Public Audit Act, 2015. The audit issue recurred in the subsequent audit reports; hence the recommendation was not implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

156. Trade and Other Receivables

Recommendation

The National Assembly further recommended that the Accounting Officers for the KRC and the KPA should constitute a team to reconcile the impugned figures and address the matter. Further, going forward, the Accounting Officers for the KPA and KRC should ensure that there is immediate reconciliation of the amounts owing between the two entities.

Management Response

The Accounting Officer submitted that the Management constituted a team that meets on a quarterly basis to undertake reconciliation of KRC-KPA account. The reconciled accounts are verified and reported both in the quarterly and in the Annual Reports and Financial Statements

Conclusion on Status

The Accounting Officer did not provide evidence with regard to the membership of the team constituted by KRC and the KPA and the report on the impugned figures reconciled.

Recommendation Category: Administrative

Implementation status: Not Implemented

157. Trade and Other Receivables

Recommendation

In addition, The National Assembly recommended that the Accounting Officer for the KRC should ensure that all the debts have been paid for as per the repayment plan.

Management Response

The Accounting Officer submitted that RVR transition account related to Meter Gauge operation debtors. Due to the abrupt termination of the concession as KR continued to offer freight services to the transporters there was maintained a single control account in our Navision ERP for debtors' management to control billing and receipt payments. However, the individual debtor accounts have since been created in the Navision ERP System for better receivables management. The matter has since been addressed.

Conclusion on Status

The Accounting Officer did not provide evidence that the debts had been paid for as per the repayment plan as recommended. The recommendation was not implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

158. Land compensation

Recommendation

The National Assembly recommended that the Accounting Officer for the KRC should ensure that the balance of overpayments (Kshs.8.9 million) was fully recovered within three months of adoption of this report.

Management Response

The Accounting Officer submitted that KR addressed NLC to ensure recoverability of the above sums. NLC is mandated by law to recover such overpayments whenever they occur. KR has also advised NLC that it will not issue additional funds for the amounts deemed as paid to the wrong beneficiary. The overpayment was as a result of erroneous figures in the schedules presented to KR by NLC.

Conclusion on Status

The Accounting Officer for KRC did not recover the balance of overpayments of Kshs.8.9 million paid to the wrong beneficiary arising from erroneous amounts in the schedules presented to KRC by NLC. The recommendation was not implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

BOMAS OF KENYA

159. Trade and Other Receivables Financial Year 2017/2018 and 2018/2019

Recommendation

The National Assembly recommended that in the financial year 2022/2023, Bomas of Kenya should be reimbursed by the Ministry of Sports and Culture an amount of Kshs.50 million expended in infrastructure improvement.

Management Response

The Accounting Officer submitted that on the Status of Little Theatre Debt: We refer to the matter of reimbursement for expenses incurred by Bomas of Kenya Limited in the improvement of the Little Theatre Club in Mombasa. In the letter Ref. MOT/3/17 dated 23 November, 2016, the Principal Secretary, Ministry of Tourism wrote to the General Manager Bomas of Kenya requesting the institution to implement the Little Club Theatre in Mombasa up to a maximum of Kshs.50 million and thereafter be reimbursed from the Tourism recovery funds. Following the successful implementation of the project and thereafter handing over on 28 June, 2019, the General Manager, in a letter BOK/GM/LTC/01 dated 6 December, 2019 requesting the Ministry of Tourism through the Principal Secretary to reimburse the amount owed. On 6 May, 2020 the General Manager further wrote a reminder letter referenced to make a follow up on the same. Despite efforts made by Management, the amount has not been reimbursed to Bomas of Kenya.

Conclusion on Status

The recommendation required the Ministry of Sports and Culture to reimburse Bomas of Kenya the Kshs.50 million expended in infrastructure improvement. However, the borrowing was made by the Ministry of Tourism pledging to reimburse Bomas of Kenya Limited the same amount from Tourism Recovery Funds. The mandate to implement falls within the Ministry of Tourism as opposed to the Ministry of Sports and Culture thus the recommendation will no longer be applicable.

Recommendation Category: Administrative

Implementation status: will not be implemented.

160. Ushanga Initiative

Recommendation

The National Assembly recommended that Bomas of Kenya should be reimbursed by the Ministry of Sports and Culture the Kshs.3.7 million expended on Ushanga Initiative.

Management Response

The Accounting Officer submitted that on the Status of Ushanga Kenya Debt: Despite continuous follow-ups with the relevant stakeholders, no payments have been received from the Ministry of Tourism or the Ushanga Kenya Initiative to reimburse Bomas of Kenya Limited for the expenses incurred in operationalizing the initiative.

Follow-Up Actions:

Regular correspondence was made initiated through formal letters, including reminders, requesting the reimbursement of the outstanding amount. In a letter BOK/GM/UK1/01 dated 25 May, 2018, the Management of Bomas of Kenya through the General Manager wrote a letter to the Principal Secretary, Ministry of Tourism and Wildlife, Mrs. Fatuma Hirsi Mohammed (CBS) requesting for reimbursement amounting to Kshs.14,315,363.20 for expenses incurred towards the operationalization of the Ushanga Kenya initiative. In response to the letter, the Ministry of Tourism through the office of the Principal Secretary wrote to the Ushanga Initiative Coordinator a letter Reference No. MOT/1/5/12 dated 21 June, 2018 requesting the initiative to pay Bomas of Kenya Kshs.14,315,363.20 in the Financial Year 2017/2018. While the Coordinator approved payment of Kshs.14,315,363.20 in the letter Ref. MOT/1/14/17 dated 29 June, 2018, the ministry of Tourism through a letter MT 3/11 dated 30 June, 2018 cited exhausted budgetary allocations, noting that the amount would be reimbursed in Financial Year 2018/2019. Despite numerous follow-ups and efforts, the amount remains unpaid. In light of this prolonged delay, the management of Bomas of Kenya Limited, through letter Ref. BOK/GM/SDCH/2023-17, dated 8 September, 2024, requested the State Department of Culture & Heritage to intervene and liaise with the Ministry of Tourism and Wildlife to ensure that the outstanding amount is reimbursed. Despite this, no payments have been received to date.

Conclusion on Status

The recommendation required the Ministry of Sports and Culture to reimburse Bomas of Kenya an amount of Kshs.3.7 million expended on Ushanga Initiative. However, the

borrowing was made by the Ministry of Tourism pledging to reimburse Bomas of Kenya Limited the same amount from Tourism Recovery Funds. The mandate to implement falls within the Ministry of Tourism as opposed to the Ministry of Sports and Culture.

Recommendation Category: Administrative

Implementation status: will not be implemented.

161. Valuation of assets Financial Year 2017/2018 and 2018/2019

Recommendation

The National Assembly recommended that;

- i. The Accounting Officer for the Bomas of Kenya should ensure valuation of the Bomas of Kenya assets within the 2022/2023 Financial Year.
- ii. Further, the National Assembly recommended that within three months of adoption of the report, the land title should be surrendered by the Ministry of Sports and Culture to Bomas of Kenya.

Management Response

The Accounting Officer submitted that no valuation of assets has been carried out due to budgetary constraints and the title deed had not been surrendered to Bomas of Kenya.

Conclusion on Status

The Management did not value the assets citing budgetary constraints and the title deed had not been obtained.

Recommendation Category: Administrative

Implementation status: Not Implemented

162. Unsatisfactory Implementation of Enterprise Resource Planning System Financial Year 2018/2019

Recommendation

The National Assembly recommended that the Accounting Officer for the Bomas of Kenya should always submit documents for audit within the statutory timelines.

Management Response

The Accounting Officer did not make any submission on the implementation of this recommendation.

Conclusion on Status

Review of the subsequent audit report issued on 27 April, 2023 by The Auditor-General for the financial year ended 30 June, 2024 revealed that the issue of non-provision of documents for audit within the statutory timelines recurred.

Recommendation Category: Administrative

Implementation status: Not Implemented

**163. Receivables Financial Year 2015/2016 (A)-Long outstanding imprests
(Financial Year 2015/2016 to Financial Year 2019/2020)**

Recommendation

The National Assembly recommended that the Accounting Officer for the KNBS should follow-up on recovery of unaccounted for imprest

Management Response

The Accounting Officer submitted that the outstanding imprest was belatedly accounted for and verified by the OAG

Conclusion on Status

The amount of Kshs.4,438,906 in respect of 2009 census exercise has remained outstanding to date and therefore the recommendation is partially implemented.

Recommendation Category: Administrative

Implementation status: Partially Implemented.

**164. Receivables Financial Year 2015/2016 (A)-Long outstanding imprests
(Financial Year 2015/2016 to Financial Year 2019/2020)**

Recommendation

Further, the National Assembly had recommended that then Accounting Officer for KNBS be reprimanded for failing to ensure accountability of issued imprests within seven days after the end of the activity for which the imprest was issued for.

Management Response

The Accounting Officer did submit a response on whether the Accounting Officer was reprimanded for failure to ensure accountability of issued imprests within seven days after the end of the activity for which the imprest was issued for.

Conclusion on Status

There was no documentary evidence that the reprimand of the then Accounting Officer was not executed

Recommendation Category: Administrative

Implementation status: Not Implemented

165. Non-Current Assets (Financial Year 2015/2016 to 2017/2018)**Recommendation**

The National Assembly recommended that the Accounting Officer for the KNBS should ensure that henceforth the asset register is in place and updated.

Management Response

The Accounting Officer submitted that assets valuation and tagging have been done and the data uploaded in the financial management system.

Conclusion on Status

The asset register is in place and updated.

Recommendation Category: Administrative

Implementation status: Implemented

166. Lack of Title Deed**Recommendation**

The National Assembly recommended that the Accounting Officer for the KNBS to engage the Ministry of Lands and secure the Bureau's title to Embu land.

Management Response

The Accounting Officer submitted that the Bureau is still following up on the Land Title deed for the Embu County Office. On 24 June, 2024, the Embu County Government gave a no-objection to the National Land Commission for the issuance of an Allotment letter to KNBS.

Conclusion on Status

There was no documentary evidence provided to support the position that the County Government of Embu had issued a no-objection letter.

Recommendation Category: Administrative

Implementation status: Not Implemented

167. Long Outstanding Receivables 2017/2018**Recommendation**

The National Assembly recommended that the Accounting Officer for the KNBS recovers the unaccounted-for imprest from the officers concerned through the payroll or their terminal benefits.

Management Response

The Accounting Officer submitted that the outstanding imprest was belatedly accounted for and verified by the OAG

Conclusion on Status

The imprest was fully recovered from the affected staff hence no recoveries were made through the payroll.

Recommendation Category: Administrative

Implementation status: Implemented

168. Long Outstanding Receivables 2017/2018**Recommendation**

Further, the National Assembly recommended that the Accounting Officer for the KNBS complies with the Public Finance Management Act, 2012 and its attendant regulations on accountability of imprest.

Management Response

The Accounting Officer submitted that the outstanding imprest was belatedly accounted for and verified by the OAG.

Conclusion on Status

The Accounting Officer had instituted measures to ensure that un-surrendered imprest is immediately recovered.

Recommendation Category: Administrative

Implementation status: Implemented

169. Multiple imprests 2017/2018**Recommendation**

The National Assembly recommended that the Accounting Officer for the KNBS should recover the unaccounted-for imprest from the officers concerned.

Management Response

The Accounting Officer submitted that the outstanding imprest was belatedly accounted for and verified by the OAG.

Conclusion on Status

The Accounting Officer had instituted measures to ensure that un-surrendered imprest is immediately recovered.

Recommendation Category: Administrative

Implementation status: Implemented

170. Staff and Insurance Dues 2017/18

Recommendation

The National Assembly recommended that the Accounting Officer for the KNBS should ensure timely payments of services provided to the bureau.

Management Response

The Accounting Officer submitted that the matter was satisfactorily addressed and therefore resolved.

Conclusion on Status

The Accounting Officer did not provide any evidence to support the submission that timely payments of services provided to the bureau were made.

Recommendation Category: Administrative

Implementation status: Not Implemented

171. Variances between the trial balances and financial statements Financial Year 2018/2019

Recommendation

The National Assembly Recommended that the Accounting Officer for the KNBS should adhere to statutory timelines on presentation of documents for audit failure to which the sanctions provided for under the Public Audit Act, 2015 ensues.

Management Response

The Accounting Officer submitted that the information for audit was not presented to the OAG for audit within the required timelines then. However, the journal voucher and supporting schedules were later availed to OAG and verified. Further, all the information required for audit purposes will be provided within the specified timelines, in all future engagements.

Conclusion on Status

In the subsequent audits, the Accounting Officer has been providing documents for audit within the statutory timelines.

Recommendation Category: Administrative

Implementation status: Implemented

172. Mobile devices and related accessories expenses (Financial Year 2018/2019)

Recommendation

The National Assembly recommended that the then Accounting Officer for the KNBS should be reprimanded for getting expensive letters of Credit from banks instead of using The National Treasury and also for irregular use of direct procurement.

Management Response

The Accounting Officer submitted that the then Accounting Officer was issued with a reprimand letter by the Board Chairman (Ref- KNBS/ADIM/12 of 13 April, 2023).

Conclusion on Status

The reprimand letter was issued as recommended.

Recommendation Category: Administrative

Implementation status: Implemented

173. Doubtful payments to village elders Financial Year 2018/2019

Recommendation

The National Assembly recommended that considering that the KNBS's Director General confirmed that there was no attendance register taken for people that worked, the KNBS should submit the names of KNBS officers who took imprest amounts paid to the said village elders and how they accounted for / surrendered to the Office of the Auditor-General for audit and reporting in the next audit cycle.

Management Response

The management submitted that the Imprest surrenders documents were availed for audit review by OAG.

Conclusion on Status

The surrender documents on how the imprest was surrendered were submitted for audit as recommended.

Recommendation Category: Administrative

Implementation status: Implemented

174. Doubtful payments to village elders Financial Year 2018/2019

Recommendation

Further, the National Assembly recommended that henceforth, an attendance register should be maintained whenever such an activity occurs and no monies should be paid in Cash but rather by MPESA.

Management Response

The Accounting Officer submitted that the Imprest surrenders documents were availed for review by OAG.

Conclusion on Status

The Accounting Officer did not provide any evidence on measures taken to address payments for similar activities in future.

Recommendation Category: Policy

Implementation status: Not Implemented

175. Non- disclosure of special census bank accounts balances (Financial Year 2018/2019 and 2019/2020)

Recommendation

The National Assembly recommended that henceforth, the Accounting Officer should ensure that financial statements are accurately prepared and presented using an IPSAS template.

Management Response

The Accounting Officer submitted that the IPSAS template is being adhered to during the preparation of financial statements.

Conclusion on Status

The Accounting Officer has taken measures to ensure compliance with IPSAS.

Recommendation Category: Administrative

Implementation status: Implemented

176. Irregular expenditure on car-hire services (Financial Year 2018/2019 and Financial Year 2019/2020)

Recommendation

The National Assembly recommended that henceforth, the locals in the perceived hostile areas should be involved whenever such services are sought to avoid rejection of service providers brought from far-flung areas.

Management Response

The Accounting Officer submitted that the Bureau with the assistance of NGAOs has continued to engage the local communities in these areas during its various undertakings to avoid rejection.

Conclusion on Status

Although the Management indicated they will seek the assistance of the NGAO's, there is no documented approach on how to involve the locals within the existing procurement laws.

Recommendation Category: Administrative

Implementation status: Not Implemented

177. Lack of competitive bidding - MFI Document Solutions Limited for Kshs.104,519,803.20 (Financial Year 20018/2019)

Recommendation

The National Assembly recommended that the Management should always adhere to Article 227 of the Constitution by embracing competitive procurement and should only resort to other forms on exceptional circumstances.

Management Response

The Accounting Officer submitted that the Management will always adhere to Article 227 of the Constitution by embracing competitive procurement and should only resort to other forms on exceptional circumstances.

Conclusion on Status

The Management of KNBS has embraced embracing competitive procurement in compliance with Article 227 of the constitution.

Recommendation Category: Administrative

Implementation status: Implemented

178. Unsupported survey expenditure Financial Year 2019/2020

Recommendation

The National Assembly recommended KNBS should expedite development of Regulations operationalizing the Statistics Act that will address matters of recruitment among others.

Management Response

The Accounting Officer submitted that the Bureau had engaged the Kenya Law Reform Commission, and a draft regulation prepared. The draft regulations were shared with stakeholders for comments which will be considered before incorporation into draft regulations and thereafter conduct a validation exercise.

Conclusion on Status

The Management has commenced the process but not yet completed.

Recommendation Category: Legislative

Implementation status: Partially Implemented

179. Unreconciled county accounts Financial Year 2019/2020**Recommendation**

The National Assembly recommended that the Accounting Officer for the KNBS should ensure timely reconciliation of statements and accountability of imprests.

Management Response

The Accounting Officer submitted that the records were belatedly provided and verified by OAG thus resolving the query.

Conclusion on Status

Audit review of subsequent audits revealed that the reconciliations were done timely hence the recommendation was implemented.

Recommendation Category: Administrative

Implementation status: Implemented

180. Grabbed institutes lands (Financial Year 2012/2013 TO Financial Year 2018/2019) land at Mtwapa and Baringo**Recommendation**

The National Assembly recommended that the Director ensures that the Institute acquires ownership documents for all its land.

Management Response

The Accounting Officer submitted that Mtwapa land was registered in the name of Kenya Agricultural Research Institute (KARI) which ceded 10 acres (MN/III/2944) adjacent to the ocean to KMFRI in the year 1990 for establishment of research station. Before the transfer was done to KMFRI, the land was reallocated by the Commissioner of Lands in the year 1995 to private developers and a title deed issued MN/III/3082 in favor of M/S 680 Limited. KALRO filed court cases ELC No. 580/2011 and ELC No. 144 of 2021 at the Land and Environment Court Mombasa against the private developers and the Land Registrar Mombasa Registry and the EACC are enjoined as interested parties. KMFRI further engaged NLC, EACC and DCI on the matter for their intervention. EACC responded on 24 January, 2023 requesting KMFRI to record statement with certified copies where the Institute complied. The DCI also responded on 7 March, 2023 and indicated investigations into the matter had commenced. KMFRI awaits feedback from NLC, EACC, DCI, and the outcome of the court cases. In the Financial Year 2022/23, the Parliamentary Committee on Implementation visited KMFRI and the KMFRI Mtwapa Land and noted the status and efforts KMFRI has made to recover the land.

The parcel of land in Baringo was submerged by the waters of Lake Baringo. On 9 February, 2024, the Institute wrote to the NLC seeking the titling of the land in Baringo. The NLC responded on 14 June, 2024 advising KMFRI to follow up with the Ministry of Lands, Public Works, Housing, and Urban Development with a view of obtaining the ownership document. The Director of Land Administration wrote to KMFRI on 14 November, 2024 requesting a copy of the approved deed plan which was shared for the land office to obtain a signed and sealed amended Registry Index Map for ownership document preparation. The Management has since been tracking the matter to obtain ownership documents for the land.

Conclusion on Status

The Accounting Officer has not acquired any of the ownership documents.

Recommendation Category: Administrative

Implementation status: Not Implemented

181. Donor Grants (Financial Year 2012/2013)**Recommendation**

The National Assembly recommended that the Accounting Officer for Kenya Marine and Fisheries Institute should ensure that timely reconciliations are done in the Institute.

Management Response

The Accounting Officer submitted that in the 24th PIC report, the committee observed that reconciliations were belatedly done and verified by the Office of the Audit General thereby resolving the query. Subsequently, the Institute prepares bank reconciliations for all accounts on a timely basis and copies sent to The National Treasury as required. Any outstanding issues raised during the monthly reconciliations are addressed in the subsequent month.

Conclusion on Status

Timely or monthly reconciliations are done for the Institute and submitted to The National Treasury.

Recommendation Category: Administrative

Implementation status: Implemented

182. Long outstanding staff imprest (Financial Year 2012/2013 to Financial Year 2014/2015)**Recommendation**

The National Assembly recommended that the Accounting Officer for KMFRI should recover the said monies from either the salary or terminal dues of the officers involved in the 2022/2023 financial year.

Management Response

The Accounting Officer submitted that the Institute started the process of recovering the monies from the officers where some were recovered, and others could not be recovered since the holder were deceased. The institute has in accordance with the PFM Act, 2012 initiated the process to seek authority from the Cabinet Secretary, The

National Treasury to write off the irrecoverable balance of Kshs.206,675.25 owed by the deceased former staff during Financial Year 2022/23.

Conclusion on Status

Although the Accounting Officer indicated that some imprests were recovered, others could not be recovered since the holders were deceased. This position could, however, not be ascertained as no evidence was provided as proof of either positions.

Recommendation Category: Administrative

Implementation status: Not Implemented

183. Interest income Financial Year 2012/2013

Recommendation

The National Assembly recommended that the Accounting Officer for the KMFRI should always provide documents for audit within the statutory timelines failure to which the sanctions provided for under the Public Audit Act, 2015 ensues.

Management Response

The Accounting Officer submitted that the Kshs.503,098 was realized as interest income from the investment of the proceeds relating to the sale of Kongowea land. This amount was credited directly to the Institute recurrent account and a certificate was subsequently availed for audit. The Management has provided all requested documents in the subsequent external audits.

Conclusion on Status

Although the Accounting Officer addressed the anomaly then, there is no indication of the measures taken to ensure that documents are provided for audit within the statutory timelines.

Recommendation Category: Administrative

Implementation status: Not Implemented

184. Land at Kisumu Financial Year 2014/2015

Recommendation

The National Assembly recommended that the Accounting Officer for the KMFRI should sue the grabbers with a view to having them evicted from the Institute's property.

Management Response

The Accounting Officer submitted that the Institute sued Monica Akinyi under cause No. ELC No. 112 of 2014 (KSM) who had encroached and occupied the Land. As the case was ongoing, Monica Akinyi was evicted by other developers claiming ownership of the same land. The Institute sought assistance from EACC and NLC to unmask the new developers to institute the required legal proceedings against them. The Institute has been invited on several occasions by EACC and recorded statements of the same and supplied relevant documents to aid their investigation and recovery of the land. To facilitate the investigation, the EACC and KMFRI had a follow up engagement on 11 to 14 April, 2023.

Conclusion on Status

The Accounting Officer has encountered new land grabbers despite suing the first one but has not yet taken a legal action against the new developers in light of the new developments. Although, the institute has enjoined EACC to investigate the case no suit so far almost over two years now.

Recommendation Category: Administrative

Implementation status: Not Implemented

185. Cash and Cash Equivalents (Financial Year 2013/2014)**Recommendation**

The National Assembly recommended that the Accounting Officer for KMFRI should ensure timely reconciliations of the Institute's accounts.

Management Response

The Accounting Officer recommended that Bank Reconciliations of the Institute accounts are now done on a timely basis and copies sent to The National Treasury as required. Any outstanding issues raised during the monthly reconciliations including unpresented cheques are addressed in the subsequent month and stale cheques reversed within the statutory timelines. The Institute has since implemented the ERP system to streamline reconciliations.

Conclusion on Status

Timely or monthly reconciliations are done for the Institute and submitted to The National Treasury.

Recommendation Category: Administrative

Implementation status: Implemented

186. Employee Costs (Financial Year 2014/2015)

Recommendation

The National Assembly recommended that the Management of KMFRI should adhere to Public Sector Accounting Standards to avoid unnecessary queries.

Management Response

The Accounting Officer submitted that the Cumulative amount owed by a deceased research officer, the late Dr. Michael Nguli who passed away while in service was Kshs.3,169,242. According to the cost sharing scheme at the time, the Institute was obligated to pay 75% of any medical bill in the Financial Year subject to a maximum of Kshs.200,000 on cumulative basis for JG K and above and Kshs.150,000 for JG J and below. The medical advance balance of Kshs.2,753,692 owed by a deceased research officer, the late Dr. Michael Nguli who passed away while in service. The Institute sought the necessary approvals from the Board of Management.

Conclusion on Status

Although the narrative in the Management response do not address the commitment and measures in place to ensure compliance with Public Sector Accounting Standards to avoid unnecessary queries, there was no similar query in the subsequent audit.

Recommendation Category: Administrative

Implementation status: Implemented

187. Cruise Expenditure (Financial Year 2016/2017)

Recommendation

The National Assembly recommended that the Accounting Officer for KMFRI should provide the OAG with the approvals granted from the mother Ministry on the expenditure for audit and report in the 2022/2023 audit cycle.

Management Response

The Accounting Officer submitted that it is true that the Institute incurred Kshs.35,294,412 paid as night out facilitation for the sea going staff. The incurred expenditure included payment to Kenya Navy crew engaged to operate the vessel since KMFRI did not have capacity to operate a research vessel. Kenya Navy assisted to operate the vessel based on the MOU signed between the Parent Ministry of Agriculture, The State Department for Fisheries (SDF) and the Ministry of Defense. The Institute sought guidance from Salaries and Remuneration Commission (SRC)

and was advised on the appropriate rate payable to sea going staff. The institute has since implemented SRC approved sea going allowances.

Conclusion on Status

The Accounting Officer did not provide the OAG with the approvals granted from the mother Ministry on the expenditure for audit and report in the 2022/2023 audit cycle. Further, the Management made payments contrary to guidelines by salary and remuneration commission.

Recommendation Category: Administrative

Implementation status: Not Implemented.

188. General Expenses (Financial Year 2017/2018)

Recommendation

The National Assembly recommended that the Accounting Officer for the KMFRI should submit all the approvals it obtained from the mother ministry and the reconciliations done to the Office of the Auditor-General for Audit in the 2022/2023 audit cycle.

Management Response

The Accounting Officer submitted that it is true that the research programs expenditure of Kshs.564,202,447 included Kshs.385,977,690 in respect of KCDP Project. The actual expenditure for KCDP – IDA Credit number 4801 was Kshs.207,377,244 and GEF Grant Number TF 97578 was Kshs.21,414,619 totaling to Kshs.228,791,863. The variance of Kshs.31,149,220 was reconciled as the cumulative expenditure incurred by the project on behalf of the other partner government implementing agencies; NEMA, CDA, KWS, State Department for Fisheries, KEFRI and Department of Physical Planning. The subsidiary agreements signed between KMFRI and the other implementing agencies were provided.

Conclusion on Status

The Accounting Officer did not provide the OAG with the approvals granted from the mother Ministry on the expenditure and the reconciliations done for audit and report in the 2022/2023 audit cycle.

Recommendation Category: Administrative

Implementation status: Not Implemented

189. Construction of Shimoni office and laboratory block (Financial Year 2017/2018) - Use of force account

Recommendation

The National Assembly recommended that the Accounting Officer for the KMFRI should adhere to the Public Procurement and Disposal Act, 2015 when procuring for goods and services and desist from using Force Account when the cost of the project is high.

Management Response

The Accounting Officer submitted that it is true that included in the work in progress of Kshs.34,405,403 is an amount of Kshs.12,058,463 in respect to the construction of Shimoni office and laboratory. To secure the land from grabbers, urgent measures were taken by constructing a perimeter fence and a small office structure to deter the invaders. The Institute Management's decision to use force account was informed by the following provisions of the Public Procurement and Assets Disposal Act, 2015 (PPADA, 2015). Section 109(2) States that "a procuring entity may use force account by making recourse to the state or public officers and using public assets, equipment and labor which are competitive.

The Institute engaged its masons, supported by casual laborers, to complete the project which has since attracted approximate funding of Kshs.1billion for the National Mariculture Research Training Center and Kshs.350 million from the KEMSFED World bank funded project, The Institute utilized its Resident Engineer to supervise the project. The Management has adopted the Committee's recommendation and has halted the use of Force account method of procurement.

Conclusion on Status

The Accounting Officer has adhered to the Public Procurement and Asset Act, 2015 when procuring for goods and services and desisted from using Force Account when the cost of the project is high as recommended.

Recommendation Category: Administrative

Implementation status: Implemented

190. Delayed completion

Recommendation

The National Assembly recommended that the Accounting Officer for KMFRI should always ensure that conceived projects are implemented within the specified timelines.

Management Response

The Accounting Officer submitted that the project was completed and handed over. The Management adopted the committee's recommendation to ensure that conceived projects are implemented within specified timelines.

Conclusion on Status

The project was completed, and the Management adopted the committee's recommendation to ensure that conceived projects are implemented within specified timelines.

Recommendation Category: Administrative

Implementation status: Implemented

191. M.V Mtafiti Vessel - Procurement of Laboratory Equipment (Financial Year 2017/2018)**Recommendation**

The National Assembly recommended that the Accounting Officer for KMFRI should recover the Daily subsistence allowances paid to officers that facilitated tender evaluation sittings in Kilifi within the 2022/2023 financial year.

Management Response

The Accounting Officer submitted that the Management effected the recoveries of the Daily Subsistence Allowances paid to KMFRI Officers.

Conclusion on Status

A review of the evidence submitted for audit verification revealed that Full recovery has not been done.

Recommendation Category: Administrative

Implementation status: Partially implemented

192. Acting positions (Financial Year 2017/2018)**Recommendation**

The National Assembly recommended that the Accounting Officer should always adhere to the Employment Act, 2007 and Public Service Regulations on employment.

Management Response

The Accounting Officer submitted that the institute is complying with the Employment Act, 2007 and has developed Human Resource Policy instruments approved by SCAC and in line with circular no. OP/SCAC.9/21/1/1 of 15 May, 2017 to guide on issues of

Human Resource Management. The Institute is guided by the KMFRI Human Resource Management Policy and Procedures Manual. In compliance to the recommendation, the Institute has also developed a succession Management policy and constituted a succession Management committee as provided in (Annex 16) to manage the replacement of exiting staff to ensure continuity and avoid violating the Employment Act, 2007 regarding acting positions.

Conclusion on Status

The institute has developed and has approved human resource instruments to guide human resource management.

Recommendation Category: Administrative

Implementation Status: Implemented

193. Loss of Deep-Sea Observatory Rover (Financial Year 2018/2019)

Recommendation

The National Assembly recommended that the then Accounting Officer for the KMFRI should be reprimanded for not insuring the lost rover that could have compensated the Institute in the event of loss.

Management Response

The Accounting Officer submitted that it is true that the amount of Kshs.531,106,878 in respect of research vessels includes Kshs.13,242,599 being the cost of deep-sea observatory rover. The deep-sea observatory rover is a remotely operated equipment that collects high-resolution color images and videos that can be used to identify organisms and visualize seafloor features. The ROV measured; width 19.6 inches by; height 14.9 inches by; length 24.8 inches and weighing 26kgs is connected to boat-based controller by a 300m tether cable. KMFRI encountered strong tidal currents while carrying out a survey in Mombasa Marine Park on 3/7/19 which turned the boat exposing the ROV tether cable to the boat propeller leading to a strong pull tension to the ROV connection forcing the ROV to tear away from the cable connection joint. A search and recovery operation was jointly conducted by KMFRI, Beach Management Units (BMUs) and KWS divers in the area where the equipment was lost. However, due to poor visibility accessioned by turbid water from rain runoffs, the search team could not locate the rover. All the Beach Management Units (BMUs) in Kwale, Mombasa up to Kilifi were informed of the missing equipment including a picture of the

equipment. The equipment has never been traced. The then Accounting Officer for KMFRI has been reprimanded.

The incident was reported to Nyali Police OB number OB. No. 51/3/7/19 as provided in. The Institute awaits the outcome of the police investigations.

KMFRI Management deems the deep-sea observatory rover irrecoverable from the deep sea and has initiated the process to seek authority from Cabinet Secretary National Treasury to write off Kshs.13,242,599 from the Institute's books in accordance with the provisions of the PFM Act, 2012 as per Board paper number 14 in the 111th Session of Finance and Planning Board committee meeting.

Conclusion on Status

The Accounting Officer has not provided any evidence of reprimand to the then Accounting Officer for not insuring the lost rover that could have compensated the Institute in the event of loss.

Recommendation Category: Administrative

Implementation status: Not Implemented

194. Cash And Cash Equivalents – Stolen cash in hand (Financial Year 2018/2019)

Recommendation

The National Assembly recommended that the Accounting Officer should ensure implementation of cashless transactions beginning the 2022/2023 financial year. Further, the National Assembly recommended that the Management should consider writing off the stolen cash if it cannot be recovered.

Management Response

The Accounting Officer submitted that the Institute has implemented the committee's recommendation by:

- i. Rolling out an integrated Enterprise Resource Planning System (ERP) system to ensure all transactions are done online, and payments for services are now being processed through E-Citizen platform.
- ii. In accordance with the PFM Act, 2012, the Institute sought authority from the Cabinet Secretary, The National Treasury through the parent ministry to write off the lost funds amounting to Kshs.165,112 as per correspondence provided.

The Institute received approval from The National Treasury to write off the lost funds on 27 February, 2024 as provided. The write off was effected in the Institute's books of account in the Financial Year 2023-2024.

Conclusion on Status

The Accounting Officer, rolled out an integrated Enterprise Resource Planning System (ERP) system to ensure all transactions are done online, and payments for services are now being processed through E-Citizen platform. The recommendation was implemented. The write off was effected in the Institute's books of account in the Financial Year 2023-2024.

Recommendation Category: Administrative

Implementation status: Implemented

195. PV Doria Operationalization (Financial Year 2018/2019)

Recommendation

The National Assembly recommended that Accounting Officer for KMFRI should always adhere to the PFM Act, 2012 on application of funds.

Management Response

The Accounting Officer submitted that PV Doria was acquired by the Government during Financial Year 2018/2019 and placed under the Parent Ministry after the budget had already been printed. Since there was no budget provided within the printed estimates that financial year to operationalize PV Doria, KMFRI was required to fund under the vessels pending allocation of a separate budget allocation under the Parent Ministry in the subsequent Financial Year 2019/2020. The National Treasury confirmed operationalization of PV Doria with its budget to be under State Department for Fisheries via letter Ref No. RES 1166/18/01(13) dated 15 October, 2018.

It is true that included in the Institute budget was an amount of Kshs.116,594,000 with respect to the operationalization of PV Doria Patrol Vessel and Kshs.37,886,770 of the budgets was used for the commissioning of the vessel. The Institute transferred the funds from the vessels budget allocation to the State Department for Fisheries & the Blue Economy (SDF&BE) as instructed by the Accounting Officer(Principal Secretary-SDF&BE).

The matter was tabled before the 24th sitting of the Public Investment Committee. The Committee recommended

that the Accounting Officer for KMFRI should always adhere to the PFM Act, 2012 on application of funds, and the Office of the Auditor-General should audit expenditure relating to PV Doria in the 2022/2023 audit cycle. The Institute has written to the State Department for Blue Economy and Fisheries to furnish The Auditor-General with accountabilities for the transfer of Kshs.37,886,770 to address the audit matter.

Conclusion on Status

The Accounting Officer provided relevant approvals to incur expenditure.

Recommendation Category: Administrative

Implementation status: Implemented

NATIONAL SOCIAL SECURITY FUND (NSSF)

196. Unaccounted for members contributions - contributions in transit

Recommendation

The National Assembly recommended that the Management of the NSSF should expedite reconciliation and be up to date with members' contributions.

Management Response

The Accounting Officer submitted that over 80% of contributions in transit is with respect to the Central Government, County Governments and Teachers Service Commission (TSC). The following initiatives are in place to significantly reduce the level in contributions in transit under these categories of employers by end of March 2025:

- i. Registration of all unregistered employees. Members who have been registered have been drawn from Teachers Service Commission (TSC), Commissioner of Police, Ministry of Health, National Youth Service, Public Service Commission and the Judiciary.
- ii. Constitution of project teams to clear contributions in transit for these employers. A team specifically handling Teachers Service Commission (TSC) has been in place since October, 2024 where its targeting to conclude at end March 2025. The team has identified Kshs.400Million for update.
- iii. Sensitization on contributions management to all employers is ongoing.

Conclusion on Status

The management has initiated mechanisms including registration of all unregistered employees, and the constitution of project teams to clear contributions in transit.

The management also sensitized all employers on contributions management. However, there is no documentary evidence to show that registration is done for unregistered employees, project team composition and sensitization process. Further, the contributions in transit issue is yet to be resolved or reconciled.

Recommendation Category: Administrative

Implementation status: Not Implemented

197. Unsupported returned benefits**Recommendation**

The National Assembly recommended that the Accounting Officer for the NSSF should ensure data of its members is always updated to ensure easier location and identification of beneficiaries.

Management Response

The Accounting Officer submitted that the returned benefits belong to members who exited the Fund and not Fund employees. 952 members were traced in the last 2 years and Kshs.20,301,036 paid leaving a balance of Kshs.158,477,570 30 as at June, 2024. Details of the remaining 18,671 have been mapped and distributed to regions and branches for tracing of members. Payment/settlement is an ongoing process.

Conclusion on Status

Although the Management has initiated mechanisms to trace members whose benefits were returned, 18,671 members benefits amounting to Kshs.158,477,570 has not been traced to the beneficiaries. From the response by the Accounting Officer, it was not clear whether, data of its NSSF members is always updated to ensure easier location and identification of beneficiaries as recommended in the report.

Recommendation Category: Administrative

Implementation status: Not Implemented

198. Unresolved prior year audit matters: Kisumu Milimani Upmarket Houses**Recommendation**

The National Assembly recommended that the Managing Trustee for the NSSF should ensure that there is a debt swap policy within NSSF in the 2021/2022 financial year and persuade the County Government of Kisumu to agree to its use on the property in question.

Management Response

The Accounting Officer submitted that the purpose of the swap was recovery of outstanding penalties on member contributions which culminated in the transfer of title to NSSF name. Further, NSSF now owns the property, obtained a lease extension and currently the commitment is to have in place by the end of 2024/2025 a plan of having the property developed for the benefit of members. The transaction was one off and there has not been any similar one since.

Conclusion on Status

The Managing Trustee for the NSSF did not provide documentary evidence of a debt swap policy developed within NSSF. Further, Managing Trustee for the NSSF did not provide any evidence or correspondence as a prove that they persuaded the County Government of Kisumu to agree to use of the property in question and there was proper (legal) transfer of the title. The recommendation was therefore not implemented.

Recommendation Category: Policy

Implementation status: Implemented

199. Tassia I and Tassia II scheme**Recommendation**

The National Assembly recommended that the managing Trustee for the NSSF should make an application in court stopping any developments on the contested land until the matter is heard and determined. Further, the Managing Trustee for the NSSF should ensure that all the land-related issues have been resolved by isolating those with problems and having them addressed.

Management Response

The Accounting Officer submitted that the Fund successfully obtained stay orders from the High Court until the matters are heard and determined. The matter is still ongoing and the Fund is awaiting Court decision. Most of the title deeds have been processed and the remaining ones are at an advanced stage of being processed and are expected to be out by mid-2025. The Board of Trustees approved refund of the infrastructure fees contributed after the government decided that the project be taken over by Nairobi City County. Out of Kshs.494,029,961 contributed, Kshs.308,109,088 has been refunded to the respective plot owners leaving a balance of Kshs.185,920,873.14 which was outstanding as at 30 June, 2024 and the refund is an ongoing exercise

Conclusion on Status

The Managing Trustee for the NSSF had successfully obtained stay orders from the High Court until the matters are heard and determined, the matter is still pending in court. As at June, 2024, a total of Kshs.185,920,873 had not been refunded.

Recommendation Category: Administrative

Implementation status: Partially Implemented

200. Fixed deposits held to maturity

Recommendation

The National Assembly recommended that the NSSF should aggressively follow-up of the full recovery of its funds.

Management Response

The Accounting Officer submitted that the Fund recovered Kshs.70,000,000 held in Chase Bank and Kshs.52,970,671.1 from imperial Bank leaving a balance of Kshs.206,029,328.90. The Fund has made provision of the remaining amount in its financial statements. Meanwhile, the Custodian and Fund Manager have been instructed to continue pursuing recovery and frequent updates are provided to the Board of Trustees.

Conclusion on Status

A balance of Kshs.206,029,328.90 from the Imperial Bank has not yet been recovered but the Fund made provision in its financial statements. However, the Custodian and Fund Manager have been instructed to continue pursuing recovery and frequent updates provided to the Board of Trustees. The recommendation on the full recovery of its funds is made is not implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

201. Unremitted members contributions

Recommendation

The National Assembly recommended that the Managing Trustee of the NSSF should ensure recovery of the outstanding amounts through aggressive follow-ups.

Management Response

The Accounting Officer submitted that the Fund has put in place mechanisms to collect the unremitted contributions. Most of these funds are owed by Ministries, Counties and defunct municipal councils. The amounts recovered as at 31 December, 2024 was Kshs.155,149,195 while the amount Under Instalment Undertaking was Kshs.7,995,806. Kshs.3,617,380 is under court action while Formal Demands & Relationship Management Kshs.174,826,269 have been made. Employers owing Kshs.8,878,288 are Under Liquidation/Receivership. The defunct local authorities owe Kshs.221,682,300 and collection is ongoing through the said channels/options.

Penalties

The Amount recovered in penalties as at 31 December 2024 was Kshs.2,345,495,492. The value for Instalment Undertaking Kshs. Was Kshs.12,344,422. Kshs.7,527,348 is in court. Closed employers Kshs.909,011,752 (includes Kshs.895,484,187 with respect to defunct local authorities. This amount is still undergoing reconciliation). Kshs.1,834,485,758 has been demanded formally and others done through Relationship Management Erroneous Penalties Kshs.13,120,965.

Conclusion on Status

The Accounting Officer did not indicate the measures that the Fund has put in place to recover unremitted members' contributions. The recovery rate is quite low and recovery of some will be remote as they relate to defunct local authorities. The recommendation is not implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

TOURISM FUND

202. Trade and Other Receivables: Financial Year 2011/2012 to Financial Year 2017/2018

Recommendation

The National Assembly recommended that the Accounting Officer for the Tourism Fund should pursue recovery of the Kshs.9.5 million from the then directors of the African Safari Club that went under after issuing dishonored cheques to the Fund and the Kshs.7.5 million cheques from levy revenue.

Management Response

The Accounting Officer submitted that the Tourism Fund filed a notice of intention to be enjoined in a Winding Up Case No. 1 of 2005 at Mombasa between Universal Hardware Ltd (Creditor) and African Safari Club. A judgement on the case was delivered on 19 June, 2014 and a Winding Up order against the Club was issued on 23 June, 2014. After the Winding Up order was issued against the Club, the Fund attended the Official Receiver meetings ensuring that the organization benefited from sharing of the assets.

Conclusion on Status

Although, the Accounting Officer submitted that the Tourism Fund filed a notice of intention to be enjoined in a Winding Up Case No. 1 of 2005 at Mombasa between Universal Hardware Ltd (Creditor) and African Safari Club, there is no evidence of recovery of the Kshs.9.5 million or the status there of. The recommendation is therefore not implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

203. Trade and Other Receivables: Financial Year 2011/2012 to Financial Year 2017/2018

The National Assembly recommended that the Accounting Officer for the Tourism Fund should compile a list of unrecoverable debts and recommend to the Board for a write-off.

Management Response

The Accounting Officer submitted that the Fund found it unfeasible to recover the amounts from estate of deceased.

Conclusion on Status

The Accounting Officer did not provide the compiled a list of unrecoverable debts and the recommendation to the Board for a write-off. The recommendation is therefore not implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

204. Irregular procurement – Uncertified works (Financial Year 2014/2015 to 2017/2018)**Recommendation**

The National Assembly recommended that the that the accounting for the Tourism Fund should put mechanisms in place to ensure that payment certificates are correctly worded to avoid ambiguity.

Management Response

The Accounting Officer submitted that the Fund reviewed its operations ensuring that payment certificates are correctly worded and authenticated.

Conclusion on Status

Although, the Accounting Officer submitted that the Fund reviewed its operations ensuring that payment certificates are correctly worded and authenticated. There was no evidence that there are mechanisms or checks and balances in place to ensure scrutiny of payment certificates.

Recommendation Category: Administrative

Implementation status: Not Implemented

205. Encashment of Cheques (Financial Year 2015/2016 to Financial Year 2017/2018)**Recommendation**

The National Assembly recommended that the Accounting Officer for the Tourism Fund should always ensure adherence of Treasury Guidelines and the Public Finance Management Act, 2012 on financial management.

Management Response

The Accounting Officer submitted that the Fund has adopted e-banking system for all payments, which is cashless.

Conclusion on Status

The Fund has adopted e-banking system for all payments, which is cashless. Therefore, the recommendation was implemented.

Recommendation Category: Administrative

Implementation status: Implemented

206. Bank Reconciliations Financial Year 2015/2016**Recommendation**

The National Assembly recommended that the Accounting Officer for the Tourism Fund should institute mechanisms for ensuring prompt reconciliation of the Fund's books of account.

Management Response

The Fund has instituted a real-time ERP module that undertakes prompt reconciliation.

Conclusion on Status

The Fund has adopted real-time ERP module that undertakes prompt reconciliation.

Recommendation Category: Administrative

Implementation status: Implemented

207. Board Expenses Financial Year 2015/16**Recommendation**

The National Assembly recommended that the Accounting Officer of the Tourism Fund should always adhere to the Public Finance Management Act, 2012 in budget execution.

Management Response

The Accounting Officer submitted that the Fund adhered to Mwongozo Code of Governance in terms of meetings held and Public Finance Management Act, 2012 in budget execution.

Conclusion on Status

The Accounting Officer did not indicate mechanisms adopted and whether the Fund adheres to the Public Finance Management Act, 2012 in budget execution but justified the bases of non-compliance. The recommendation was not implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

208. Deleted and Missing Receipts and Transactions (Financial Year 2015/2016)

Recommendation

The National Assembly recommended that the Accounting Officer for the Tourism Fund should put in place a record management system that ensures accountability of all expenditures.

Management Response

The Accounting Officer submitted the Fund has since deployed a robust ERP system with a records management function.

Conclusion on Status

The Accounting Officer indicated that the Fund has since deployed a robust ERP system with a records management function. The recommendation was implemented.

Recommendation Category: Administrative

Implementation status: Implemented.

209. Receivables from Non-Exchange Transactions (Financial Year 2015/2016)

Recommendation

The National Assembly recommended that the Accounting Officer for the Tourism Fund should put in place a system that ensures loans advanced to its staff can be recovered in full whenever the beneficiaries leave the service for one reason or the other.

Management Response

The Accounting Officer submitted that the Fund found it unfeasible to recover the amounts from estate of deceased.

Conclusion on Status

The Accounting Officer indicated that the Fund found it unfeasible to recover the amounts from estate of deceased. Similarly, there was no evidence on the status.

Recommendation Category: Administrative

Implementation status: will not be implemented

210. Budgetary Control (Financial Year 2015/2016)

Recommendation

The National Assembly recommended that the Accounting Officer for the Tourism Fund should always adhere to the Public Finance Management Act, 2012 on budget execution.

Management Response

The Accounting Officer submitted that the Fund has adhered to the Public Finance Management Act, 2012 on budget execution.

Conclusion on Status

The Accounting Officer indicated that the Fund has adhered to the Public Finance Management Act, 2012 on budget execution. The strategies adopted to ensure adherence to the Budget are not outlined and the paragraph has been recurring. The recommendation is not implemented.

Recommendation Category: Administrative

Implementation status: Not implemented

211. Investments (Financial Year 2017/2018)**Recommendation**

The National Assembly recommended that the Accounting Officer for the Fund should aggressively pursue recovery of funds invested in the banks.

Management Response

The Accounting Officer submitted that the total value of the shares from Consolidated bank is Kshs.3,100,000 of which they have assured the Fund that they are in safe custody.

Conclusion on Status

The Accounting Officer indicated that the total value of the shares from Consolidated bank of Kshs.3,100,000 are in safe custody but did not recover the funds as the National Assembly had recommended. The recommendation was not implemented.

Recommendation Category: Administrative

Implementation status: Not implemented

212. Ronald Ngala Utalii College (Financial Year 2014/2015 to 2018/2019)**Recommendation**

The National Assembly recommended that the Accounting Officer for the Tourism Fund should ensure that all the land meant for Ronald Ngala Utalii College is fenced and a caveat placed to secure its title within the first half of the 2022/2023 fiscal year.

Management Response

The Accounting Officer submitted that Currently, Tourism Fund has initiated the fencing process and its ongoing.

Conclusion on Status

The Accounting Officer indicated that currently, Tourism Fund has initiated the fencing process and its ongoing whilst the National Assembly had recommended that in addition a caveat be placed to secure its title within the first half of the 2022/2023 fiscal year.

Recommendation Category: Administrative

Implementation status: Partially implemented

213. Negotiation of Consultancy fees**Recommendation**

The National Assembly recommended that the Accounting Officer of the Tourism Fund should always adhere to the procurement laws whenever procuring and executing projects.

Management Response

The Accounting Officer submitted that the entire consortium was evaluated in accordance with their relevant laws e.g., Architects and Quantity Surveyors CAP 525, engineers CAP 530.

Conclusion on Status

The Accounting Officer indicated that the entire consortium was evaluated in accordance with their relevant laws whilst the National Assembly had recommended that procurement law be adhered to. The commitment and measures taken to ensure adherence to procurement law are not indicated. The recommendation was not implemented.

Recommendation Category: Administrative

Implementation status: Not implemented

214. Absence of Cabinet Approval on downscaling of works**Recommendation**

The National Assembly recommended that the Accounting Officer for the Tourism Fund should always provide documents for audit within statutory timelines failure to which the Sanctions provided in the Public Audit Act, 2015 be applied.

Management Response

The Accounting Officer submitted that the review was done in consultation with parent Ministry and The National Treasury. This was further regularized through the eleventh parliament vide the adoption of a special PIC report.

Conclusion on Status

The Accounting Officer justified how the works were approved rather than addressing whether subsequent provision of documents for audit has been done within statutory timelines. The issue of documents not provided in the subsequent audits has been raised implying non-adherence or not implemented. The recommendation was not implemented.

Recommendation Category: Administrative

Implementation status: Not implemented

215. Amounts paid to the project**Recommendation**

The National Assembly recommended that the Accounting Officer for the Tourism Fund should always make full disclosure on all the expenditures the Fund makes.

Management Response

The Accounting Officer submitted that the amounts reflected are consistent with the memorandum of understanding between Tourism Fund and the State Department of Tourism on co-funding the construction of Ronald Ngala Utalii College in Tourism Fund pays for professional services consumed by the College.

Conclusion on Status

The Accounting Officer did not indicate the measures taken to ensure that the Fund makes full disclosure on all the expenditures incurred. The recommendation was not implemented.

Recommendation Category: Administrative

Implementation status: Not implemented

216. Irregular payments to the Advocate in financial year 2016/2017**Recommendation**

The National Assembly recommended that the Accounting Officer for the Tourism Fund should pursue expeditious recovery of the overpaid funds. Further, the Accounting

Officer for the Tourism Fund should restructure the legal Department of the Tourism Fund to be able to draft legally sound and enforceable contracts.

Management Response

The Accounting Officer submitted that a case has been filed in court and there is an indication of willingness for out-of-court settlement. The debt will be accrued once a registered written commitment has been obtained.

Conclusion on Status

The recovery of the overpaid funds has not been achieved despite the Accounting Officer indicating that a case has been filed in court. Further, there were no details on how the Accounting Officer for the Tourism Fund restructured the legal Department of the Tourism Fund to draft legally sound and enforceable contracts. The recommendations were not implemented.

Recommendation Category: Administrative

Implementation status: Not implemented

217. Accuracy of claims

The National Assembly recommended that the Accounting Officer for the Tourism Fund should always provide documents for audit as per the statutory timelines.

Management Response

The Accounting Officer submitted that This claim was made in accordance with Section 48 of the Public Procurement and Disposal Act, 2005 and supported by an opinion sought from the Attorney General.

Conclusion on Status

The Accounting Officer did not indicate the commitment and measures taken to ensure adherence to provision of documents within statutory timelines. The recommendation was not implemented. The recommendation was not implemented.

Recommendation Category: Administrative

Implementation status: Not implemented

218. Unsupported revenue from foreign motor vehicle permit fees (Financial Year 2018/2019)**Recommendation**

The National Assembly recommended that the Accounting Officers for both NTSA and KRA should finalize the information sharing agreement on imported motor vehicles and implement it within the 2022/2023 financial year.

Management Response

The Accounting Officer-NTSA submitted that a Draft MoU for review and input of KRA and final execution to comply with the PIC recommendations of having a bilateral MoU between the two entities. KRA on its part held the position that there was need to broaden the arrangement to accommodate other key agencies it deals with at the points of entry. KRA had indicated that at the time of executing the MoU with NTSA there were fragmented engagements to have a joint Partner Government Agencies (PGA) Service Level Agreements. This is now in its final stage with a consolidated Draft SLA for 24 Government agencies involved in sea cargo clearance which NTSA is part of expected as the final output.

As the process is being concluded, The Partner Government Agencies are currently streamlining their processes and communication to enable all players speak from the same script. To this end, KRA has organized and invited PGAs to a review workshop for The Joint Partner Government Agency Service Level Agreement to facilitate conclusion on the agreement. Once concluded and signed the SLA will enable all signatories share and access data on various points of engagements with KRA.

Conclusion on Status

NTSA had initiated the process of having an agreement with KRA for information sharing, however, no agreement had been signed and the process is still in progress. The recommendation is therefore partially implemented.

Recommendation Category: Administrative

Implementation status: Partially Implemented

219. Overstated Smart Card Inventories

Recommendation

The National Assembly recommended that the Accounting Officer for the NTSA should always ensure that documents are submitted for audit within the statutory timelines.

Management Response

The Accounting Officer-NTSA submitted that the Management had taken note of the recommendation and has since complied by submitting all documents as required to The Auditor-General within the statutory timelines. The Authority has therefore facilitated the auditors with all documents relating to inventories as and when required in all the subsequent audits.

Conclusion on Status

The submission by the Accounting Officer in respect to the Recommendation on smart card inventories was valid, however, in the subsequent audits e.g., 2022/2023, the issue of non-provision of documents was raised by the auditors, implying that not at all times has the NTSA been submitting all documents as required to The Auditor-General within the statutory timelines thus partially implemented.

Recommendation Category: Administrative

Implementation status: Partially Implemented

220. Contingent Assets - Motor Vehicle Inspection Centers (Financial Year 2018/2019)

Recommendation

The National Assembly recommends that the Accounting Officer for the NTSA should ensure acquisition of ownership documents for NTSA land within the 2022/2023 financial year.

Management Response

The Accounting Officer submitted that the process of titling of parcels of Land in the Country is slow and lengthy, To speed up this process, the Authority engaged the Principal Secretary for the State Department of Lands who then constituted a Multi-Agency Team comprising of The Ministry of Lands, The National Lands Commission (NLC), Kenya Survey of Kenya, The National Police Service (NPS) and NTSA to assist it in securing ownership and titling of the various parcels of land for the Authority.

As a result of these concerted efforts, NTSA has so far secured titles and ownership documents for three (2) parcels of land in Thika Makongeni, and Mombasa Miritini's

Regional office and a Lease Agreement for Likoni's industrial area Inspection Centre. Further, the Authority has secured Letters of Reservations from The National Land Commission (NLC) for the following parcels; Machakos, Thika I, Meru, Nakuru, Eldoret, Kisumu. As a follow up to the Letters of Reservations, the Authority has appealed to NLC to issue Allotment Letters in place of The Letters of Reservations. Management remains optimistic that the Multi agency team will expedite the transfer of ownership and titling of the remaining parcels within the next two years ending 30 June, 2026.

Conclusion on Status

Although NTSA has demonstrated effort to acquire land ownership documents by obtaining title deeds for only two parcels of land, the ownership of the other parcels of land located in Machakos, Thika I, Meru, Nakuru, Eldoret, Kisumu have not been obtained and therefore the recommendation is partially implemented.

Recommendation Category: Administrative

Implementation status: Partially Implemented

221. Cash and Cash Equivalent (Financial Year 2018/2019)

Recommendation

The National Assembly recommended that the Accounting Officer for the NTSA should ensure that reconciliations are done promptly.

Management Response

The Accounting Officer for the NTSA submitted that the Management had taken note of the recommendation and had since complied by ensuring that bank reconciliations are done promptly and submitted for audit as required to The Auditor-General from time to time. As a result, bank reconciliations for the subsequent financial periods have been done and submitted to the auditors for audit as required.

Conclusion on Status

The Authority provided bank reconciliation statements and other supporting documents for cash and cash equivalents and subsequently have complied with the requirement. The recommendation has therefore been implemented.

Recommendation Category: Administrative

Implementation status: Implemented

222. Failure to Secure Ownership of Smart Card-Based License Application Software and Related Infrastructure (Financial Year 2018/2019)

Recommendation

The Committee recommended that the Accounting Officer for the NTSA should ensure that the contract is effectively implemented as per the timelines.

Management Response

The Accounting Officer submitted that the Management has put in place measures to ensure the contract is effectively and efficiently managed.

Conclusion on Status

Although the Accounting Officer submitted that the Management has put in place measures to ensure the contract is effectively and efficiently managed, there was no documentation of the measures taken and whether the contract was finally effectively and efficiently managed. The recommendation is therefore not implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

223. Accountability for Inventory Items Issued in Bulk (Financial Year 2018/2019)

Recommendation

The National Assembly recommended that the Accounting Officer for the NTSA should always submit documents for audit within the statutory timelines failure to which the sanctions provided for under the Public Audit Act, 2015 ensues. Further, the Accounting Officer for the NTSA should ensure automation of its systems to avoid pilferage of funds.

Management Response

Management has put in place measures to ensure the inventory is effectively and efficiently managed.

Conclusion on Status

The Accounting Officer did not submit details or documentation on how the automation of its Inventory systems was done to avoid pilferage of funds. Therefore, the Recommendation has not been implemented

Recommendation Category: Administrative

Implementation status: Not Implemented

PHARMACY AND POISONS BOARD

224. Property, Plant & Equipment

Recommendation

The National Assembly recommended that the Management of the Pharmacy and Poisons Board (Board) should approach the National Land Commission for expeditious processing of ownership documents to the land belonging to the Board.

Management Response

The Accounting Officer submitted that the Management had engaged a legal firm to address and follow up on the issue of the title deed for the Pharmacy and Poisons Board. The legal firm is tasked with handling all necessary procedures, including reviewing documentation, liaising with relevant authorities, and addressing any legal hurdles that may be delaying the issuance or transfer of the title deed. This engagement aims to ensure that the matter is resolved efficiently and in compliance with legal requirements. At present, the process is ongoing, and updates on progress will be provided as the legal firm advances through the necessary steps to secure the title deed.

Conclusion on Status

Although the National Assembly had recommended that the Board approaches the National Land Commission for expeditious processing of ownership documents, the Board engaged a legal firm to address and follow up on the issue of the title deed.

Recommendation Category: Administrative

Implementation status: Not Implemented

225. Receivables from Exchange Transaction (Financial Year 2012/2013)

Recommendation

The National Assembly recommended that the management should always submit documents for audit review within the statutory timelines provided for in the Public Audit Act, 2015.

Management Response

The Accounting Officer submitted that partial recoveries have since been made on trade receivables; however, the process remains slow and challenging. It is important to highlight that the COVID-19 pandemic had a devastating impact on many pharmaceutical firms. The prolonged lockdowns disrupted supply chains, and reduced

market activities significantly affected their cash flows and overall financial stability. Even post-pandemic, most of these firms continue to face financial hardships, struggling to regain pre-pandemic operational levels. Consequently, many of them have been unable to service their outstanding obligations, including settling bounced cheques. This has created a cascading effect, hindering the speed and efficiency of the recovery process. Efforts to address these challenges are ongoing, but the broader recovery of the pharmaceutical sector remains a critical factor in resolving the issue fully.

Conclusion on Status

The Accounting Officer did not respond on the issue of whether submission of documents for audit review is done within the statutory timelines as provided for in the Public Audit Act of 2015.

Recommendation Category: Administrative

Implementation status: Not Implemented

226. Trade and Other Payables

Recommendation

The National Assembly recommended that Management submits communication with KRA to the Auditor for confirmation of resolution of the matter.

Management Response

The Accounting Officer submitted that Pharmacy and Poisons Board formally engaged the Kenya Revenue Authority (KRA) through a letter dated 27 May, 2024, to address issues related to system access and to facilitate the filing and payment of outstanding tax returns. The objective of this communication was to resolve any barriers to compliance and ensure that the board could meet its tax obligations efficiently.

A copy of the letter is hereby attached for reference. Despite this initial engagement, the matter remains unresolved, and there has been limited progress. Pharmacy and Poisons Board is committed to pursuing this issue diligently and will continue to engage with KRA until a satisfactory resolution is achieved.

Conclusion on Status

Although the Board provided correspondence with KRA on the matter, there was no communication with KRA provided to The Auditor-General to confirm resolution of the matter.

Recommendation Category: Administrative

Implementation status: Not Implemented

227. Cash and Cash Equivalents Financial Year 2017/18

Recommendation

The National Assembly recommended that Management should consider stopping the use of cheques to avoid the recurrence of bouncing cheques. Further, Management should always submit documents for audit within the statutory timelines.

Management Response

The Accounting Officer submitted that in line with government policy, all payments for government services are now required to be processed through the eCitizen platform. This directive aims to enhance transparency, accountability, and efficiency in financial transactions across public institutions. The Pharmacy and Poisons Board has fully complied with this mandate by transitioning all its payment processes to the eCitizen platform.

As a result of this compliance, the board no longer accepts cheque payments from clients, effectively eliminating the risk of bounced cheques. This shift has not only streamlined payment processing but also resolved long-standing challenges associated with dishonored cheques. The adoption of the eCitizen platform has thus brought significant operational improvements and ensured that the matter of bounced cheques has been conclusively addressed

Conclusion on Status

The adoption of the eCitizen platform and onboarding off revenue receipts through the platform has automatically ensured that the matter of bounced cheques has been conclusively addressed.

Recommendation Category: Policy

Implementation status: Implemented

NATIONAL HOSPITAL INSURANCE FUND (NHIF)

228. Inaccuracies In the Financial Statement

Recommendation

The National Assembly recommended that the NHIF should update the existing system that instantly reflect contributions once made.

Management Response

The management did not provide a response

Conclusion on Status

Recommendation deemed not to have been implemented

Recommendation Category: Administrative

Implementation status: Not Implemented

229. Unquoted Investments

Recommendation

The National Assembly recommended that the NHIF should, as much as possible, use its internal legal department to avoid unnecessary wastage of public funds.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

230. Investments in consolidated

Recommendation

The National Assembly recommended that: The management of the NHIF should withdraw all the investments it made to Consolidated Bank that have not been generating interest.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

231. Doubtful payments to village elders Financial Year 2018/2019**Recommendation**

The National Assembly recommended that the Accounting Officer for the NHIF should only invest funds on banks that are profitable and after requisite approvals from the Board and The National Treasury.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

232. Trade & Other Receivables: Temporary Imprest**Recommendation**

The National Assembly recommended that the amount of Kshs.27,488,747 should be restated in the books up and until The National Treasury approves write off. Further, the NHIF should request The National Treasury to consider for a write-off.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

233. Interest Receivable**Recommendation**

The National Assembly recommended that: The NHIF should stick with and use proper accounting standards.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

234. Interest Receivable

The National Assembly recommended that the Accounting Officer for the NHIF should always adhere to statutory timelines on submission of documents for audit failure to which sanctions provided for in the Public Audit Act, 2015 and the PFM Act, 2012 ensues.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

235. Staff Cost**Recommendation**

The National Assembly recommended that the Accounting Officer for the NHIF should always be guided by the employment policies.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

236. Staff Welfare**Recommendation**

The National Assembly recommended that the current NHIF Board and Management should recover the Kshs.100,000 irregularly paid, as token of appreciation, to former Board Members.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

237. Trade Creditors**Recommendation**

The National Assembly recommended that the NHIF should use the approved accounting standards when preparing financial statements.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

238. Land Financial Year 2013/2014 to 2018/2019

Recommendation

The National Assembly Recommended that: KICC Management conduct a search of all its land and update its asset register.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

239. Land Financial Year 2013/2014 to 2018/2019

Recommendation

The National Assembly recommended that The KICC Management should secure ownership documents of all her properties.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

240. Trade and Other Receivables Financial Year 2013/14 to 2018/2019

Recommendation

The National Assembly Recommended that the KICC Management should aggressively pursue its debtors and ensure their settlement.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

241. Valuation of Assets Financial Year 2014/15 and 2018/2019**Recommendation**

The National Assembly Recommended that the KICC Management should ensure that all its properties are valued within the required timelines and reflect their fair value in the financial statements.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

242. Trade and Other Receivable Financial Year 2014/15 to 2018/2019**Recommendation**

The National Assembly Recommended that: the Management to put in place measures to recover the debt and the outstanding amount has been reduced.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

243. Trade and Other Receivable Financial Year 2014/15 to 2018/2019**Recommendation**

The National Assembly Recommended that The Accounting Officer for the KICC should aggressively pursue its debtors and ensure their settlement.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

244. Over-Expenditure on Board Expenses 2015/16**Recommendation**

The National Assembly that the CEO should submit payment schedules and minutes for the overpayments to the Office of the Auditor-General for audit verification during the 2022/2023 audit cycle.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

245. Lack of Asset Register Financial Year 2016/17**Recommendation**

The National Assembly recommended that the Management for KICC should always register all her assets.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

246. Lack of Asset Register Financial Year 2016/17**Recommendation**

The National Assembly recommended that The KICC land should be registered under the KICC and not the National Museums.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented.

247. Failure to Honour Tenancy Agreement Financial Year 2016/17 to 2018/2019

Recommendation

The National Assembly recommended that the debt be considered as a bad debt and written off if it cannot be recovered.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

248. Unsupported Prior Year Adjustment Financial Year 2018/19

Recommendation

The National Assembly that the management of KICC, should present the statement of changes of Equity for audit verification during the 2022/2023 audit cycle.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented

Recommendation Category: Administrative

Implementation status: Not Implemented

249. Management of Assets Financial Year 2018/2019

Recommendation

The National Assembly recommended that the KICC management should pursue expeditious conclusion of the pending cases on land; ensure all ownership documents have been obtained; all properties valued and reflected in the KICC's accounts.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

250. Failure to implement IFMIS in procurement Financial Year 2018/19

Recommendation

The National Assembly recommended that the management of KICC expedite and concludes implementation of IFMIS within the 2022/2023 financial year.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

251. Retreat to Mauritius Financial Year 2018/2019

Recommendation

The National Assembly recommended that going forward, the KICC should transfer monies to individual beneficiary accounts for ease of accountability.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

KENYA URBAN ROADS AUTHORITY

Projects Behind Schedule (Financial Year 2019/2020)

252. Rehabilitation of Old Malindi Road – KURA/DEV/LSUR/317/2016-2017

Recommendation

The National assembly recommended that the Accounting Officer for the Kenya Urban Roads Authority should always ensure that projects are implemented within the contractual timelines.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

253. Garissa Township Roads Upgrade to Bitumen Standard and Performance Based Routine Maintenance

Recommendation

The National Assembly recommended that the Accounting Officer for the Kenya Urban Roads Authority should always ensure that projects are implemented within the contractual timelines.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

254. Upgrading of Maua Town Roads KURA/DEV/LVSUR/265/2016-2017

Recommendation

The National Assembly recommended that the Accounting Officer for the Kenya Urban Roads Authority should always ensure that projects are implemented within the contractual timelines.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

255. Other Projects behind Schedule**Recommendation**

The National Assembly recommended that the Accounting Officer for the Kenya Urban Roads Authority should always ensure that projects are implemented within the contractual timelines.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

256. Lack of a Board Chairman (Financial Year 2019/2020)**Recommendation**

The National Assembly recommended that the appointing authority should ensure that Boards of State Corporations are fully always constituted.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

GEOTHERMAL DEVELOPMENT COMPANY (FINANCIAL YEAR 2016/2017))

257. Negative Net Current Assets Financial Year 2016/17

Recommendation

The National Assembly recommended that the GDC management should source for additional funding to address the balance sheet imbalances and remain afloat.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

258. Unproductive and Abandoned Wells Financial Year 2016/17

Recommendation

The National Assembly recommended that the Company's Board should review identification and digging wells mechanism to reduce losses on unproductive wells.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

259. Unproductive and Abandoned Wells Financial Year 2016/17

Recommendation

The National Assembly recommended that The Company's Board should ensure the wells dug to avoid losses from unproductive wells.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

260. Cost of Non-Productive Time Financial Year 2016/17

Recommendation

The National Assembly recommended that The Company leadership develops a formal policy on what should constitute acceptable levels of NPT based on international standards to reduce loss from NPT.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

KENYA RURAL ROADS AUTHORITY (KERRA)

261. Nugatory Expenditure Financial Year 2014/2015 to 2019/2020

Recommendation

The National Assembly recommended that future budgetary allocations to the Authority shall be improved to provide sufficient project funding.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

262. Rehabilitation and Repairs of Kasoiyo-Saos- Society (D350) Road (Financial Year 2014/15 to 2019/2020): Environment Impact Assessment

Recommendation

The National Assembly recommended that KeRRA should ensure that it does environmental impact assessment and secure NEMA certificate before awarding contracts.

Management Response

The management did not provide a response

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

263. Assignment of Works (Financial Year 2014/2015 to 2019/2020)

Recommendation

The National Assembly recommended that the concept of assignment of works should be highly discouraged and used on exceptional instances to avoid abuse.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

Construction of Sotik – Cheborge – Roret Kebenet Sigowet Road (D226)
(Financial Year 2014/2015 and 2015/2016);

264. Interest on Delayed Payments

Recommendation

The National Assembly recommended that the Authority should budget for projects based on the allocated funds.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

265. Delayed Project Delivery

Recommendation

The National Assembly recommended that the management of the KERRA should always adhere to procurement law whenever procuring for goods and services.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

266. Delayed project Delivery by Spencon Kenya Ltd; Expiry of Advance Payment Guarantee

Recommendation

The National Assembly recommended that the management of KERRA should always adhere to the procurement laws whenever procuring and implementing projects.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

**267. Construction To Bitumen Standard of Naromoru – Munyu Karisheni Road
(Financial Year 2014/2015 to 2019/2020)**

Recommendation

The National assembly recommended that the management of KERRA should always adhere to procurement laws whenever it procures and implements projects.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

**268. Rehabilitation And Repair of Eldoret-Ziwa-Kachibora-Eldoret-Kabenes
Road Contract No. RWC (Financial Year 2014/2015 to 2019/2020)**

Recommendation

The National Assembly recommended that the Management of KERRA should always adhere to the procurement laws whenever procuring and implementing projects.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

**269. Rehabilitation And Repair of Eldoret-Ziwa-Kachibora-Eldoret-Kabenes
Road Contract No. RWC (Financial Year 2014/2015 to 2019/2020)**

Recommendation

The National Assembly recommended that The KERRA should restructure identification process of contractors by building capacity on its department that does due diligence on contractors.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

270. Construction of Kibunja-Molo-Olenguruone Road (D316) Contract No. RWC (Financial Year 2014/2015 to 2019/2020)

Recommendation

The National Assembly recommended that the Management of KERRA Should Always Adhere to The Procurement Laws Whenever Procuring and Implementing Projects.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

271. Construction Of Sigalagala – Musoli – Sabatia – Butere Roads (D260/E390) (Financial Year 2014/2015 to 2019/2020)

Recommendation

The National Assembly recommended that the Management of KERRA should always adhere to the procurement laws whenever procuring and implementing projects.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

272. Construction of Konyu-Kairo, Nyamari- Kahuri-Iria-Ini- Mugaa-Ini, Gichiche JCN-Kiganjo TBC, Witima-imbaya, Kariki-D430 Jcn (E549) &Gatugi-D430 JCN (E552) Road (Financial Year 2015/2016)

Recommendation

The National Assembly recommended that KERRA Should Put in Place Mechanisms to Allow Competition When Assignment Is Done to Ensure Compliance with Article 227 Of the Constitution.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented.

273. Construction of Konyu-Kairo, Nyamari- Kahuri-Iria-Ini- Mugaa-Ini, Gichiche JCN-Kiganjo TBC, Witima-imbaya, Kariki-D430 Jcn (E549) &Gatugi-D430 JCN (E552) Road (Financial Year 2015/2016)

Recommendation

The National Assembly recommended that the Management of KERRA Should Always Adhere to The Procurement Laws Whenever Procuring and Implementing Projects.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

Construction of Sigiri Bridge and Approach Roads on Road R43 - RW-C092 (Financial Year 2016/17 to 2019/2020)

Recommendation

The National Assembly recommended that;

274. The Accounting Officer for the KERRA should always report non-performing contractors to the PPRA.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

275. Non-performance of contractors should be one of the criteria for debarment envisaged under the Public Procurement and Asset Disposal Act, 2015

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

276. Training of Contractors on Labour-Based Contracts**Recommendation**

The National assembly recommended that the Accounting Officer for the KERRA should always provide documents for audit review within the statutory timelines.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

277. Non-Current Assets - Financial Year 2016/2018 and 2017/2018

Recommendation

The National Assembly recommended that the land in question should be leased to the National Police Service and included in the KAA books of accounts.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

278. Unsupported Freehold Land Balance at Kisumu International Airport

Recommendation

The National Assembly recommended that the KAA management should always provide documents for audit within the required timelines failure to which the provisions of Section 62 of the Public Audit Act, 2015 to ensue.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

279. Disputed Parcels of Land - Embakasi Village 2016/2017 and 2017/2018

Recommendation

The National Assembly recommended that the KAA Accounting Officer for the KAA should liaise with the security agencies to secure the property while the matter is being litigated and apply.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

**280. Disputed Parcels of Land – Jomo Kenyatta International Airport Financial
Year 2016/2017 and 2017/2018**

Recommendation

The National Assembly recommended that pending determination of the matter in court, KAA management should secure the land through caveats and fencing.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented.

**281. Disputed Parcels of Land – Jomo Kenyatta International Airport Financial
Year 2016/2017 and 2017/2018**

Recommendation

The National Assembly further recommended that the Accounting Officer for the KAA should apply for speedy conclusion the matter. It has taken 16 years to determine the validity of the ownership dispute.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

282. Disputed Parcels of Land – Malindi Airport

Recommendation

The National Assembly recommended that the Accounting Officer of the KAA should put a caveat on the impugned property.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented.

283. Disputed Parcels of Land – Malindi Airport**Recommendation**

The National Assembly further recommended that the Accounting Officer for the KAA should evict the anybody claiming the impugned land.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

284. Disputed Parcels of Land – Airports/Airstrips (Financial Year 2016/2017 and 2017/2018)**Recommendation**

The National Assembly recommended that the KAA Accounting Officer for the KAA should expedite securing ownership documents for all its land.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

285. Construction of Terminal 4 Building, Parking Garage, Grade Parking and Other Associated Works at Jomo Kenyatta International Airport (Financial Year 2016/2017 and 2017/2018)**Recommendation**

The National Assembly recommended that the KAA Accounting Officer for the KAA should be reprimanded on his failure to respond to the contractor's request for payment leading to continued accrual of interest on delayed payments.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented

Recommendation Category: Administrative

Implementation status: Not Implemented

286. New Greenfield Terminal Package 5: Irregular Contract Award**Recommendation**

The National Assembly recommended that the then Accounting Officer for the Kenya Airports Authority should be reprimanded for entering into a contract before securing a financier, a condition precedent to signing a contract, to the Greenfield Project.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

287. Exclusion of VAT in the signed Agreement**Recommendation**

The National Assembly recommended that the KAA EACC should investigate the treatment of VAT element in the contract sum with a view to preferring appropriate charges against any person that will be found culpable.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

288. Groundbreaking Expenses: Termination of the Contract**Recommendation**

The National Assembly recommended that the Accounting Officer for the Kenya Airports Authority should adhere to statutory timelines provided in the Public Audit Act, 2015 on submission of documents to the Office of the Auditor-General for audit.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

289. Groundbreaking Expenses: Termination of the Contract**Recommendation**

The National Assembly recommended that the Accounting Officer for the Kenya Airports Authority should commence constructive engagements with the contractor with a view to resolving the impugned claims amicably. Prior to those negotiations, the Accounting Officer for the Kenya Airports Authority should seek a legal opinion from the Attorney General considering that the contract was illegal and be mindful of the public interest and ensure that there is no loss of taxpayer's money.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

290. Nugatory Payments under the project**Recommendation**

The National Assembly recommended that the KAA Accounting Officer for the Kenya Airports Authority should immediately commence recover proceedings of the advanced monies to both the contractor and the consultants.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

291. Contingent Liability (Financial Year 2016/2017)**Recommendation**

The National Assembly recommended that the Accounting Officer for the KAA should ensure that the Authority makes adequate representation before the Courts and tribunals dealing with the impugned contingent liabilities to safeguard taxpayers' money.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

292. Contingent Liability (Financial Year 2016/2017)**Recommendation**

The National Assembly recommended that the Accounting Officer for the KAA should institute measures to avoid recurrence of huge contingent liabilities.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

293. Staff Receivables Financial Year 2017/2018**Recommendation**

The National Assembly recommended that the Recovery process of the overpaid money from staff had inordinately taken long. The Managing Director to the KAA

should, in addition to recovery from the final dues, recover the overpaid money from the salaries and allowances of responsible staff.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

294. Staff Receivables Financial Year 2017/2018

Recommendation

The National Assembly recommended that the Managing Director of the KAA should expedite recovery process of the overpaid monies to the staff.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

295. Emergency Repairs Isiolo International Airport Runway Financial Years 2016/2017 and 2017/2018

Recommendation

The National Assembly recommended that the management should provide documents for audit within the stipulated timelines failures to which sanctions imposed under the Public Audit Act, 2015 and the Public Finance Management Act, 2012 should ensue.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

296. Supply and Assembling of Gym Equipment Financial Year 2018**Recommendation**

The National Assembly recommended that the Kenya Airports Authority should be vigilant whenever contracting for services avoid unnecessary penalties. Any penalty that the contractor who installed the gym arising from delay in completion of the building should be recovered from the officers that awarded a contract knowing that the building in which it was to be installed had not been build.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

297. Suneka Airstrip Proposed Construction of a Passenger Mini Lounge, Fencing and Minor Runway Repairs**Recommendation**

The National Assembly recommended that the Accounting Officer for the KAA should submit the impugned progress reports and the total amount expended for audit verification and also comply with the Public Audit Act,2015 on submission of documents for audit.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

298. Proposed Fencing Works at Wilson Airport 2017/2018**Recommendation**

The National Assembly recommended that the KAA management should expedite the process of a joint survey with the State Department for Public Works and secure its property.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

RURAL ELECTRIFICATION AND RENEWABLE ENERGY CORPORATION (REREC)

299. Board Allowances (Financial Year 2009/2010)

Recommendation

The National Assembly recommended that going forward, Accounting Officers of all State Corporations should adhere to the current policy guidelines from the Attorney General, as a legal advisor the government pursuant to Article 156 of the Constitution on payment of sitting allowances to officers from the Inspectorate of State Corporations when they sit in Boards of State Corporations.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

300. Investments in Treasury Bonds (Financial Year 2011/2012)

Recommendation

The National Assembly recommended that the Accounting Officer for REREC should always adhere to government policy and the law regulating investments.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

301. Inventory (Financial Year 2012/2013)

Recommendation

The National Assembly recommended that the Accounting Officer for REREC should always ensure timely reconciliations of the Corporation's books of account.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

**302. Property, Plant and Equipment Financial Year 2013/2014: Inventory
(Financial Year 2013/2014)****Recommendation**

The National Assembly recommended that the repaired transformers should always be revalued so that a fair value is recorded in the books of account.

Management Response

The management did not provide a response

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

303. Inaccuracies in Financial Statements (Financial Year 2013/2014)**Recommendation**

The National Assembly recommended that the Accounting Officer for REREC should ensure that accounting standards are adhered to and avoid simple errors.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

304. Work In Progress (Financial Year 2014/2015)**Recommendation**

The National Assembly recommended that for the REREC should ensure prompt reconciliation of REREC accounts promptly.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

305. Receivable (Financial Year 2014/2015)**Recommendation**

The National Assembly recommended that going forward, the REREC should only make advance payments after securing a bank guarantee.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

306. Receivable (Financial Year 2014/2015)**Recommendation**

The National Assembly recommended that the Accounting Officer for REREC should apply for speedy conclusion of the cases relating to outstanding receivables.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

307. Unrecovered Duty Paid to KRA on Behalf of Vendors (Financial Year 2014/2015 to 2017/2018)**Recommendation**

The National Assembly recommended that the Accounting Officer for REREC should not make any payment to any vendor that had not been cleared with KRA.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

308. Unrecovered Duty Paid to KRA on Behalf of Vendors (Financial Year 2014/2015 to 2017/2018)**Recommendation**

The National Assembly recommended that the Accounting Officer for REREC should apply for speedy conclusion of the matter in Court.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

309. Utilization of Project Funds on Authority's Operations (Financial Year 2014/2015)**Recommendation**

The Accounting Officer for REREC should always adhere to the law and government guidelines on budgeting and its execution.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

310. Enterprise Resource Planning Overhaul Financial Year 2018/2019**Recommendation**

The National Assembly recommended that the Accounting Officer for REREC should always ensure timely implementation of projects to avoid costly variations.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

311. Unresolved Prior Year Matters Financial Year 2019/2020**Recommendation**

The National Assembly recommended that the management of REREC should comply with the International Public Sector Accounting Standards and reporting circulars on preparation and submission of documents for audit.

Management Response

The management did not provide a response

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

WATER SECTOR TRUST FUND

312. Manguva Community Water and Sanitation Project (Financial Year 2006/2007)

Recommendation

The National Assembly recommended that the Accounting Officer for the WSTF should sue the individual board members of the NGO that failed to perform the contract to make good of the lost money.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

313. Questioned costs Financial Year 2013/2014

Recommendation

The National Assembly recommended that the Accounting Officer of the Fund should always adhere to statutory timelines on submission of documents for audit failure to which the sanctions provided for under both the Public Audit Act of 2015 and the Public Finance Management Act ensue.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

314. Outstanding ex-staff debtors Financial Year 2015/2016

Recommendation

The National Assembly recommended that the Accounting Officer for the WSTF should make a provision to write off the remaining imprest of Kshs 329,169 that has not been accounted for.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented

Recommendation Category: Administrative

Implementation status: Not Implemented

315. Long outstanding advances Financial Year 2015/2016**Recommendation**

The National Assembly recommended that the management should not write them off until all recovery options have failed.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

316. Non-current assets Financial Year 2015/2016**Recommendation**

The National Assembly recommended that the Accounting Officer for the WSTF should always adhere to the IPSAS in reporting of its assets.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

317. Cash and cash equivalents Financial Year 2015/2016**Recommendation**

The National Assembly recommended that the Accounting Officer for the WSTF should ensure that all the Fund's accounts are reconciled, information requested for audit provided within the statutory timelines and hold its funds in an account that is not dormant.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

318. Information, Communication, Technology (ICT) policy (Financial Year 2015/2016)

Recommendation

The National Assembly recommended that the WSTF should always ensure that its ICT policies and systems are current and capable of responding to immediate cyber security challenges.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

POSTAL CORPORATION OF KENYA

319. Plant, Property and Equipment Financial Year (2013 to 2018)

Recommendation

The National Assembly recommended that the Leases to the Corporation properties should be based on current fair values.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

320. Trade and other receivables Financial Year 2012/13-Telkom Kenya Receivables

Recommendation

The National Assembly recommended that going forward, the Postal Corporation should charge interest for the amount owed and pursue settlement of all the amount due to it.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

321. Foreign Administration (Financial Year 2011/12 to 2017/2018)

Recommendation

The National Assembly recommended that the Corporation's Postmaster General should aggressively follow recovery of the receivables including instituting legal proceedings against the debtors.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

322. Kenya Post Office savings Bank of Kshs.1,539,279,230 (Financial Year 2011/2012 to 2017/2018)

Recommendation

The National Assembly recommended that the Accounting Officer for the Postal Corporation should ensure that as it engages in transactions with other entities, there is concurrence of amounts of each transaction from either party.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

323. Deferred Projects (Financial Year 2011/2012)

Recommendation

The National Assembly recommended that the Accounting Officer for the Corporation should apply for speedy conclusion of the matter and request the DPP to institute criminal proceedings.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

324. Board Expenses 2011/2012

Recommendation

The National Assembly recommended that the Attorney General should communicate his advisory to the Accounting Officers of state corporations for clarity and implementation.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

325. Plant property and Equipment Financial Year 2013/2014**Recommendation**

The National Assembly recommended that the Accounting Officer of the Corporation should verify, from the legal notice, the ownership of the land. If it belongs to the Corporation, seek for its ownership documents.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

326. Cash and Bank Balances (Financial Year 2013/2014)**Recommendation**

The National Assembly recommended that the Management of the Corporation should follow and recover the stolen money.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

327. Cash and Bank Balances (Financial Year 2013/2014)**Recommendation**

The National Assembly recommended that the management should ensure that reconciliations are done promptly.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

328. Going Concern Financial Year 2014/2015**Recommendation**

The National Assembly recommended that the Corporation should reduce expenses including consideration on centralization of procurement of high value items and maximize on her assets.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

329. Posta switch Financial Year 2014/2015**Recommendation**

The National Assembly recommended that the Accounting Officer for the Corporation should always ensure that the procurement laws are adhered.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

330. Tax Recoverable Financial Year 2014/2015**Recommendation**

The National Assembly recommended that the Accounting Officer for the corporation should engage the KRA with a view to netting off the amount owed.

Management Response

The management did not provide a response

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

331. Outstanding Imprest Financial Year 2014/2015**Recommendation**

The National Assembly recommended that the Accounting Officer should ensure documents are submitted for audit within the stated timelines in the Public Audit Act, 2015 failure to which the sanctions provided for in both the Public Audit Act ,2015 and Public Finance Management Act ,2012 should ensue.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

332. Intangible assets Financial Year 2014/2015**Recommendation**

The National Assembly recommended that the Accounting Officer of the Corporation should apply for the speedy conclusion of the matter pending in Court.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

**333. Unclear Procurement Procedures- Enterprise Resourcing Planning
Financial Year 2014/2015****Recommendation**

The National Assembly recommended that the Accounting Officer for the Corporation should always adhere to the laws on procurement and budget implementation.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

334. Trade And Other Receivables Financial Year 2016/2017- Loss of Cash**Recommendation**

The National Assembly recommended that the Accounting Officer of the Corporation should aggressively pursue stolen property by attaching properties as well as suing for recovery of lost property.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

335. Trade And Other Receivables Financial Year 2016/2017 - Expired Lease**Recommendation**

The National Assembly recommended that the Accounting Officer of the Corporation should always be proactive in renewal of leases to its land before expiry.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

336. Unsupported Revenue Financial Year 2017/2018**Recommendation**

The National Assembly recommended that the Accounting Officer for the Corporation should always adhere to the statutory timelines on submission of documents for audit

failure to which the sanctions provided for under the Public Audit Act, 2015 should ensue.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

337. Other Matter Financial Year 2017/2018: Procurement method for ERP software

Recommendation

The National Assembly recommended that the Accounting Officer for the Corporation should always adhere to the procurement laws.

Management Response

The management did not provide a response.

Conclusion on Status

Recommendation deemed not to have been implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

B. RECOMMENDATIONS FOR CONSTITUTIONAL COMMISSIONS & INDEPENDENT OFFICES

ETHICS AND ANTI-CORRUPTION COMMISSION (EACC)

Fourty-two (42) recommendations were referred to the Ethics and Anti-Corruption Commission. The Office of The Auditor-General, in pursuit of offering audit services that make an impact on effective and efficient service delivery and in fulfillment of its mandate and professional duties, requested the EACC to provide an update on the status of implementation of the recommendations referred to them for further Investigation by the National Assembly in its PIC 24th Report.

The Office of the Auditor-General cognizant of the independence of EACC requested the Commission to only indicate the current status on implementation of the recommendations categorizing them as, Implemented, partially implemented, not implemented and not implementable without detailed nature of the actions. The Commission provided status on thirty-eight (38), with no information availed on the status of four (4) recommendations. The Commission reported that the investigations are at various levels of execution on all the matters referred to them as detailed in **Table 5** below:

Table 5: Status of Implementation of Recommendations (EACC)

State Corporation	Audit Issue	Recommendation(s)	EACC Submission	Conclusion
Geothermal Development Company (Financial Year 2016-2017))	Procurement Of Rig Move Services Financial Year 2016/17	338.The Ethics and Anti-Corruption Commission (EACC) should expedite investigations into the matter of the procurement of Rig move services and conclude within six months.	The matter is pending before the court.	Implemented
Kenya Authority Airports	Exclusion of VAT in the signed Agreement	339.The EACC should investigate the treatment of VAT element in the contract sum with a view to preferring appropriate charges against any person that will be found culpable.	Under Investigations	Implemented
Kenya Authority Airports	Legal Services	340.The EACC should investigate the procurement of White and Case	No remarks	Not Implemented

State Corporation	Audit Issue	Recommendation(s)	EACC Submission	Conclusion
		LLP Amolo & Gacoka Advocates.		
Kenya Authority	Airports Construction Works at Wilson Airport And Other Airports/Airstrips	341. The EACC should investigate the circumstances under which the project was conceived without a feasibility study to lead to variations, irregular reallocations of contingency funds from another project towards this project with a view to proffering charges against those found culpable.	No remarks	Not Implemented
Kenya Authority	Airports Construction of Tseikuru Airstrip (Financial Year 2016/2017 and 2017/2018)	342. The EACC investigates conceptualization and implementation of the project; and also requested the Department of Public Works to evaluate the status of the project to confirm whether it was indeed 85% complete.	Under Investigations	Implemented
Kenya Authority	Airports Proposed Rehabilitation of Runway, Apron and Car Park at Nanyuki Airstrip (Financial Years 2017 and 2018)	343. The EACC to investigate procurement and implementation of the project with a view to preferring charges those found culpable.	Under Investigation	Implemented
Kenya Authority	Airports Demolition of Existing Arrivals Hall, Baggage Area and Multi-Storey Office Block at J.K.I.A-Contract No. KAA/ES/JKIA/908/C (Financial Year 2016/2017 and 2017/2018)	344. The EACC investigate the matter.	Under Investigations	Implemented
Kenya Authority	Airports Emergency Repairs of Runway at Isiolo International Airport-Contract No: KAA/ES/ISIOLO/1105/C (Financial Year 2016/2017 and 2017/2018)	345. The EACC investigates the procurement process and implementation of this project with a view to preferring charges on those that may be found culpable.	Under Investigations	Implemented

State Corporation	Audit Issue	Recommendation(s)	EACC Submission	Conclusion
Kenya Airports Authority	Rehabilitation of Wajir International Airport (Runway, Taxiways, Apron and Access Road- KAA/ES/WAJIR/1075/C (Financial Year 2016/2017 and 2017/2018)	346. The EACC investigates the circumstances under which this project was initiated and later on to be stalled under unclear circumstances even after the PPRB recommended its progression.	Under Investigations	Implemented
Kenya Airports Authority	Kisumu Airport Runway Contract No.- KAA/ES/KSM/690/C (Financial Year 2017/2018)	347. The EACC should investigate the entire procurement process including how addenda was introduced and executed with a view to preferring charges on those persons found culpable of improprieties.	Under Investigations	Implemented
Kenya Airports Authority	Runway Capacity and Its Upgrading and Rehabilitation of Aircraft Pavement at Jomo Kenyatta International Airport	348. The EAAC should investigate the entire contract to determine whether the taxpayer may have lost money in the process and prefer charges against those that may have been found culpable.	Under Investigations	Implemented
Kenya Electricity Generating Company (Financial Year 2014-2015 To 2019-2020)	Capital Work in Progress (Financial Year 2020/2021)	349. The EACC should investigate the circumstances under which the KENGEN was denied approvals to connect ready wells to the national grid. 350. The EACC should investigate the entire procurement and award of the construction tenders of the Hydro Plaza with a view to preferring charges persons found culpable.	Under Investigation	Implemented
Kenya Marine and Fisheries Institute (Financial Year 2012-2013 To Financial Year 2018-2019)	Grabbed Institutes Land (Financial Year 2012/2013 to Financial Year 2018/2019) Land at Mtwapa	351. The EACC investigates the circumstances surrounding the irregular allocation of public land under the custody of KEMFRI to third	Under Investigation	Implemented

State Corporation	Audit Issue	Recommendation(s)	EACC Submission	Conclusion
		parties with a view to recovery and prosecution of those found culpable		
Kenya Marine and Fisheries Institute (Financial Year 2012-2013 To Financial Year 2018-2019)	Undervaluation of Kongowea Parcel of Land L.R No. 6034/1/MN	352. The EACC investigates the circumstances surrounding the disposal of the property including the role of the then Director of KEMFRI Dr. Johnson Kazungu, why the bid price was paid long after the sale. The Committee also recommended that the Government should repossess the land and reverted for use by KEMFRI.	Under Investigation	Implemented
Kenya Marine and Fisheries Institute (Financial Year 2012-2013 To Financial Year 2018-2019)	Donor Grants Year (Financial 2017/2018)	353. The EACC should investigate implementation of this project including the budgeting, expenditure and refund of the alleged excess funds with a view to preferring charges against persons that may have broken the law.	Under Investigation	Implemented
Kenya Marine and Fisheries Institute (Financial Year 2012-2013 To Financial Year 2018-2019)	Budget Analysis Year (Financial 2017/2018)	354. The EACC should investigate the circumstances under which the management overspent without the requisite authority from the mother ministry with a view to preferring charges against those found culpable.	Under Investigation	Implemented
Kenya Marine and Fisheries Institute (Financial Year 2012-2013 To Financial Year 2018-2019)	Blue Economy Grants Year (Financial 2017/2018)	355. The EACC should investigate implementation of the whole project with a view to preferring charges against persons found culpable.	Under Investigation	Implemented
Kenya Marine and Fisheries Institute (Financial Year 2012-	Procurement of Research Vessels	356. The EACC should investigate the entire	Under Investigation	Implemented

State Corporation	Audit Issue	Recommendation(s)	EACC Submission	Conclusion
2013 To Financial Year 2018-2019)	Equipment Financial Year 2018/2019	procurement exercise with a view to preferring charges on persons that may be found culpable.		
Kenya Maritime Authority (Financial Year 2017-2018)	Domestic Air Travel and Local Duty Travel Allowances	357.The EACC should investigate the circumstances under which payments for travels were made for officers outside the KMA without requisite approved budgets and prefer charges to persons that may have been in breach of the law.	Under Investigation	Implemented
Kenya Ports Authority (Financial Year 2017-2018 To Financial Year 2018-2019)	Repairs to Port Infrastructure	358.The EACC should expedite and conclude investigating the matter and prefer appropriate charges against persons that may be found culpable.	Under Investigation	Implemented
Kenya Ports Authority (Financial Year 2017-2018 To Financial Year 2018-2019)	ADMINISTRATIVE EXPENSES (Financial Year 2017/2018)	359.The EACC should expedite investigations on the matter and make necessary recommendations to address the issue.	Under Investigation	Partially Implemented
Kenya Ports Authority (Financial Year 2017-2018 To Financial Year 2018-2019)	Standard Gauge Railway (SGR) Loan Agreements and Payment Arrangement Agreement (Financial Year 2017/2018)	360.The EACC should investigate the signing of the Payment Arrangement Agreement without approvals from the KPA Board, Mother Ministry and the Cabinet.	Under Investigation	Implemented
Kenya Ports Authority (Financial Year 2017-2018 To Financial Year 2018-2019)	Operating Expenses (Financial Year 2018/2019) Overcharge On Uniforms and Clothing Expenses	361.The EACC should investigate the procurement of the impugned uniforms with a view to preferring charges on any person that may be found culpable.	Under Investigation	Implemented
Kenya Ports Authority (Financial Year 2017-2018 To Financial Year 2018-2019)	Unconfirmed Port Infrastructure Repairs (Financial Year 2018/2019)	362.The EACC expedites its investigations on the award and execution of the contract with a view to ascertaining	Under Investigation	Implemented

State Corporation	Audit Issue	Recommendation(s)	EACC Submission	Conclusion
		whether the KPA management adhered to the law and that all the works were executed as per the Bill of Quantities.		
Kenya Ports Authority (Financial Year 2017-2018 To Financial Year 2018-2019)	Hospital and Referral Bills Not Supported By A Policy (Financial Year 2018/2019)	363. The EACC should investigate the legality of the changes that were done on medical and referral bills and prefer charges on any person that may have caused loss of public money through his/her actions on suspensions of limits imposed on dependents of beneficiaries.	Under Investigation	Partially Implemented
Kenya Ports Authority (Financial Year 2017-2018 To Financial Year 2018-2019)	Irregular Procurement and Creation of a Vendor in Systems, Applications and Products (SAP) System (Financial Year 2018/2019)	364. The EACC should expedite pursuing the case in question to its logical conclusion and ensure justice is done.	Under Investigation	Partially Implemented
Kenya Ports Authority (Financial Year 2017-2018 To Financial Year 2018-2019)	Services and Systems - Unconfirmed Installation (Financial Year 2018/2019)	365. The EACC should investigate the procurement and commissioning of VHF digital radio trunking system with a view to preferring charges on any individuals who may have breached the law.	Under Investigation	Partially Implemented
National Environment Management Authority	Cash And Cash Equivalents	366. In the absence of supporting documents, the query remains answered and therefore the EACC should investigate whether the said amounts were fully accounted for.	Under Investigation	Implemented
National Hospital Insurance Fund	Property, Plant and Equipment	367. The EACC should undertake an investigation with a view to establishing whether there was any fraud with respect to the transfer of ownership of the land and	Under Investigation	Implemented

State Corporation	Audit Issue	Recommendation(s)	EACC Submission	Conclusion
		prosecute any person who may have been identified as having breached the law.		
National Hospital Insurance Fund	Construction of Multi-Storey car Park	368. The Ethics and Anti-Corruption Commission should fast track investigations into the procurement process of the multi-storage car park, with a view of preferring charges against all those found culpable of defrauding the Fund.	Under Investigation	Implemented
National Hospital Insurance Fund	Board Expenses	369. The EACC should investigate the circumstances under which the two Board Members were chosen to attend the USA training; whether the NHIF paid for the function and the amount with a view to recovering the overspent money and prefer charges if there was an abuse of office.	Under Investigation	Implemented
National Housing Corporation	Proposed Nyeri Housing Scheme – Financial Year 2012/13 to Financial Year 2013/14	370. The EACC should investigate the award and implementation of the two contracts with a view to preferring charges against officers who may have been complicit in the entire process.	Under Investigation	Implemented
National Housing Corporation	Proposed Langata IV – V Housing Scheme (2013/14)	371. The EACC should investigate the award and implementation of the two contracts with a view to preferring charges against officers who may have been complicit in the entire process.	Under Investigation	Implemented
Tourism Fund	Proposed Office Block (Financial Year 2011/2012 to Financial Year 2017/2018)	372. The EACC should investigate the implementation of the project with a	Under Investigation	Implemented

State Corporation	Audit Issue	Recommendation(s)	EACC Submission	Conclusion
		view to preferring charges against persons found culpable in failure to adhere to the law when doing variations and extensions of time.		
Tourism Fund	Irregularity in recruitment of consultants	373.The EACC expedites investigation on the procurement process of the consultants and make appropriate recommendations pursuant to its mandate.	Under Investigation	Implemented
Tourism Fund	Conflict on Tender Evaluation	374.The EACC expedites investigation of the matter and makes appropriate recommendations pursuant to its mandate.	Under Investigation	Implemented
Water Service Trust Fund	Questionable costs 2015/2016	375.The EACC should expedite investigating the matter and make appropriate recommendations as per its mandate.	Under Investigation	Implemented
Athi Water Service Board	Relocation Of Water and Sewerage Facilities at Thika Road Financial Year 2016/17 A. Contract Variation	376.The EACC should investigate the entire procurement process and implementation of the project with a view to preferring charges against those that may have broken the law.	Under Investigation	Implemented
Athi Water Service Board	Voidable Legal Fees Financial Year 2017/18	377.The EACC should investigate the entire procurement process of the law firm and payments made for legal services with a view to recommending appropriate charges on anybody that may have broken the law.	No response	Not Implemented
Rural Electrification and Renewable Energy Corporation (RREC)	Damaged Wood Poles Financial Year 2012/2013	378.The EACC should investigate the entire procurement of	No remarks	Not implemented

State Corporation	Audit Issue	Recommendation(s)	EACC Submission	Conclusion
		the poles with a view to preferring charges on those that may have abdicated and or violated the law.		
Rural Electrification and Renewable Energy Corporation (RREC)	Property, Plant and Equipment Financial Year 2013/2014	379. The EACC should investigate the procurement and implementation of the impugned project with a view to preferring charges against those found culpable.	No remarks	Not Implemented
Rural Electrification and Renewable Energy Corporation (RREC)	Procurement of Distribution Transformers (Financial Year 2017/2018)	380. The EACC should investigate the procurement process of the said transformers with a view to preferring charges on persons that may have been found culpable. This should be done within six months of adoption of this report.	No remarks	Not implemented

Source: OAG Analysis of Tracked Recommendations and Management Responses

DIRECTORATE OF CRIMINAL INVESTIGATIONS

Six (6) recommendations were referred to the Directorate of Criminal Investigations. The Office of the Auditor-General cognizant of the independence of DCI requested the Management to only indicate the current status on implementation of the recommendations categorizing them as, implemented, partially implemented, not implemented and not implementable without detailed nature of the actions.

However, the Management of DCI did not provide a response on the status of the various recommendations referred to the Office, the recommendations are detailed in **Table 6** below.

Table 6: Status of Implementation of Recommendations (DCI)

State corporation	Audit Issue	Recommendation(s)	DCI Submission	Conclusion
Geothermal Development Company (Financial Year 2016-2017))	Procurement of Rig Move Services (Financial Year 2016/17)	381. The Directorate of Criminal Investigations (D.C.I) should expedite investigations into the matter of the procurement of Rig move services and conclude within six months.	No response	Not Implemented
Kenya Airports Authority (Financial Year 2016-2017 To 2017-2018)	Missing Title Deeds	382. The DCI should investigate the circumstances under which the Manda Airport title deed disappeared only to be found a few days later with a view to prosecuting those found	No response	Not Implemented
Kenya Ports Authority (Financial Year 2017-2018 To Financial Year 2018-2019)	Administrative Expenses (Financial Year 2017/2018)	383. The DCI should expedite investigations on the matter and make necessary recommendations to address the issue.	No response	Not Implemented
Kenya Ports Authority (Financial Year 2017-2018 To Financial Year 2018-2019)	Manufacture Of Concrete Barriers (Financial Year 2018/2019)	384. The DCI expedites conclusion of investigations it begun on procurement and payments for concrete barriers at KPA and prefer charges to all persons that may be found culpable.	No response	Not Implemented
Kenya Ports Authority (Financial Year 2017-2018 To Financial Year 2018-2019)	Excavation and concrete works on KRC Makongeni Goods Shed- LR No209/8197	385. The Directorate of Criminal Investigations should expedite investigations on the matter and prefer charges on any person that could be culpable.	No response	Not Implemented
National Hospital Insurance Fund (NHIF) (Financial Year 2017-18)	Property, Plant and Equipment Land Situated at Karen – 10 Hectares	386. The DCI should undertake an investigation with a view to establishing whether there was any fraud with respect to the transfer of ownership of	No response	Not Implemented

State corporation	Audit Issue	Recommendation(s)	DCI Submission	Conclusion
		the land and prosecute any person who may have been identified as having breached the law.		

Source: OAG Analysis of Tracked Recommendations and Management Responses

OFFICE OF THE AUDITOR-GENERAL

The National Assembly referred twelve (12) recommendations to the Office of the Auditor-General. A forensic audit, procurement and performance audit on the Proposed Resource Centre at Karen Land (NHIF land) is under execution phase. Further, the National Assembly under Kenya Ports Authority requested for a special audit and audit on the conceptualization and implementation of the Lamu Port Housing Project. The special audit is under execution phase and the audit on the conceptualization and implementation of the Lamu Port Housing Project has been conducted and the findings reported in the report for the financial year 2023/2024.

The other nine recommendations cutting across six entities required the Auditor-General to carry out verification of information in the 2022/2023 audit cycle. The verification was done and where exceptions were identified were included in the audit reports in the subsequent years audit as reflected in **Table 7** below.

Table 7: Status of Implementation of Recommendations (OAG)

State corporation	Issue Summary	Recommendation(s)	Status	Remarks if any
Kenya Marine and Fisheries Institute (Financial Year 2012-2013 To Financial Year 2018-2019)	Medical Advance (Financial Year 2014/2015)	387.The Office of the Auditor General should audit the circumstances under which the Board of KEMFRI approved write off of Kshs.3.1 billion against the requested figure of Kshs.2.75 million due from Dr. Michael Nguli and report on the same in the 2022/2023 Financial Year's audit report.	Implemented	In the Audit of financial statements carried for F/Y 2022/2023. The board approval for write off was obtained availed to OAG for audit verification.
Kenya Marine and Fisheries Institute (Financial Year 2012-2013 To Financial Year 2018-2019)	PV Doria Operationalization (Financial Year 2018/2019)	388.The Office of the Auditor General should audit expenditure relating to PV Doria in the 2022/2023 audit cycle.	Implemented	The expenditure returns from the State Department of Fisheries were provided for audit verification and reviewed by the auditors.
Rural Electrification and Renewable Energy Corporation Financial Year 2006-	Work In Progress (Financial Year 2014/2015) Works valued at Kshs. 9,741,407,850 are brought forward from prior years. The works could not be vouched and assigned to specific asset items as	389.In the next audit cycle 2022/2023, the Office of the Auditor General should confirm on the authenticity of the figures provided for audit	Implemented	The works in Progress were vouched, the movement schedule and assignment to specific asset class verified.

State corporation	Issue Summary	Recommendation(s)	Status	Remarks if any
2007 To Financial Year 2019-2020	Projects details including commencement and targeted end dates were not availed during the audit	verification before this query is cleared.		details including commencement and targeted end dates were not availed during the audit.
Kenya Urban Roads Authority (Financial Year 2014-2015 To Financial Year 2019-2020)	Upgrading of Maua Town Roads KURA/DEV/LVSUR/265/2016-2017	390.The office of the Auditor General should audit and report on the cost and time of implementation of this project in the 2022/2023 audit cycle.	Implemented	The office reviewed the status in the audit for 2021/2022 carried out in February, 2023 and the project had made considerable progress though behind schedule.
Kenya Ports Authority (Financial Year 2017-2018 To Financial Year 2018-2019)	Lamu Port Housing (Financial Year 2018/2019)	391.The Office of the Auditor should conduct a Special Audit on the Lamu Port Housing Project.	Partially Implemented	Under execution phase
Kenya Ports Authority (Financial Year 2017-2018 To Financial Year 2018-2019)	Lamu Port Housing (Financial Year 2018/2019)	392.The Office of the Auditor General should conduct the conceptualization and implementation of the Lamu Port Project.	implemented	Paragraph raised in 2023/2024
National Hospital Insurance Fund (NHIF) (Financial Year 2017-18)	Proposed Resource Centre at Karen Land	393.The Auditor-General to undertake forensic audit, procurement and performance audit on the project.	Partially Implemented	Under execution phase
National Hospital Insurance Fund (NHIF) (Financial Year 2017-18)	Claims Payable	394.The Office of the Auditor General should audit, in the 2022/2023 audit cycle, and advise on which state corporation owe the other.	implemented	The matter was reviewed in the Audit of 2022/2023 where issues of duplicate claims payable were discovered and reported on.
National Hospital Insurance Fund (NHIF) (Financial Year 2017-18)	Trade Creditors	395.The Office of the Auditor General should review the journals and schedules on the impugned entries during the production of the NHIF's FINANCIAL YEAR 2019/2020 Audit Report.	implemented	In the review of the opening balances for the financial statements in the subsequent year, the entries were reviewed with respect to any prior year adjustments. However, the issue of inaccurate trade payables recurs

State corporation	Issue Summary	Recommendation(s)	Status	Remarks if any
				and we report again in 2022/2023.
National Transport and Safety Authority (Financial Year 2017-2018 To Financial Year 2019-2020)	Unsupported Total Cash Flow Movement for General Expenses (Financial Year 2018/2019)	396. The impugned schedules submitted to the Office of the Auditor General should be reviewed and a report submitted on whether the variances were reconciled in the 2022/2023 audit cycle.	implemented	The schedules were reviewed in the audit for the F/Y 2019/2020 when ascertaining the opening balances.
Kenya Wildlife Service (Financial Year 2017-18 And 2018-2019)	Understatement of Revenue Financial Year 2018/2019	397. The management should reconcile and provide information to The Auditor-General for audit review and reporting in the next audit cycle 2022/2023.	Implemented	The office reviewed the revenue under the KWS and reported on Understatement of Deferred Revenue.
Kenya Wildlife Service (Financial Year 2017-18 And 2018-2019)	Inaccuracies in Cash and Cash Equivalents Financial Year 2019/2020	398. The Management of the KWS should present supporting documents (cheques and how they were banked) to the Office of the Auditor- General for audit verification in the 2022/2023 audit cycle.	Implemented	The issue was reviewed and other matters on lack of cashbooks, bank reconciliation statements and bank statements reported.

Source: OAG Analysis of Tracked Recommendations and Management Responses

C. RECOMMENDATIONS FOR OTHER THIRD-PARTY IMPLEMENTING ENTITIES

NON-RESPONSIVE THIRD-PARTY ENTITIES

There were several other recommendations referred to accounting officers in different government entities other than the entity from which the audit reports originated. The entities that did not respond to our request for information on status of implementation were deemed not to have acted upon the recommendations made in the National Assembly report. The entities are listed under **Appendix II** attached to this report.

THE NATIONAL TREASURY

The status of implementation of the recommendation in respect of various state Corporations that were referred to The National Treasury for implementation was as follows:

Primary Entity: Kenya Ports Authority

399. Standard Gauge Railway (SGR) Loan Agreements and Payment Arrangement Agreement (Financial Year 2017/2018)

Recommendation

The National Assembly recommended that The National Treasury should renegotiate the entire Payment Arrangement Agreement with a view to discharging the KPA from the contract and replace it with the KRC.

Management Response

The Accounting Officer for The National Treasury did not submit a response on the status or outcome of renegotiation of the entire Payment Arrangement Agreement.

Conclusion on Status

The recommendation was not implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

400. Unconfirmed Borrowings Obligation (Financial Year 2018/2019)

Recommendation

The National Assembly recommended that The National Treasury should only enter into an agreement with the Mediterranean Shipping Company (MSC) to run the

operations of KNSL if that arrangement is financially beneficial to the taxpayers and Kenya's strategic interests.

Management Response

The Accounting Officer for The National Treasury did not submit a response on the status or outcome of renegotiation of the entire Payment Arrangement Agreement.

Conclusion on Status

The recommendation was not implemented.

Recommendation Category: Administrative

Implementation status: Not Implemented

Primary Entity: Kenya Rural Roads Authority KERRA

401. Nugatory Expenditure Financial Year 2014/2015 TO 2019/2020

Recommendation

The National Assembly recommended that:

- i) The National Treasury should release funds as and when they fall due.
- ii) Further, future budgetary allocations to the Authority shall be improved to provide sufficient project funding.

Management Response

The Accounting Officer for National Treasury submitted that The National Treasury will endeavour to release funds to avoid the accumulation of interests. However, this will be guided by the available Cashflow. Further, future budgetary allocations are also based on available budgetary resources, with sufficient fiscal space, then Authority will receive sufficient funding from the Exchequer.

Conclusion on Status

The National Treasury will be releasing funds in a timely manner and budgetary allocations will be improved subject to available Cashflow.

Recommendation Category: Administrative

Implementation status: Implemented

402. Construction of Konyu-Kairo, Nyamari- Kahuriria-Ni- Mugaa-ini, Gichiche JCN - Kiganjo TBC, Witima- Timbayas Kariki – D430 JCN (E549) & Gatugi D430 JCN (Financial Year 2014/2015 and 2015/2016)(E552) Road - Interest On Delayed Payments

Recommendation

The National Assembly recommended that The National Treasury should ensure timely release of funds meant for contractors to avoid accrual of interest.

Management Response

The Accounting Officer for The National Treasury did not submit a response on the status or outcome of renegotiation of the entire Payment Arrangement Agreement.

Conclusion on Status

There was no response on the expected corrective action.

Recommendation Category: Administrative

Implementation status: Not Implemented

403. Construction of Sotik – Cheborge – Roret Kebenet Sigowet Road (D226) (Financial Year 2014/2015 and 2015/2016) - Interest on Delayed Payments

Recommendation

The National Assembly recommended that The National Treasury should always release funds budgeted for implementation of projects to avoid huge interests on delayed payments.

Management Response

The Accounting Officer submitted that The National Treasury will endeavour to release funds to avoid the accumulation of interests. However, this will be guided by the available fiscal space.

Conclusion on Status

The National Treasury will be releasing funds in a timely manner and budgetary allocations will be improved subject to available Cashflow.

Recommendation Category: Administrative

Implementation status: Implemented

404. Donor Funded Projects Financial Year 2019/2020

Recommendation

The National Assembly recommended that the Cabinet Secretary for The National Treasury should always provide Government of Kenya counterpart funds meant to implement donor funded projects.

Management Response

The Accounting Officer National Treasury submitted that, the project is 100% complete and final account payments made to the contractor.

Conclusion on Status

The Government of Kenya counterpart funds meant to implement donor funded projects is usually provided.

Recommendation Category: Administrative

Implementation status: Implemented

Primary Entity: Kenya Urban Roads Authority KURA

405. Projects behind schedule (Financial Year 2019/2020)

Recommendation

The National Assembly recommended that The National Treasury should always ensure timely release of exchequer meant to implement projects.

Management Response

The Accounting Officer National Treasury submitted that The National Treasury will endeavour to release funds to avoid the accumulation of interests. However, this will be guided by the available Cashflow.

Conclusion on Status

The National Treasury will be releasing funds in a timely manner and budgetary allocations will be improved subject to available Cashflow.

Recommendation Category: Administrative

Implementation status: Implemented

Primary Entity: Kenyatta National Hospital KNH**406. Borrowings (Financial Year 2012/13 to Financial Year 2017/2018)****Recommendation**

The National Assembly recommended that The National Treasury and the KNH should share information on the loan repayments to ensure that the KNH reflects accurate status of the loan.

Management Response

The Accounting Officer National Treasury submitted that the statement of financial position reflects borrowing totaling Kshs.1,199,863,000 as at 30 June, 2021 the book value of a loan amounting to Euro.14,000,000 received from the Kingdom of Spain. The loan was disbursed in the form of medical equipment in the financial year 2007/2007. However, no on-lending loan agreement was signed between the Hospital and The National Treasury. Records at the Hospital indicated that The National Treasury vide letter Ref: DND 4/78 dated 20 March, 2019 confirmed that it has been servicing the loan since 2012 in accordance with the agreement signed with the Spanish Government. The loan balance as at 30 June, 2018 was Euro.4,666,668 out of the principal loan amount of Euro.14,000,000. However, of the outstanding balance as at 30 June, 2021 was not provided for audit review. In absence the certificate, the accuracy and completeness of borrowing of Kshs.1,199,823,000 as at 30 June, 2021 could not be confirmed. Management has indicated that The National Treasury had in November, 2021 approved a request by Hospital to convert the loan into a grant and arrangements were ongoing to prepare a grant subsidiary agreement on the loan balance. The Spanish Loan was converted to a grant.

Conclusion on Status

The Accounting Officer did not submit documents or strategies to show how the KNH and National Treasury share information.

Recommendation Category: Administrative

Implementation status: Partially Implemented

National Hospital Insurance Fund (NHIF)

407. Free Maternity Loss - (Financial Year 2013/14 TO 2017/2018)

Recommendation

The National Assembly recommended that The National Treasury should allocate adequate resources to offer free maternity services.

Management Response

The Accounting Officer National Treasury submitted that, as previously reported, the balance includes an amount of Kshs.161,280,000 relating to loss on free maternity program offered by the Hospital. This follows directive from the Cabinet Secretary, Ministry of Health which communicated the decision of the Government to reimburse an amount of Kshs.17,500 for every delivery. However, the Hospital being a referral hospital receives complicated maternal referrals and as a result, the costs are higher and the reimbursable amount of Kshs.17,500 per delivery has remained the same despite the high cost. Consequently, the Hospital has continued to bear the high cost on free maternity program which have impacted negatively on the overall performance.

Conclusion on Status

The Accounting Officer has not submitted any evidence to show whether adequate The National Treasury going forward has ensured adequate allocation of resources.

Recommendation Category: Administrative

Implementation status: Not Implemented

Primary Entity: National Environment Management Authority NEMA

408. Assets' valuation policy (Financial Year 2017/2018)

Recommendation

The National Assembly recommended that The National Treasury should allocate the NEMA finances within the 2022/2023 financial year for the purpose of conducting a revaluation of its assets.

Management Response

The Accounting Officer National Treasury submitted that The National Treasury allocated funds to the National Environment Management Authority (NEMA). The Authority engaged a consultant who successfully carried out the Revaluation of the Assets.

Conclusion on Status

The revaluation was funded and done.

Recommendation Category: Administrative

Implementation status: Implemented

409. Under-funding (Financial Year 2017/2018)**Recommendation**

The National Assembly recommended that The National Treasury should allocate the NEMA finances to operate.

Management Response

The Accounting Officer National Treasury submitted that the Budget allocations made to NEMA for the Financial Year 2022-23 was Kshs.1.1 billion while for Financial Year 2023-24 the was Kshs.874 million. Due to fiscal space and the Government's effort for fiscal consolidation, The National Treasury advised the Authority to put in place measures that will enable self-sustaining and not depend on the Exchequer funding.

Conclusion on Status

The National Treasury allocates adequate funds based on fiscal space and the Government's effort for fiscal consolidation.

Recommendation Category: Administrative

Implementation status: Implemented

410. Environment Impact Analysis (EIA) Fees Abolishment (Financial Year 2017/2018)**Recommendation**

The National Assembly recommended that The National Treasury should allocate the NEMA finances to operate.

Management Response

The Accounting Officer National Treasury submitted that the Cabinet decision to abolishing the collection of the EIA fees was reversed. The Authority is collecting the EIA fees from facilities.

Conclusion on Status

The Accounting Officer indicated that the Cabinet decision to abolish the collection of the EIA fees was reversed.

Recommendation Category: Administrative

Implementation status: Implemented

411. Uncertainty on sustainability of services (Financial Year 2019/2020)

Recommendation

The National Assembly recommended that The National Treasury should allocate the NEMA finances to operate.

Management Response

The Accounting Officer National Treasury submitted that the Budget allocations made to NEMA for the Financial Year 2022-23 was Kshs.1.1 billion while for Financial Year 2023-24 the was Kshs.874 million. Due to fiscal space and the Government's effort for fiscal consolidation, The National Treasury advised the Authority to put in place measures that will enable self-sustaining and not depend on the Exchequer funding.

Conclusion on Status

The National Treasury allocates adequate funds based on the fiscal space and advised the Authority to put in place measures that will enable self-sustaining.

Recommendation Category: Administrative

Implementation status: Implemented

Primary Entity: Pharmacy and Poisons Board

412. Property, Plant & Equipment

Recommendation

The National Assembly recommended that The National Treasury should always ensure timely release of exchequer meant to implement projects.

Management Response

The Accounting Officer National Treasury submitted that the Pharmacy and Poisons Board (PPB) is a body corporate whose land title is held in the name of the entity. For processing of the title deed, the entity should write to the PS/State Department for Lands for guidance and further action.

Conclusion on Status

The response provided did not address the recommendation.

Recommendation Category: Administrative

Implementation status: Not Implemented

Primary Entity: Tourism Fund**413. Slow progress vis-a-vis more payments made****Recommendation**

The National Assembly recommended that The National Treasury should ensure exchequer releases in time.

Management Response

The Accounting Officer National Treasury submitted that The National Treasury will endeavour to release on a timely but dependent on the availability of funds.

Conclusion on Status

The Accounting Officer commits to release funds on a timely but dependent on the availability of funds.

Recommendation Category: Administrative

Implementation status: Implemented

Primary Entity: Kenya Airports Authority**414. Kenya Airways Debt Financial Year 2017/18****Recommendation**

The National Assembly recommended that the Cabinet Secretary for The National Treasury should intervene and have the amount owed to the KAA by the KQ settled.

Management Response

The Accounting Officer National Treasury submitted that KQ and KAA agreed on a repayment plan where KQ will be paying:

1. Landing and Parking fees, USD1,000,000million
2. Rent, Utilities and Concessions;
 - a) Kshs.30million p.m. for KQ,
 - b) Kshs.30million p.m. for ACHL.

KQ offered to handled KAA flight requests as part of settling the debt. Further, KQ is banking on the current restructuring plan with the Government of Kenya which will see the airline recapitalized and part of the proceeds be used to clear KAA debt.

Conclusion on Status

The National Treasury indicated that KQ and KAA settled on a modality to settle the amounts due.

Recommendation Category: Administrative

Implementation status: Implemented

Primary Entity: North Water Services Board

415. Budget and Budgetary Performance Financial Year 2016/2017

Recommendation

The National Assembly recommended that the that the Cabinet Secretary for The National Treasury should ensure timely release of funds meant to implement projects to avoid interest on delayed payments and delay in project implementation.

Management Response

The Accounting Officer, National Treasury submitted that the disbursement from exchequer is based on availability of funds which is dependent on revenue performance. Delays in exchequer releases are occasioned by revenue underperformance and failure to meet set revenue targets.

Conclusion on Status

The Accounting Officer commits to release funds on a timely but dependent on the availability of funds.

Recommendation Category: Administrative

Implementation status: Implemented

Primary Entity: RIVATEX

416. Budget Control and Performance Financial Year 2015/16 to Financial Year 2017/18

Recommendation

The National Assembly recommended that The National Treasury should release funds appropriated by Parliament to MDAs to avoid hampering budget performance.

Management Response

The Accounting Officer submitted that disbursement from the exchequer is based on availability of funds which is dependent on revenue performance. Delays in exchequer releases are occasioned by revenue underperformance and failure to meet set revenue targets.

Conclusion on Status

There is no evidence of progress in this matter.

Recommendation Category: Administrative

Implementation status: Not implemented

417. High interest on delayed contractors' payments

Recommendation

The National Treasury should ensure timely release of funds meant for project implementation.

Management Response

The Accounting Officer submitted that disbursement from the exchequer is based on availability of funds which is dependent on revenue performance. Delays in exchequer releases are occasioned by revenue underperformance and failure to meet set revenue targets.

Conclusion on Status

The Accounting Officer commits to release funds on a timely but dependent on the availability of funds.

Recommendation Category: Administrative

Implementation status: Implemented

MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT

Primary Entity: Postal Corporation of Kenya

418. Plant, Property and Equipment Financial Year (2013 to 2018)

Recommendation

The Ministry of Lands should expedite the titling of the remaining properties.

Management Response

The Accounting Officer for the State Department for Lands and Physical Planning submitted that the state department is waiting for Postal Corporation to provide property details to facilitate process of Title Deeds.

Conclusion on Status

The titling of the remaining properties as recommended has not been done.

Recommendation Category: Administrative

Implementation status: Not Implemented

Primary Entity: Kenya Ports Authority (KPA)

419. Omitted Lamu Port Land

Recommendation

The Cabinet Secretary for the Ministry of Lands and Physical Planning should issue the KPA with the title to the Lamu Port land within the 2022/2023 financial year.

Management Response

The Accounting Officer for the State Department for Lands and Physical Planning submitted that the state department is waiting for Kenya Ports Authority to provide the necessary documents to facilitate Title Deeds processing.

Conclusion on Status

The titling of the remaining properties as recommended has not been done.

Recommendation Category: Administrative

Implementation status: Not Implemented

Primary Entity: Kenya National Highways Authority (KENHA)

420. Property, Plant and Equipment Financial Year 2017/18 to Financial Year 2019/2020 - Value of Rental Property

Recommendation

The Ministry (State Department for Housing) should issue the KeNHA with the vesting orders to enable it to process the title to the said land within the financial year 2022/2023.

Management Response

The Accounting Officer for the State Department for Housing did not respond on this recommendation.

Conclusion on Status

The titling of the remaining properties as recommended has not been done and therefore the recommendation.

Recommendation Category: Administrative

Implementation status: Not Implemented

KENYA POWER AND LIGHTING COMPANY

Primary Entity: Rural Electrification and Renewable Energy Corporation

421. Long outstanding receivable Financial Year 2019/2020

Recommendation

The National Assembly recommended that the Accounting Officer for the KPLC should make timely repayment to REREC.

Management Response

The Accounting Officer(KPLC) submitted that the outstanding amount was fully settled by May, 2021. The delay was attributed to financing challenges experience then. With continued improvement in its financial performance, the Company has prioritized the payment of overdue obligations and is gradually aligning its payments towards compliance with the contracted payment terms. As of January, 2025, the outstanding balance to REREC stood at USD 724,690 reflecting only current invoices. This demonstrates Kenya Power's commitment to maintaining timely payments and fulfilling its contractual obligations.

Conclusion on Status

The Accounting Officer has submitted on measures taken to ensure compliance with contract payments terms. Further, there are no long outstanding payables. Hence the recommendation has been implemented.

Recommendation Category: Administrative

Implementation status: Implemented

INSPECTOR GENERAL OF POLICE

Primary Entity: Kenya National Bureau of Statistics

Recommendation

422. The National Assembly recommended that the Inspector General of Police should account for the monies advanced to the service and a report on the same compiled during the next audit cycle.

Management Response

The Accounting Officer submitted that that the National Police Service received Kshs.500,000,000 for payments of allowances to all National Police Service officers who participated in the National census. Further, the Accounting Officer confirmed that Kshs.500,000,000 was channeled through the National Police Service and not Kenya Police Service.

In addition, out of Kshs.500,000,000, Kshs.499,817,500 was used in the exercise and the balance of the money, Kshs.182,500 remitted back to Kenya Bureau of Statistics vide cheque number 00056 dated 29 April, 2020, as per the **Table 8** below;

Table 8: Utilization of funds by NPS during the National Census

Particulars	Amount (Ksh)
Amount Received by National Police Service	500,000,000
Amount paid out for the census	499,817,500
Amount Returned to KNBS	182,500

Source: Inspector General of Police

Conclusion on Status

After reviewing the documents provided in the response, out of the Kshs.500,000,000 received, Kshs.499,817,500 was spent and Kshs.182,500 remitted back to KNBS. The signed payment schedules revealed that some officers received money and signed on behalf of other officers. On the amounts transferred to Kenya Forest Service Kshs.1,593,000; Kenya Wildlife Services Kshs.1,444,500 and National Youth Service Kshs.6,970,500 were all properly supported. Out of the Kshs.17,743,500 transferred to the Kenya Prisons Services, the payment schedules provided only accounted for Kshs.3,658,500 and the remaining Kshs.14,085,000 is unaccounted for.

Recommendation Category: Administrative

Implementation status: Partially Implemented.

CHAPTER FOUR: CONCLUSION

The following conclusions have been drawn from the observations made.

- i) The implementation of audit recommendations is still very low at twenty-one percentage (25%). The state of affairs is of major concern as this review was done almost three years since the report was adopted by the National Assembly and save for a few recommendations of legislative and policy in nature, the recommendations were to be implemented within three months after adoption of the report which was adopted on 7 June, 2022.
- ii) Implementation of audit recommendations will not just improve the efficiency and effectiveness in management of public funds but can also lead to savings of public resources.
- iii) Majority of recommendations made by the National Assembly are administrative in nature as reported at 84%.
- iv) A significant number of partially implemented recommendations are as result of failure to report back to Parliament on actions taken as directed by the National Assembly. Failure to submit responses on actions taken where required to report back creates a gap in the accountability process as the necessary actions required by the National Assembly after the feedback cannot progress.
- v) Implementation of some recommendations require resources. As also reported through the exit report of The Select Committee on Implementation of the 12th Parliament, recommendations are not always accompanied by the requisite resources, making it difficult for the Accounting Officers to implement. This has been observed especially with court awards and stalled projects.
- vi) In some instances, recommendations require interventions of third parties as the Accounting Officer may require liaising with other parties such as The National Treasury on funding, Constitutional Commissions like National Land Commission in matters of public land among others. This therefore affected the timeliness in the implementation of the recommendations.
- vii) Review of some management responses reflected inadequate conceptualization of the recommendation and corrective action needed to address the audit issue and recommendation. The action reported to have been undertaken had no relationship with the recommendation as directed by the National Assembly. This led to non-implementation of the recommendation.

CHAPTER FIVE: RECOMMENDATIONS

To effectively ensure the recommendations are implemented the following actions should be considered;

- i) Executive or the respective line ministries for the state corporations should consider including implementation of audit recommendations as a key performance target for Accounting Officers. This will motivate the Management of state entities to implement the recommendations.
- ii) In the exit report of the Select Committee on Implementation of the 12th Parliament, the wide mandate was identified as a challenge, making it difficult to follow-up on the Parliamentary resolutions. The National Assembly may consider constituting a select committee to focus solely on following up on implementation of reports by the Audit Committees which are currently six in the National Assembly.
- iii) Parliament should consider reviewing sanctions on failure to implement audit recommendations including anchoring them in law. This will act as a deterrent and ensure recommendations are implemented.
- iv) MDAS should consider Parliamentary recommendations that require resources to implement when making submissions during budget making process.
- v) The National Treasury should build capacity for the accounting officers to enable better conceptualization of recommendations and corrective actions. This will in turn lead to appropriate corrective actions and higher attainment level of compliance in implementing recommendations and better service delivery to the citizens.
- vi) The Head of the Civil Service should develop a mechanism for coordinating the implementation of audit recommendations requiring multi-agency approach.

APPENDICES

APPENDIX I: Overall Status of Implementation of Recommendations

No	Entity	Total	Implemented		Partially implemented		Not Implemented		Will not be implemented		No Longer Applicable		
			No.	%	No.	%	No.	%	No.	%	No.	%	
A	Responsive												
1	Athi Water Services Board	11	6	55%	3	27%	2	18%	0	0%	0	0%	
2	Rivatex East Africa Ltd	10	4	40%	0	0%	6	60%	0	0%	0	0%	
3	Kenya Electricity Generating Company	6	1	17%	3	50%	2	33%	0	0%	0	0%	
4	Kenya Power and Lighting company	1	0	0%	0	0%	1	100%	0	0%	0	0%	
5	Kenya Wildlife Service	11	1	9%	4	36%	5	45%	1	9%	0	0%	
6	National Environment Management Authority	4	0	0%	1	25%	3	75%	0	0%	0	0%	
7	Bomas of Kenya	4	0	0%	0	0%	2	50%	2	50%	0	0%	
8	Tourism Fund	16	3	19%	1	6%	11	69%	1	6%	0	0%	
9	North Water Services Board	13	7	54%	1	8%	5	38%	0	0%	0	0%	
10	Kenya National Bureau of Statistics	17	10	59%	2	12%	5	29%	0	0%	0	0%	
11	Ethics and Anti-Corruption Commission (EACC)	42	36	86%	0	0%	6	14%	0	0%	0	0%	
12	Kenyatta National Hospital	23	10	43%	3	13%	10	43%	0	0%	0	0%	
13	Pharmacy And Poisons Board	4	1	25%	0	0%	3	75%	0	0%	0	0%	
14	National Social Security Fund	6	1	17%	1	17%	4	67%	0	0%	0	0%	
15	Kenya National Highways Authority	5	1	20%	1	20%	3	60%	0	0%	0	0%	
16	Kenya Railways Corporation	7	0	0%	0	0%	7	100%	0	0%	0	0%	
17	National Transport and Safety Authority	6	1	17%	3	50%	2	33%	0	0%	0	0%	
18	National Housing Corporation (NHC)	5	0	0%	1	20%	4	80%	0	0%	0	0%	
19	PS-Ministry of Lands, Housing and Urban Development	3	0	0%	0	0%	3	100%	0	0%	0	0%	
20	Kenya Maritime Authority	21	8	38%	1	5%	12	57%	0	0%	0	0%	
21	Kenya Marine and Fisheries Institute	16	8	50%	1	6%	7	44%	0	0%	0	0%	
22	Inspector General of Police	1	1	100%	0	0%	0	0%	0	0%	0	0%	
23	National Treasury	13		0%	1	8%	8	62%	4	31%	0	0%	
24	Kenya Ports Authority	42	3	7%	4	10%	33	79%	2	5%	0	0%	
25	Office of the Auditor-General	12	10	83%	2	17%	0	0%	0	0%	0	0%	
B	Non-Responsive												
26	Geothermal Development Company	5	0	0%	0	0%	5	100%	0	0%	0	0%	
27	Cs-Ministry of Environment	2	0	0%	0	0%	2	100%	0	0%	0	0%	
28	Rural Electrification and Renewable Energy Corporation	13	0	0%	0	0%	13	100%	0	0%	0	0%	
29	Water Sector Trust Fund	7	0	0%	0	0%	7	100%	0	0%	0	0%	
30	National Land Commission	3	0	0%	0	0%	3	100%	0	0%	0	0%	
31	Cs-Ministry of Health	1	0	0%	0	0%	1	100%	0	0%	0	0%	
32	Attorney General	6	0	0%	0	0%	6	100%	0	0%	0	0%	

No	Entity	Total	Implemented		Partially implemented		Not Implemented		Will not be implemented		No Longer Applicable	
			No.	%	No.	%	No.	%	No.	%	No.	%
33	Judiciary	7	0	0%	0	0%	7	100%	0	0%	0	0%
34	National Assembly	3	0	0%	0	0%	3	100%	0	0%	0	0%
35	Kenya Urban Roads Authority	5	0	0%	0	0%	5	100%	0	0%	0	0%
36	Kenya Rural Roads Authority	13	0	0%	0	0%	13	100%	0	0%	0	0%
37	Kenya Airports Authority	23	0	0%	0	0%	23	100%	0	0%	0	0%
38	Kenyatta International Convention Centre	14	0	0%	0	0%	14	100%	0	0%	0	0%
39	National Hospital Insurance Fund (NHIF)	10	0	0%	-	0%	10	100%	0	0%	0	0%
40	Director General -SCAC	1	0	0%	0	0%	1	100%	0	0%	0	0%
41	Cabinet	1	0	0%	0	0%	1	100%	0	0%	0	0%
42	Ps-Ministry of Water, Sanitation and Irrigation	1	0	0%	0	0%	1	100%	0	0%	0	0%
43	Directorate Of Criminal Investigations	5	0	0%	0	0%	5	100%	0	0%	0	0%
44	Postal Corporation of Kenya	18	0	0%	0	0%	18	100%	0	0%	0	0%
45	Ministry Of Youth Affairs, Sports and The Arts	2	0	0%	0	0%	2	100%	0	0%	0	0%
46	Ministry Of Tourism, Wildlife and Heritage	4	0	0%	0	0%	4	100%	0	0%	0	0%
Total		443	112	25%	33	8%	288	65%	10	2%	0	0%

APPENDIX II: Status of Implementation of Recommendations (Other Referrals)

State corporation	Audit Issue	Recommendation(s)	Implementing Entity	Conclusion
North Water and Services Board	Non-Current Assets: Financial Year 2011/2012, 2012/13, 2013/14, 2014/15	The Parent Ministry should transfer these assets to the North Water and Services Board.	PS-Ministry of water	Not Implemented
Bomas of Kenya	Unpaid Compensation for Compulsory Acquisition of Land Financial Year 2017/2018 and 2018/19	The Attorney General should issue a policy guideline to all government agencies regarding compensation of compulsory acquired public land.	Attorney General	Not Implemented
Kenyatta National Hospital	Acquisition of KNH Land for Construction of Hospital Road and Mbagathi Way Link Road (Financial Year 2016/2017 And 2017/2018)	The Attorney General should expeditiously issue guidelines to government agencies on whether they are eligible for compensation whenever their land has been compulsorily acquired.	Attorney General	Not Implemented
Postal Corporations of Kenya	Board Expenses 2011/2012	The Attorney General should communicate his advisory to the accounting officers of state corporations for clarity and implementation.	Attorney General	Not Implemented
Tourism Fund	Delayed implementation of the project	The Attorney General should relook at the roles of Tourism Promotion Fund and the Tourism Fund with a view to merging them into one viable entity to collect funds and apply them prudently.	Attorney General	Not Implemented
Kenya National Qualifications Authority	Contested Mandate of the Kenya National Qualifications Authority	The Attorney General should urgently convene a stakeholder working group with membership from the Kenya National Qualifications Authority, the Commission for University Education, the Kenya National Examination Council, the Technical and Vocational Training Authority to harmonize all the overlapping or contested provisions including proposing legislative reforms on equation of qualifications.	Attorney General	Not Implemented
Rural Electrification and Renewable Energy Corporation (RREC – Financial Year 2006/2007 to Financial Year 2019/2020)	Board Allowances (Financial Year 2009/2010)	The Attorney General should communicate his advisory to State Corporations Advisory Committee for onward communication to the State Communication to respective State corporations on payment of sitting allowances to the officers from the Inspectorate of State Corporations	Attorney General	Not Implemented
Kenyatta National Hospital	Employee Costs (Financial Year 2015/2016)	The State Corporation Advisory Committee should expedite processing approval	Director General-SCAC	Not Implemented

State corporation	Audit Issue	Recommendation(s)	Implementing Entity	Conclusion
		of the KNH staff establishment and Human Resource Instruments.		
Kenya National Bureau of Statistics	Expiration of Board of Directors Terms (Financial Year 2016/17 And 2017/2018)	The appointing authority should always ensure that the Board of KNBS is fully always constituted.	Director General-SCAC	Not Implemented
Kenya Marine and Fisheries Institute	Lack of Board of Directors (Financial Year 2017/2018)	The appointing authorities should ensure that the Boards of state Corporations are always fully constituted.	Director General-SCAC	Not Implemented
Kenya Urban Roads Authority	Lack of a Board Chairman (Financial Year 2019/2020)	The appointing authority should ensure that Boards of State Corporations are fully always constituted.	Director General-SCAC	Not Implemented
Rural Electrification and Renewable Energy Corporation (RREC) – Financial Year 2006/2007 to Financial Year 2019/2020)	Receivable (FINANCIAL YEAR 2014/2015)	The judiciary was requested to expedite hearing and determination of cases in which RREC is a party.	Judiciary	Not Implemented
National Hospital Insurance Fund	Integrated Revenue Management System	The Judiciary to expedite hearing and determination of the matter.	Judiciary	Not Implemented
Kenya Marine Authority	Leasehold Land	The Judiciary is requested to expedite hearing and determination of the pending cases touching KMA headquarters.	Judiciary	Not Implemented
Kenya Railway Corporation	Non-Disclosure of Material Uncertainty Related to Going Concern	The Judiciary to expedite hearing and determination of the case between the KRC and RVR.	Judiciary	Not Implemented
Kenya Port Authority	Receivables and Prepayments (2017/2018) Long Outstanding Receivables	The Judiciary expedites conclusion of matters touching on KPA's long outstanding debts.	Judiciary	Not Implemented
Kenya National Bureau of Statistics	Provision for Bad Debts (Financial Year 2018/2019 and 2019/2020)	The Judiciary to expedite hearing and determination of the case in question.	Judiciary	Not Implemented
Bomas of Kenya	Unreconciled Sales and Other Income Financial Year 2018/2019	The Judiciary to expedite hearing and determination of the matter relating to Mr. David Rono	Judiciary	Not Implemented
National Environment Management Authority	Financial Performance	The mother Ministry and The National Treasury should inform the MDAs whenever adjustments are made in the budget.	PS ministry of environment	Not Implemented
Tourism Fund	Uncertainties surrounding the name of the college	The Cabinet Secretary in charge of Tourism should expeditiously initiate consultations to come up with a suitable name for the college, have it lawfully	CS-Ministry of Tourism, wildlife and Heritage	Not Implemented

State corporation	Audit Issue	Recommendation(s)	Implementing Entity	Conclusion
		approved to allow registration of the College's assets under the said name.		
Tourism Fund	Conundrum relating to recognition of the College's Assets	In the 2022/2023 financial year, the Cabinet Secretary in Charge of Tourism should cause registration of the college as a separate legal entity capable of owning property.	CS-Ministry of Tourism, wildlife and Heritage	Not Implemented
Tourism Fund	Delayed implementation of the project	The Cabinet Secretary in Charge of Tourism should always undertake wide consultation with all stakeholders including The National Treasury on availability of funds before initiation of projects.	CS-Ministry of Tourism, wildlife and Heritage	Not Implemented
Kenyatta National Hospital	Board Members (Financial Year 2015/2016 to 2017/2019)	The Cabinet Secretary in charge of Health should ensure compliance with Section 7(2) of the National Cohesion and Integration Act, 2008 when appointing directors of the KNH Board.	CS-Ministry of Health	Not Implemented
Postal Corporations of Kenya	Plant, Property and Equipment Financial Year (2013 to 2018)	The Ministry of Lands should expedite the titling of the remaining properties.	Ministry Of Lands, Housing and Urban Development	Not Implemented
Kenya ports Authority	Omitted Lamu Port land	The Cabinet Secretary for the Ministry of Lands and Physical Planning should issue the KPA with the title to the Lamu Port land within the 2022/2023 financial year.	Ministry Of Lands, Housing and Urban Development	Not Implemented
Kenya Railways Corporation	Trade and Other receivables	The Accounting Officer for the National Land Commission should provide the necessary documents required by the KRC to enable accounting for the said receivables within the next audit cycle.	National Land Commission	Not Implemented
National Housing Corporation	Property, Plant & Equipment Financial Year 2013/14	The Land Registry(NLC) should liaise with the NHC for registration and issuance of ownership documents to the NHC on NHC's legal properties.	National Land Commission	Not Implemented
Kenya Marine and Fisheries	Property, Plant and Equipment (Financial Year 2012/2013 to 2018/2019)	NLC revokes titles to third parties on the matter.	National Land Commission and National Assembly	Not Implemented
Kenya Marine and Fisheries	Grabbed Institutes Land (Financial Year 2012/2013 to Financial Year 2018/2019) Land at Mtwapa	The Committee in the 19th Report recommended that the National Land Commission revokes ownership documents issued to third parties for land belonging to Kenya Marine and Fisheries Research Institute and reissues the title deeds to KEMFRI.	National Land Commission and National Assembly	Not Implemented

State corporation	Audit Issue	Recommendation(s)	Implementing Entity	Conclusion
Kenyatta International Convention Centre	Flawed Procurement Process – World Trade Organization (Wto) Conference Financial Year 2015/2016 To 2018/2019	The queries relating to WTO be handled under the Special Audit Report on WTO that was tabled on 23 October, 2018.	National assembly	Not Implemented
Kenyatta International Convention Centre	Over-Expenditure on Board Expenses 2015/16	The queries relating to WTO be handled under the Special Audit Report on WTO that was tabled on 23 October, 2018.	National assembly	Not Implemented
National Social Security Fund	Investments in Doubtful Bonds	The National Assembly, through the Departmental Committee on Finance and National Planning should develop a requirement / a regulation demanding that the regulators consult/ share information on areas of investments to enable state enterprises invest from a point of information.	National assembly	Not Implemented
National Social Security Fund	Delay in Sale of Milimani Executive Apartments in Nairobi	The Committee on Implementation should follow-up implementation of the PIC's 23rd Report Recommendations.	National assembly	Not Implemented
Kenya Ports Authority	property plant and equipment (Financial Year 2017/2018)	The Committee on Implementation should follow-up implementation of the PIC's recommendation on this matter.	National assembly	Not Implemented
Kenya Ports Authority	Idle Parcels of Land	The Committee on implementation should follow-up on implementation of the PIC's 22nd and 23rd Reports on the matter of KPA's idle land.	National assembly	Not Implemented
Kenya Ports Authority	Reclaimed Land Excision of Part of Harbor Area	The Committee on Implementation should follow-up implementation of the PIC's 23rd Report Recommendations.	National assembly	Not Implemented
National Housing Corporation	Investment in research development unit Financial Year 2012/13 rdu share certificate	The implementation should follow up the PIC's recommendation of the 19th Report pursuant to its mandate	National assembly	Not Implemented
Bomas of Kenya	Trade and Other Receivables Financial Year 2017/2018 and 2018/2019	The Implementation Committee of the National Assembly should follow-up and ensure implementation of the PIC recommendations once approved by the House.		
Bomas of Kenya	Delinking of the company from Tourism Finance Corporation Financial Year	The Committee on Implementation should follow up implementation of PIC recommendations and report to the House accordingly. (Confirm whether PIC 23rd	National assembly	Not Implemented

State corporation	Audit Issue	Recommendation(s)	Implementing Entity	Conclusion
	2017/2018 and 2019/2019	recommendations were implemented by the ministry)		
Postal Corporation of Kenya	Trade and Other Payables (Financial Year 2011/	The Committee on implementation should follow – up implementation of the PIC's 19th report recommendations on the matter.	National assembly	Not Implemented
Kenya Airports Authority	non-current assets - Financial Year 2016/2018 and 2017/2018	The land in question should be leased to National Police Service and included in the KAA books of accounts.	National assembly	Not Implemented
Kenya Airports Authority	Unsupported Freehold Land Balance at Kisumu International Airport	The KAA management should always provide documents for audit within the required timelines failure to which the provisions of Section 62 of the Public Audit Act, 2015 to ensue.	National assembly	Not Implemented
Athi Water Services Board	Debtors Financial Year 2016/17 long outstanding debtors	The Committee on implementation should follow up on implementation of PIC recommendations.	National assembly	Not Implemented
Geothermal Development Company	Procurement of rig move services Financial Year 2016/17	The Committee on Implementation should follow-up on implementation of the PIC recommendations in its 23rd Report.	National assembly	Not Implemented
National Hospital Insurance Fund	Property, plant and equipment land situated at Karen – 10 hectares	The Implementation Committee should follow up the matter as per its mandate: and implement the 22nd Report	National assembly	Not Implemented
National Environment Management Authority	Going concern (Financial Year 2017/2018)	The Cabinet should reverse the decision on scrapping of the environmental fees charged on construction of buildings.	The Cabinet	Not Implemented
Kenya Airports Authority	Missing Loan Agreements	The Head of the Public Service should submit the two SGR loan agreements to the Office of the Audit General for audit verification during the 2022/2023 audit cycle.	Head of the Public Service	Not Implemented
Kenyatta National Hospital	Administrative expenses (Financial Year 2015/2016 to Financial Year 2017/2018)	Government circulars meant for State Corporations should be communicated to individual State Corporations through the State Corporations Advisory Committee.	State Corporations Advisory Committee	Not Implemented
Bomas of Kenya	Trade and Other Receivables Financial Year 2017/2018 and 2018/2019	In the financial year 2022/2023, the Ministry of Sports and Culture should reimburse the Bomas of Kenya the Kshs.50 million expended in infrastructure improvement.	Ministry of Sports and Culture	Not Implemented
Bomas of Kenya	Ushanga Initiative Financial Year 2017/2018	The Ministry of Sports and Culture should reimburse the Bomas of Kenya the Kshs.3.7 million expended on Ushanga Initiative.	Ministry of Sports and Culture	Not Implemented

CONTACTS

3rd Floor, Anniversary Towers, University Way, Nairobi

Phone: +254 020 3214000 • **Email:** oag@oagkenya.go.ke • **Website:** www.oagkenya.go.ke



Office of the Auditor-General Kenya



Office of the Auditor-General, Kenya



@OAG_Kenya