

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF SIAYA

**SIAYA COUNTY EXECUTIVE COMMITTEE, SUB COMMITTEE
REPORT ON VERIFICATIONS OF PENDING BILLS AS AT END OF
FY 2023-2024**

PRESENTED TO:

**THE COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE AND ECONOMIC PLANNING**

SEPTEMBER, 2024



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Definition of Pending Bills

Pending bills in this context refer to works, goods and services which were procured, contract executed, goods delivered, or services provided and certified or invoiced, including salary by-products not paid as at end of the Financial Year 2023/2024.



1.0 BACKGROUND AND DETAILED ANALYSIS OF PENDING BILLS

Background

The Pending bills committee was appointed by the County Executive Committee of Finance on the backdrop of increasing pending bills which are perceived to slow economic growth within the county besides hampering livelihoods and winding up businesses. Therefore, this committee was constituted to carry out an audit and scrutinize all pending bills to determine their eligibility for payment on an end-to-end basis, prepare a pending bills status report and action plan with an aim of 20% annual reduction of pending bills in the county as envisaged by The Second Kenya Devolution Support Programme (KDSP II) and provide recommendations to reduce the accumulation of pending bills henceforth.

Detailed Analysis

As a result of the verification exercise, pending bills were summarized, aged and classified as per their attributes, the committee reports that the county has accumulated total pending bills of **Kshs.1,446,894,563.37** comprising of **Kshs.257,615,470.40** as balance brought forward Financial Year 2022/2023 and **Kshs.1,189,279,092.97** incurred in Financial Year 2023/2024. Table 1 below provides the distribution of pending bills across departments within the county.

Table 1: Financial Year 2023-2024 Eligible pending bills

No.	Department	Brought Forward 2022/23**	Development Financial Year 2023/24	Recurrent Financial Year 2023/24	Total
1	Roads	17,385,520.76	149,038,186.31	10,479,307.60	176,903,014.67
2	Water	8,127,249.95	81,961,688.56	8,635,685.28	98,724,623.79
3	Finance	19,672,992.47	0.00	7,612,925.25	27,285,917.72
4	Health	10,925,233.57	59,044,036.95	42,272,382.66	112,241,653.18
5	Governance	108,893,015.43	4,813,610.00	130,161,657.56	243,868,282.99
6	Tourism	23,840,381.82	13,610,361.20	43,729,712.56	81,180,455.58
7	Agriculture	3,037,832.68	44,036,592.38	17,140,754.20	64,215,179.26
8	Trade	26,111,971.06	118,964,208.22	15,613,481.40	160,689,660.68
9	Education	29,499,520.71	69,545,051.12	12,454,652.00	111,499,223.83
10	Lands	10,121,751.95	13,061,544.00	20,421,971.84	43,605,267.79
11	Bondo Municipality	0	0	1,153,370.00	1,153,370.00
12	Ugunja Municipality	0	0	0	0
13	Siaya Municipality	0	97,846.00	2,184,193.00	2,282,039.00
	Subtotal supplies	257,615,470.40	554,173,124.74	311,860,093.35	1,123,648,688.49
	Unpaid salaries for FY 2023/24 June and Salary arrears for defunct local authority staff	0	0	323,245,874.88	323,245,874.88
	Grand Total	257,615,470.40	554,173,124.74	635,105,968.23	1,446,894,563.37

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2.0 CAUSES OF PENDING BILLS AND ACTION PLANS/RECOMMENDATIONS

2.1 Causes of Pending Bills

From the exercise the team was able to pinpoint few teething issues as listed below:

- i. Variation of projects occasioned by changes in scope
- ii. Delayed exchequer releases resulting in rolling over funds into new financial years
- iii. Underperforming own source revenue
- iv. Failure to provide for pending bills in the budgets of subsequent financial years
- v. Failure to implement the previous pending bills action plans.

2.2 Pending Bills Action Plans and Recommendations

Arising from the foregoing verification, analysis, findings and observations, the committee recommends the following action plans:

- i. During Budget making, pending bills should be a first charge on the resource ceilings of departments and funds ring fenced.
- ii. Pending bills payments should follow the aging analysis of First-In-First-Out (FIFO), this is aimed at reducing the older pending bills by at least 20% annually and eventually retire all of them.
- iii. There is need to strengthen the Cash Management Committee
- iv. The county to have constant engagements with the exchequer and Controller of budget to ensure timely release of funds.
- v. Revenue automation should be completed to improve the efficiency of our own source revenue collection.
- vi. Due to the high cost of motor vehicle maintenance, the committee recommends that minor services should be done in-house instead of outsourcing. This implies that the county should adequately equip its garage.
- vii. The committee recommends that in respect of all the legal fees charged for legal services in the county, the responsibility for determining the amount to be paid should be vested wholly in the Office of the County Attorney.
- viii. The pending bills secretariat and steering committee should be a standing committee that meets quarterly to review pending bills payment plan and interrogate the new bills that arise quarterly as the budget implementation progresses with clear ToRs and proper facilitation as envisaged in the KDSP II programme.

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