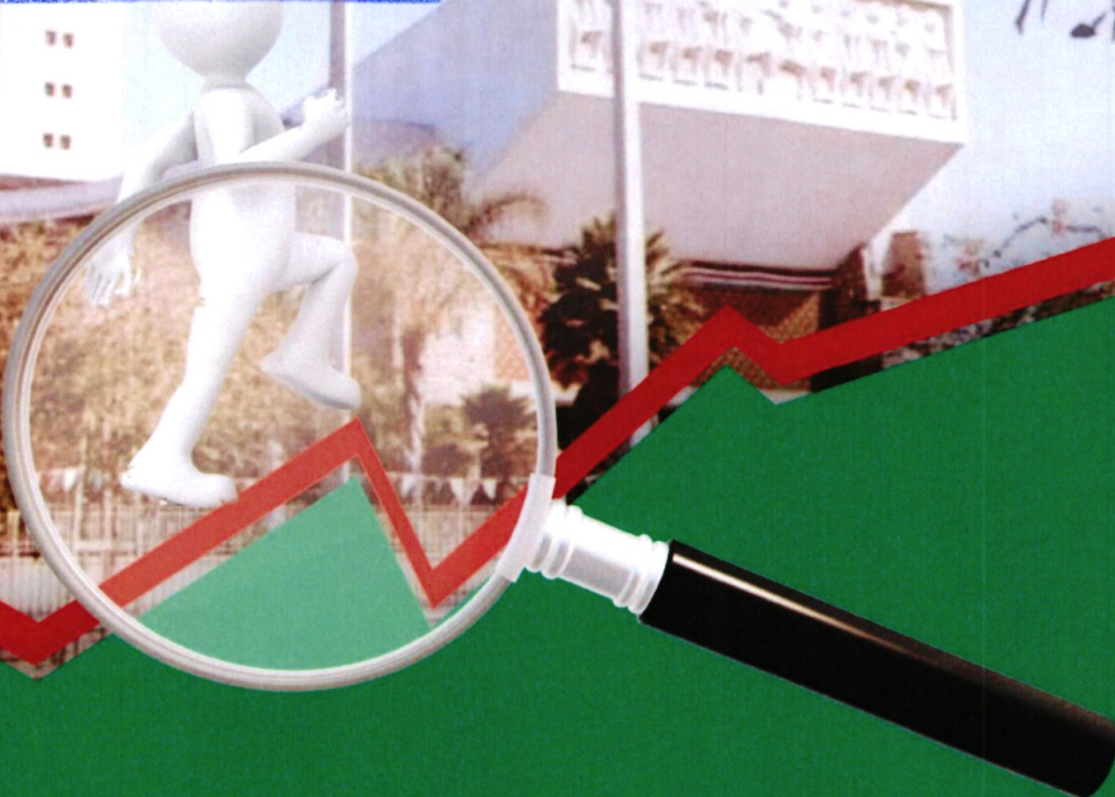




OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability

<b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: <b>02 APR 2026</b>	DAY: <i>Thursday</i>
TABLED BY: <i>Deputy Majority Whip Hon. Thom Wacamp</i>	
CLERK-AT THE-TABLE: <i>Harlima Ahmed</i>	

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## AUDITOR-GENERAL'S REPORT ON

THE STATUS OF IMPLEMENTATION OF RECOMMENDATIONS  
MADE IN THE FINANCIAL YEAR 2020/2021 REPORT OF THE  
PUBLIC ACCOUNTS COMMITTEE AND THE 24TH REPORT  
OF THE PUBLIC INVESTMENTS COMMITTEE

MARCH 2026



## **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

I am pleased to present this Report on the Status of Implementation of Recommendations arising from the Financial Year 2020/2021 Report of the Public Accounts Committee (PAC) and the 24th Report of the Public Investments Committee (PIC) for thirty (30) selected Ministries, Departments, and Agencies (MDAs). Section 31(3)(b) of the Public Audit Act, 2015 requires the Auditor-General to include in audit reports an assessment of how responsive a State organ or public entity has been to past audit findings and recommendations. This Report builds upon my two (2) earlier submissions to the National Assembly in March 2025, on the Status of Implementation of Recommendations made in the Financial Year 2020/2021 PAC Report and the 24th Public Investment Committee Report Concerning Various State Corporations.

The Government, through the Governance for Enabling Service Delivery and Public Investment in Kenya (GESDEK II) Programme, continues to prioritize the implementation of audit recommendations as a key pillar of the Public Financial Management Reform (PFMR) Strategy. The Office has two (2) Disbursement Linked Indicators under the Programme: DLI 6.1.1, where the Office reported the implementation status of audit recommendations to the National Assembly in March 2025; and DLI 6.1.2, on tracking the progress towards implementation of at least 50% recommendations on Payroll, Procurement, and Public Investment Management by selected entities. This Report therefore, is in response to DLI 6.1.2.

Timely and effective implementation of audit and legislative recommendations is central to the integrity of public financial management. It promotes transparency, reinforces accountability, improves institutional performance, and ensures that public programmes respond appropriately to emerging risks and national development priorities. Conversely, weak follow-up mechanisms result in recurring audit issues and erode public confidence in the stewardship of public resources. In response to persistent implementation gaps, my Office has developed and operationalized a follow-up mechanism which form the basis of this Report.

Through this Report, my Office reaffirms our commitment to supporting the Legislature in enhancing accountability and fostering a culture of continuous improvement within the public sector. Our overarching goal is to ensure that the Legislature's recommendations contribute meaningfully to the development and welfare of the people of Kenya.

This Report is submitted to the National Assembly in accordance with Article 229(7) of the Constitution of Kenya, 2010, and Section 39(1) of the Public Audit Act, 2015. A copy has also been submitted to The National Treasury.



FCPA Nancy Gathungu, CBS

**AUDITOR – GENERAL**

17 March, 2026

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## List of Acronyms

CCIO	- Constitutional Commissions and Independent Offices
CWES	- Constituency Women Enterprise Scheme
DCI	- Directorate of Criminal Investigations
EACC	- Ethics and Anti-Corruption Commission
ECA	- Expected Corrective Action
ERP	- Enterprise Resource Planning
INTOSAI	- International Organization of Supreme Audit Institutions
IPSAS	- International Public Sector Accounting Standards
ISSAI	- International Standards for Supreme Audit Institutions
KRA	- Kenya Revenue Authority
LPO	- Local Purchase Order
MDAs	- Ministries Departments and Agencies
NA	- National Assembly
NRF	- National Research Fund
OAG	- Office of the Auditor-General
PFM	- Public Finance Management
PS	- Principal Secretary
PSASB	- Public Sector Accounting Standards Board
SAI	- Supreme Audit Institution
SFAC	- Special Funds Accounts Committee

## EXECUTIVE SUMMARY

### Introduction

In March 2025, the Auditor-General submitted to the National Assembly two (2) implementation status reports: Auditor-General's Report on the status of the implementation of recommendations of the Financial Year 2020/2021 Report of the Public Accounts Committee and Auditor-General's Report on the status of the implementation of recommendations of the 24th Report of the Public Investments Committee.

This report evaluates the progress on the implementation of the National Assembly's recommendations by thirty (30) selected entities using the March 2025 follow-up audit reports as a benchmark. It aligns with the Governance for Enabling Service Delivery and Public Investment in Kenya, Second Phase (GESDeK II) Programme which is supported by the World Bank and French Development Agency (AFD) under a Program-for-Results model. The Programme advances Kenya's Public Finance Management Reforms agenda by incentivizing verified results in transparency, procurement, resource prioritization, predictable funding, HR data consolidation, timely and high-quality financial reporting and audits (including uptake of audit recommendations), and climate-aligned public investment, consistent with the World Bank's FY2023–2028 Country Partnership Framework.

The Office has two (2) Disbursement Linked Indicators under the Programme: DLI 6.1.1, where the Office reported the implementation status of audit recommendations to the National Assembly in March 2025; and DLI 6.1.2, on tracking the progress towards implementation of at least 50% recommendations on Payroll, Procurement, and Public Investment Management by selected entities by December 2025.

### Objective and Scope

This report sets out the extent to which the thirty (30) selected entities from the two (2) aforementioned reports took further action on the National Assembly's recommendations on payroll, procurement and public investment management since the previous review in March 2025. Further, the audit aimed to assess whether the selected entities achieved the targeted fifty percent (50%) implementation of recommendations by December 2025.

The report covers three hundred and nineteen (319) recommendations for the thirty (30) selected entities; twenty (20) MDAs and ten (10) State Corporations. The recommendations in

respect of the three (3) focus areas comprised of thirty-four (34) on Payroll, one hundred and forty-one (141) on Procurement and one hundred and forty-four (144) on Public Investment Management.

## Key Findings

The Office identified the three hundred and nineteen (319) recommendations, based on the focus areas. Forty-eight (48) recommendations had been implemented in the previous review in March 2025, while three (3) were no longer applicable. This report therefore assessed the implementation status of two hundred and sixty-eight (268) recommendations. The key findings are as follows: -

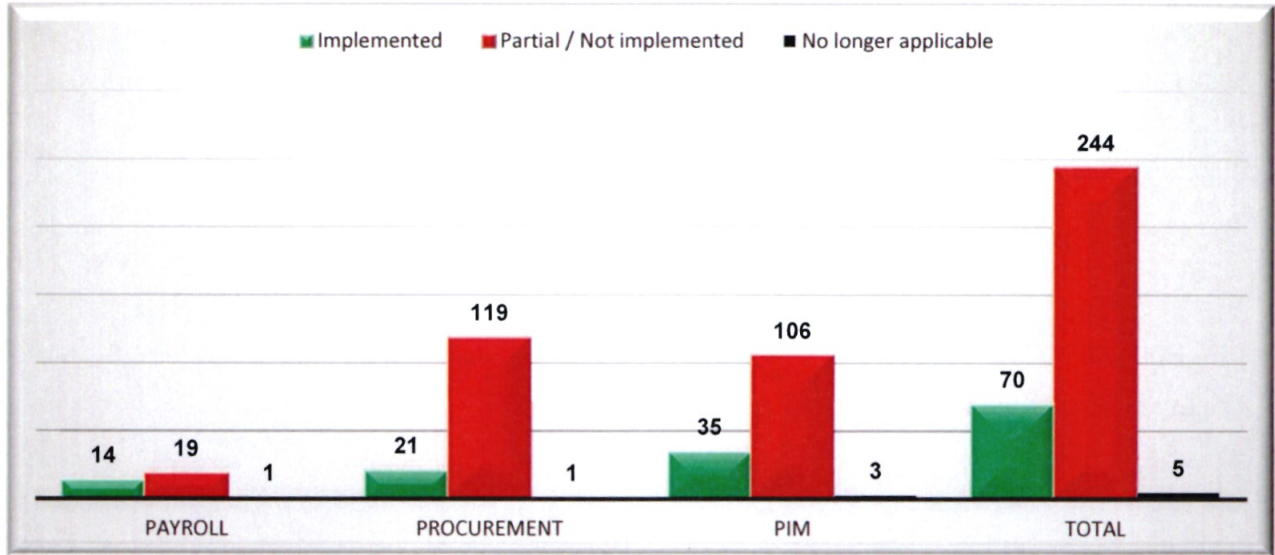
### a. Response Rate

The recommendations assessed were for thirty (30) select entities; however, one entity had implemented all the recommendations directed to it as per the Status Report of March 2025. The Office, therefore, requested the remaining twenty-nine (29) entities to provide written responses on recommendations whose implementation status as of March 2025 was reported as either partially implemented or not implemented. Twenty (20) out of the twenty-nine (29) entities, representing 69%, submitted written responses to the Office.

### b. Implementation Status

Analysis of the management responses revealed that in addition to the forty-eight (48) recommendations that had been implemented by March 2025, twenty-two (22) more recommendations had been implemented, bringing the total to seventy (70). This represents 22% implementation rate as at December 2025. Further, fifty-eight (58) recommendations, representing eighteen percent (18%), were partially implemented, while one hundred and eighty-six (186) recommendations, representing fifty-eight percent (58%), were not implemented at all. Five (5) recommendations, representing two percent (2%), were deemed no longer applicable.

**Figure 1: Implementation Status for each Focus Area**



Source: OAG analysis of management responses

There was a **seven (7) percentage points** improvement on implementation of audit recommendations; from fifteen (15%) percent in March 2025 to twenty-two percent (22%) in December 2025. The review of recommendation implementation across the key focus areas reflected the distinct numbers reviewed. Payroll-related recommendations had the highest proportion implemented at 41%, with procurement-related recommendations, at 15%, recording the lowest. Public Investment Management had 24% implemented. Collectively, these outcomes demonstrate notable progress in the implementation of payroll-related recommendations and underscore procurement as a priority area requiring heightened focus and strengthened implementation efforts going forward.

**c. Financial Impact**

The assessment established that the implementation of some of the recommendations issued led to recoveries of public resources amounting to Kshs.66,937,388, as reported by five (5) accounting officers who submitted responses for verification. The recoveries were attributed to allowances irregularly paid, unsurrendered imprest and amount held in dormant project accounts. Further, the failure to implement recommendations by entities resulted in a lost opportunity of recovering a quantifiable amount of Kshs.86,439,462 by eight (8) entities.

**Conclusion**

- i. **Marginal Achievement of the 50% Target in DLI 6.1.2:** Out of the thirty (30) selected entities, only six (6) entities achieved the target of fifty percent (50%) on implementation of

audit recommendations relating to the focus area by December 2025. Further, five (5) entities implemented between twenty-five percent (25%) and forty-nine percent (49%) of the audit recommendations relating to the focus areas. In addition, nineteen (19) entities implemented below twenty-five percent (25%) of the recommendations. This indicates a prevalent failure to act on the audit recommendations issued by the National Assembly.

- ii. **Low Response Rate:** Nine (9) entities out of the twenty-nine (29) entities that the Office had requested for information on corrective actions taken did not respond. This reflects dereliction of duty by the Management in the provision of information during the audit process contrary to Section 9(1)(f) of Public Audit Act, 2015.
- iii. **Systemic Neglect in Implementing Recommendations:** One hundred and eighty-six (186) recommendations, representing sixty percent (58%) in the focus areas were not implemented. This implies systemic neglect in implementation of audit recommendations made by the National Assembly, contrary to Section 53 of the Public Audit Act, 2015.
- iv. **Positive Financial Impact:** 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 as reported by the accounting officers who have been able to recover Kshs.66,937,388.
- v. **Gap in the Accountability Process:** Fifty-eight (58) recommendations were partially implemented. A significant number of partially implemented recommendations are because of failure to report back to Parliament on actions taken as directed by the National Assembly. Failure to submit a report on actions taken creates a gap in the accountability process.
- vi. **Capacity Limitations:** Management responses revealed a lack of capacity among some Accounting Officers to conceptualize and execute appropriate corrective actions. The management responded to the initial audit findings, rather than the recommendations by the National Assembly.

## Recommendations

In view of the findings and conclusion of the follow-up, the Auditor-General proposes the following recommendations: -

- i. **Performance Accountability:** The Executive should require the integration of audit recommendation implementation as a key performance indicator within subsequent performance contracts for Accounting Officers, thereby incentivizing compliance and strengthening accountability across the public sector.

- ii. **Legislative Enforcement:** Parliament should enact and rigorously enforce statutory sanctions for non-compliance with audit recommendations to ensure deterrence and promote full adherence to corrective actions.
- iii. **Capacity Building on Implementation of Audit Recommendations:** The National Treasury should enhance the capacity of Accounting Officers through targeted training, guidance, and technical support to improve their understanding and effective execution of corrective measures. The National Treasury should consider developing toolkits and templates for tracking implementation of recommendations with periodic reporting by accounting officers on level of implementation.
- iv. **Strengthen Internal Audit Committees:** Regulation 175 of Public Finance Management Regulations (National Government), 2015, requires Audit Committees to follow up on the implementation of the recommendations of internal and external auditors. The Executive should strengthen these Committees to ensure they play their roles effectively to enhance implementation of audit recommendations. Further, the audit committees should consider making “Implementation Tracking” a mandatory audit committee item with minuted decisions and consequence management in each quarterly meeting.

## **CHAPTER ONE: INTRODUCTION AND BACKGROUND INFORMATION**

### **1.1. Introduction**

The Auditor-General is mandated under Article 229 of the Constitution of Kenya, 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. The Auditor-General is further required to submit the audit reports to Parliament and/or the relevant County Assemblies within six (6) months of the end of every financial year.

In March 2025, the Auditor-General submitted to the National Assembly two reports on the status of implementing recommendations arising from: the Public Accounts Committee's examination of the Auditor-General's Report on the National Government for the Financial Year 2020/2021; and the 24th Report of the Public Investments Committee on the examination of the Auditor-General's reports. These submissions were made pursuant to the Auditor-General's mandate to report on the implementation of audit recommendations and, additionally, to support the National Government's initiative to enhance the uptake of audit recommendations under the Governance for Enabling Service Delivery and Public Investment in Kenya, Second Phase (GESDeK II) Programme. This report sets out the extent to which the thirty (30) selected entities from the two (2) aforementioned reports have taken further action on the National Assembly's recommendations since the previous review in March 2025, and the progress achieved, if any.

### **1.2. Background Information**

The Governance for Enabling Service Delivery and Public Investment in Kenya, is a Government of Kenya Programme, supported by the World Bank and French Development Agency (AFD). The Programme builds on the first GESDeK Programme and supports the Public Financial Management Reforms (PFMR) Strategy 2018–2023, which aimed at strengthening public financial management and transparency for better service delivery. Using the World Bank's Program-for-Results (PforR) instrument, the Programme disburses funds upon verified results in selected Ministries, Departments and Agencies (MDAs), focusing on enhancing transparency and accountability, strengthening procurement, improving resource

prioritization and predictable funding for services, consolidating HR data, ensuring timely, high-quality financial reporting and audits (**including implementation of audit recommendations**), and promoting climate-aligned public investment to support green growth. The Programme advances a more efficient public sector, underpins private sector-led growth, and aligns with the World Bank's Kenya Country Partnership Framework (Financial years 2023–2028) for fiscal sustainability.

As part of the Government's Public Financial Management Reforms (PFMR) agenda, the Office of the Auditor-General (OAG), submitted to the National Assembly two (2) reports on the status of implementing audit recommendations by MDAs and State Corporations, pursuant to Disbursement-Linked Indicator (DLI) 6.1.1 under the GESDeK II Programme. Further, the Office is required under DLI 6.1.2 to report to Parliament on the progress made by selected MDAs, with a target that at least 50% of recommendations relating to Payroll, Procurement and Public Investment Management (PIM) are implemented by December 2025.

## CHAPTER TWO: METHODOLOGY FOR THE FOLLOW-UP AUDIT

### 2.1. Objective

This report sets out the extent to which the thirty (30) selected entities from the two (2) aforementioned reports took further action on the National Assembly's recommendations on payroll, procurement and public investment management since the previous review in March 2025. Further, the audit aimed to assess whether the selected entities achieved the targeted fifty percent (50%) implementation of recommendations by December 2025.

### 2.2. Scope of the Follow-Up Audit

The report, excluding the forty-eight (48) recommendations implemented by March 2025 and the three (3) that were no longer applicable, covered a total of two hundred and sixty-eight (268) recommendations for thirty (30) selected entities comprising twenty (20) MDAs and ten (10) State Corporations. The recommendations relating to the three focus areas consisted of thirty-four (34) on payroll, one hundred and forty-one (141) on procurement, and one hundred and forty-four (144) on PIM, as presented in **Table 1**.

The selection criteria were based on the following factors: -

- i. Representation of key sectors of the economy;
- ii. Entities with a key role in the service delivery; and
- iii. Amount of resources allocated in the National Budget.

**Table 1: List of Entities and Number of Recommendations**

Entity	Recommendations				
	Status as at March 28, 2025	No. Related to the Focus Areas	No. Implemented as at March 2025	No Longer Applicable	Due for Tracking
State Department for Planning	20%	5	1	1	3
State Department for Correctional Services	0%	1	0	0	1
State Department for Foreign Affairs	0%	6	0	0	6
State Department for Higher Education and Research	14%	7	1	0	6
State Department for Basic Education	100%	4	4	0	0
State Department for Medical Services	0%	10	0	0	10
State Department for Roads	13%	47	6	0	41
State Department for Public Works	50%	10	5	0	5
State Department for Environment and Climate Change	11%	9	1	0	8

Entity	Recommendations				
	Status as at March 28, 2025	No. Related to the Focus Areas	No. Implemented as at March 2025	No Longer Applicable	Due for Tracking
State Department for Water and Sanitation	18%	28	5	0	23
State Department for Lands and Physical Planning	0%	3	0	0	3
State Department for Energy	0%	13	0	0	13
State Department for Livestock Development	0%	3	0	0	3
State Department for the Blue Economy and Fisheries	22%	9	2	0	7
State Department for Crop Development	17%	6	1	0	5
State Department for Labour and Skills Development	0%	2	0	0	2
State Department for Social Protection and Senior Citizen Affairs	0%	2	0	0	2
State Department for Mining	50%	4	2	0	2
State Department for Petroleum	20%	5	1	0	4
State Department for Wildlife	0%	3	0	0	3
Kenya Airports Authority	0%	16	0	0	16
Kenya Marine and Fisheries Institute	50%	16	8	0	8
Kenya Ports Authority	8%	39	3	2	34
Kenya Rural Roads Authority	0%	13	0	0	13
Kenya Urban Roads Authority	0%	1	0	0	1
National Social Security Fund	0%	6	0	0	6
Kenyatta International Convention Centre	0%	13	0	0	13
Social Health Authority	0%	10	0	0	10
Water Sector Trust Fund	0%	7	0	0	7
Kenya Maritime Authority	38%	21	8	0	13
<b>Total</b>	<b>15%</b>	<b>319</b>	<b>48</b>	<b>3</b>	<b>268</b>

Source: OAG analysis of follow-up audit reports

### 2.3. The Follow-Up Process

The review was conducted in accordance with the OAG Framework for Tracking, Follow-up and Reporting on the Implementation of Audit Recommendations, as illustrated in **Figure 2**, with focus on recommendations previously reported to have been partially implemented or not implemented regarding payroll, procurement, and PIM.

### Step 1: General Considerations

The review considered two (2) previously submitted reports and identified thirty (30) entities with recommendations in three focus areas: Payroll, Procurement, and Public Investment Management (PIM). A total of three hundred and nineteen (319) recommendations were identified. Of these, forty-eight (48) had been implemented; an implementation rate of approximately fifteen percent (15%) and three (3) more were considered no longer applicable. Two hundred and sixty-eight (268) recommendations were therefore, due for further follow-up review.

This report examined the extent to which the thirty (30) entities took further action on the National Assembly’s recommendations since the previous review, and the progress achieved, if any. To accelerate compliance and support achievement of DLI 6.1.2 by December 2025, the Office of the Auditor-General convened a forum on 28–29 October 2025, with representatives of the selected entities. The forum clarified expectations from OAG, identified challenges, and agreed on implementation strategies on the focus areas.

### Step 2: Pre-follow-up Analysis

The recommendations relating to the focus areas were subjected to an in-depth review with the aim of classifying the recommendations according to responsibility and reported status.

### Step 3: Circularization to Audited Entities and

The Office of the Auditor-General subsequently requested in writing the responsible entity(ies) to make a representation on the actions they had taken to address the recommendations covered in the subject Legislative report. The circularization was to twenty-nine (29) out of the 30 selected entities, as one (1) of the entities had already implemented all the recommendations relating to the focus areas.

### Step 4: Verification of Management Responses

The Office of the Auditor-General identified the Expected Corrective Actions (ECAs) from each recommendation, depending on the responsibility of implementation, activities to be undertaken,

Figure 2: The Follow-up Process



Source: OAG Financial and Compliance Audit Manual (Revised 2025)

timeframe for implementation and the desired output. From the identified ECAs, the Office then developed procedures for verifying the management representation. Out of the twenty-nine (29) entities circularized, twenty (20) entities submitted responses for verification.

**Step 5: Conclusion on the Status of Implementation of Recommendations**

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

**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 were then categorized into the three (3) focus areas, as tabulated in **Table 3**.

**Step 6: Status Report**

The culmination of the follow-up process was this report, that details the rationale for follow-up, methodology applied and the status of implementation of recommendations for all the entities assessed in the follow-up.

## CHAPTER THREE: STATUS OF IMPLEMENTATION OF RECOMMENDATIONS

### 3.1. Overall Implementation Status

The Office identified three hundred and nineteen (319) recommendations that related to the focus areas. Forty-eight (48) recommendations had been implemented in the previous review in March 2025, while three (3) were no longer applicable. The Office therefore, assessed the implementation status of two hundred and sixty-eight (268) recommendations in this report. The key findings are as follows: -

#### a. Response Rate

The recommendations related to thirty (30) select entities, however, the State Department for Basic Education had implemented all recommendations directed to it as per the Status Report of March 2025. The Office, therefore, requested the other twenty-nine (29) entities for written responses on recommendations whose implementation status was either partially implemented or not implemented. Twenty (20) out of the twenty-nine (29) entities, representing 69%, submitted written responses to the Office. The nine (9) entities that did not respond led to limitation of scope, as the audit could not assess and report on the overall impact accruing from implementation of the recommendations.

#### b. Implementation Status

Analysis of the management responses revealed that in addition to the forty-eight (48) recommendations that had been implemented by March 2025, twenty-two (22) more recommendations had been implemented, totaling to seventy (70) implemented recommendations as at December 2025. There was a seven (7) percentage points improvement on implementation of audit recommendations; from fifteen (15%) percent in March 2025 to twenty-two percent (22%) in December 2025.

The analysis revealed that fifty-eight (58), representing eighteen percent (18%) of the recommendations, had been partially implemented. The partial implementation was attributed to failure to submit feedback to the National Assembly on the corrective actions taken, where it was a requirement, and also failure to provide evidence of collaboration with a third party, where the recommendation required so, among others.

One hundred and eighty-six (186), representing fifty eight percent (58%) of the recommendations were not implemented. This was mainly due to failure to undertake corrective

actions or to provide evidence of the corrective action taken. Further, five (5), representing two percent (2%) of the recommendations, were no longer applicable due to change in legal and technical status.

The implementation status was analyzed for each focus area and is as detailed in **Table 3**.

**Table 3: Status of Implementation of Recommendations**

Focus area	Number	Implemented		Partial / Not Implemented		No Longer Applicable	
		(No.)	%	(No.)	%	(No.)	%
Payroll	34	14	41%	19	56%	1	3%
Procurement	141	21	15%	119	84%	1	1%
PIM	144	35	24%	106	74%	3	2%
<b>Total</b>	<b>319</b>	<b>70</b>	<b>22%</b>	<b>244</b>	<b>76%</b>	<b>5</b>	<b>2%</b>

Source: OAG analysis of management responses

The analysis revealed that recommendations on procurement were the least implemented, while those relating to payroll recorded a higher rate of implementation.

The Office of the Auditor-General tracked two hundred and sixty-eight (268) recommendations, across thirty (30) entities, in line with its constitutional and statutory mandate to ensure accountability and efficiency in the use of public resources. Out of the thirty (30) selected entities, only six (6) entities, outlined in **Table 4**, achieved the target of fifty percent (50%) of implementing the audit recommendations relating to the three (3) focus areas by December 2025.

**Table 4: Entities that Achieved the Target of 50% Implementation of Recommendations**

No.	Entity	Implementation Status	
		March 2025	December 2025
1.	State Department for Basic Education	100%	100%
2.	Kenya Marine and Fisheries Institute	50%	63%
3.	State Department for Planning	20%	50%
4.	State Department for Foreign Affairs	0%	50%
5.	State Department for Public Works	50%	50%
6.	State Department for Mining	50%	50%

Source: OAG analysis of management responses

Further, five (5) entities, listed in **Table 5**, implemented between twenty-five percent (25%) and forty-nine percent (49%) of the audit recommendations relating to the three (3) focus areas.

**Table 5: Entities that Achieved Between 25% and 49% Implementation of Recommendations**

No.	Entity	Implementation Status	
		March 2025	December 2025
1.	Water Sector Trust Fund	0%	43%
2.	State Department for Petroleum	20%	40%
3.	Kenya Maritime Authority	38%	38%
4.	State Department for The Blue Economy & Fisheries	22%	33%
5.	State Department for Medical Services	0%	30%

Source: OAG analysis of management responses

In addition, nineteen (19) entities, detailed in **Table 6**, implemented below twenty-five percent (25%) of the recommendations. This indicates a prevalent failure to act on the audit recommendations issued by the National Assembly in the three (3) focus areas.

**Table 6: Entities that Achieved Below 25% Implementation of Recommendations**

No.	Entity	Implementation Status	
		March 2025	December 2025
1.	Kenya Ports Authority	8%	22%
2.	State Department for Water and Sanitation	18%	18%
3.	State Department for Crop Development	17%	17%
4.	Kenyatta International Convention Centre	0%	15%
5.	State Department for Higher Education and Research	14%	14%
6.	State Department for Roads	13%	13%
7.	State Department for Environment and Climate Change	11%	13%
8.	Kenya Airports Authority	0%	6%
9.	State Department for Correctional Services	0%	0%
10.	State Department for Lands and Physical Planning	0%	0%
11.	State Department for Energy	0%	0%
12.	State Department for Livestock Development	0%	0%
13.	State Department for Labour and Skills Development	0%	0%
14.	State Department for Social Protection and Senior Citizen Affairs	0%	0%
15.	State Department for Wildlife	0%	0%
16.	Kenya Rural Roads Authority	0%	0%
17.	Kenya Urban Roads Authority	0%	0%
18.	National Social Security Fund	0%	0%
19.	Social Health Authority	0%	0%

Source: OAG analysis of management responses

### 3.2. Financial Impact on Implementation of Recommendations

The follow-up audit revealed that the implementation of audit recommendations led to recoveries of public resources amounting to Kshs.66,937,388, as reported by the accounting officers who submitted responses for verification. The recoveries were attributed to allowances irregularly paid, unsurrendered imprest and amount held in dormant project accounts. The breakdown of the recoveries is detailed in **Table 7**.

**Table 7: Cost Savings from Implementation of Audit Recommendations**

No.	Entity	Cost saving (Kshs.)
1.	State Department for Planning	2,153,373
2.	State Department for Lands and Physical Planning	1,540,000
3.	State Department for Social Protection and Senior Citizen Affairs	240,000
4.	Kenya Airports Authority	62,989,475
5.	Kenya Marine and Fisheries Institute	14,540
	<b>Total</b>	<b>66,937,388</b>

Source: OAG Analysis of the Tracked Recommendations and Management Responses

Further, the failure to implement recommendations by entities resulted in a lost opportunity of recovering at least quantifiable amount of Kshs.86,439,462, as detailed in **Table 8**.

**Table 8: Lost Opportunity due to Lack of Implementation of Recommendations**

No.	Entity	Recovery of Allowances (Kshs.)	Liquidated Damages (Kshs.)	Receivable (Kshs.)	Total (Kshs.)
1.	State Department for Public Works	-	1,953,032	-	1,953,032
2.	State Department for Lands and Physical Planning	3,520,000	-	-	3,520,000
3.	State Department for Mining	16,437,700	-	-	16,437,700
4.	State Department for Petroleum	42,979,358	-	-	42,979,358
5.	Kenya Airports Authority	-	-	15,844,572	15,844,572
6.	Kenya Marine and Fisheries Institute	3,604,800	-	-	3,604,800
7.	Social Health Authority	100,000	-	-	100,000
8.	Kenya Maritime Authority	-	-	2,000,000	2,000,000
	<b>Total</b>	<b>66,641,858</b>	<b>1,953,032</b>	<b>17,844,572</b>	<b>86,439,462</b>

Source: OAG Analysis of Tracked Recommendations and Management Responses

### **3.3. STATUS OF IMPLEMENTATION OF RECOMMENDATIONS BY AUDITED ENTITIES**

#### **STATE DEPARTMENT FOR PLANNING**

Review of the Auditor General's Report on the Status of the Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified five (5) recommendations; one (1) on payroll, three (3) on procurement and one (1) on PIM. Out of the five (5) recommendations, one (1) was implemented and one (1) was no longer applicable. The other three (3) recommendations were subjected to follow-up audit and the status is as follows: -

#### **1. Management of Grounded Motor Vehicles**

##### **Recommendation**

The National Assembly reprimanded the Accounting Officer and directed that he ensures proper records are availed within reasonable time to the Auditor General pursuant to Section 62 (1) of the Public Audit Act, 2015.

##### **Management Response**

The Management submitted that they regret the unsatisfactory explanation and lack of proper support documents for sixty (60) motor vehicles at the time of audit. The State Department has since taken appropriate measures to ensure that proper records are maintained and supportive documents availed to the auditors within reasonable time for verification. The status of the twenty-three (23) grounded motor vehicles was established as per information availed. The specific defects and duration, work-tickets, log-books, summary of fuel, oil and distance travelled was documented and availed to the auditor for verification. Six (6) of the twenty-three (23) motor vehicles belong to the National Economic and Social Council and thus their details could not be obtained. The motor vehicle register is updated and all missing crucial information of the seventeen (17) grounded motor vehicles has been provided through Inspection and Valuation Reports prepared by Chief Mechanical and Transport Engineering Unit.

##### **Conclusion on Status**

The Accounting Officer did not provide information on the corrective actions taken to ensure proper records are availed within reasonable time to the Auditor General pursuant to Section 62 (1) of the Public Audit Act, 2015.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

## **2. Management of Grounded Motor Vehicles**

### **Recommendation**

The National Assembly reprimanded the Accounting Officer and recommended that he ensure that disposal through donations should be streamlined through clear policy.

### **Management Response**

The Management submitted that six (6) of the seventeen (17) motor vehicles were disposed in the financial year 2021/2022 and another board of survey was conducted in the financial year 2023/2024 where a disposal report was prepared. A disposal of another seven (7) vehicles was done on 15th August, 2024 through a public auction. All disposals have been streamlined through an annual disposal plan and any disposal by donations will be done through an approved National Public Procurement and Asset Disposal Policy. The stated action by management has been supported by documents availed to the auditor for verification.

### **Conclusion on Status**

The accounting officer did not provide information on the corrective action taken to ensure that there is a clear streamlined policy on disposal through donations.

**Recommendation Category:** Policy

**Implementation status:** Not Implemented

## **3. Status of Project Activities**

### **Recommendation**

The National Assembly reprimanded the Accounting Officer and recommended that he ensures that within one (1) month after adoption of the report provide a status of the request to utilize the funds from the Donor to the Committee or remit the funds to the National Treasury.

### **Management Response**

The Management submitted that they wrote to Director General - Kenya National Bureau of Statistics to provide status of the request to utilize the funds from the Donor and a framework on closing the bank accounts. The Director General established that Cooperative bank account was closed as per the National Treasury authority and the balance of Kshs.2,153,373 transferred to the Bureau's KCB account. The Bureau surrendered the amount to the Exchequer.

**Conclusion on Status**

The Accounting Officer has closed the project account and transferred the funds to the National Treasury.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

**Cost Savings:** Kshs.2,153,373

The State Department had implemented one (1) recommendation out of four (4) representing twenty five percent (25%) of the recommendations in the previous follow-up audit in March 2025. As at the time of this report, the State Department had implemented two (2). The State Department had therefore implemented fifty percent (50%) recommendations relating to the focus areas which were still applicable.

## STATE DEPARTMENT FOR CORRECTIONAL SERVICES

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified one (1) recommendation on PIM. The recommendation was partially implemented and was subjected to follow-up audit and the status is as follows: -

### 4. Encroachment on Kitale Prison Land

#### Recommendation

The National Assembly recommended that within three (3) months upon adoption of the report, the Accounting Officer must use lawful measures to ensure those private individuals vacate the prison land and report to the Assembly.

#### Management Response

The Management submitted that they had demarcated the entire 3000 acres and 159.01 acres for both Kitale main and medium prisons respectively by beaconing the land parcels along the respective boundary lines in March 2024. The Ministry of Lands through the Office of Cabinet Secretary had also visited the two stations for the implementation of the Presidential Directive referenced OP/CAB26/1/3A and dated 5 December, 2022 directing all parcels of land belonging to the Kenya Prisons Service to be surveyed and title deeds issued.

#### Conclusion on Status

The Accounting Officer had initiated the process of demarcating the land. However, the process of ensuring the private individuals vacate the land had not started.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

The recommendation was partially implemented. However, the State Department was still at zero (0) percent on fully implemented recommendations relating to the focus areas.

## STATE DEPARTMENT FOR FOREIGN AFFAIRS

The Ministry of Foreign Affairs has since been renamed to the State Department for foreign Affairs as per The Executive Order number 1 of 2023.

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified six (6) recommendations; three (3) on procurement and three (3) on PIM. The six (6) recommendations were not implemented and were subjected to follow-up audit. The status is as follows: -

### 5. Pending Bills

#### Recommendation

The National Assembly directed that the Accounting Officer furnishes the Committee with the documents for verification within one (1) month of the adoption of the report.

#### Management Response

The Management indicated that they had submitted the pending bills report and documentation to the Public Accounts Committee on 27 February, 2023 as per correspondence referenced MFA.FIN/2/3.

#### Conclusion on Status

The documents provided by the Management did not have the required evidence on pending bills as directed by the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### 6. Pending Bills

#### Recommendation

The National Assembly directed that the Accounting Officer to facilitate the settling of verified pending bills within three (3) months of adoption of the report.

#### Management Response

The Management submitted that they had settled all the pending bills as recommended and provided evidence to support the payments.

### **Conclusion on Status**

The Management had settled the pending bills.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

### **7. Pending Bills**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer must institute internal administrative action and conduct investigations on the officers that processed the claims worth Kshs.12,949,550 without due process and proper documentation and report to the Committee within three (3) months of adoption of the report.

#### **Management Response**

The Management submitted that the claims were erroneously included in the pending bills stating that they had been cancelled by the Accounting Officer and were never processed nor paid.

### **Conclusion on Status**

The Management did not submit evidence on the internal administrative action taken and investigations conducted.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **8. Failure to insure government properties in New York**

#### **Recommendation**

The National Assembly directed the Accounting Officer to provide a copy of the refurbishment contract in one (1) month of adoption of the report.

#### **Management Response**

The Management submitted that the New York Chancery refurbishment contract was presented to the Public Accounts Committee through a letter referenced MFA.FIN/2/3 dated 27 February, 2023.

### **Conclusion on Status**

The Management provided evidence to confirm that the documents had already been submitted to the National Assembly as directed by the Committee.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

## **9. Government Properties - Washington DC**

### **Recommendation**

The National Assembly directed the Accounting Officer to provide a report on the occupancy, the renovation and repair works as well as the budgeted and actual costs incurred on the property within one (1) month after adoption of the report.

### **Management Response**

The Management submitted that the details covering the scope of works, revocation costs versus budgets and occupation of these properties were presented to PAC vide letter referenced MFA.FIN/2/3 dated 27 February, 2023.

### **Conclusion on Status**

The Management provided evidence to confirm that the documents had already been submitted to the National Assembly as directed by the Committee.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

## **10. Kenya House - New York**

### **Recommendation**

The National Assembly recommended that the Accounting Officer avails a cost-benefit analysis with its budget and identify the location where the Kenya House-New York would be put up and present the report to the Assembly within three (3) months after adoption of the report.

### **Management Response**

The Management submitted that the State Department had retained the property for redevelopment in line with The National Treasury's recommendation on the same.

**Conclusion on Status**

The Management did not provide cost-benefit analysis and the location where the Kenya House-New York would be put up.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

The State Department had not implemented any of the recommendations in the previous follow-up audit in March 2025. As at the time of this report, the State Department had implemented three (3) out of six (6) which represents fifty percent (50%) of recommendations relating to the focus areas.

## STATE DEPARTMENT FOR HIGHER EDUCATION AND RESEARCH

The State Department for University Education and Research has since been renamed to the State Department for Higher Education and Research as per Executive Order No. 1 of 2023.

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified seven (7) recommendations; six (6) on procurement and one (1) on PIM. Only one (1) recommendation was implemented and therefore, six (6) recommendations were subjected to follow-up audit. However, the Management did not submit any response to ascertain whether the six recommendations were implemented. The implementation status, therefore, remains unchanged at fourteen percent (14%) as per the previous follow-up report of March 2025.

The status of the six recommendations in the report issued in March 2025 were as follows: -

**Table 9: Recommendations for the State Department for Higher Education and Research**

Audit Issue	Recommendation	Status - March 2025	Classification
Proposed Construction of Design and Manufacturing Block at Dedan Kimathi University of Technology	11. The National Assembly recommended that the Accounting Officer provides a status update to the Assembly within three (3) months of adoption of the report.	Partially Implemented	Administrative
Delayed Completion of Projects	12. The National Assembly recommended that the Accounting Officer provides a status update to the Assembly within three (3) months of adoption of the report.	Partially Implemented	Administrative
Defects and Delays in Delivery of Equipment to Various Universities	13. The National Assembly recommended that the Accounting Officer avails a matrix on implementation of various recommendations, within three (3) months of adoption of the report	Partially Implemented	Administrative
Acquisition of Asset	14. The National Assembly directed the Accounting Officer to provide a status report on the completion of the project within three (3) months of adoption of the report.	Not Implemented	Administrative
Loss of Project Vehicle	15. The National Assembly recommended that the Accounting Officer avails a matrix on implementation of various recommendations, within three (3) months of adoption of the report.	Partially Implemented	Administrative
CESAAM Office Block Design	16. The National Assembly recommended that the Accounting Officer avails all requisite documentation to the Auditor-General for subsequent audit.	Not Implemented	Administrative

Source: OAG Analysis of Tracked Recommendations and Management Responses

## STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION

The State Department for Early Learning and Basic Education has since been renamed to the State Department for Basic Education as per Executive Order No. 1 of 2023.

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified four (4) recommendations; three (3) on procurement and one (1) on payroll. The State Department had fully implemented the four recommendations as per the previous follow-up report of March 2025. Therefore, the State Department had achieved one hundred percent (100%) implementation in the focus areas.

## STATE DEPARTMENT FOR MEDICAL SERVICES

The Ministry of Health has since been renamed to State Department for Medical services as per Executive Order No. 1 of 2023.

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified ten (10) recommendations; two (2) on procurement, one (1) on payroll and seven (7) on PIM. The ten (10) recommendations were not implemented and were subjected to follow-up audit. The status is as follows:

### **17. Non-Payment of Pending Bills**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer to within a month of adoption of the report form a taskforce/committee to audit and negotiate the awards with a view of the awardees forfeiting interest.

#### **Management Response**

The Management submitted that the Ministry in conjunction with the Office of the Attorney General is carrying out an audit to establish the status of all legal pending bills. Further, it is imperative to note that before payment /settlement of any court awards, the Office of the Attorney General primarily forms a committee whose mandate is to negotiate with the awardees with the aim of forfeiting interest.

#### **Conclusion on Status**

There is no evidence provided to verify and confirm that the Accounting Officer formed a task force within a month of adoption of the report to audit and negotiate the awards with a view of the awardees forfeiting the interest.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **18. Relocation of the Hospital- Mathari National Teaching and Referral Hospital**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer avails a status report on the relocation exercise within three months of adoption of the report.

### **Management Response**

The Management indicated that there has been no activity on site regarding this matter since the groundbreaking event, and no further communication from the ministry headquarters has been received by the hospital.

### **Conclusion on Status**

The Management did not submit a status report as required.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

## **19. Renovation Works**

### **Recommendation**

The National Assembly recommended that the Accounting Officer prepare and submit a report to the Committee detailing progress of work and amounts appropriated and expensed in the project within three (3) months after adoption of the report.

### **Management Response**

The Management submitted that the renovation works were 100% complete and a completion certificate was provided for audit review.

### **Conclusion on Status**

Although the Management availed evidence the works were completed, there was no evidence indicating that a status report was submitted the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

## **20. Dilapidated Sections of Administration Block**

### **Recommendation**

The National Assembly recommended that the Accounting Officer should, within three months (3) of tabling and adoption of the report, liaise with the National Treasury on allocation of adequate resources towards the ultimate completion of the project.

### **Management Response**

The Management submitted that the administration block was refurbished and in good condition.

### **Conclusion on Status**

The administration block was refurbished and in good condition.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

### **21. Lack of Training Needs Assessment**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer conducts a training needs assessment for the Ministry and report to the Committee within three (3) months after adoption of the report.

#### **Management Response**

The Management submitted that the Training Needs Assessment activity was approved by the authorized officer vide minutes of the Human Resource Development Committee (HRDC) meeting held on 25 October, 2023. A draft Training Needs Assessment Report was provided for audit review.

### **Conclusion on Status**

The Management availed a draft training need assessments report for audit review, however, there was no evidence of submission to National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

### **22. Residential Housing Units**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should ensure that the two hundred and thirty-five (235) housing units at Mathari Teaching and Referral Hospital whose values had not been disclosed, be included in the fixed asset register balance.

#### **Management Response**

The Management submitted that the hospital was in the process of transitioning and a committee had been put in place to oversee the transfer of assets and liabilities.

### **Conclusion on Status**

There was no evidence that the two hundred and thirty-five (235) housing units at Mathari Teaching and Referral Hospital whose values had not been disclosed were included in the fixed asset register balance.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **23. Undisclosed Land and Buildings**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should ensure that a complete fixed asset register is maintained pursuant to Regulation 143(1) of the PFM (National Government) Regulations, 2015.

#### **Management Response**

The Management submitted that the Ministry had updated the Fixed Assets Register in line with the new template provided by The National Treasury and a copy was submitted for audit review.

### **Conclusion on Status**

The Management had updated the fixed asset register.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

### **24. Motor Vehicle Records**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should ensure that a complete fixed asset register is maintained pursuant to Regulation 143(1) of the PFM (National Government) Regulations, 2015.

#### **Management Response**

The Management submitted that the motor vehicles and their logbooks were in the possession of Mathari National Teaching and Referral Hospital. The Ministry has since updated the Fixed Assets Register in line with the new template provided by the National Treasury and a copy was availed for audit review.

### **Conclusion on Status**

The motor vehicles had been accurately disclosed in the fixed asset register.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

### **25. Stolen Assets**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer ensures recovery of the assets from those responsible and prosecution, within three (3) months of adoption of the report.

#### **Management Response**

The Management submitted that some of the stolen items were bought in year 2014 and were at the counties and due to changes in County Governments the process of identifying the responsible persons then was tedious and sometimes futile. The Global Fund Program through The National Treasury has procured services to identify and verify assets at the National and County level which was to be completed by December 2024.

### **Conclusion on Status**

There was no evidence provided for audit to confirm that the assets were recovered.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **26. Asset Register - Global Fund HIV Aids Program Grant No. KEN-H-TNT GA 1547**

#### **Recommendation**

The National Assembly recommended that within three (3) months of the adoption of the report, the Accounting Officer ensures the presence of a complete asset register for verification pursuant to the provisions of Section 68(2)(n) of the Public Finance Management Act, 2012.

#### **Management Response**

The Management submitted that this was work in progress as the Ministry had contracted services to identify all assets bought by Global fund at the National and County level. At the time of the follow-up audit, the contractor was carrying out asset verification which was to be concluded by December 2024.

**Conclusion on Status**

The management was yet to complete an asset register for assets acquired under Global Fund at the National and County level.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

The State Department had not implemented any of the recommendations in the previous follow-up audit in March 2025. As at the time of this report, the State Department had implemented three (3) out of eleven (11) which represents twenty seven percent (27%) of recommendations relating to the focus areas.

## STATE DEPARTMENT FOR ROADS

The State Department for Infrastructure has since been renamed to State Department for Roads as per Executive Order No. 1 of 2023

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified forty-seven (47) recommendations; three (3) on payroll, thirty-six (36) on procurement and eight (8) on PIM. The State Department had implemented six (6) as at March 2025. Forty-one (41) recommendations were subjected to follow-up audit and the status is as follows: -

### **27. Human Resource Management - Lack of Annual Recruitment Plan and Over-establishment in some Cadres**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should ensure that the Annual Recruitment Plan is prepared for each financial year.

#### **Management Response**

The management submitted that they had since been preparing Annual Recruitment Plans. The State Department in liaison with the Public Service Commission (PSC) and the State Department for Public Service are in the process of harmonizing the in-post staff with the approved establishment.

#### **Conclusion on Status**

Although the Management indicated that they undertook recruitment planning in the subsequent years, no evidence was availed for audit review. In addition, no evidence of engagement with the Public Service Commission (PSC) and the State Department for Public Service for purposes of harmonizing the in-post staff with the approved establishment was provided.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

## **28. Abandoned Works**

### **Recommendation**

The National Assembly recommended that the Accounting Officer recovers liquidated damages from the previous contractor for delayed performance within three (3) months of adoption of the report.

### **Management Response**

The Management submitted that the Contractor was yet to raise another Interim Payment Certificate (IPC) and the Contract was terminated in June 2021. The Liquidated Damages was to be deducted from the Final Statement of Account. The finalization of the Final Statement awaited the determination of the Arbitration Award where a case to set aside the award has been lodged at the High Court. The Project was re-tendered in 2022 and has since been substantially completed. Currently the road is under the Defects Liability Period. They were waiting for a No Objection to issue the Provisional Acceptance Certificate. A request to the employer was submitted for audit review.

### **Conclusion on Status**

The Management did not provide evidence of a case lodged at the high court awaiting the arbitration award and no effort was demonstrated to liquidate damages as directed.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

## **29. Lot 2: Chuka-Kaanwa-Kareni Road**

### **Recommendation**

The National Assembly recommended that the accounting officer should submit a status report to the Assembly within three (3) months after the report is adopted.

### **Management Response**

The Management submitted that Lot 2: Chuka- Kaanwa -Kareni Road Project was terminated in January 2021 and re-tendered in February 2022. The Road project was split into three sections/lots for the re-tendering namely; a) Lot 1; Chuka-Kaanwa b) Lot2; Kaanwa- Wakathite and c) Lot3; Wakathite- Kareni. Lot 2 and 3 were substantially complete and were under the defect's liability period. They were waiting for a No Objection to issue the Provisional Acceptance Certificate. Lot 1 was ongoing and the Progress Status Report was provided for audit review.

### **Conclusion on Status**

The Management did not provide evidence a status report was submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **30. Vacation of Site by the Consultant**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should submit a status report to the Assembly within three (3) months after the report is adopted.

#### **Management Response**

The Management did not submit any response

### **Conclusion on Status**

The Management did not provide evidence that a status report was submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **31. Pending Bills - Upgrading of Kibwezi-Mutomo-Kitui Road Project**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should ensure pending bills form first charge as per the provisions of Regulation 42 of the Public Finance Management (National Government) Regulations, 2015. Failure to comply with this, the accounting officer should be sanctioned with disciplinary action as per the provisions of Section 74(4)(d) of the Public Finance Management Act, 2015.

#### **Management Response**

The Management submitted that they had noted the Committee's recommendations on prioritization of pending bills with annual allocated resources. Management had always complied with the legal requirement that pending bills form a first charge to resources allocated subject to budget line provisions and eventual receipts of Exchequer. The ballooning pending bills on their development project portfolio was a result of inadequate Government of Kenya

(GoK) budgetary provisions over the lifetime of our development projects following poor performance hence national budget deficits.

**Conclusion on Status**

The Management did not provide evidence of corrective action taken to ensure pending bills forms a first charge.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**32. Delayed payments to Persons affected by the Project - Upgrading of Kibwezi-Mutomo-Kitui Road Project**

**Recommendation**

The National Assembly recommended that the Accounting Officer should prioritize and complete compensation.

**Management Response**

The Management submitted that they had noted the recommendation from the committee and endeavors to give priority to compensation. They further submitted that they had taken steps to ensure land compensation was given a priority by creating independent budget lines for land compensation for each project.

**Conclusion on Status**

The Management did not provide evidence of corrective action taken to ensure compensation of land was prioritized and completed.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**33. Notice of Suspension of Works Due to Delayed Demolitions of Structures**

**Recommendation**

The National Assembly recommended that the Accounting Officer should prioritize and complete compensation.

**Management Response**

The Management submitted that they had noted the recommendation from the committee and endeavors to give priority to compensation of project affected persons. The Management has

taken steps to ensure land compensation is given priority by creating independent budget lines for land compensation for each project. The budgetary provisions are, however, inadequate to facilitate prompt payment of all awards to Project Affected Persons (PAPs).

**Conclusion on Status**

The Management did not provide evidence of corrective action taken to ensure compensation of land was prioritized and completed.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**34. Delays in Land Compensation - Mombasa Port Area Road Development Project**

**Recommendation**

The National Assembly recommended that the Accounting Officer should prioritize and complete compensation.

**Management Response**

The Management submitted that they noted the recommendation from the Committee and endeavors to give priority to compensation. The Management has taken steps to ensure land compensation is given a priority by creating independent budget lines for land compensation for each project.

**Conclusion on Status**

The Management did not provide evidence of creating independent budget lines for land compensation for each project in the budget.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**35. Unreconciled Retention Funds**

**Recommendation**

The National Assembly recommended that the Accounting Officer should submit a detailed explanation of the overstatement of retentions balance by Kshs. 5,629,532 to the Assembly within three (3) months of adoption of the report.

**Management Response**

The Management submitted that they had conducted further reconciliation of the project retention funds account and re-confirmed that there was no overstatement of retention amount of Kshs.5,629,532 as reported. The correct retention money held by the Authority remained Kshs.15,033,144 (Kshs.6,818,554 and Kshs.8,414,590 held for the road works contractor and relocation of oil and gas pipelines contractor respectively) as reported in the Project Financial Statements.

**Conclusion on Status**

The Management did not provide a detailed explanation of the reconciliation to show it was not an overstatement. Further, there was no evidence the reconciliation statement was submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**36. Lack of site access due to legal disputes****Recommendation**

The National Assembly recommended that the Accounting Officer to submit to the Assembly the status report on the litigation cases relating to the project within three (3) months after adoption of the report.

**Management Response**

The Management submitted that they had noted the recommendation, and a project status report was submitted for review.

**Conclusion on Status**

The Management had prepared a status report on the litigation cases relating to the project but did not provide evidence it was submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

**37. Change in project's initial scope due to conflict in design and overlapping with another project**

**Recommendation**

The National Assembly recommended that the Accounting Officer should submit a report to the Assembly on the project cost for the new sites vis a vis the costs at the initial sites within three (3) months after adoption of the report.

**Management Response**

The Management submitted that they had noted the Committee's recommendation and a brief on the project cost for the new sites vis-à-vis the costs at the initial sites was prepared.

**Conclusion on Status**

The Management did not provide evidence that the report was submitted to the National Assembly as directed.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**38. Project Closure Report - Timboroa-Eldoret Road Rehabilitation Project No. P-KEDB0-019 (Loan No. 2100150023344)**

**Recommendation**

The National Assembly recommended that the Accounting Officer submits to the Assembly the evidence of approved Appropriation in Aid (AIA) and the documents to confirm the interest disclosed, within three (3) months of adoption of the report.

**Management Response**

The Management submitted that as part of credit closure procedures all resources from the development partner were fully accounted for. The Kshs.17,978,273 was accrued interest earned from inception up to 30 June, 2021.

**Conclusion on Status**

The Management did not submit to the National Assembly the evidence of approval of the AIA and the documents to confirm the interest disclosed within three (3) month of adoption of the report.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**39. Pending Bills - Nairobi-Thika Highway Improvement Project Lot I and II (Credit No. 2100150015544)**

**Recommendation**

The National Assembly recommended that the Accounting Officer should prioritize and complete compensation.

**Management Response**

The Management submitted that they endeavor to give priority to compensation and had taken steps to ensure land compensation is given a priority by creating independent budget lines for land compensation for each project.

**Conclusion on Status**

The Management did not submit evidence to support they were prioritizing compensation of land for projects.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**40. Project Closure Report - Nairobi-Thika Highway Improvement Project Lot I and II (Credit No. 2100150015544)**

**Recommendation**

The National Assembly reprimanded the Accounting Officer for failing to provide documents during audit contrary to Section 62 of the Public Audit Act, 2015, and directed that he avails the project closure report within three (3) months of adoption of the report.

**Management Response**

The Management submitted it was preparing Project Closure Reports for the seventeen (17) completed development partner co-funded projects under the management of Kenya National Highways Authority (KeNHA). The exercise was expected to be completed by 30 June, 2025.

**Conclusion on Status**

The project closure report was not submitted to the National Assembly

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

#### **41. Un-Surrendered Retention Money for Nyeri Region**

##### **Recommendation**

The National Assembly recommended that the Accounting Officer should transfer the retention money to the appropriate retention account within three (3) months of adoption of the report.

##### **Management Response**

The Management submitted that they had taken the necessary steps to ensure that the retention monies were promptly paid to the retention accounts.

##### **Conclusion on Status**

The Management did not provide evidence that the retention money was paid into the appropriate retention account within three (3) months of adoption of the report.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

#### **42. Project Closure Report - Multinational Arusha-Holili/ Taveta-Voi Road Corridor Development Project Phase I - Loan No.2100150028894**

##### **Recommendation**

The National Assembly reprimanded the Accounting Officer for failing to provide documents during audit contrary to Section 62 of the Public Audit Act, 2015, and directed he/ she submits the Project Closure Report to the Committee within three (3) months of adoption of the report.

##### **Management Response**

The Management submitted it was currently preparing Project Closure Reports for the seventeen (17) completed development partner co-funded projects under the Management of KeNHA. The exercise was expected to be completed by 30 June, 2025.

##### **Conclusion on Status**

The project closure report was not submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**43. Pending Bills on Land Compensation - Port Reitz/Moi International Airport Access (C110) Road (Fidic EPC/ Turnkey Based)**

**Recommendation**

The National Assembly recommended that the Accounting Officer should avail evidence showing that National Land Commission (NLC) had completed compensation.

**Management Response**

The Management submitted that it was following up with NLC to provide the valuation report and basis for the amount awarded for the additional land parcel measuring 0.0047Ha. Upon clarification of the above, the Management would make necessary arrangements to settle the revised award.

**Conclusion on Status**

The Management did not provide evidence to confirm that the National Land Commission had completed compensation.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**44. Land Compensation - Sirari Corridor Accessibility and Road Safety Improvement Project: Isebania-Kisii-Ahero – (A1-Road Rehabilitation)**

**Recommendation**

The National Assembly recommended that the Accounting Officer should liaise with NLC to prioritize and complete compensation.

**Management Response**

The Management submitted that they endeavor to give priority to compensation and had taken steps to ensure land compensation was given priority by creating independent budget lines for land compensation for each project.

**Conclusion on Status**

The Management did not provide evidence to confirm that the National Land Commission had completed compensation.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**45. Project Closure Report - Kenya Transport Sector Support Project Credit No.4926-KE and No.5410-KE**

**Recommendation**

The National Assembly reprimanded the Accounting Officer for failing to provide documents during audit contrary to section 62 of the Public Audit Act, 2015, and directed he avails a project closure report within three (3) months of adoption of the report.

**Management Response**

The Management submitted it was currently preparing Project Closure Reports for the seventeen (17) completed development partner co-funded projects under the management of KeNHA. The exercise was expected to be completed by 30 June, 2025.

**Conclusion on Status**

The project closure report was not submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**46. Project Closure Report - Regional Roads Component (Merille-Marsabit Road) (KE/001/09) Project Loan Agreement No.KE/FED/2009/021-655**

**Recommendation**

The National Assembly reprimanded the Accounting Officer for failing to provide documents during audit contrary to section 62 of the Public Audit Act, 2015, and directed he avails a project closure report within three (3) months of adoption of the report.

**Management Response**

The Management submitted it was currently preparing Project Closure Reports for the seventeen (17) completed development partner co-funded projects under the management of KeNHA. The exercise is expected to be completed by 30 June, 2025.

**Conclusion on Status**

The project closure report was not submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

#### **47. Nugatory Expenditure**

##### **Recommendation**

The National Assembly recommended that the Accounting Officer should ensure that the provisions of Regulation 43 of the Public Finance Management (National Government) Regulation, 2015 are complied with so as to avoid wasteful expenditure.

##### **Management Response**

The Management did not submit any response.

##### **Conclusion on Status**

The Management did not provide evidence on action taken to avoid wasteful expenditure.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

#### **48. Delay in Project Completion - National Urban Transport Improvement Project – IDA Credit No. 5140 - KE**

##### **Recommendation**

The National Assembly recommended that the Accounting Officer submits to the Assembly the status report on the progress of the project within three (3) months after adoption of the report.

##### **Management Response**

The Management submitted they had noted the Committee's recommendations and availed the latest project status reports containing the information required by the Assembly.

##### **Conclusion on Status**

The Management prepared a status report however, they did not provide evidence that it was submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

#### **Delay In Project Implementation - Regional Mombasa Port Access Road Project (Loan No. 27459, Credit No. 84010 and Grant No. 202061919)**

##### **Recommendation**

The National Assembly recommended that the Accounting Officer should conduct a review of the planning and implementation process in order to prevent project delays.

### **Management Response**

The Management submitted that it had noted the recommendation and availed the project status report on milestones achieved and revised project completion timelines.

### **Conclusion on Status**

The Management did not provide evidence on action taken to review the planning and implementation process in order to prevent project delays.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **49. Delay in Project Implementation - Regional Mombasa Port Access Road Project (Loan No. 27459, Credit No. 84010 and Grant No. 202061919)**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should ensure payment for certified works is prioritized to avoid interest on delayed payment which can lead to project cost escalation.

### **Management Response**

The Management submitted that it had noted the recommendation and availed the project status report on milestones achieved and revised project completion timelines.

### **Conclusion on Status**

The Management did not provide information on action taken to ensure payment for certified works is prioritized to avoid interest on delayed payment which can lead to project cost escalation.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **50. Low Absorption of Project Funds - Upgrading of "Gilgil Machinery" Road Project**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer submits to the Assembly the status report on the progress of the project within three (3) months after adoption of the report.

**Management Response**

The Management submitted that it had noted the recommendation and a project status report was provided.

**Conclusion on Status**

The Management did not provide evidence to confirm that the status report on the progress of the project was submitted to the National Assembly within three (3) months after adoption of the report.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**51. Un-Supported Land Compensation - Kenya Nairobi Western Bypass Project China  
Exim Bank GCL No. (2017) 28 Total, No. (633)****Recommendation**

The National Assembly recommended that the Accounting Officer should liaise with NLC to prioritize and complete compensation.

**Management Response**

The Management submitted they had noted the recommendation and endeavors to give priority to compensation. The management had taken steps to ensure land compensation is given a priority by creating independent budget lines for Land Compensation for each project. The failure to fully pay all project affected persons (PAPs) was a result of inadequate budgetary provisions resulting from low sector ceilings hence accrual of pending bills.

**Conclusion on Status**

The Management did not provide evidence to confirm that the National Land Commission had completed compensation.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**52. Failure to erect publicity signboards and non-adherence to contract - Kenya Nairobi Western Bypass Project China Exim Bank GCL No. (2017) 28 Total, No. (633)**

**Recommendation**

The National Assembly recommended that the Accounting Officer to provide a status report to the Committee within three (3) months of adoption of the report.

**Management Response**

The Management submitted that that the publicity signboards were erected at strategic locations to give the project appropriate visibility. The interchange at KM00, Gitaru Interchange was not to be implemented under the Nairobi Western Bypass project but by Rehabilitation of James Gichuru Junction - Rironi Highway project. The Construction of this interchange under the rehabilitation of James Gichuru Junction Rironi Highway had already commenced.

**Conclusion on Status**

The Management did not provide evidence a status report was provided to the National Assembly within three (3) months of adoption of the report.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**53. Acquisition of Non-Financial Assets - Eastern Africa Regional Transport, Trade and Development Facilitation Project - (IDA CR-5638)**

**Recommendation**

The National Assembly recommended that the Accounting Officer should liaise with NLC and prioritize and complete compensation.

**Management Response**

The Management submitted that it endeavors to give priority to compensation and had taken steps to ensure land compensation is given priority by creating independent budget lines for land compensation for each project.

**Conclusion on Status**

The Management did provide evidence on the action taken to liaise with NLC and prioritize and complete compensation.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

#### **54. Lot 0: Upgrading Of Loichangamatak-Lodwar Road 50kms**

##### **Recommendation**

The National Assembly recommended that the Accounting Officer should provide to the Assembly with a status report on the project within three (3) months of adoption of the report. The Committee will then make substantive recommendations in its next report as the matter was recurring.

##### **Management Response**

The Management submitted that the project was substantially completed, notification of defects ended and handed over to the Management. All defects that had been noted had successfully been dealt with to the satisfaction of the Authority prior to issuance of the End of Defects Notification Period certificate. The road has since been put under maintenance through Performance Based Contracting under the Authority's Corridor D. The Management availed copies of substantial completion and end of defects notification period certificates for verification. Delays in the payment of PAPs was occasioned by inadequate GoK counterpart provision for the project during its life cycle.

##### **Conclusion on Status**

The Management prepared status report, however, there was no evidence it was submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

#### **55. Lot 1: Upgrading Of Lodwar-Lokitaung Junction Road (80km)**

##### **Recommendation**

The National Assembly recommended that the Accounting Officer should provide the Assembly with a status of the project within three (3) months of adoption of the report. The Assembly will then make substantive recommendations in its next report as the matter was recurring.

##### **Management Response**

The Management submitted that the project was substantially completed, notification of defects ended and handed over to the Management. All defects that had been noted had successfully been dealt with to the satisfaction of the Management prior to issuance of the End of Defects

Notification Period certificate. The road has since been put under maintenance through Performance Based Contracting under the Authority's Corridor D. The Management availed for verification copies of substantial completion and end of defects notification period certificates. Delays in the payment of PAPs were occasioned by inadequate GoK counterpart provision for the project during its life cycle.

**Conclusion on Status**

Although a status report was prepared, there was no evidence that it was submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

**56.Lot 2: Upgrading Of Lokitaung Junction-Kalobeiyei River Road Project 80kms**

**Recommendation**

The National Assembly recommended that the Accounting Officer should provide to the Assembly a status report on the project within three (3) months of adoption of the report. The Committee will then make substantive recommendations in its next report as the matter was recurring

**Management Response**

The Management had not provided the latest project status for verification.

**Conclusion on Status**

The Management had not provided a status report as recommended.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**57.Lot 3: Upgrading Of Kalobeiyei River-Nadapal/Nakodok Road Project 77.20kms**

**Recommendation**

The National Assembly recommended that the Accounting Officer should provide the Assembly with a status report on the project within three (3) months of adoption of the report. The Committee will then make substantive recommendations in its next report as the matter was recurring

**Management Response**

The Management submitted that the project was substantially completed, notification of defects ended and handed over to the Management. All defects that had been noted had successfully been dealt with to the satisfaction of the Management prior to issuance of the End of Defects Notification Period certificate. The road has since been put under maintenance through Performance Based Contracting under the Authority's Corridor D.

**Conclusion on Status**

Although the project was reported as substantially complete, a status report was yet to be submitted as required.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**58.Lot 4: Upgrading Of Lokichar-Loichangamatak Road 40kms****Recommendation**

The National Assembly recommended that the Accounting Officer should provide the National Assembly with a status report on the project on whether it has since been completed within three (3) months of adoption of the report. The Committee will then make substantive recommendations in its next report as the matter was recurring.

**Management Response**

The Management did not submit any response.

**Conclusion on Status**

The Management did not submit a status report as recommended.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**59.Delay in Commencement of the Project - Mombasa Gate Bridge Construction Project  
Loan Agreement No. KE-P34****Recommendation**

The National Assembly recommended that the Accounting Officer should provide to the National Assembly a status report on the project within three (3) months of adoption of this report by the

House. The Committee will then make substantive recommendations in its next report as the matter was recurring.

**Management Response**

The Management submitted that it had noted the recommendations of the Committee and availed a brief on the project status.

**Conclusion on Status**

The Management did not provide evidence to confirm that a status report was submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**60. Purchase Of Goods and Services - Bagamoyo-Horohoro-Lunga Lunga-Malindi Road Project (Phase I) ID NO: P-ZI-DBO-129**

**Recommendation**

The National Assembly recommended that the Accounting Officer provide the evidence of payments be to the Assembly within three (3) months of adoption of this report.

**Management Response**

The Management did not submit any response.

**Conclusion on Status**

The Management did not provide evidence of payment as recommended.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**61. Delays In Project Implementation - Kenya Transport Sector Support Project Credit No.4926- KE and NO.5410-KE**

**Recommendation**

The National Assembly recommended that the Accounting Officer avails a plan of action for the completion of the project, within three (3) months of adoption of the report

**Management Response**

The Management did not submit any response.

### **Conclusion on Status**

The Management did not avail a plan of action for completion of the project, within three (3) months of adoption of the report.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **62. Delays In Project Implementation - Kenya Transport Sector Support Project Credit No.4926- KE and NO.5410-KE**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should comply with the provisions of section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which require an accounting officer not to commence any procurement unless satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in its approved budget estimate.

#### **Management Response**

The Management did not submit any response.

#### **Conclusion on Status**

The Management did not provide evidence on the action taken to ensure they do not commence any procurement unless satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in its approved budget estimate.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **63. Programme Closure Report - Northern Corridor Rehabilitation Programme Phase III**

#### **Recommendation**

The National Assembly reprimanded the Accounting Officer for failing to provide documents during audit contrary to Section 62 of the Public Audit Act, 2015, and directed that he submits the project closure report within three (3) months of adoption of this report.

#### **Management Response**

The Management submitted that were preparing Project Closure Reports for the seventeen (17) completed development partner co-funded projects under the management of KeNHA. The exercise was expected to be completed by 30 June, 2025.

### **Conclusion on Status**

The project closure report had not been submitted to National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **64. Pending Bills - Regional Mombasa Port Access Road Project (Loan No. 27459, Credit No. 84010 and Grant No. 202061919)**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should liaise with NLC to prioritize and complete compensation.

#### **Management Response**

The management submitted that they endeavor to give priority to compensation and had taken steps to ensure land compensation is given priority by creating independent budget lines for land compensation for each project.

### **Conclusion on Status**

The Management did not submit evidence of liaising with the NLC to prioritize and complete compensation.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **65. Budgetary Control and Performance - Upgrading of "Gilgil Machinery" Road Project Recommendation**

The National Assembly recommended that the Accounting Officer should ensure adequate measures are put in place to ensure full realization of planned activities in the event of future pandemics.

#### **Management Response**

The Management submitted that they had noted the recommendation.

### **Conclusion on Status**

The Management did not provide evidence on action taken to ensure adequate measures are put in place to ensure full realization of planned activities in the event of future pandemics.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

The State Department had only implemented six (6) recommendations out of forty-seven (47) representing thirteen percent (13%).

## **STATE DEPARTMENT FOR PUBLIC WORKS**

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified ten (10) recommendations on procurement of which five (5) had been implemented and the other five recommendations were subjected to follow-up audit and the status is as follows: -

### **66. Pending Bills**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should ensure pending bills are settled as first charge in the subsequent financial years as per the provisions of regulation 42 of the Public Finance Management (National Government) Regulations, 2015

#### **Management Response**

The Management submitted that the pending bills formed the first charge in the subsequent years and at closure of the Financial Year 2020/2021, the State Department had a pending bill of Kshs.830,444,586.00 with the majority of them being transferred to the department under the stalled projects. However, the department had reduced the total pending bills to Kshs.745,098,212.27 as at 30 June, 2023 despite lack of budgetary allocation for clearing of pending bills.

#### **Conclusion on Status**

The Management was yet to settle pending bills amounting to Kshs.745,098,212.27.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **67. Proposed Construction of Isiolo County Headquarters**

#### **Recommendation**

The National Assembly reprimanded the Accounting Officer and directed that he avails a status report to Committee within three (3) months of adoption of the report.

#### **Management Response**

The management submitted that the project had been handed over to the County for completion. The documents to support the process had been submitted to Parliamentary Accounts Committee. Further, a status report of the project was submitted to Public Accounts Committee.

### **Conclusion on Status**

Although the management submitted that the project was handed over to the County to complete, they did not submit a status report to the National Assembly within three (3) months of adoption of the report.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **68. Proposed Headquarters for Nyandarua County at Ol-kalou**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should claim liquidated damages for delayed performance by contractors pursuant to section 140 of the Public Procurement and Asset Disposal Act, 2015 and report to Committee within three (3) months of adoption of the report.

#### **Management Response**

The Management submitted that liquidated damages are claimed for delays beyond the contract period. The contract was terminated prior to the expiry of the contract period and thus the claim for the damages cannot sustain. All the certified payments had been paid and thus there is no further claim for interest on delayed payments. The project has been handed over to the County for completion. The documents to support the process had been submitted to Public Accounts Committee.

### **Conclusion on Status**

The Management submitted that the Contract was terminated prior to the expiry of the contract period and thus the claim for the damages cannot sustain. However, legal advice to support the assertion was not provided for audit review.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **69. Construction of Ndaou Sea Wall**

#### **Recommendation**

The National Assembly Recommended that the Accounting Officer should initiate recovery of the money from the contractor within one (1) month of adoption of this report pursuant to Section 140 of the Public Procurement and Asset Disposal Act, 2015

### **Management Response**

The management submitted a copy of letter from the AG on the restraining orders and court judgement/ruling awarding the contractor damages of a principal sum of Kshs.148,806,576.27. However, due to accrual of interest the principal sum of Kshs.148,806,576.27 awarded to the claimant it increased to Kshs.322,888,747.08. The cost of completion of the pending and any defective works shall be recovered from the Contractor pursuant to sub-clause 63.3 of the conditions of contract. The cost would be determined after the execution, completion and remedying of any defects and all other expenses incurred by the Employer. The completion works had already been awarded to another contractor and once the final cost was ascertained after completion, the employer would immediately initiate the recovery process.

### **Conclusion on Status**

The recommendation had not been implemented as the contractor obtained a court ruling awarding damages for irregular termination of the contract.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

## **70. Termination of Contracts and Related Costs - Rehabilitation Of Mtangawanda Jetty**

### **Recommendation**

The National Assembly recommended that the Accounting Officer should initiate recovery of the money from the contractor within one (1) month of adoption of this report pursuant to section 140 of the Public Procurement and Asset Disposal Act, 2015

### **Management Response**

The management submitted the project was completed at on revised date of 21, February 2022 although the revised completion date was 12 August 2020 resulting to 77 weeks (539 days) delay. The project liquidated charges were therefore determined to be Kshs.1,953,032. The amount will be recovered from retention money held as the State Department still held Kshs.3,370,637.

### **Conclusion on Status**

The liquidated damages of Kshs.1,953,032.40 was yet to be recovered.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

The State Department had previously implemented five (5) recommendations out of ten (10) representing an implementation status of fifty percent (50%) as per report of March 2025. The current review observed there was no change of the status.

## STATE DEPARTMENT FOR ENVIRONMENT AND CLIMATE CHANGE

The Ministry of Environment and Forestry has since been renamed to State Department for Environment and Climate Change as per Executive Order No. 1 of 2023.

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified nine (9) recommendations; one (1) on payroll, four (4) on procurement and four (4) on PIM. One (1) recommendation had been implemented and eight (8) were subjected to follow-up audit, with the status as follows: -

### 71. Pending Bills

#### Recommendation

The National Assembly recommended that the Accounting Officer should ensure pending bills form first charge as per the provisions of Regulation 42 of the Public Finance Management (National Government) Regulations, 2015.

#### Management Response

The Management submitted that out of the pending bills of Kshs.724,953,422, an amount of Kshs.619,578,650 had been settled. The balance would be settled in the Financial Year 2025/2026.

#### Conclusion on Status

The Management was yet to settle pending bills amounting to Kshs.105,374,772 of financial year 2020/2021.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

### 72. Digital Weather Instruments

#### Recommendation

The National Assembly recommended that the Accounting Officer submits a report to the National Assembly on the status of the installation of the digital instruments within three (3) months of adoption of the report.

### **Management Response**

The Management submitted that the installation of the digital instruments was done in the Financial Year 2021/2022. A report was prepared by the Accounting Officer to the National Assembly on the status of installation of digital instruments.

### **Conclusion on Status**

The Management prepared the report however, there was no evidence it was submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

### **73. Lack of Risk Management Policy**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer provides a status report to the Assembly within three (3) months of adoption of the report.

### **Management Response**

The Management submitted that the Risk Management Policy was developed and approved in March 2024.

### **Conclusion on Status**

The Management developed a risk management policy however, a status report was not submitted to the National Assembly as recommended.

**Recommendation Category:** Policy

**Implementation status:** Partially Implemented

### **74. Fixed Asset Register**

#### **Recommendation**

The National Assembly reprimanded the Accounting Officer for failure to include the fixed asset summary in the financial statements contrary to the provisions of Section 81 of the PFM Act, 2012, and directed that he avails it to the National Assembly within one (1) month of adoption of the report.

### **Management Response**

The Management submitted that the Fixed Asset Summary has been prepared and submitted to the committee.

### **Conclusion on Status**

Although the Management had prepared the Fixed Asset Register, there was no evidence it was submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

### **Over Expenditure on Motor Vehicle Insurance**

#### **Recommendation**

The National Assembly admonished the Accounting Officer and recommended that he formalizes the payment within three (3) months of adoption of the report.

### **Management Response**

The Management submitted that it was not implementable because the project has since been closed.

### **Conclusion on Status**

The project had been closed and therefore the recommendation could not be implemented.

**Recommendation Category:** Administrative

**Implementation status:** No longer Applicable

### **75. Unsupported Direct Purchase of Goods and Services**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer obtains the documents from the donor and avails them to the Auditor General within three (3) months of adoption of this report.

### **Management Response**

The Management submitted that the donor did not disclose direct purchases and reporting of that expenditure was done to track budget utilization. However, the Kenya Forest Service wrote a letter to JICA requesting for this information.

### **Conclusion on Status**

The Management had communicated to the donor but was yet to obtain the documents.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

### **76. Uncompleted Civil Works**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should provide a status report of the projects to the Assembly within three (3) months of adoption of the report.

#### **Management Response**

The Management submitted that all civil works had been completed. For the solar panels, twenty-six (26) panels of 365 watts were installed each in Lengishu and Ordorkor. This gives a total of 9,490 watts which is the required power for the 7.5kw, 3 phase motors of the submersible pumps installed. This was derived from the discharge of the borehole and the pumping head required. This is more than the power output of thirty (30) panels of 260 watts (7800 watts) that was in the bill of quantities. The installation of fewer concrete posts than planned resulted from the reduction in the area of land to be fenced due to land constraints faced by the schools which host the boreholes. However, the contractor was only paid for the posts installed. The boreholes were complete and in use. The fish cooling facility in Ndhiwa was complete and handed over to the Ndhiwa Constituency Visionary Initiative Group who were operating the facility. From design and the engineers estimates there were only two pans, 25000 m<sup>3</sup> and 5000 m<sup>3</sup> all which had been completed and in use.

### **Conclusion on Status**

The project was completed; however, a status report was not submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

**77. Anomalies in Tenders Awarded - Tender Number NEMA/RFP/034/2019/2020 - (RFP) To Develop Environmental and Social Management Systems (ESMS)**

**Recommendation**

The National Assembly recommended that the Accounting Officer should submit evidence of extension of deadline to the Assembly within three (3) months of adoption of the report.

**Management Response**

The Management submitted that the request for extension was granted verbally following consultations with Management and a notice was posted on [www.nema.go.ke](http://www.nema.go.ke) on 24 June, 2020. The bids were received and opened on 03 July, 2020 as per the stipulated times.

**Conclusion on Status**

The Management did not submit evidence of extension of deadline to the National Assembly within three (3) months of adoption of the report.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

The State Department implemented one (1) recommendation out of eight (8) recommendations that required corrective action representing thirteen percent (13%).

## STATE DEPARTMENT FOR WATER AND SANITATION

The Ministry of Water, Sanitation and Irrigation has since been renamed to State Department for Water and Sanitation as per Executive Order No.1 of 2023

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified twenty-eight (28) recommendations; twenty-two (22) on procurement and six (6) on PIM. Five (5) recommendation had been implemented and twenty-three (23) were subjected to follow-up audit, with the status as follows: -

### **78. Pending Bills**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should ensure that pending bills are settled as a first charge pursuant to Regulation 42 of the PFM (National Government) Regulations, 2015.

#### **Management Response**

The Management did not submit any response.

#### **Conclusion on Status**

The Management did not provide information on corrective action taken.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **79. Unsatisfactory Implementation of Project - Sagana River Restoration Project**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer ensures timely completion of the project and provides status update to the Committee within three (3) months of adoption of the report by the Assembly.

#### **Management Response**

The Management submitted that the contract commencement date was delayed by 15 months hence the delay in overall project implementation and the physical progress was at seventy five percent (75%). The contract was a Joint Venture (JV) consisting of three (3) contractors. The Joint Venture had been having wrangles in contract execution; however, the Ministry was

engaging the JV and had subsequently instructed the contractor to fast-track works implementation by deploying adequate equipment and key personnel to site as per instruction note provided for audit review.

#### **Conclusion on Status**

The Management did not submit a status report to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

#### **80. Delayed Projects Completion - Kanini Irrigation Project Tharaka Nithi**

##### **Recommendation**

The Accounting Officer should initiate recovery of liquidated damages from the contractor as per Section 140 of the Public Procurement and Asset Disposal Act, 2015 within one (1) month of adoption of the report.

##### **Management Response**

The Management submitted supporting documents, namely the Completion Certificate issued to the contractor and the Site Handing Over Report, confirming the completion status of the Kanini Irrigation Project. The project was fully completed on 20 February, 2022 and the defect liability period lapsed on 20 August, 2022. Handing over was duly undertaken upon completion of all works, as evidenced in the attached documents.

#### **Conclusion on Status**

The Management did not submit information on action taken to initiate recovery of liquidated damages.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

#### **81. Maragua Bulk Water Supply And Irrigation Project**

##### **Recommendation**

The National Assembly recommended that the Accounting Officer avails a report on the status of commissioning to the Committee within three (3) months of adoption of the report.

##### **Management Response**

The Management did not submit any response.

**Conclusion on Status**

The Management did not submit a status report.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**82. Delay in Project Implementation - MOWS/KWSCR-2/004/2017-2018****Recommendation**

The National Assembly instructed the Accounting Officer to provide a status report within three (3) months of adoption of the report by the National Assembly.

**Management Response**

The Management did not submit any response.

**Conclusion on Status**

The Management did not submit a status as directed.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**83. Water Pollution at Athi River****Recommendation**

The National Assembly recommended that the Accounting Officer should ensure that measures are put in place to mitigate pollution in Athi River pursuant to Regulation 160 of the PFM National Government Regulations 2015, and provide a status report within three (3) months of adoption of this report

**Management Response**

The Management did not submit any response.

**Conclusion on Status**

The Management did not submit on measures taken to mitigate pollution in Athi River.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

#### **84. Non-Construction of Temporary Site Offices**

##### **Recommendation**

The National Assembly recommended that the Accounting Officer should submit a status report on construction of the site offices to the Assembly within three (3) months of adoption of the National Assembly report.

##### **Management Response**

The Management did not submit any response.

##### **Conclusion on Status**

The Management did not submit a status report on construction of the site offices.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

#### **85. Costly Price Adjustments**

##### **Recommendation**

The National Assembly recommended that the Accounting Officer avails a status report by May 2024.

##### **Management Response**

The Management did not submit any response.

##### **Conclusion on Status**

The Management did not submit any response on action taken

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

#### **86. Failure to Adhere to Approved Annual Work Plan**

##### **Recommendation**

The National Assembly reprimanded the Accounting Officer for failure to adhere to the annual work plan so as to ensure proper implementation of the project, and directed that he submits a status report within three (3) months of adoption of the report.

##### **Management Response**

The Management did not submit any response.

**Conclusion on Status**

The Management did not submit any response on action taken

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**87.Failure to Drill Community Borehole at Thwake Multipurpose Water Development Program**

**Recommendation**

The National Assembly recommended that the Accounting Officer prioritizes branding for all projects, and avails a status report within three (3) months of adoption of the report.

**Management Response**

The Management did not submit any response.

**Conclusion on Status**

The Management did not submit any response a status report as directed.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**88.Lump Sum Amount in Bill of Quantities for Access Road-Without Details and Specific Certified Works**

**Recommendation**

The National Assembly recommended that the Accounting Officer submits a status report on the breakdown of payments made, to the Assembly within three (3) months of adoption of the report.

**Management Response**

The Management did not submit any response.

**Conclusion on Status**

The Management did not submit a status report on the breakdown of payments made.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **89. Delay in Project Implementation – Manooni Water Project**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer submits a status report to the National Assembly within three (3) months of adoption of the report.

#### **Management Response**

The Management submitted that the Manooni Water Project was completed and handed over to the Water company for operations.

#### **Conclusion on Status**

The Management did not submit a status report to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **90. Unsupported Expenditure**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer to provide supporting documents to the Assembly within one (1) month of adoption of the report.

#### **Management Response**

The Management did not submit any response.

#### **Conclusion on Status**

The Management did not submit supporting documents.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **91. Failure to Close the Project - Water and Sanitation Services Improvement Project (IDA CR. NO.5103-KE) – Lake Victoria North Water Works Development Agency**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer that the Accounting Officer should take due diligence and care.

**Management Response**

The Management submitted that were in agreement with the observation and they had prepared the project completion report and will be shared with the financing agency upon which the project account will be closed.

**Conclusion on Status**

The Management had prepared project closure report but had not completed with the closure process.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

**92. Stalled Project - Changamwe Re-pooling Sewer Network****Recommendation**

The National Assembly recommended that the Accounting Officer avails to the Assembly the status of the arbitration within three (3) months of adoption of the report.

**Management Response**

The Management submitted that the contract faced challenges of slow mobilization of the contractor. The Agency as a result recalled the Advance Payment Guarantee and Performance Guarantee with an intention to terminate the contract. However, the contractor challenged the payment of the guarantees through the court which gave a court order that restrained the Athi Water Works Development Agency from evicting him from the construction site and appointing another contractor to proceed with the implementation of the works, pending the hearing and determination of the suit.

**Conclusion on Status**

The Management did not submit the status of the arbitration within three (3) months of adoption of the report.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **93. Delay in Project Implementation**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should conduct a review of the planning and implementation process in order to prevent project delays.

#### **Management Response**

The Management did not submit any response.

#### **Conclusion on Status**

The Management did not submit any response on action taken to conduct a review of the planning and implementation process in order to prevent project delays.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **94. Delay in Project Implementation**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer should ensure payment for certified works is prioritized to avoid interest on delayed payment which can lead to project cost escalation.

#### **Management Response**

The Management did not submit any response.

#### **Conclusion on Status**

The Management did not submit any response on action taken to ensure payment for certified works is prioritized to avoid interest on delayed payment which can lead to project cost escalation.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **95. Project Verification**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer ensures timely completion of projects.

#### **Management Response**

The Management did not submit any response.

**Conclusion on Status**

The Management did not submit any response on action taken

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**96. Acquisition of Assets****Recommendation**

The National Assembly recommended that the Accounting Officer ensures timely completion of projects.

**Management Response**

The Management submitted that the Kenya Towns Sustainable Water Supply Program was tax exempt and there was a delay of 10-month in acquiring the approval of the master lists for tax exemption for the contractor to procure key project materials, equipment's and project consumables. The project was completed and handed over on 27 March, 2024 and later commissioned on 29 August, 2024.

**Conclusion on Status**

The Management did not submit information on action taken to ensures timely completion of projects

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**97. Expansion of Water Supply Systems in Kericho****Recommendation**

The National Assembly recommended that the Accounting Officer should take due diligence in execution of duty; and the Accounting Officer should submit evidence of title documents to the Assembly within three (3) months of adoption of report.

**Management Response**

The Management submitted that the ten (10) Acre piece of land where the New Kimugu Water Treatment Plant was being constructed was acquired by the County Government of Kericho through the National Land Commission. Payments had been made and the County Government

of Kericho was in the process of transferring the land ownership from Unilever to the County Government of Kericho.

**Conclusion on Status**

The Management did not submit evidence of title documents to the Assembly within three (3) months of adoption of report.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**98. Irregular Contract Variation**

**Recommendation**

The National Assembly recommended that the Accounting Officer avails the financing agreement and no-objection letters for the variations from the financier within one (1) month of adoption of the report.

**Management Response**

The Management submitted that the financing agreement and No-Objection letters were availed to the auditors and the matter was resolved in the subsequent audit.

**Conclusion on Status**

The Management did not submit the financing agreement and no-objection letters for the variations from the financier within one (1) month of adoption of the report to the Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**99. Contingent Liability**

**Recommendation**

The National Assembly recommended that the Accounting Officer avails to the Assembly documents for audit review within three (3) months of the adoption of this report

**Management Response**

The Management did not submit any response.

**Conclusion on Status**

The Management did not submit information on action taken

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **100. Slow Progress of Work**

#### **Recommendation**

The National Assembly recommended that the Accounting Officer ensures timely implementation of projects, avails a status report of this project to the Committee within three (3) months of adoption of the report.

#### **Management Response**

The Management did not submit any response.

#### **Conclusion on Status**

The Management did not submit information on action taken to ensure timely implementation of projects.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

The State Department did not implement the twenty-three (23) recommendations reviewed and the status remained as was reported in March 2025 where only five (5) in the focus area recommendations had been implemented, representing eighteen percent (18%).

## STATE DEPARTMENT FOR LANDS AND PHYSICAL PLANNING

The Ministry of Lands and Physical Planning has since been renamed to State Department for Lands and Physical Planning as per Executive Order No. 1 of 2023.

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified three (3) recommendations; two (2) on payroll and one (1) on PIM. All the three (3) recommendations were not fully implemented and therefore were subjected to follow-up audit, with the status as follows: -

### 101. Taskforce Allowances

#### Recommendation

The National Assembly recommended that the Accounting Officer ensures that monies paid amounting to Kshs.4,060,000 be recovered from the various staff within six months of adoption of the report.

#### Management Response

The Management submitted that they had effected recoveries from the officers involved, with an amount Kshs.1,540,000 being recovered. Copies of banking slips and list of recoveries were provided for audit review. The management also provided copies of letters written to the affected officers demanding refund.

#### Conclusion on status

An amount of Kshs.1,540,000 out of the total Kshs.4,060,000 due from the staff had been recovered leaving a balance of Kshs.3,520,000.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

**Cost Savings:** Kshs.1,540,000

### 102. Lack of a Risk Management Policy

#### Recommendation:

The National Assembly recommended that the Accounting Officer should provide the Assembly with the approved Risk Management Policy within three (3) months of adoption of the report.

**Management Response**

The Management submitted that the PFM Regulations 2015 section 165 (a) and (9b) mandates the Accounting Officer to ensure the entity develops risk management strategies and a system of risk management. The Internal Audit in collaboration with the State Department's sections had developed a Risk Management Policy Framework that was designed to institutionalize risk management within the State Department. Further, a draft risk register was developed and a copy was availed for audit review. The final copy would be ready for implementation in the Financial Year 2025/2026.

**Conclusion on status**

The Management had not developed and approved a risk management policy

**Recommendation Category:** Policy

**Implementation status:** Not Implemented

**103. Inadequate Staffing****Recommendation:**

The National Assembly reprimanded the Accounting Officer and recommended that he addresses the staffing shortfall within three (3) months of adoption of the report.

**Management Response**

The Management submitted that they had requested The National Treasury vide letter dated 12 April, 2024 requesting The National Treasury to deploy additional accounts personnel in regional offices, a copy of which was provided for audit review. The revised scheme of service for Accountants dated April 2009 was administered by the Public Service Commission. The accountant deployed by The National Treasury had been mandated to control revenue at the regions. Therefore, the issue was not applicable for the State Department.

**Conclusion on Status**

The Management liaised with The National Treasury and the PSC, however, there was no evidence additional accountants were deployed to the State Department.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

The State Department did not implement the three (3) recommendations reviewed and the status remained as was reported in March 2025 where none of the recommendations in the focus area had been implemented representing zero percent (0%).

## STATE DEPARTMENT FOR ENERGY

The Ministry of Energy has since been renamed to State Department for Energy as per Executive Order No. 1 of 2023.

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified thirteen (13) recommendations; eight (8) on procurement and five (5) on PIM. All the thirteen (13) recommendations were not fully implemented and therefore were subjected to follow-up audit, with the status as follows: -

### **104. Office and General Supplies**

#### **Recommendation:**

The National Assembly directed the Accounting Officer to provide documents in support of the undefined expenses and payments of allowances and imposts to the Auditor General within one month following the adoption of the report.

#### **Management Response**

The Management provided documents to account for cash office use.

#### **Conclusion on status**

The Management did not provide documents to support the undefined expenses and payment of allowances and imposts as directed by National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **105. Fixed Assets Register**

#### **Recommendation:**

The National Assembly directed the Accounting Officer to expedite the process of acquiring the title deeds in collaboration with the National Land Commission (NLC), and submit a status report to the Assembly within three (3) months of adoption of the report.

#### **Management Response**

The Management submitted that the assets were transferred to Rural Electrification and Renewable Energy Corporation (REREC).

### **Conclusion on status**

The Management did not provide evidence of transfer of the assets to REREC.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **106. Lack of Risk Management Policy Framework**

#### **Recommendation:**

The National Assembly recommended that the Accounting Officer submits a report to the Assembly on the status of formulation of risk management framework and risk management register within three (3) months of the adoption of the report.

#### **Management Response**

The Management submitted that the final Risk Management Policy Framework for the Ministry of Energy and Petroleum was completed in May 2025 and was approved.

### **Conclusion on status**

The Management had finalized on the Risk Management Policy Framework for the Ministry of Energy in May 2025, however, evidence of submission of the report to Parliament was not availed.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

### **107. Lack of Fixed Assets Register**

#### **Recommendation:**

The National Assembly recommended that the Accounting Officer to avail a fixed asset register in the correct format set according to the Public Audit Act, 2015, within three (3) months of adoption of the report by the Assembly.

#### **Management Response**

The Management submitted that the Fixed Asset Register was prepared using approved template as guided by The National Treasury.

### **Conclusion on status**

The register was prepared in the correct format however, there was no evidence that it was submitted to the National Assembly within three (3) months as directed.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

#### **108. Acquisition of Non-Financial Assets**

**Recommendation:**

The National Assembly recommended that the Accounting Officer ensures that the project is completed and avails a status report to the Assembly within three (3) months of adoption of the report.

**Management Response**

The Management submitted that the project was completed in June 2023 and the Closure Report was provided for audit. Further, the SCADA software was delivered and status report availed for audit review.

**Conclusion on status**

The project was completed and handed over to the user agency. However, the Management did not provide evidence that a status report was provided to the National Assembly within three (3) months as directed.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

#### **109. Stalled Geothermal Development at Silali Prospective Site**

**Recommendation:**

The National Assembly recommended that within three (3) months of the adoption of the report, the Accounting Officer together with the County Government of Turkana should submit documents showing the status/ commencement of the project.

**Management Response**

The Management submitted that through engagements with the National Government and the County Government and the waiver of the requirement by the project financier (KfW), two wells were drilled in Silali. Well completion reports provided for audit review.

**Conclusion on status**

The Management submitted a well drilling report showing completion of one well on 12 February, 2024 by Geothermal Development Company Limited as opposed to two as mentioned

in the report. Further, there is no evidence that the same was submitted to the Committee within three (3) months as directed.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

#### **110. Failure to prioritize payments of Pending Bills**

**Recommendation:**

The National Assembly recommended that the Accounting Officer should within sixty (60) days of tabling and adoption of the report to submit documents and schedules to support pending bills due of Kshs.21,600,000 to National Environmental Management Authority (NEMA) to the Auditor General for verification.

**Management Response**

The Management submitted that the pending bill was reversed following the scrapping of the environmental impact assessment fees as per notice availed for audit.

**Conclusion on status**

The Management indicated the bills had been reversed when the fee was scrapped, however, they did not provide evidence, the act of scrapping the fee waived previously accumulated fees.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

#### **111. Outstanding Arbitration on Terminated Contract**

**Recommendation:**

The National Assembly recommended that within three (3) months of adoption of the report, the Accounting Officer reports to the National Assembly on the current status of the project.

**Management Response**

The Management submitted that the contracts with the main contractor for the project were terminated in April 2016 due to non-performance. An arbitration tribunal was instituted in 2019. The arbitration case was delivered in July 2019 in favour of the contractor. KETRACO appealed to the High Court for setting a side of the arbitral award to the Contractor. The High Court delivered their ruling in February 2021 upholding the arbitral award. KETRACO appealed against the case in the Court of Appeal. The Court of appeal on 19 November, 2021 delivered their ruling upholding The High Court ruling. The Court of Appeal ruling was subjected to an

appeal petition at The Supreme Court. The Supreme Court delivered their ruling upholding the Court of appeal ruling.

**Conclusion on status**

Evidence of submission of a status report on the project was not submitted to the National Assembly as directed.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**112. Pending Bills - Goods and Services**

**Recommendation:**

The National Assembly recommended that within one (1) month of the adoption of the National Assembly report, the Accounting Officer submits a report on the status on the outstanding amount of KShs.29,546,374 due to AECOM.

**Management Response**

The Management submitted that the outstanding amount of Kshs.29,546,374 was due to AECOM, the consultants for the project whose contract expired in 2017. The invoice for the consultant had not been settled, due to the ongoing case at the High Court which was yet to be determined. The bill would be settled once the matter was finalized.

**Conclusion on status**

This amount of Kshs.29,546,374 due to AECOM was still outstanding.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**113. Long Outstanding Wayleave Compensation**

**Recommendation:**

The National Assembly recommended that within three (3) months after tabling and adoption of the report, the Accounting Officer provides documentation for extra budget requisitions and correspondences between the State Department and National Treasury on the issue to the National Assembly.

**Management Response**

The Management submitted that the project was adequately funded in Financial Year 2020/2021 however, the slow wayleaves compensation was occasioned by insufficient

documentation from certified landowners for the grant easement registration in acquiring the right of way.

KETRACO had engaged the following measures to resolve wayleave matters:

- a. Out of court settlements where consents were recorded for those litigants who were amenable to settlement,
- b. Employed annexed court mediation where mediators were appointed through the court to guide the process,
- c. Where access had been denied, KETRACO filed suit to get access orders for construction to proceed as parties have the cases heard,
- d. Court documents were prepared timeously and had been filed on time to enable the cases to proceed without unnecessary adjournments,
- e. Identified and prepared witnesses and availed them on time to have the matters proceed every time they come up in court .

#### **Conclusion on status**

Evidence of submission of documentation for extra budget requisitions and correspondence between the State Department and National Treasury on the issue to the National Assembly within three (3) months was not submitted for audit review.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

#### **114. Legal Costs on Termination of Contract and Loan Interest Costs**

##### **Recommendation:**

The National Assembly recommended that within three (3) months of adoption of the report, the Accounting Officer reports to the Assembly on the current status of the project.

##### **Management Response**

The Management submitted that the project was stalled and KETRACO could not access the site until the arbitral award was settled in full. Management had engaged The National Treasury through Ministry of Energy to finance completion of the project. This would allow for completion of the project hence realization of value for money from the project. A letter from the Principal Secretary, National Treasury to the Management dated 14 March, 2024 indicating that upon advice from the Attorney General the State Department was to work out a feasible phased-out

payment plan for the arbitral award and prioritize funding for the same and any other relevant project completion costs within the financial year 2024/2025 and the Medium-Term Budget was provided.

**Conclusion on status**

The Management did not provide evidence that a report was submitted to the National Assembly on the status of the project within three (3) months as required.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**115. Long Outstanding Wayleave Compensation**

**Recommendation:**

The National Assembly recommended that within three (3) months after tabling and adoption of the report, the Accounting Officer liaises with National Treasury and set aside enough funds to fully compensate the certified landowners.

**Management Response**

The Management submitted that KETRACO requested budgetary allocations for the project, which subsequently received funding in the subsequent years. The outstanding wayleave compensation amounted to Kshs.117 million. In the Financial Year 2025/2026, the project had been allocated Kshs.45 million and additional wayleave compensation payments were expected to be settled during the year. The Management provided for audit review the Financial Year 2025/2026 Budget.

**Conclusion on status**

The Management had progressively received additional allocation from the National Treasury to clear part of the long outstanding wayleave compensations leaving a balance of Kshs.117 million.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

**116. Delay in Project Implementation**

**Recommendation:**

The National Assembly recommended that the Accounting Officer submits a report to the Assembly on the status of the project within three months of adoption of this report.

### **Management Response**

The Management submitted that the project was completed in May 2024 awaiting testing and commissioning.

### **Conclusion on status**

Evidence of submission of a status report to the National Assembly on the status of the project was not provided for audit review, despite the management's assertion that the project was completed in May 2024.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

The Ministry had not implemented any of the recommendations in the previous follow-up audit in March 2025. At the time of this report, the Ministry had still not fully implemented all the recommendations relating to the focus areas.

## STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified three (3) recommendations all which were classified under PIM. All the three (3) recommendations were not fully implemented and therefore were subjected to follow-up audit, with the status as follows: -

### **117. Lack of Effective Internal Control over Non-current Assets and Biological Assets - Incomplete Assets Register**

#### **Recommendation:**

The National Assembly recommended that the Accounting Officer should ensure that a complete fixed asset register is maintained pursuant to Regulation 143(1) of the PFM (National Government) Regulations 2015, and avail the same to the Committee within three (3) months.

#### **Management Response**

The Management submitted that they had implemented a new asset management system. The Management had initiated countrywide asset verification and valuation exercise to enable generation of a reliable asset register.

#### **Conclusion on status**

The Management was still in the process of preparing its asset register.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

### **118. Lack of Works in Progress Register**

#### **Recommendation:**

The National Assembly directed that the Accounting Officer liaise with the Department for Public Works and provide the Work in Progress register, and report the same to the Assembly within three months of the adoption of this report.

#### **Management Response**

The Management submitted that they had implemented a reporting template and schedule to help in preparation of work in progress register. The Management was in the process of strengthening monitoring and evaluation on the projects implemented by the Department.

**Conclusion on status**

The Management was yet to prepare a work-in-progress register and submit to Parliament.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

**119. Unpaid Insurance Claim for Project Vehicles****Recommendation:**

The National Assembly recommended that the Accounting Officer follows up with the Insurer to resolve the matter conclusively and report progress within three (3) months of adoption of the report.

**Management Response**

The Management submitted that the Insurer had failed to make good on the settlement of the insurance claims despite several demand requests and the case has since been forwarded to the Attorney General to take up the matter for legal proceedings against the insurer

**Conclusion on status**

The Management had not recovered the insurance claims from the insurer and no evidence of submission of a status report to The National Assembly was provided.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

The State Department had not fully implemented any of the recommendations in the previous follow-up audit in March 2025. At the time of this report, the State Department had still not fully implemented all the recommendations relating to the focus areas.

## STATE DEPARTMENT FOR FISHERIES, AQUACULTURE AND THE BLUE ECONOMY

The State Department for Fisheries, Aquaculture and the Blue Economy has since been renamed to State Department for the Blue Economy and Fisheries as per The Executive Order number 1 of 2023.

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified nine (9) recommendations; four (4) on procurement and five (5) on PIM. Two (2) recommendations were implemented and therefore, seven (7) recommendations were subjected to follow-up audit, with the status as follows: -

### **120. Unsupported Training Expenses**

#### **Recommendation:**

The National Assembly directed that the Accounting Officer avails a roster of names of trained fishermen as well as the list of individuals who had been selected for training per constituency, within three (3) months of the adoption of the National Assembly report.

#### **Management Response**

The Management submitted that the training of fishermen was a presidential directive that was to be undertaken within 5 years and therefore there was no need for assessment because applicants were from all the 47 counties.

#### **Conclusion on status**

The Management did not provide the information required by The National Assembly. Presentation of the implementation program and budget does not prove the number of those who were trained.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **121. Pending Bills**

#### **Recommendation:**

The National Assembly recommended that the Accounting Officer provides evidence of how pending bills have been treated in the subsequent years.

**Management Response**

The Management did not respond to the issue.

**Conclusion on status**

The Management did not provide a response indicating actions taken to implement the recommendation.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**122. Stalled Projects****Recommendation:**

The National Assembly recommended that the Accounting Officer avails a status report of all incomplete projects to the Committee within three (3) months of adoption of this report.

**Management Response**

The Management submitted that the four projects were handed over. A status report was submitted for audit review.

**Conclusion on status**

The Management did not provide evidence that a status report was submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

**123. Construction of National Mariculture Resource Centre at Shimoni****Recommendation:**

The National Assembly recommended that the Accounting Officer should submit a status report on completion plans for the project within three (3) months of adoption of the National Assembly report.

**Management Response**

The Management submitted a status report on the project for audit review.

**Conclusion on status**

The Management did not provide evidence that a status report was submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

**124. Renovation Works at Landing Sites in Lake Victoria Region****Recommendation:**

The National Assembly recommended that the Accounting Officer ensures completion of the Ogal, Nyandiwa, and Wich Lum projects within reasonable time.

**Management Response**

The Management submitted a status report on completed projects for audit review.

**Conclusion on status**

The Management provided evidence that they had completed the projects.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

**125. Procurement, Ownership and Utilization of Medium Sized Fishing Boats****Recommendation:**

The National Assembly reprimanded the Accounting Officer for failure to ensure value for money by failing to procure the fishing gear together with the boats and directed that the Accounting Officer ensures they are operational within six (6) months of adoption of the National Assembly report, and report to the Committee.

**Management Response**

The Management submitted that the boats were handed over to the four coastal counties.

**Conclusion on status**

The Management did not submit evidence of operationalization within six (6) months as required by the National Assembly. In addition, evidence of handover to the four coastal counties was not provided.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**126. Undisclosed Revenue from Rent**

**Recommendation:**

The National Assembly reprimanded the Accounting Officer for abrogation of duty and directed that the Accounting Officer avails proper lease agreements, and that an adjustment of the rent is made to reflect the current market rates; and provides a status report to the National Assembly within three (3) months of adoption of the National Assembly report.

**Management Response**

The Management submitted the lease valuation for audit review.

**Conclusion on status**

The Management reviewed the lease valuation, however, evidence of adjustment of the rent to reflect the market rates and provision of a status report to the National Assembly were not provided for audit.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

The State Department implemented twenty-two (22) percent of the recommendations in the previous follow-up audit in March 2025. At the time of this report, the State Department implemented thirty-three (33) percent of the recommendations relating to the focus areas.

## STATE DEPARTMENT FOR CROP DEVELOPMENT

The State Department for Crop Development and Agricultural Research has since been renamed to State Department for Crop Development as per The Executive Order number 1 of 2023

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified six (6) recommendations; one (1) on payroll, two (2) on procurement and three (3) on PIM. Only one (1) recommendation was implemented and therefore, five (5) recommendations were subjected to follow-up audit. However, the Management did not submit any response to ascertain whether the five (5) recommendations were implemented. The implementation status, therefore, remains unchanged at fourteen percent (17%) as per the previous follow-up report of March 2025.

The status of the six (6) recommendations in the report issued in March 2025 were as follows:

**Table 10: Recommendations for the State Department for Crop Development**

Audit Issue	Recommendation	Status - March 2025	Classification
Long Outstanding Pending Bills	127. The Accounting Officer must ensure that pending bills are settled as first charge in the subsequent Financial Year.	Partially Implemented	Administrative
Non-Compliance to a Third Rule on Salary Deductions	128. The National Assembly urges the Accounting Officer to enforce Section 19(3) of the Employment Act, 2007 on the affected officers.	Implemented	Administrative
Failure to Maintain an Up-to-Date Assets Register	129. Within three (3) months of adoption of the National Assembly report, the Accounting Officer submits the asset register to the Committee.	Partially Implemented	Administrative
Lack of Risk Management Policy and Disaster Recovery Plan	130. The National Assembly reprimands the Accounting Officer and directs that he avails the policy within three (3) months of adoption of the National Assembly report.	Not Implemented	Administrative
Unsupported Expenditure on Seeds and Seedlings	131. The National Assembly reprimands the Accounting Officer and directs compliance with provisions of Section 68 (2) of the PFM Act, 2012, and that complete financial and accounting records are presented to the Auditor General pursuant to the provisions of Article 229 of the Constitution of Kenya 2010 and Section 68 (2) (k) of the PFM Act 2012.	Not Implemented	Administrative
Non-Tagging and Non-Serialization of Assets	132. The National Assembly reprimands the Accounting Officer and directs that he/ she submits a complete asset register to the Committee within three (3) months of adoption of this report.	Not Implemented	Administrative

Source: OAG Analysis of Tracked Recommendations and Management Responses

## STATE DEPARTMENT FOR LABOUR

The State Department for Labour has since been renamed to State Department for Labour and Skills Development as per The Executive Order number 1 of 2023.

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified two (2) recommendations; one (1) on payroll and one (1) on procurement. The two (2) recommendations were not implemented and, therefore, were subjected to follow-up audit. However, the Management did not submit any response to ascertain whether the two (2) recommendations were implemented. The implementation status, therefore, remains unchanged at zero (0%) as per the previous follow-up report of March 2025.

The status of the two (2) recommendations in the report issued in March 2025 were as follows:

-

**Table 11: Recommendations for the State Department for Labour**

Audit Issue	Recommendation	Status - March 2025	Classification
Non-Payment of Pending Bills	<b>133.</b> The National Assembly instructed the Accounting Officer to prioritize pending bills and treat them as first charge in accordance with Section 74 (4)(d) of the PFM Act, 2012 and Regulation 42 (1)(a) of the PFM (National Government) Regulations, 2015.	Not Implemented	Administrative
One Third Staff Salary Deductions Rule	<b>134.</b> The National Assembly urged the Accounting Officer to ensure incremental compliance with the law.	Partially Implemented	Administrative

Source: OAG Analysis of Tracked Recommendations and Management Responses

## STATE DEPARTMENT FOR SOCIAL PROTECTION

The State Department for Social Protection has since been renamed to State Department for Social Protection and Senior Citizen Affairs as per Executive Order No. 1 of 2023.

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified two (2) recommendations; one (1) on payroll and one (1) on PIM. The two (2) recommendations were not implemented and, therefore, were subjected to follow-up audit. However, the Management did not submit any response to ascertain whether the two (2) recommendations were implemented. The implementation status, therefore, remains unchanged at zero (0%) as per the previous follow-up report of March 2025.

The status of the two (2) recommendations in the report issued in March 2025 were as follows:

-

**Table 12: Recommendations for the State Department for Social Protection**

Audit Issue	Recommendation	Status - March 2025	Classification
Deceased Beneficiaries in the Inua Jamii Program Payroll	<b>135.</b> The National Assembly recommended that a head count should be done every two months and stringent controls be put in place.	Partially Implemented	Administrative
Lack of Ownership Documents	<b>136.</b> The National Assembly recommended that the Accounting Officer fast-tracks the process and reports to the Committee within three (3) months of adoption of this report.	Partially Implemented	Administrative

Source: OAG Analysis of Tracked Recommendations and Management Responses

## STATE DEPARTMENT FOR PETROLEUM

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified five (5) recommendations; two (2) on payroll and three (3) on procurement. One (1) recommendation was implemented and therefore, four (4) recommendations were subjected to follow-up audit, with the status as follows: -

### **137. Unsupported Payments to Staff and Suppliers**

#### **Recommendation:**

The National Assembly recommended that the Accounting Officer should always ensure that the records are reconciled and analyzed with necessary supporting documents and submitted to the Auditor-General in compliance with provisions of Section 68 (2) of the PFM Act 2012 and that complete financial and accounting records are presented to the Auditor General pursuant to the provisions of Article 229 of the Constitution of Kenya 2010 and Section 68(2)(k) of the PFM Act, 2012

#### **Management Response**

The Management submitted that they had identified the cause and addressed as evidenced by subsequent sample bank reconciliation, imprest register availed for audit review. The Management further submitted evidence of training the staff to enhance their capacity.

#### **Conclusion on status**

The Management had identified the cause and took action which included capacity building on IFMIS and record management. Evidence of subsequent bank reconciliation was provided alongside an extract of the imprest register to indicate the different levels of approvers.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

### **138. Purchase of Defective LPG Gas Cylinders**

#### **Recommendation:**

The National Assembly recommended that within three (3) months after adoption of the report, the Accounting Officer should report to the Assembly the progress made on remedying the faulty gas cylinders.

**Management Response**

The Management provided correspondences following up on the remedy of defective cylinders.

**Conclusion on status**

The Accounting Officer did not avail evidence of submitting of a progress report to the National Assembly on progress made on remedying faulty gas cylinders.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**139. Irregular Payments of Allowances to Staff****Recommendation:**

The National Assembly recommends that the Accounting Officer regularizes the said allowances with the Salaries and Remuneration Commission (SRC) failure to which the said amounts be recovered from the beneficiaries, within one (1) year of adoption of the National Assembly report

**Management Response**

The Management submitted that the State Department had have taken steps to regularize the allowances with Salaries and Remuneration Commission.

**Conclusion on status**

The Management did not provide evidence of regularizing the allowances with SRC or recovery from the beneficiaries.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**140. Weaknesses in Implementation of Mwananchi LPG Enhancement Project****Recommendation:**

The National Assembly recommended that the Accounting Officer submits to the National Assembly the monitoring and evaluation report and the Concept establishment of the Mwananchi LPG Enhancement Project and policy within three (3) months of tabling and adoption of the National Assembly report.

**Management Response**

The Management provided a draft copy of concept and a National Petroleum Policy.

**Conclusion on status**

The Management did not provide evidence of monitoring and evaluation reports and concept paper being submitted to the National Assembly.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

The State Department implemented twenty (20) percent of the recommendations in the previous follow-up audit in March 2025. At the time of this report, the State Department had implemented forty (40) percent of the recommendations relating to the focus areas.

## STATE DEPARTMENT FOR MINING

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified four (4) recommendations; two (2) on payroll, one (1) on procurement and one (1) on PIM. Two (2) recommendations were implemented and therefore, the other two (2) recommendations were subjected to follow-up audit, with the status as follows: -

### **141. Compensation of Employees - Irregular Payment of Motivation Allowances**

#### **Recommendation:**

The National Assembly reprimanded the Accounting Officer and recommended a surcharge from the beneficiaries, and a report be provided to the National Assembly within three (3) months after adoption of the National Assembly report.

#### **Management Response**

The Management initiated recovery from all the beneficiaries of the Kshs.10,000 motivational allowances. The State Department has since recovered Kshs.240,000 in cash as per receipts provided for audit review and initiated direct recovery from December 2025 Payroll.

#### **Conclusion on status**

The Management had partially recovered a total of Kshs.240,000 in cash with the balance expected to be effected directly in the December 2025 Payroll. An amount of Kshs 3,430,000 had not been recovered. In addition, evidence of submission of a report on this to the National Assembly was not provided.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

**Cost Savings:** Kshs.240,000

### **142. Irregular Payment of Allowances**

#### **Recommendation:**

The National Assembly recommended that the beneficiaries be surcharged to recover the said amounts. Further, the Accounting Officer to report to the National Assembly within six (6) months after adoption of this report on the progress.

### **Management Response**

The Management submitted that the beneficiaries for the motivational allowances amounting to Kshs.13,007,700 were paid through several payment vouchers. The specific beneficiaries were yet to be established as the payment vouchers were not available. This was brought about by the multiple movement of the State Department of mining as a standalone department then merger with petroleum and mining during the year under review in March 2021 and later a standalone department in November 2022. The multiple oscillation disrupted the institutional record keeping. The recovery would be effected as soon as the beneficiaries were identified.

### **Conclusion on status**

The Management had not recovered from the beneficiaries citing they have been unable to identify the beneficiaries. Further, evidence of submission of a report to Parliament to confirm the progress of the implementation was not availed.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

The State Department implemented fifty (50) percent of the recommendations in the previous follow-up audit in March 2025. At the time of this report, the State Department maintained the same percentage of implementation of the recommendations relating to the focus areas.

## STATE DEPARTMENT FOR WILDLIFE

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified three (3) recommendations; two (2) on procurement and one (1) on PIM. The three (3) recommendations were not implemented and, therefore, were subjected to follow-up audit. However, the Management did not submit any response to ascertain whether the three (3) recommendations were implemented. The implementation status, therefore, remains unchanged at zero (0%) as per the previous follow-up report of March 2025.

The status of the three (3) recommendations in the report issued in March 2025 were as follows:

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**Table 13: Recommendations for the State Department for Wildlife**

Audit Issue	Recommendation	Status - March 2025	Classification
Unsupported Purchase of Certified Seed	<b>143.</b> The National Assembly recommended that the KWS avails returns, that is, procurement of the seedlings and exact location of their planting, within three (3) months of adoption of the National Assembly report.	Not Implemented	Administrative
Unverifiable Assets	<b>144.</b> The National Assembly recommended that the Accounting Officer provides a status report within one month following the adoption of the National Assembly report	Not Implemented	Administrative
Acquisition of Assets - Unsupported Office Furniture and General Equipment	<b>145.</b> The National Assembly recommended that the Accounting Officer follows up the matter with UNDP and report progress within three (3) months following the adoption of the National Assembly report	Not Implemented	Administrative

Source: OAG Analysis of Tracked Recommendations and Management Responses

## **KENYA AIRPORTS AUTHORITY**

Review of the Auditor General's Report on the Status of the Implementation of Recommendations made in the 24th Report of the Public Investments Committee report identified sixteen recommendations; thirteen (13) on procurement and three (3) on PIM, all of which were not implemented and were therefore subjected to follow-up audit. The status is as follows:

### **146. Non-Current Assets – Financial Year 2016/2017 and 2017/2018**

#### **Recommendation**

The National Assembly recommended that the land in question should be leased to National Police Service and included in the Kenya Airports Authority (KAA) books of accounts.

#### **Management Response**

The Management submitted that the Authority had made the necessary internal approvals and was in the process of ensuring compliance with the relevant authorities' requirements to close the matter. The value of the land as determined by the Government valuer on 17 June, 2019 was included in the financial statements for the year ended 2019/2020.

#### **Conclusion on Status**

Although the land was valued and included in the financial statements, the management had not leased the land in question to the National Police Service and the required internal approvals were not provided.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

### **147. 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 submitted that they provided the requisite documents for audit verification.

### **Conclusion on Status**

The management did not provide information on actions taken to ensure that documents are provided for audit review within the required timelines. In the subsequent years' audit reports, for example in financial year 2022/2023, there were similar audit issues on documents not provided for audit review.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **148. Disputed Parcels of Land - Embakasi Village - Financial Year 2016/2017 and 2017/2018**

#### **Recommendation**

The National Assembly recommended that the KAA Accounting Officer should liaise with the security agencies to secure the property while the matter is being litigated and apply.

#### **Management Response**

The Management submitted that the Authority has since commenced proceedings for eviction of the trespasser on the land to enable it to secure the piece of land. The Authority filed ELCPET/E005/2020 Kenya Airports Authority VS Office of Attorney General and Office of The Land Registrar and 2 Others. A judgement was issued on 8 February, 2024 authorizing eviction of the trespasser.

### **Conclusion on Status**

Despite the judgement being delivered on 8 February, 2024, the Authority had not repossessed the property nor shown any evidence of securing as recommended or eviction of the trespasser on the land to enable it to secure the piece of land.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **149. Disputed Parcels of Land – Jomo Kenyatta International Airport Financial Year 2016/2017 and 2017/18**

#### **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 submitted that the parcels of land (LR No.14231) and LR No. 13512 are within JKIA land (LR No. 21919) and have been included in the KAA books. The Commissioner of Lands by way of a letter dated 30 December, 2005 confirmed that the alleged allotment letters were not genuine. The Authority challenged the alleged allotment. In the court's judgement delivered on 12 April, 2021, the defendant's counterclaim seeking amongst others, the sum of Kshs.20 billion was dismissed. An appeal was lodged. The Authority has since secured the land by fencing.

### **Conclusion on Status**

The Management did not provide any evidence of securing the land in question through caveats even though the land has since been secured by a fence.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

## **150. Disputed Parcels of Land – Jomo Kenyatta International Airport Financial Year 2016/2017 and 2017/2018**

### **Recommendation**

The National Assembly recommended that the KAA Accounting Officer should apply for speedy conclusion of the matter. It had taken 16 years to determine the validity of the ownership dispute.

### **Management Response**

The Management submitted that the parcels of land (LR No.14231) and LR No. 13512 are within JKIA land (LR No. 21919) and have been included in the KAA books. The Commissioner of Lands by way of a letter dated 30 December, 2005 confirmed that the alleged allotment letters were not genuine. The Authority challenged the alleged allotment. In the court's judgement delivered on 12 April, 2021, the defendant's counterclaim seeking amongst others, the sum of Kshs.20 billion was dismissed. An appeal was lodged. The Authority has since secured the land by fencing.

### **Conclusion on Status**

The management did not provide documentation of the actions taken to ensure speedy conclusion on the matter.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **Disputed Parcels of Land – Malindi Airport**

#### **Recommendation**

The National Assembly recommended the following:

151. The KAA Accounting Officer should put a caveat on the impugned property.
152. The KAA Accounting Officer should evict anybody claiming the impugned land.

#### **Management Response**

The Management submitted that regarding the irregular allocation to a petroleum company, the Authority issued an offer that included surrendering the irregular title, which the company had accepted. Negotiations were ongoing on relocation and lease as per the lease and concession policy. The disputed land would revert to the Authority.

#### **Conclusion on Status**

Although the Management had taken steps to ensure that the disputed land reverts to the Authority, it had not put a caveat on the impugned property and evicted the parties by claiming the impugned land.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **153. Disputed Parcels of Land – Airports/ Airstrips - Financial Year 2016/2017 and 2017/2018**

#### **Recommendation**

The National Assembly recommended that the KAA Accounting Officer should expedite securing ownership documents for all its parcels of land.

#### **Management Response**

The Management submitted that the Authority wrote to the National Land Commission (NLC) seeking guidance on the lodging of caveats with respect to individual parcels within the airport land that had been allocated to third parties. Subsequently, NLC commenced the review of the JKIA title and issued a report which was published through gazette notice dated 15 February, 2019. The report included the forty-six (46) parcels of land that were subject of this matter. Consultative meetings were held with NLC on the remaining aerodromes in April 2021, October 2024, April 2025 and May 2025 as per documents availed for audit review.

### **Conclusion on Status**

Although the Management had engaged NLC to secure ownership documents for its parcels of land, they had not yet secured the ownership documents.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

### **154. New Greenfield Terminal Package 5**

#### **Recommendation**

The National Assembly recommended that the then KAA Accounting Officer 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 submitted that the Authority had taken note of the recommendation.

### **Conclusion on Status**

The Management did not provide evidence on how the reprimand was effected.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **155. Groundbreaking Expenses**

#### **Recommendation**

The National Assembly recommended that the KAA Accounting Officer should commence constructive engagements with the contractor with a view to resolving the impugned claims amicably. Prior to those negotiations, the KAA Accounting Officer should seek 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 submitted that the Authority had reached an amicable settlement with the contractor as per the Mediation Settlement Report provided for audit.

### **Conclusion on Status**

Although the Authority had reached an amicable settlement with the contractor, there was no evidence that prior to the negotiations, a legal opinion was sought from the Attorney General.

**Recommendation Category:** Legislative

**Implementation Status:** Partially Implemented

**156. Nugatory payments under the Project**

**Recommendation**

The National Assembly recommended that the KAA Accounting Officer should immediately commence recovery proceedings of the advanced monies to both the contractor and the consultants.

**Management Response**

The Management submitted that the issue had been settled as per the Mediation Settlement Report provided for audit review.

**Conclusion on Status**

Although the issue had been settled as per the Mediation Settlement Report there was no evidence that the advanced monies were recovered.

**Recommendation Category:** Administrative

**Implementation Status:** Partially Implemented.

**157. Contingent Liability - Financial Year 2016/2017**

**Recommendation**

The National Assembly recommended that the KAA Accounting Officer 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 submitted that they have at all times ensured adequate representation before the courts and tribunals dealing with the impugned contingent liabilities to safeguard taxpayers' money.

**Conclusion on Status**

The Management did not provide documentation on the measures taken to ensure adequate representation before the courts and tribunals dealing with the impugned contingent liabilities.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

## **158. Contingent Liability - Financial Year 2016/2017**

### **Recommendation**

The National Assembly recommended that the KAA Accounting Officer should institute measures to avoid recurrence of huge contingent liabilities.

### **Management Response**

The Management submitted that they have at all times ensured adequate representation before the courts and tribunals dealing with the impugned contingent liabilities to safeguard taxpayers' money.

### **Conclusion on Status**

The management did not indicate the measures taken to avoid recurrence of huge contingent liabilities.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

## **159. 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 KAA Managing Director 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 submitted that the Authority had recovered Kshs.62,989,475 which is 80% of total debt of Kshs.78,834,046. The outstanding amount was Kshs.15,844,572 and the Authority continued to recover the same. The Authority took note of the advice.

### **Conclusion on Status**

The Authority had recovered Kshs.62,989,475(80%) of total debt of Ksh.78,834,046 leaving an outstanding amount of Kshs.15,844,572.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

**Cost Savings:** Kshs.62,989,475

## **160. Supply and Assembling of Gym Equipment Financial Year 2017/2018**

### **Recommendation**

The National Assembly recommended that the Kenya Airports Authority should be vigilant whenever contracting for services to avoid unnecessary penalties. Any penalty charged by the contractor who installed the gym arising from delay in completion of the building should be recovered from the officers that were awarded a contract knowing that the building in which it was to be installed had not been built.

### **Management Response**

The Management submitted that the Authority noted the observation. The employees involved in the Financial Year 2017/2018 procurement have since exited service of the Authority. Going forward, the Authority will strengthen project readiness checks, internal coordination and documentation to prevent similar occurrences.

### **Conclusion on Status**

The Management did not recover any penalty from the officers that awarded the contract since they had exited service and had not initiated any legal action to recover the sums.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

## **161. Suneka Airstrip - Proposed Construction Of A Passenger Mini Lounge, Fencing and Minor Runway Repairs**

### **Recommendation**

The National Assembly recommended that the KAA Accounting Officer 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 submitted that the project was completed and the progress reports provided for audit review. The total amount expended is Kshs.39,121,663.22 as per the final account.

### **Conclusion on Status**

The Management submitted the progress reports, Practical completion certificate and final account of Suneka Airstrip in response to request for the status of the implementation.

**Recommendation Category:** Administrative  
**Implementation status:** Implemented

**162. Proposed Fencing Works at Wilson Airport - Financial Year 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 submitted that the Authority had written a letter to the State Department for Public Works requesting for a joint survey.

**Conclusion on Status**

There is no evidence provided as proof that the Management commenced the joint survey with the State Department for Public Works and secured its property.

**Recommendation Category:** Administrative  
**Implementation status:** Not Implemented

The Kenya Airports Authority had not implemented any of the recommendations in the previous follow-up audit in March 2025. As at the time of this report, the Authority had implemented one out of sixteen (6%) of recommendations relating to the focus areas.

## **KENYA MARINE AND FISHERIES RESEARCH INSTITUTE**

Review of the Auditor General's Report on the Status of the Implementation of Recommendations made in the 24th Report of the Public Investments Committee identified sixteen recommendations, all relating to PIM where eight (8) of them were not implemented and were therefore subjected to follow-up audit. The status is as follows:

### **163. Grabbed Institutes Land - Financial Years 2012/2013 to 2018/2019**

#### **Recommendation**

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

#### **Management Response**

The Management submitted that the Mtwapa land was registered in the name of the Kenya Agricultural Research Institute (KARI), which ceded 10 acres (MN/III/2944) adjacent to the ocean to KMFRI in the year 1990 for the establishment of a research station. Before the transfer was done to KMFRI, the land was reallocated by the Commissioner of Lands in 1995 to private developers, and a title deed, MN/III/3082, was issued in favour 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 in Mombasa against the private developers, and the Land Registrar Mombasa Registry and the EACC were enjoined as interested parties. KMFRI further engaged NLC, EACC and DCI in the matter of their intervention. EACC responded on 24 January, 2023, requesting KMFRI to record a statement with certified copies, which the Institute complied with. The DCI also responded on 7 March, 2023 and indicated investigations into the matter had commenced. 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. In July 2024 a follow-up letter was sent to the DCI and EACC, and the DCI responded that the matter was now referred to the EACC to avoid double investigation processes. KMFRI awaits feedback from NLC and EACC on the outcome of the court cases. The correspondence was provided for audit review.

This parcel of land 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 had been tracking the matter to obtain ownership documents for the land and correspondence was provided for audit review.

**Conclusion on Status**

Although the audit issue related to the Mtwapa and Baringo parcels of land, the recommendations required the Director General to acquire ownership documents for all its parcels of land and there was no evidence that they acquired ownership documents for all parcels of land.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**164. Long Outstanding Staff Imprest - Financial Years 2012/2013 to 2014/2015**

**Recommendation**

The National Assembly recommended that the KMFRI Accounting Officer 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 Management submitted that the Institute followed up and recovered Kshs.14,540. However, the balance of Kshs.206,675 related to deceased officers. The institute 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 owed by the deceased former staff. The Management is following up with The National Treasury on the matter.

**Conclusion on Status**

The Management submitted that part of the imprest was recovered, while the process of writing off the balance of Kshs.206,675 owed by the deceased staff was in progress.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

**Cost Savings:** Kshs.14,540

## **165. Unsupported Interest Income FY2012/2013**

### **Recommendation**

The National Assembly recommended that the KMFRI Accounting Officer 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 Management 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's recurrent account and a certificate provided was subsequently availed for audit. The management had provided all requested documents in the subsequent external audits.

### **Conclusion on Status**

The Management did not indicate the measures taken to ensure documents were provided for audit review in the subsequent external audits.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

## **166. Land at Kisumu occupied by Third Parties**

### **Recommendation**

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

### **Management Response**

The Management submitted that the Institute filed a lawsuit under cause No. ELC No. 112 of 2014 (KSM) against the party who had encroached and occupied the land. Other developers, claiming ownership of the same land, evicted the party while the case was pending. The Institute sought assistance from EACC and NLC to unmask the new developers so it could institute the required legal proceedings against them.

The Institute was invited by EACC on several occasions, during which it recorded statements and supplied relevant documents to aid in the investigation and recovery of the land. The KMFRI title deed and recent land search were provided, and the institute was making effort to secure the land.

### **Conclusion on Status**

The Management encountered new land grabbers despite suing the first one but had not yet taken a legal action against the new developers in light of the new developments. Although, the institute had enjoined EACC to investigate the case, no legal action had been instituted.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

### **167. Cruise Expenditure Paid in Form of Travel and Subsistence Expenses**

#### **Recommendation**

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

#### **Management Response**

The Management submitted that the Institute incurred Kshs.35,294,412 paid as night out facilitation for the sea going staff. The incurred expenditure included payment to the 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 the Salaries and Remuneration Commission (SRC) and was advised on the appropriate rate payable to sea-going staff. The Institute implemented SRC approved sea going allowances by paying officers a quarter per diem during research expeditions at sea. Correspondence between KMFRI and SRC was provided for audit review.

### **Conclusion on Status**

The Management did not provide the approvals granted from the Parent Ministry on the expenditure for audit and report in the 2022/2023 audit cycle.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

## **168. M.V Mtafiti Vessel - Procurement of Laboratory Equipment**

### **Recommendation**

The National Assembly recommended that the KMFRI Accounting Officer should recover the Daily Subsistence Allowances paid to officers that facilitated tender evaluation sittings in Kilifi within the Financial Year 2022/2023.

### **Management Response**

The Management submitted that payroll deductions were effected in June 2022 to recover the Daily Subsistence Allowances (DSA) that had been paid to KMFRI officers in relation to the tender evaluation sittings.

### **Conclusion on Status**

A review of the evidence submitted for audit verification revealed that full recovery had not been done.

**Recommendation Category:** Administrative

**Implementation status:** Partially implemented

## **169. Loss of Deep-Sea Observatory Rover**

### **Recommendation**

The National Assembly recommended that the then KMFRI Accounting Officer should be reprimanded for not insuring the lost rover that could have compensated the Institute in the event of loss.

### **Management Response**

The Management submitted that the deep-sea observatory rover is a remotely operated equipment that collects high-resolution colour images and videos that can be used to identify organisms and visualize seafloor features. The Rover measured; width 19.6 inches by; height 14.9 inches by; length 24.8 inches and weighing 26kgs is connected to boat-based controllers by a 300m tether cable. KMFRI encountered strong tidal currents while carrying out a survey in Mombasa Marine Park on 3 July, 2019 which turned the boat exposing the Rover tether cable to the boat propeller leading to a strong pull tension to the Rover connection forcing the Rover 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 BMUs in Kwale, Mombasa up to Kilifi

were informed of the missing equipment including a picture of the equipment. The equipment was never traced. The then Accounting Officer for KMFRI was reprimanded by the Board of Management.

**Conclusion on Status**

The Management provided evidence that the then KMFRI Accounting Officer had been reprimanded by the Board of Management.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

**170. Cash and Cash Equivalents – Stolen Cash in Hand**

**Recommendation:**

Management should consider writing off the stolen cash if it cannot be recovered.

**Management Response**

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 for audit review.

The Institute received approval from The National Treasury to write off the lost funds on 27 February, 2024 provided for audit review. The write off was effected in the Institute's books of account in the Financial Year 2023-2024 as per the extract of Audited Financial Statements for Financial Year 2023-2024 provided for audit review.

**Conclusion on status**

The write-off of the lost funds was approved by The National Treasury and effected in the Institute's books of account in the Financial Year 2023-2024.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

The Kenya Marine and Fisheries Institute had implemented eight of the recommendations in the previous follow-up audit in March 2025. As at the time of this report, the Authority had implemented ten out of sixteen (63%) of the recommendations relating to the focus areas.

## **KENYA PORTS AUTHORITY**

Review of the Auditor General's Report on the Status of the Implementation of Recommendations made in the 24th Report of the Public Investments Committee identified thirty-nine (39) recommendations; Seven (7) on procurement, ten (10) on payroll and twenty-two (22) on PIM for follow-up audit. Out of the thirty-nine (39) recommendations, three (3) were implemented, two (2) were deemed not implementable therefore thirty-four (34) recommendations not implemented were subjected to a follow-up audit. The status is as follows:

-

### **171. Establishment Expenses Financial Year 2017/2018 Incentive Scheme**

#### **Recommendation**

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

#### **Management Response**

The Management submitted that historically the Authority had been paying a fixed bonus allowance to staff in the Operational and Technical Department in order to ensure and sustain improved port productivity. The payments were paid as per the Approved Human Resource 2017 specifically:

Clause C8: a) To ensure and sustain improved port productivity, the Authority operates bonus incentive schemes across various operational areas, with details issued through staff circulars from time to time. b) The applicable rates for each operational unit are stipulated in the respective scheme provisions as approved by the Board.

The bonus was structured as a recurring fixed allowance and was consistently processed and accounted for under the Allowances General Ledger (GL) 600116 until the scheme was formally abolished. Board memo page 11 of 17 4.2 on Abolition of Allowance was provided for audit review.

The cumulative amount paid under this allowance during the period under review totaled Kshs. KSh.97,398,000. A summarized breakdown of the eligible beneficiaries was provided for audit review. Separately, an amount of Kshs. 29.6 million was paid as a one-off meritorious award to

staff in recognition of exceptional performance and contribution. This payment was correctly classified and posted under the Incentive GL 600791.

**Conclusion on Status**

The management had only given a justification for the payments of irregular allowances. However, a review of the subsequent audit reports 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

**172. Other Income (FY 2017/2018)**

**Recommendation**

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

**Management Response**

The Management submitted that procedures were developed to ensure that documents are accurate before publishing to the public. The guiding policy was in place.

**Conclusion on Status**

Although the Management indicated that they had a guiding policy it was not provided for audit review.

**Recommendation Category:** Policy

**Implementation status:** Not Implemented

**173. Overtime Allowances**

**Recommendation**

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

**Management Response**

The Management submitted and attached all the approved Instruments. HR Manual 2017, CBA 2018, 2020-2023, letters from SRC salary survey for the 2021, 2022, 2024 and 2025 remuneration review cycle for the public sector and sensitization on the allowances policy guideline for the public service. Also provided was the 3rd Shift monthly computations and explanation to support the working.

**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

**174. Operating Expenses - Financial Year 2017/2018****Recommendation**

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

**Management Response**

The Management submitted that currently, no purchase order (PO) can be created without a work order which is linked to a functional location. No purchase order is released without a work order. The Work order initiates a purchase requisition which generates a purchase order.

**Conclusion on Status**

The Management did not provide evidence on the strong monitoring mechanisms developed to ensure adherence to standard operating procedures at the Authority.

**Recommendation Category:** Administrative

**Implementation status:** Not implemented.

## **175. Property Plant and Equipment - Approval of Access Road**

### **Recommendation**

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

### **Management Response**

The Management submitted that the issue was satisfactorily explained and resolved as cited on page 450 in the 23rd Public Investment Committee Report on Consideration of the OAG's Reports on the Financial Statements of State Corporations.

### **Conclusion on Status**

There was no ministerial approval provided for audit review.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

## **176. Assets Disclosed on Estimated Values**

### **Recommendation**

The National Assembly recommended that the Accounting Officer should ensure valuation of additional assets from SGR and an accurate figure reflected in the KPA's books of account.

### **Management Response**

The Management submitted that the Authority had engaged an independent consultant to undertake a comprehensive valuation of the Authority's non-current assets. The exercise included reassessment of the assets' remaining useful lives to ensure full compliance with the relevant International Financial Reporting Standards. The final valuation report was expected by January 2026, after which the Authority would implement appropriate adjustments based on the consultant's recommendations.

### **Conclusion on Status**

The valuation process was in progress and the final valuation report was expected by January 2026, after which the Authority would implement appropriate adjustments based on the consultant's recommendations.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

#### **177. Work in progress**

##### **Recommendation**

The National Assembly recommended that the KPA Accounting Officer 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 the report.

##### **Management Response**

The Management submitted that they had provided the correspondences requiring registration of Lamu Port land in KPA's name which dated back to 2016 with the latest ones in 2025 making follow up on the same issue. The Project Affected Persons were duly compensated through National Land Commission and left the land.

##### **Conclusion on Status**

The Project Affected Persons were duly compensated but the land is still registered to LAPSET Project.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

#### **178. Other investments**

##### **Recommendation**

The National Assembly recommended that the Accounting Officer should always adhere to Public Sector Accounting Standards on disclosure.

##### **Management Response**

Management did not respond to this recommendation.

##### **Conclusion on Status**

There is no information on the measures taken by the Authority to ensure adherence to the Public Sector Accounting Standards on disclosure.

**Recommendation Category:** Administrative

**Implementation status:** Not implemented

## **179. Other Investments**

### **Recommendation**

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

### **Management Response**

The Management submitted that Chase Bank Ltd (IR) was placed in liquidation in April 2021 by CBK and Kenya Deposit Insurance Corporation (KDIC) appointed the Liquidator via Gazette Notice No.3652. The balance of funds as at 30 June, 2025 of Kshs.747,607,813 was held by the Government's KDIC. KDIC had confirmed that the amount would be paid to KPA when the funds are available.

### **Conclusion on Status**

There was no evidence that the Accounting Officer recouped the authority's investments in Chase Bank from the SBM Bank.

**Recommendation Category:** Administrative

**Implementation status:** Not implemented

## **180. Receivables and Prepayments - Financial Year 2017/2018**

### **Recommendation**

The National Assembly recommended that KPA should vet its debtors and only do business with those debtors that honor their debt obligations.

### **Management Response**

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

### **Conclusion on Status**

The Management had enforced cash-based payment for KPA's services; however, the debt level continues to rise. Further, evidence of vetting customers was not provided.

**Recommendation Category:** Policy

**Implementation status:** Not Implemented

## **181. Recruitment - Financial Year 2017/2018**

### **Recommendation**

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

### **Management Response**

The Management submitted that the HR Instruments were approved in April 2022. All staff translated horizontally onto the new structure. The Authority ensured compliance with applicable law(s) and appropriate manuals in staff employment.

### **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

## **182. Recruitment**

### **Recommendation**

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

### **Management Response**

The Management submitted that the HR Instruments were approved in April 2022. All staff translated horizontally onto the new structure. The Authority ensured compliance with applicable law(s) and appropriate manuals in staff employment.

### **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

### **183. Gender Composition – Financial Year 2017/2018**

#### **Recommendation**

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

#### **Management Response**

The Management submitted that despite the Port (and Shipping) industry being one of the most male-dominated industries in the world, the Authority has 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. Since the directives were issued the Authority has progressively improved on the gender balance as the figures show; Through deliberate efforts to comply, the Authority has improved from 18.65% to 22.29% female employees in the total workforce. The Authority is committed to complying with all prevailing laws, rules and regulations and guidelines.

As an example, the Authority recruited 16 staff during the Financial Year 2023/2024 out of which 11 staff, representing 69%, were female and the remainder male. This was a result of a demonstrated and deliberate effort by Management to comply to such Government Guidelines and Regulations.

#### **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

### **184. Short Term Deposits - Financial Year 2017/2018**

#### **Recommendation**

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

#### **Management Response**

The Management submitted that the Authority had taken note of the Committee's observations regarding the placement of short-term deposits during the Financial Year 2017/2018 period as outlined below: -

1. **Compliance With National Treasury Circular No.13/2017:** The Authority reiterates its commitment to full compliance with the National Treasury Circular No.13/2017, which guides State Corporations on the management of surplus funds. In line with this Circular, the Authority did not invest surplus funds in commercial banks without Treasury approval. All placements made during the period under review were short-tenor call deposits strictly for liquidity management purposes and therefore did not constitute long-term investment of surplus funds.
2. **Nature and Purpose of the Call Deposits:** As a commercial State Corporation with substantial and continuous financial obligations, the Authority maintains short-term liquidity buffers to ensure timely settlement of loan repayments, statutory dues, supplier payments, port operations, and other operational requirements. To smoothen liquidity and preserve value during the brief holding period, the Authority placed funds in call deposits ranging from 1 to 75 days, all of which fall below the minimum 91-day maturity required for Treasury Bill investments. These were therefore not surplus funds, but operational liquidity held temporarily pending disbursement.
3. **Placement Only in Treasury-Approved Banks:** All call deposits were placed strictly in National Treasury–approved financial institutions, consistent with prudential guidelines and government policy. No placements were made in non-approved entities.
4. **Confirmation of Investments Reported in the Financial Statements:** The short-term deposits amounting to Kshs.17,988,504,000 reflected as at 30 June, 2018 were fully invested in Treasury Bills. The Authority continues to align all investment and liquidity decisions with the applicable laws, regulations, and approvals.
5. **Strengthening of Internal Controls:** The Authority has enhanced internal controls governing cash management and Treasury operations to further ensure sustained compliance with the National Treasury’s directives and government financial policies.

### **Conclusion on Status**

The Accounting Officer demonstrated the measures taken to ensure adherence to the law and government policies on investments.

**Recommendation Category:** Administrative

**Implementation status:** Implemented.

## **185. Operating Revenue - Financial Year 2018/2019**

### **Recommendation**

The National Assembly recommended that the Accounting Officer 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 submitted that the Authority endeavours to provide documents to the Office of the Auditor-General within the statutory timelines, as evidenced in the recently concluded Financial Year 2024/2025 audit.

### **Conclusion on Status**

The Management of the Authority indicated that they had taken corrective action to minimize recurrence and non-compliance.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

## **186. Basic Salary Paid for Hours Not Worked - Financial Year 2018/2019**

### **Recommendation**

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

### **Management Response**

The management submitted that they ensured compliance with applicable law(s) and regulations 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. The approved HR instruments and CBA agreements were provided for audit review.

### **Conclusion on Status**

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

**Recommendation Category:** Policy

**Implementation status:** Not Implemented

**187. Administrative Expenditure - Financial Year 2018/2019**

The National Assembly recommended that the Accounting Officer should always adhere to the procurement laws whenever procuring goods and services.

**Management Response**

The Management submitted that Kenya Railways informed KPA that because their mandate was raiiling of cargo, while KPA mandate was loading and offloading hence KPA should undertake all loading and offloading of container at the Port Relief Lines and Port Reitz Yard.

**Conclusion on Status**

The response did not indicate corrective measures undertaken to adhere to the procurement laws whenever procuring goods and services. Further, 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

**188. Insurance Premiums**

**Recommendation**

The KPA management should insure its assets based on their true values after depreciation.

**Management Response**

The Management submitted that KPA commissioned Asset valuation last year where all the assets of KPA were valued and assigned respective number. Based on this report, it was insurance values which formed the basis of insurance coverage and therefore, the acquisition values were no longer used to validate insurance covers. In addition, before issuance of insurance cover, all the assets insured ought to have asset numbers for cover to be issued. The contract for asset valuation and their values of the asset were provided for audit review.

**Conclusion on Status**

The Management of the Authority had explained the valuation process, and the values adopted for issuance of insurance cover. However, since the valuation process was not concluded the basis of the insurance cover was still misstated.

**Recommendation Category:** Administrative

**Implementation status:** Not implemented

#### **189. Insurance Premiums - Unsettled Claims**

##### **Recommendation**

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

##### **Management Response**

The Management submitted that following AMACO's failure to provide insurance services, the contract was formally cancelled and any premium outstanding was withheld noting that previously, AMACO had processed motor claims that were involved in accident hence, no premium could be recovered under the contract but only withhold premium payment.

##### **Conclusion on Status**

The Management did not sue AMACO for recovery of the premiums paid.

**Recommendation Category:** Prosecution

**Implementation status:** Will not be Implemented

#### **190. Insurance for Kenya Ports Authority Pension Scheme Assets**

##### **Recommendation**

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

##### **Management Response**

The Management submitted that KPA requested KPA Pension Scheme to refund all the premium paid to KPA Pension Scheme. Currently, KPA ceased paying insurance premium for KPA Pension Scheme.

##### **Conclusion on Status**

The Accounting Officer had not recovered all the monies paid as insurance for the KPA pension Scheme.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

## **191. Receivables and Prepayments - Financial Year 2018/2019**

### **Recommendation**

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

### **Management Response**

The Management submitted that the Customers who have not traded with the Authority for over two years had their accounts blocked.

### **Conclusion on Status**

The Management had not provided any evidence that KPA pursued all KPA debtors and ensured that they honored their debts.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

## **192. Doubtful Debts**

### **Recommendation**

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

### **Management Response**

The Management submitted that:

1. Management appointed a Debt Collection and Dispute Resolution Committee on 17 March, 2025 to follow up on debts and resolve disputes to enhance collection of outstanding debts. The exercise is ongoing;
2. Issued demand letters - Management issued demand letters to customers with outstanding balances;
3. Invitation of debtors to dispute resolution meetings; and
4. Pursued payment plans with customers willing to pay in installments.

### **Conclusion on Status**

The Management enumerated the measures adopted in pursuit of recovery of debts.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

### **193. Budget Control and Performance - Financial Year 2018/2019**

#### **Recommendation**

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

#### **Management Response**

The Management submitted that the Authority complied with the budget process as guided by the National Treasury Circulars. All Annual Budgets and Supplementary Budgets were drafted and reviewed by the Board of Directors Sub-Committee of Finance and Assets and the report submitted to the full Board of Directors for approval /Board Resolution. The same was then captured in the Government Investment Management Information System (GIMIS) and forwarded to the State Department for Transport for review and onward recommendation to The National Treasury for approval. A Sample Board Resolution for 2024/2025 Financial Year Supplementary Budget II and Annual Budget 2025/2026 was provided for review.

#### **Conclusion on Status**

The Management explained the budget process, however, there was no evidence on the measures taken to ensure that budgeting is accurately done.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **194. Staff Establishment - Financial Year 2018/2019**

#### **Recommendation**

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

#### **Management Response**

The Management submitted that the Authority has a policy in place to guide on the acting appointments.

#### **Conclusion on Status**

The Management did not provide evidence of compliance with the law.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

#### **195. Irregular Payment of Special Duty Allowances - Financial Year 2018/2019**

##### **Recommendation**

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

##### **Management Response**

The Management submitted that the former Managing Director is no longer in the service of KPA.

##### **Conclusion on Status**

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

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

#### **196. 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 management submitted that the Authority had 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 2 below illustrates that since the directives were issued the Authority has progressively improved on the gender balance as the figures show:-

**Table 14: 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 Authority is yet to meet the statutory requirement on gender representation.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

**197. 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 Management submitted that the Authority had made efforts to ensure compliance with Section 7(2) of the National Cohesion and Integration Act, 2008. The staff numbers and composition in terms of ethnic representation were partly historical in nature.

**Conclusion on Status**

The Management did not indicate the measures taken to ensure affirmative action was adhered to.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**198. Corporate Social Responsibility Expenditure Financial Year 2018/2019**

**Recommendation**

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

**Management Response**

The Management submitted that the former Managing Director is no longer in the service of KPA.

**Conclusion on Status**

There was no evidence of reprimand of the then accounting and procurement officer by the appointing Authorities.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**199. Unsupported Training 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 Management submitted that the former Managing Director is no longer in the service of KPA.

**Conclusion on Status**

There was no evidence of reprimand of the then accounting for the KPA and procurement officer by the appointing Authorities.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**200. Electrical Services Expenditure for 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 Management submitted that the former Managing Director is no longer in the service of KPA.

**Conclusion on Status**

There was no evidence of reprimand of the then accounting for the KPA and procurement officer by the appointing Authorities.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**201. Port Infrastructure and Electrical Repairs****Recommendation**

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

**Management Response**

The Management submitted that KPA Financial Statements were 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.

**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

**202. Kisumu Port - Financial Year 2018/2019****Recommendation**

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

**Management Response**

The Management submitted that they adhered to the Procurement Plan and Approved Budget. Where expenditure was projected to exceed the Approved Budget, supplementary budget

approvals were obtained. The approved budget 2019-2020 included Kisumu Port as provided for audit review

**Conclusion on Status**

The Management had not demonstrated adherence to the procurement law and similar issues were raised in the subsequent audit reports.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**203. Unconfirmed Storage Revenue for Financial Year 2018/2019**

**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 Management submitted that the Authority endeavours to provide documents to the Office of the Auditor General within the statutory timelines, as evidenced in the recently concluded 2024–25 audit. Appendix

**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

**204. Weak Controls on Management of Overtime for 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 Management 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. Attached are the approved Human Resource instruments and CBA agreements

**Conclusion on Status**

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

**Recommendation Category:** Policy

**Implementation status:** Not Implemented

The Kenya Ports Authority had previously implemented seven percent of the recommendations. As at the time of this report, the Authority had implemented eight (8) out of thirty six (36) which represents twenty two percent (22%) of recommendations relating to the focus areas considering that out of the forty two; two were deemed not implementable and four had been duplicated.

## KENYA RURAL ROADS AUTHORITY

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the 24th Report of the Public Investments Committee identified thirteen (13) recommendations; ten (10) on procurement and three (3) on PIM. None of recommendations was implemented and therefore, all the thirteen (13) recommendations were subjected to follow-up audit. However, the Management did not submit any response to ascertain whether the fifteen recommendations were implemented. The implementation status therefore, remains unchanged at zero percent (0%) as per the previous follow-up report of March 2025.

The status of the thirteen recommendations in the report issued in March 2025 were as follows:

**Table 15: Recommendations for the Kenya Rural Roads Authority**

Audit Issue	Recommendation	Status - March 2025	Classification
Rehabilitation And Repairs of Kasoiyo-Saos- Society (D350) Road (FY 2014/15 To 2019/2020) Environment Impact Assessment	205. The National Assembly recommends that KeRRA should ensure that it does environmental impact assessment and secure NEMA certificates before awarding contracts.	Not Implemented	Administrative
Assignment Of Works (FY 2014/2015 To 2019/2020)	206. The National Assembly recommends that the concept of assignment of works should be highly discouraged and used on exceptional instances to avoid abuse.	Not Implemented	Administrative
Construction Of Sotik – Cheborge – Roret Kebenet Sigowet Road (D226) (Fy 2014/2015 And 2015/2016)	207. The Authority (KeRRA) should budget for projects based on the allocated funds.	Not Implemented	Administrative
Delayed Project Delivery	208. The management of KeRRA should always adhere to procurement law whenever procuring for goods and services.	Not Implemented	Administrative
Expiry Of Advance Payment Guarantee	209. The National Assembly recommends that the management of KERRA should always adhere to the procurement laws whenever procuring and implementing projects.	Not Implemented	Administrative
Construction To Bitumen Standard of Naromoru – Munyu Karisheni Road (Fy 2014/2015 To 2019/2020)	210. The National Assembly recommends that the management of KERRA should always adhere to procurement laws whenever it procures and implements projects.	Not Implemented	Administrative
Rehabilitation And Repair Of Eldoret-Ziwa-Kachibora- Eldoret-Kabenes Road	211. The KERRA should restructure identification process of contractors by building capacity	Not Implemented	Administrative

Audit Issue	Recommendation	Status - March 2025	Classification
Contract No. Rwc (Fy 2014/2015 To 2019/2020)	on its department that does due diligence on contractors.		
Construction Of Kibunja-Molo-Olenguruone Road (D316) Contract No. Rwc (Fy 2014/2015 To 2019/2020)	<b>212.</b> The National Assembly recommends that the management of KERRA should always adhere to the procurement laws whenever procuring and implementing projects.	Not Implemented	Administrative
Construction Of Sigalagala – Musoli – Sabatia – Butere Roads (D260/E390) (Fy 2014/2015 To 2019/2020)	<b>213.</b> The National Assembly recommends that the management of KERRA should always adhere to the procurement laws whenever procuring and implementing projects.	Not Implemented	Administrative
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 (FY 2015/2016) Assignment Of Works	<b>214.</b> The National Assembly made the following recommendations: KERRA should put in place mechanisms to allow competition when assignment is done to ensure compliance with Article 227 of the Constitution. <b>215.</b> The management of KERRA should always adhere to the procurement laws whenever procuring and implementing projects.	Not Implemented	Administrative
Construction Of Sigiri Bridge And Approach Roads On Road R43 - RW-C092 (FY 2016/17 TO 2019/2020) Slow Progress	<b>216.</b> The accounting officer for the KERRA should always report non-performing contractors to the PPRA.	Not Implemented	Administrative
Training of Contractors on Labour-Based Contracts	<b>217.</b> The National Assembly recommended that the accounting officer for the KERRA should always provide documents for audit review within the statutory timelines.	Not Implemented	Administrative

Source: OAG Analysis of Tracked Recommendations and Management Responses

## **KENYA URBAN ROADS AUTHORITY**

Review of the Auditor General's Report on the Status of the Implementation of Recommendations of the 24th Report of the Public Investment Committee Report for various state corporations identified five similar recommendations for Kenya Rural Roads Authority relating to PIM, all of which were not implemented and were therefore subjected to a follow-up:

-

### **218. Projects behind schedule for Financial Year 2019/2020**

#### **Recommendation**

The National assembly, in respect of four different projects, 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 submitted that the projects were substantially completed, with their respective Defects Liability Period ending on diverse dates. Copies of the Defects Liability Certificates were provided as evidence.

#### **Conclusion on Status**

The Management has not availed information on actions taken to ensure projects are implemented within the contractual timelines.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

The Kenya Urban Roads Authority had previously not implemented any of the recommendations. As at the time of this report, the status remained unchanged at zero percent (0%) relating to the focus areas.

## NATIONAL SOCIAL SECURITY FUND

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified Six (6) recommendations on PIM. None of the recommendation was implemented and therefore, all the Six (6) recommendations were subjected to follow-up audit. However, the Management did not submit any response to ascertain whether the Seven (7) recommendations were implemented. The implementation status, therefore, remains unchanged at zero percent (0%) as per the previous follow-up report of March 2025.

The status of the Six (6) recommendations in the report issued in March 2025 were as follows:

**Table 16: Recommendations for the National Social Security Fund**

Audit Issue	Recommendation	Status - March 2025	Classification
Unaccounted for Members Contributions - Contributions in Transit	<b>219.</b> The National Assembly recommends that the Management of the NSSF should expedite reconciliation and be up to date with members' contributions.	Not Implemented	Administrative
Unsupported Returned Benefits	<b>220.</b> The accounting officer for the NSSF should ensure data of its employees is always updated to ensure easier location and identification of beneficiaries	Not Implemented	Administrative
Unresolved Prior Year Audit Matters-Kisumu Milimani Upmarket Houses	<b>221.</b> 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.	Not Implemented	Administrative
Tassia I and Tassia II Scheme	The National Assembly recommends that: <b>222.</b> 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. <b>223.</b> Further ensure that all the land-related issues have been resolved by isolating those with problems and having them addressed.	Partially Implemented	Administrative
Fixed Deposits held to Maturity	<b>224.</b> The National Assembly recommends that the NSSF should aggressively follow up of the full recovery of its funds.	Not Implemented	Administrative
Unremitted Members Contributions	<b>225.</b> The National Assembly recommends that the Managing Trustee of the NSSF should ensure recovery of the outstanding amounts through aggressive follow-ups.	Not Implemented	Administrative

Source: OAG Analysis of Tracked Recommendations and Management Responses

## **KENYATTA INTERNATIONAL CONVENTION CENTRE**

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified thirteen (13) recommendations; two (2) on payroll, one (1) on procurement and ten (10) on PIM. All the thirteen (13) recommendations were not implemented and were subjected to follow-up audit. The status is as follows: -

### **226. Land – Financial Year 2013/14 to 2018/19**

#### **Recommendation**

The National Assembly Recommended that: KICC Management conduct a search of all its land and update its asset register.

#### **Management Response**

The Management submitted that KICC undertook a Search of the land vide Certificate No REG/SRCH/VYVGV40JIZ. Further, they conducted a search of all its land in 2023 and has updated the Asset register. Extract of Asset Registered was provided for audit review.

#### **Conclusion on Status**

The Management conducted search of all its land. However, the asset register was updated with the value of land registered in her name excluding parcels of land in dispute.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

### **227. Land – Financial Year 2013/14 to 2018/19**

#### **Recommendation**

The National Assembly recommended that The KICC Management should secure ownership documents of all her properties.

#### **Management Response**

The Management submitted that KICC undertook a Search of the land vide Certificate No REG/SRCH/VYVGV40JIZ. Further, they conducted a search of all its land in 2023 and has updated the Asset register. Extract of Asset Registered was provided for audit review.

### **Conclusion on Status**

The KICC management has not yet secured ownership documents for all her properties.

**Recommendation Category:** Administrative

**Implementation status:** partially Implemented

### **228. 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 submitted that KICC has implemented various measures to enhance debt collection by;

- i) Restricting access to rented offices and parking spaces, as well as suspending services to clients with outstanding balances.
- ii) KICC has sought support from the Head of Public Service vide our letter dated 15 April, 2025 Ref: KICC/5/30/Vol. VIII/80

### **Conclusion on Status**

The Management had implemented various measures to enhance debt collection. However, there was no evidence of any measures adopted to aggressively pursue its debtors and ensure settlement of the outstanding amount.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

### **229. Valuation of Assets for 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 submitted that the valuation of assets was carried out during the 2018/2019 financial year, and the resulting market values of the plant, property, and equipment were

incorporated into the Corporation's Financial Statements for the period ended 30th June 2019. The Valuation report and updated asset register were provided for audit review.

#### **Conclusion on Status**

The financial statements of KICC reflected the valued amounts/balances from the Financial Year 2018/2019. However, not all properties were valued within the required timelines.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

### **230. Weak Internal Controls in Vehicle Movements Financial Year 2014/2015**

#### **Recommendation**

The National Assembly Recommended that the State Corporations with a large fleet of vehicles should use digital logbooks.

#### **Management Response**

The Management submitted that KICC has implemented a comprehensive motor vehicle control system through a structured work-ticketing process. The work tickets capture all key details for each vehicle, including trip information, and fuel consumption. The fuel cards are also car tagged to ensure no pilferage of fuel and monthly utilization reports done

#### **Conclusion on Status**

The work ticketing system used by KICC in safaris had improved the weak controls in fleet management though no digitized fleet management.

**Recommendation Category:** Administrative

**Implementation status:** partially Implemented

### **231. Over-Expenditure on Board Expenses for Financial Year 2015/2016**

#### **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 submitted that KICC provided attendance register for the board meetings held during period.

**Conclusion on Status**

The management provided attendance registers. However, the payment schedules and minutes for the overpayments were not provided.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**232. Lack of Asset Register for Financial Year 2016/2017****Recommendation**

The National Assembly recommended that the Management for KICC should always register all her assets.

**Management Response**

The Management submitted that they had Attached- Register of attendance

**Conclusion on Status**

The Management had developed and updated assets register. However, assets without ownership documents were excluded.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

**233. Lack of Asset Register Financial Year 2016/2017****Recommendation**

The National Assembly recommended that The KICC land should be registered under the KICC and not the National Museums.

**Management Response**

The Management submitted that KICC land is not registered under the National Museums of Kenya as per the search certificate No REG/SRCH/YVGV40JIZ

**Conclusion on Status**

The Management indicated that one piece of land is registered and held in trust by the National Treasury. There was no evidence that the land in question was registered in the name of KICC and not National Museums.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**234. Failure to honor Tenancy Agreement for Financial Year 2016/2017 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 submitted that KICC has been written off as per Sec 69(1) of PFMA,2012 and Sec 146 of PFMR,2015.

**Conclusion on Status**

The amount of Kshs.36,096,972 considered bad debts by the Management was not procedurally written off. No documentation were provided to show that the bad debt was irrecoverable and necessary approvals for write-off were sought.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**235. Unsupported Prior Year Adjustment for Financial Year 2018/2019**

**Recommendation**

The National Assembly recommended 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 submitted that KICC provided the statement for changes in equity for 2018/2019 for audit verification

**Conclusion on Status**

The Statement of changes in equity for 2018/2019 was provided for audit verification.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

### **236. Management of Assets for 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 submitted that the Public Investment Committee on its meeting of 28 November, 2023 directed Cabinet Secretary for Land Public works Housing and Urban development to expedite the processing of Title deeds for KICC land. Invitation from PIC Ref: NA/DAASC/PIC.CA&E/2023/155. The Cabinet Secretary for Land Public works Housing and Urban development through letter dated 19th August 2024 Ref MOLPWH&UD/CSO/1/705 request for more time to finalize on the matter.

#### **Conclusion on Status**

The Management had initiated the process of acquiring title deeds. However, the Management did not provide any evidence that they had pursued expeditiously, the conclusion of the pending cases on land; obtained all other ownership documents, all properties valued and reflected in the KICC's accounts.

**Recommendation Category:** Administrative

**Implementation status:** Partially Implemented

### **237. Retreat to Mauritius for Financial Year 2018/2019**

#### **Recommendation**

The National Assembly recommended that KICC should transfer monies to individual beneficiary accounts for ease of accountability.

#### **Management Response**

The Management submitted that KICC pays directly to the accounts of board members and staff who are facilitated for various activities as recommended by the committee. Attached Bank upload schedule

#### **Conclusion on Status**

The Management had implemented an imprest payment system for staffs where monies are transferred to individual beneficiary accounts for ease of accountability.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

**238. Failure to implement IFMIS in Procurement for Financial Year 2018/2019**

**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 submitted that the Corporation wrote to the National Treasury vide letter No KICC/13/38/Vol.1/95 and KICC/5/21/Vol. XIV (13) to integrate ERP System to the IFMIS and National Treasury did not provide a response however, Government has since implemented the e-Government procurement which KICC is compliant.

**Conclusion on Status**

The Management has not implemented IFMIS but instead uses an ERP for her operations.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

The State Corporation had previously not implemented any recommendation. The State Corporation has now implemented two out of thirteen (15%) of recommendations relating to the focus areas.

## NATIONAL HOSPITAL INSURANCE FUND (CURRENTLY SOCIAL HEALTH AUTHORITY)

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified ten (10) recommendations: one (1) on Payroll and nine (9) on PIM. None of recommendation were implemented and therefore, all the ten (10) recommendations were subjected to follow-up audit. However, the Management did not submit any response to ascertain whether the ten (10) recommendations were implemented. The implementation status, therefore, remains unchanged at zero percent (0%) as per the previous follow-up report of March 2025.

The status of the ten (10) recommendations in the report issued in March 2025 were as follows:

**Table 17: Recommendations for the National Hospital Insurance Fund (currently Social Health Authority)**

Audit Issue	Recommendation	Status - March 2025	Classification
Inaccuracies In the Financial Statement	<b>239.</b> The NHIF should update the existing system that instantly reflect contributions once made.	Not Implemented	Administrative
Property, Plant and Equipment	<b>240.</b> The Fund secures the disputed parcel of land through fencing and hires a competent security firm to guard the property until the case is fully determined. <b>241.</b> The parties should engage the Court and the National Land Commission to pursue legal remedies to its logical conclusion	Not Implemented	Administrative
Audited Financial Statements of the National Health Insurance Fund for The Financial Year 2018/2019: - Unquoted Investments	<b>242.</b> The National Assembly recommends that the NHIF should, as much as possible, use its internal legal department to avoid unnecessary wastage of public funds.	Not Implemented	Administrative
Investments In Consolidated	<b>243.</b> The management of the NHIF should withdraw all the investments it made to Consolidated Bank that have not been generating interest. Further, the accounting officer for the NHIF should only invest funds in banks that are profitable and after requisite approvals from the Board and the National Treasury	Not Implemented	Administrative
Trade & Other Receivables	<b>244.</b> The National Assembly recommends that the amount of Kshs.27,488,747 should be restated in the books up and until National Treasury approves write off. Further, the NHIF should request the	Not Implemented	Administrative

Audit Issue	Recommendation	Status - March 2025	Classification
	National Treasury to consider for a write off.		
Interest Receivable	<b>245.</b> 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.	Not Implemented	Administrative
Staff Cost	<b>246.</b> The National Assembly recommends that the accounting officer for the NHIF should always be guided by employment policies.	Not Implemented	Administrative
Staff Welfare	<b>247.</b> The current NHIF Board and Management should recover the Kshs.100,000 irregularly paid, as token of appreciation, to former Board Members.	Not Implemented	Administrative
Trade Creditors	<b>248.</b> The NHIF should use the approved accounting standards when preparing financial statements.	Not Implemented	Administrative

Source: OAG Analysis of Tracked Recommendations and Management Responses

## **WATER SECTOR TRUST FUND**

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified seven (7) recommendations; One (1) on procurement and six (6) on PIM. All the Seven (7) recommendations were not implemented and were subjected to follow-up audit. The status is as follows: -

### **249. Manguva Community Water and Sanitation Project – Financial Year 2006/2007**

#### **Recommendation:**

The National Assembly recommended that the Water Sector Trust Fund (WSTF) Accounting Officer should sue the individual board members of the Non-Governmental Organization (NGO) that failed to perform the contract to make good of the lost money.

#### **Management Response**

The Management submitted that the matter was forwarded to Ethics and Anti-Corruption Commission (EACC) for investigations. The EACC forwarded the matter to Office of the Director of Public Prosecutions (ODPP) who recommended it for closure.

#### **Conclusion on Status**

The Accounting Officer referred the matter to EACC and then to ODPP and the matter was closed.

**Recommendation Category:** Prosecution

**Implementation status:** Implemented

### **250. 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, 2015 and the Public Finance Management Act, 2012 ensue.

#### **Management Response**

The Management submitted that they continue to institute actions on the resolution of questioned costs with the entities concerned including issuance of demand letters for refunds

as per the attached. These actions by management have borne fruit with all questioned costs from past audits, as from financial year 2014/2015 and before all having been resolved.

**Conclusion on Status**

The Management did not demonstrate the measures taken to ensure adherence to the statutory timelines on submission of documents for audit.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**251. Outstanding Ex-Staff Debtor's 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 indicated that it presented the outstanding ex-staff receivables to the Public Investment Committee of Parliament for consideration and a report by Parliament approving write off through letter REF NA/DLP/TBO/RES.12/2022 dated 22 June, 2022 on Auditor General Report on Audited Financial statements for the period Financial Year 2004/20026 to Financial Year 2018/2019 was shared with Water Fund. The management has since expensed off the outstanding staff receivables as per the attached staff receivable ledgers.

**Conclusion on Status**

The management wrote off imprest of Kshs 329,169 instead of making a provision as recommended citing approval by parliament through their report thus misleading.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

**252. Long Outstanding Advances - Financial Year 2015/2016**

**Recommendation:**

The committee Observed and Recommended that though management had provided for doubtful doubts, it should not write them off until all recovery options have failed.

### **Management Response**

The management submitted that it continues to engage with the entities on the long outstanding advances by issuing demand letters with the aim of recovering the balances.

### **Conclusion on Status**

Management did not provide evidence of the measures taken to recover the outstanding amounts or justified any need to write them off.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **Cash and Cash Equivalents – Financial Year 2015/2016**

#### **Recommendation:**

The National Assembly recommended that the accounting officer for the Water Sector Trust Fund 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 undertakes bank reconciliations on a monthly basis with all accounts being up to date as per the attached monthly reconciliations.

### **Conclusion on Status**

The accounting officer did provide evidence or demonstrate controls instituted to ensure adherence to timely provision of information, reconciliations and maintenance of active bank account.

**Recommendation Category:** Administrative

**Implementation status:** Not Implemented

### **253. Information, Communication, Technology (ICT) Policy – Financial Year 2015/2016**

#### **Recommendation:**

The Committee recommends 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 has developed a new ICT policy that is regularly reviewed to accommodate the emerging issues with regards to ICT as attached. This policy has taken into consideration

recommendations from various stakeholders and experts including the external auditors and the ICT Authority. Additionally, the management has instituted measures of IT controls that safeguards sharing of documentation with password protection.

**Conclusion on Status**

The management has developed a new ICT policy.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

**254. Non-Current Assets – Financial Year 2015/2016**

**Recommendation**

The accounting officer for the Water Sector Trust Fund should always adhere to the IPSAS in reporting of its assets.

**Management Response**

The management has tagged all its assets and continues to maintain up-to-date assets register in line with IPSAS as per the attached asset tag report. In addition, the management developed and reviewed the Finance Procedures manual that includes asset management policy.

**Conclusion on Status**

The Management had developed and reviewed the Finance Procedures manual that includes asset management policy and adhered to the IPSAS in reporting of its assets.

**Recommendation Category:** Administrative

**Implementation status:** Implemented

The State Corporation had previously not implemented any of the seven recommendations. The State Corporation has now implemented three out of seven (43%) of recommendations related to the focus areas.

## KENYA MARITIME AUTHORITY

Review of the Auditor General's Report on the Status of The Implementation of Recommendations made in the Report of The Public Accounts Committee in the Financial Year 2020/2021 identified twenty-one (21) recommendations: one (1) on Payroll, four (4) on procurement and sixteen (16) on PIM. Eight (8) out of the twenty one (21) were implemented. The other thirteen (13) recommendations were not implemented and were therefore, subjected to follow-up audit. However, the Management did not submit any response to ascertain whether the thirteen (13) recommendations were implemented. The implementation status, therefore, remains unchanged at thirty eight percent (38%) as per the previous follow-up report of March 2025.

The status of the thirteen (13) recommendations in the report issued in March 2025 were as follows: -

**Table 18: Recommendation for the Kenya Maritime Authority**

Audit Issue	Recommendation	Status - March 2025	Classification
HIV and AIDS Related Awareness	<b>255.</b> The Accounting Officer should only make payments using rates approved by the Salaries and Remuneration Commission.	Not Implemented	Administrative
Repairs and Maintenance	<b>256.</b> The Accounting Officer should adhere to statutory timelines on submission of documents for audit, failure to which sanctions under the Public Audit Act, 2015 ensue.	Not Implemented	Administrative
Maintenance of Buildings	<b>257.</b> The Accounting Officer and procurement function should adhere to the Public Procurement and Asset Disposal Act, 2015 when procuring goods and services.	Not Implemented	Administrative
Cash and Cash Equivalents	<b>258.</b> The Accounting Officer should ensure that all payments go through checks and balances before release of funds.	Not Implemented	Administrative
Trade and Other Receivables from Exchange Transactions	The National Assembly recommends that: <b>259.</b> The KMA should develop and maintain data bank/records of small boat owners. <b>260.</b> The Accounting Officer should devise a robust debt collection mechanism from boat owners.	Not Implemented	Administrative
Other Non-Trade Receivables	<b>261.</b> The Accounting Officer should pursue recovery of the paid monies either from the company or its directors.	Not Implemented	Administrative
Provision for Doubtful Debts	<b>262.</b> The Accounting Officer should adhere to the policy on analysis of debtors before providing for doubtful debts.	Not Implemented	Administrative

<b>Audit Issue</b>	<b>Recommendation</b>	<b>Status - March 2025</b>	<b>Classification</b>
Purchase of Land for Search and Rescue Centers	<b>263.</b> The Director-General should be clear in advertising for Expressions of Interest to avoid exploitation of vagueness.	Not Implemented	Administrative
Leasehold Land	<b>264.</b> The Accounting Officer should seek belated approval from KRC to lift land-use conditions to allow commercial usage and ensure adherence to the law when executing major contracts.	Not Implemented	Administrative
Capital Work in Progress	<b>265.</b> The main contractor should reimburse KMA the Kshs.6 million paid for security.		Administrative
Materials on Site	<b>266.</b> The Accounting Officer should submit documents for audit verification as per the Public Audit Act, 2015 and PFM Act, 2012, failing which sanctions apply.	Not Implemented	Administrative
Payment of Rent	<b>267.</b> The Accounting Officer should recover the Kshs.2 million paid for rent from the main contractor in the next payment certificate.	Not Implemented	Administrative
Construction of Headquarters Subcontracts	<b>268.</b> The National Assembly recommends that the accounting officer of the KMA should always adhere to the law relating to procurement.	Not Implemented	Administrative

Source: OAG Analysis of Tracked Recommendations and Management Responses

## CONCLUSION

The following conclusions have been drawn from the observations made.

1. **Marginal Achievement of the 50% Target in DLI 6.1.2:** Out of the thirty (30) selected entities, only six (6) entities achieved the target of fifty percent (50%) on implementation of audit recommendations relating to the focus area by December 2025. Further, five (5) entities implemented between twenty-five percent (25%) and forty-nine percent (49%) of the audit recommendations relating to the focus areas. In addition, nineteen (19) entities implemented below twenty five percent (25%) of the recommendations. This indicates a prevalent failure to act on the audit recommendations issued by the National Assembly.
2. **Low Response Rate:** Nine (9) entities out of the twenty-nine (29) entities that the Office had requested for information on corrective actions taken did not respond. This reflects dereliction of duty by the Management in the provision of information during the audit process contrary to Section 9(1)(f) of Public Audit Act, 2015.
3. **Systemic Neglect in Implementing Recommendations:** One hundred and eighty-six (186) recommendations, representing sixty percent (58%) in the focus areas were not implemented. This implies systemic neglect in implementation of audit recommendations made by the National Assembly, contrary to Section 53 of the Public Audit Act, 2015.
4. **Positive Financial Impact:** 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 as reported by the accounting officers who have been able to recover Kshs.66,937,388.
5. **Gap in the Accountability Process:** Fifty-eight (58) recommendations were partially implemented. A significant number of partially implemented recommendations are because of failure to report back to Parliament on actions taken as directed by the National Assembly. Failure to submit a report on actions taken creates a gap in the accountability process.
6. **Capacity Limitations:** Management responses revealed a lack of capacity among some Accounting Officers to conceptualize and execute appropriate corrective actions. The management responded to the initial audit findings, rather than the recommendations by the National Assembly.

## RECOMMENDATION


To effectively ensure the recommendations are implemented, the following actions should be considered;


1. **Performance Accountability:** The Executive should require the integration of audit recommendation implementation as a key performance indicator within subsequent performance contracts for Accounting Officers, thereby incentivizing compliance and strengthening accountability across the public sector.
2. **Legislative Enforcement:** Parliament should enact and rigorously enforce statutory sanctions for non-compliance with audit recommendations to ensure deterrence and promote full adherence to corrective actions.
3. **Capacity Building on Implementation of Audit Recommendations:** The National Treasury should enhance the capacity of Accounting Officers through targeted training, guidance, and technical support to improve their understanding and effective execution of corrective measures. The National Treasury should consider developing toolkits and templates for tracking implementation of recommendations with periodic reporting by accounting officers on level of implementation.
4. **Strengthen Internal Audit Committees:** Regulation 175 of Public Finance Management Regulations (National Government), 2015, requires Audit Committees to follow up on the implementation of the recommendations of internal and external auditors. The Executive should strengthen these Committees to ensure they play their roles effectively to enhance implementation of audit recommendations. Further, the audit committees should consider making "Implementation Tracking" a mandatory audit committee item with minuted decisions and consequence management in each quarterly meeting.


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