



Approved
SNA
28/5/26.

REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026

PUBLIC PETITIONS COMMITTEE



REPORT ON-

CONSIDERATION OF P/NO.32 OF 2025 REGARDING COMPENSATION OF
RESIDENTS AFFECTED BY THE CONSTRUCTION OF THE EMBU
RING/CONNECTOR ROAD IN EMBU COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 28 MAY 2026	DAY: Thursday
TABLED BY:	Hon. Maisori Marwa, MP Member, Public Petitions Committee
CLERK-AT THE-TABLE:	Irene Nduku

Directorate of Audit Appropriations &

General Purpose Committees

Clerk's Chambers

Main Parliament Buildings

NAIROBI

MAY, 2026

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ACRONYMS

KeRRA	Kenya Rural Roads Authority
NLC	National Land Commission
PAPs	Persons Affected by Project

CHAIRPERSON'S FOREWORD

On behalf of the Public Petitions Committee and pursuant to the provisions of Standing Order 227, it is my pleasant privilege and honor to present to this House the Report of the Committee on Public Petition No. 32 of 2025 regarding the compensation of residents affected by the construction of the Embu Ring/Connector road project in Embu County by Mr. Francis Munene.

The petition was presented to the House pursuant to Standing Order No. 225 (2) (a) by the Honorable Speaker on behalf of the Petitioner.

The Committee considered the Petition and observed that the National Land Commission(NLC) is yet to receive the requisite funds from Kenya Rural Roads Authority (KeRRA). KeRRA commenced the valuation process and it is awaiting exchequer release from the National Treasury to complete the payment process.

The Committee undertook this inquiry by listening to the petitioner and receiving submissions from the Ministry of Lands, Public Works, Housing and Urban Development, National Land Commission and the Kenya Rural Roads Authority (KeRRA).

The committee recommends that KeRRA and National Treasury budgets for the compensation in FY 2026/27 estimates and settles within ninety (90) days of the financial year.

The Committee appreciates the Offices of the Speaker and Clerk of the National Assembly for providing guidance and necessary technical support, without which its work would not have been possible. The Chairperson expresses gratitude to the Committee Members for their devotion and commitment to duty during the consideration of the Petition.

On behalf of the Committee and pursuant to the provisions of Standing Order 199, I now wish to lay the Report on the Table of the House.

HON. MUCHANGI KAREMBA, CBS, M.P.

CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

PART ONE

1 PREFACE

1.1 Establishment and Mandate of the Committee

1. The Public Petitions Committee is established under the provisions of Standing Order 208A with the following terms of reference:
 - i) considering all public petitions tabled in the House;
 - ii) making such recommendations as may be appropriate with respect to the prayers sought in the petitions;
 - iii) recommending whether the findings arising from consideration of a petition should be debated; and
 - iv) advising the House and reporting on all public petitions committed to it.

1.2 Committee Membership

2. The Public Petitions Committee was first constituted in October 2022 and reconstituted in March 2025 and comprises the following Members:

Chairperson

Hon. Muchangi Karemba, CBS, M.P.

Runyenjes Constituency

United Democratic Alliance (UDA)

Vice Chairperson

Hon. Janet Jepkemboi Sitienei, M.P.

Turbo Constituency

United Democratic Alliance (UDA)

Hon. Patrick Makau King'ola, M.P.

Mavoko Constituency

Wiper Democratic Movement-Kenya

(WDM-K)

Hon. Edith Vethi Nyenze, M.P.

Kitui West Constituency

Wiper Democratic Movement-Kenya

(WDM-K)

Hon. Joshua Chepyegon Kandie, M.P.

Baringo Central Constituency

United Democratic Alliance (UDA)

Hon. Beatrice Kadeveresia Elachi, CBS, M.P.

Dagoretti North Constituency

Orange Democratic Movement (ODM)

Hon. Maisori Marwa Kitayama, M.P.

Kuria East Constituency

United Democratic Alliance (UDA)

Hon. Paul Biego Kibichiy, M.P.

Chesumei Constituency

United Democratic Alliance (UDA)

Hon. Bernard Muriuki Nebart, M.P.

Mbeere South Constituency

Independent

Hon. Patrick Munene, CBS, M.P.

Chuka Igambang'ombe Constituency

United Democratic Alliance (UDA)

Hon. John Bwire Okano, M.P.

Taveta Constituency

Wiper Democratic Movement-Kenya

(WDM-K)

Hon. Peter Mbogho Shake, M.P.

Mwatate Constituency

Jubilee Party (JP)

Hon. Suzanne Ndunge Kiamba, M.P.

Makueni Constituency

Wiper Democratic Movement-Kenya

(WDM-K)

Hon. Peter Irungu Kihungi, M.P.

Kangema Constituency

United Democratic Alliance (UDA)

Hon. Sloya Clement Logova, M.P.

Sabatia Constituency

United Democratic Alliance (UDA)

1.3 Committee Secretariat

3. The Public Petitions Committee is facilitated by the following members of the secretariat:

Lead Clerk
Mr. Victor Weke
Principal Clerk Assistant II

Ms. Miriam Modo
First Clerk Assistant

Mr. Benard Toroitich
Third Clerk Assistant

Ms. Kafuyai Wamae
Third Clerk Assistant

Mr. Clinton Sindiga
Legal Counsel II

Ms. Nancy Akinyi
Research Officer III

Mr. Arkan Mumin
Research Officer III

Ms. Roselyne Njuki
Principal Serjeant-at-Arms

Mr. Paul Shana
Serjeant-at-Arms

Mr. Pascal Valerian
Hansard Officer III

Mr. Collins Mahamba
Audio Officer III

Ms. Felistus Muiya
Public Communication Officer

Ms. Fridah Ngari
Media Relations Officer III

PART TWO

2 BACKGROUND OF THE PETITION

2.1 Introduction

4. Pursuant to Article 119 of the Constitution, every person has the right to petition parliament to consider any matter that is within its authority. Standing Order 227 of the National Assembly gives the Public Petition Committee mandate to respond by way of a report to the petitioner within ninety calendar days of committal of the petition to the Committee.
5. The Petition was reported to the House by the Speaker, Hon. Dr. Moses Wetangula on behalf of the Petitioner.
6. The Petitioner is representing residents and land owners affected by the construction of the Embu-Hospital- Kathangariri-Kianjokoma- Kanja- Runyenjes- Siakago (Embu Ring/ Connector) Road Project in Embu County.
7. The Kenya Rural Roads Authority (KeRRA) and the National Land Commission (NLC) compulsorily acquired private land pursuant to Article 40(3) of the Constitution and the Land Act, 2012 for the construction of the 63-kilometer Embu Ring/ Connector Road.
8. The petitioners indicate that implementation of the project adversely affected numerous households, farms and business premises along the project corridor resulting in economic hardship, disruption of livelihoods and displacement of families.
9. The issues in respect of which this Petition is raised are not pending before any Court of law or any constitutional or legal body.

2.2 Prayers

10. The Petitioners prayed that the National Assembly, through the Public Petitions Committee-
 - i) Investigate the status of compensation for all PAPs along Embu Hospital-Kathangariri-Kianjokoma-Kanja-Runyenjes-Siakago Road including the reasons for the delay or non-payment, the accuracy and fairness of the valuation reports and the legal status of the compulsory acquisition;
 - ii) Recommends prompt and fair compensation for all PAPs in accordance with Article 40(3) of the Constitution and the Land Act; and

iii) Makes any other recommendations or takes any actions it deems appropriate to address the plight of the petitioners.

PART THREE

3 STAKEHOLDERS' SUBMISSIONS

3.1 The Petitioners

The Petitioners appeared before the Committee on Wednesday, 11th March, 2026 and submitted as follows -

11. The Government of Kenya through KeNHA and NLC compulsorily acquired private land pursuant to Article 40(3) of the Constitution and the Land Act, 2012 for the construction of 63 kilometers Embu Ring/ Connector Road.
12. In the course of implementing the project, numerous households, farms and business premises along the project corridor have been affected, resulting in economic hardship, disruption of livelihoods, and displacement of families.
13. The Committee was informed that on 23rd February 2024, a Gazette Notice was issued confirming the compulsory acquisition and listing of all affected parcels of land for the purposes of compensation. The petitioner avers that the Gazette Notice thereby created a legitimate, lawful expectation that compensation would be promptly, adequately and timely paid as required under the Constitution and the Land Act.
14. Further the Committee was informed that despite the continued construction and advancement of works on the project, many Project-Affected Persons (PAPs) remain uncompensated to date.
15. The lack of compensation has resulted to loss of homes, agricultural land and livelihood sources; inability to relocate or rebuild due to lack of funds; chronic financial distress, including the inability to service loans tied to the affected properties; emotional and psychological stress among affected families; and disruption of community stability and economic activity along the corridor.
16. The petitioner informed the committee that repeated follow-ups with KERRA, NLC and local administrative offices have not yielded clear timelines, reasons for delays, or definitive action, leaving residents frustrated and without a remedy.

3.2 National Land Commission

The CEO, National Land Commission, Mr. Kabale Tache Aero, vide a letter REF: NLC/NA/PPC/2026/03(1) dated 9th March, 2026 presented written submissions to the committee. He submitted as follows -

17. On the legal status of the compulsory acquisition: The compulsory acquisition process was undertaken in compliance with the Land Act No. 6 of 2012. The subject project was duly gazette for intention to acquire vide Gazette Notice No. 4387 dated 4th April, 2023. Inquiries were subsequently gazette vide Gazette Notices Nos. 4387 (2023) and 2069 (2024) and conducted at the gazette venues and dates. Accordingly, the acquisition process is legally and procedurally compliant.
18. On the valuation and fairness of reports: Inspections were carried out for valuation purposes, after which valuation reports and compensation schedules were prepared. These valuations adhered to established professional standards and principles of fairness, ensuring that PAPs were accorded just and equitable consideration in line with the law.
19. On the reasons for delay or non-payment: Upon completion of the valuation report and compensation schedule, the Commission requested compensation funds from the acquiring authority. The Commission is yet to receive the requisite funds from Kenya Rural Roads Authority (KeRRA). Consequently, processing and payment to the affected PAPs has not commenced. The delay is therefore attributable to the pending release of funds by the acquiring authority.
20. Once the Commission receives the compensation funds from KeRRA, payments to the PAPs will be processed without undue delay.

3.3 Kenya Rural Roads Authority

The DG, KeRRA, Eng.J.K Magundu, vide a letter REF: KeRRA/02/5/2/VOL.9(20) dated 923rd March, 2026 presented written submissions to the committee. He submitted as follows -

21. The compensation valuation process was completed in March 2025. The Authority is awaiting exchequer release from the National Treasury to complete the payment process. Due process was followed to ensure fairness and accuracy, as follows;
 - i) October 2019: Valuation of Crops was done by the Embu County Director of Agriculture
 - ii) April 2022: Valuation of Trees was done by the Kenya Forest Services, Embu County
 - iii) April 2023: The Gazette Notices were issued, and a physical inspection was undertaken by the National Lands Commission
 - iv) April 2024: Public Inquiries by the National Land Commission
 - v) March 2025: The National Land Commission finalized the valuation process

22. The Ministry confirms that upon release of the exchequer, the compensation funds will be channeled to the National Land Commission, which will then issue respective awards to the Project Affected Persons (PAPs).

3.4 The National Treasury

The Principal Administrative Secretary on behalf of the Principal Secretary/The National Treasury vide letter Ref: DV/ES 091/25/01/B/(35) dated 20th May 2026 submitted as follows:

23. Kenya National Highway (KeNHA) and the National Land Commission (NLC) admitted liability for funds owed to the Project Affected Persons (PAPs) for the private land acquired for construction of the ongoing road project.
24. However, no budgetary provisions were appropriated for Land Compensation and Relocation of Services under the Embu Hsp-Kathangariri - Kianjokoma – Runyenjes - Mbui – Kanja – Siakago Road project in the FY 2025/26 budget and in the previous Financial Years.
25. The National Treasury is not the implementing agency for road projects and therefore is not in a position to prioritize budgetary allocations to road project and associated services including payment of Project Affected Persons (PAPs).
26. However, given the need for smooth implementation of the projects, the State Department for Roads should determine the actual cost of the PAPs and ensure that the necessary allocation is prioritized during implementation of the FY 2026/27 budget.

PART FOUR

4 COMMITTEE OBSERVATIONS

27. Upon reviewing and considering the submissions by the petitioners, NLC and the Ministry of Lands, Public Works, Housing and Urban Development and the Kenya Rural Roads Authority, the Committee observed that—

- i) KeRRA admitted liability and was awaiting exchequer release from the National Treasury to complete the payment process to affected persons. The National Treasury however noted that it was the implementing agency's prerogative to prioritize budget items.
- ii) The valuation of Ksh. 1.5 million per acre approximately ten (10) years ago during the initial project planning stages may have been fair as at the time but the inordinate delay in settling these sums had in essence short changed the residents due to inflation and appreciation of the value of the land.
- iii) Moreover, caveats imposed on the land titles had disenfranchised residents as they were unable to use the title deeds for commercial purposes.

PART FIVE

5 COMMITTEE RECOMMENDATIONS

28. Pursuant to the provisions of Standing Order 227, the Committee responds to the Petition as follows—

- i) Investigate the status of compensation for all PAPs along Embu Hospital-Kathangariri-Kianjokoma-Kanja-Runyenjes-Siakago Road including the reasons for the delay or non-payment, the accuracy and fairness of the valuation reports and the legal status of the compulsory acquisition; **the Committee notes that KeRRA had indeed admitted liability and cited exchequer constraints as the reason for delay. The valuation reports were done as per the law, save for delayed payments.**
- ii) On the prayers that the National Assembly recommends prompt and fair compensation for all PAPs in accordance with Article 40(3) of the Constitution and the Land Act; **the Committee recommends that the National Treasury and KeRRA ensures inclusion of the compensation monies in the FY 2026/27 budget and should settle the outstanding dues within ninety (90) days of the subject financial year, failure to which interest accrues from date of possession as per section 117 of the Land Act.**
- iii) Makes any other recommendations or takes any actions it deems appropriate to address the plight of the petitioners; **the Committee recommends that upon settlement of the compensation, KeRRA must ensure that the caveat placed on portions of title deeds of those affected are lifted immediately.**

Signed: _____

Date: _____

HON. MUCHANGI KAREMBA, CBS, M.P.

CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 28 MAY 2026	
DAY: Thursday	
TABLED BY:	Hon. Maisori Marwa, MP
CLERK-AT THE-TABLE:	Irene Nduku

ANNEXURES

Annexure 1:	Adoption List
Annexure 2:	Public Petition No.32 of 2025 Regarding Compensation of the Embu Ring/Connector Project in Embu County
Annexure 3:	Minutes of Proceedings

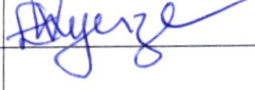
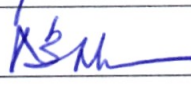
PUBLIC PETITIONS COMMITTEE

ADOPTION LIST

- (i) Consideration and adoption of the P/No. 32/2025 regarding compensation for residents affected by the construction of the Embu Ring/ Connector Road project in Embu County.

We, the undersigned, hereby affix our signatures to this Report to affirm our approval:

DATE: 8/5/2026

	HON. MEMBER	SIGNATURE
1.	Hon. Muchangi Karemba, CBS, M.P.(Chairperson)	
2.	Hon. Janet Jepkemboi Sitienei, CBS, M.P.(Vice Chairperson)	
3.	Hon. Patrick Makau King'ola, M.P.	
4.	Hon. Beatrice Kadeveresia Elachi, CBS, M.P.	
5.	Hon. Joshua Chepyegon Kandie, M.P.	
6.	Hon. Maisori Marwa Kitayama, M.P.	
7.	Hon. Edith Vethi Nyenze, M.P.	
8.	Hon. Patrick Ntwiga Munene, CBS, M.P.	
9.	Hon. Paul Biego Kibichy, M.P.	
10.	Hon. (Eng.) Bernard Muriuki Nebart, M.P.	
11.	Hon. Peter Mbogho Shake, M.P.	
12.	Hon. Suzanne Ndunge Kiamba, M.P.	
13.	Hon. John Bwire Okano, M.P.	
14.	Hon. Sloya Clement Logova, M.P.	
15.	Hon. Peter Irungu Kihungi, M.P.	



REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT (FOURTH SESSION)

PUBLIC PETITION

(NO. 32 OF 2025)

REGARDING COMPENSATION OF RESIDENTS AFFECTED BY THE
CONSTRUCTION OF THE *EMBU RING/CONNECTOR ROAD PROJECT* IN
EMBU COUNTY

1. **Honourable Members**, Article 119 of the Constitution accords any person the right to petition Parliament to consider any matter within its authority. Further, Standing Order 225(2)(b) requires the Speaker to report to the House any Petition other than that presented by a Member.
2. **Honourable Members**, I wish to report to the House that my office has received a Petition from Mr. Francis Munene of ID No. 46XXXX26 and Others being residents and land owners affected by the construction of the *Embu Hospital - Kathangariri - Kianjokoma - Kanja - Runyenjes - Siakago (Embu Ring/Connector) Road project* in Embu County.
3. The Petitioners aver that the Kenya National Highways Authority (KeNHA) and the National Land Commission (NLC) compulsorily acquired private land pursuant to Article 40(3) of the Constitution and the Land Act, 2012, for the construction of the 63-kilometre Embu Ring/Connector Road.
4. The Petitioners further state that the said road project is officially recorded in national project trackers as *the Embu Hospital-Kathangariri-Kianjokoma-Kanja-Runyenjes-Siakago Road*.
5. **Honourable Members**, the Petitioners indicate that implementation of the project adversely affected numerous households, farms, and business premises along the project corridor, resulting in economic hardship, disruption of livelihoods, and displacement of families.
6. The Petitioners state that on 23rd February 2024, a Gazette Notice was issued confirming the compulsory acquisition and listing all affected parcels for compensation. They contend that this Gazette Notice created a legitimate expectation that compensation would be prompt, adequate, and timely, as required under the Constitution and the Land Act.
7. **Honourable Members**, the Petitioners lament that despite the ongoing construction and advancement of works, many Project-Affected Persons (PAPs) remain uncompensated to date.

8. The Petitioners indicate that this failure has resulted in the loss of homes, agricultural land, and sources of livelihood; inability to relocate or rebuild; serious financial distress, including difficulties servicing loans tied to the affected properties; emotional and psychological strain; and disruption of community stability and economic activity along the project corridor.
9. **Honourable Members**, the Petitioners submit that their repeated follow-ups with KeNHA, NLC, and local administrative offices have not yielded clear timelines, explanations for the delays, or any definitive action, leaving the affected residents frustrated and without recourse.
10. The Petitioners express concern that the continued delay in compensation violates their constitutional rights to property, fair administrative action under Article 47, and their social and economic rights under Article 43.
11. **Honourable Members**, the Petitioners affirm that the issues in respect of which the Petition is raised are not pending before any court of law, constitutional or legal body.
12. The Petitioners therefore pray that the National Assembly through the Public Petitions Committee—
- (i) Investigates the status of compensation for all PAPs along the *Embu Hospital–Kathangariri–Kianjokoma–Kanja–Runyenjes–Siakago Road*, including the reasons for delay or non-payment, the accuracy and fairness of valuation reports, and the legal status of the compulsory acquisition;
 - (ii) Recommends prompt and fair compensation for all PAPs in accordance with Article 40(3) of the Constitution and the Land Act; and
 - (iii) Makes any other recommendations or takes any actions it deems appropriate to address the plight of the Petitioners.
13. **Honourable Members**, having determined that the matters raised by the Petitioner are well within the authority of this House, I order that, pursuant to the provisions of Standing Order 227(1), this petition be committed to the Public Petitions Committee.
14. The Committee is required to consider the petition and report its findings to the House and the Petitioner in accordance with Standing Order 227(2).

I thank you!

Wetang'ula
THE RT. HON. MOSES WETANG'ULA, EGH, MP
SPEAKER OF THE NATIONAL ASSEMBLY

Date..... 31/12/25

PETITION TO THE NATIONAL ASSEMBLY.

INTERVENTION ON DELAYED LAND COMPENSATION FOR RESIDENTS AFFECTED BY
THE EMBU HOSPITAL - KATHANGARIRI - KIANJOKOMA - KANJA - RUNYENJES -
SIKAGO ROAD PROJECT.

TO:

The Clerk of the National Assembly,
Parliament Buildings,
P.o Box 41842 - 00100.
Nairobi - Kenya.

We, the undersigned, residents and land owners affected by the above mentioned road project, draw the attention of the National Assembly to the following;

1. **THAT** the Government of Kenya, through the Kenya National Highways Authority (KeNHA) and the National Land Commission (NLC) compulsorily acquired private land for the construction of the Embu Hospital-Kathangariri-Kianjokoma-Kanja-Runyenjes-Siakago Road thereby affecting numerous households along the project corridor.
2. **THAT** on 23rd February 2024, a gazette notice was issued confirming the acquisition and listing all affected parcels for compensation thereby creating a legitimate expectation of prompt and fair payment as required by law.
3. **THAT** despite this official gazettement, no compensation has been paid to the affected residents to date causing severe financial distress, loss of livelihoods and displacement of families.
4. **THAT** repeated efforts to seek redress from the Ministry of Roads and Transport KeNHA and the NLC have not yielded any satisfactory results.
5. **THAT** this delay violates the constitutional right to property under Article 40, the right to fair administrative action under Article 47, and the provisions of the Land Act requiring prompt and adequate compensation for compulsory acquisition.

Therefore, your humble petitioners pray that the National Assembly, through the relevant departmental committee:

- a) Investigates the reasons for the delay in compensation despite gazettement.
- b) Compels the Ministry of Roads and Transport KeNHA and the NLC to immediately process and pay all pending compensation.
- c) Ensures that valuation and payment processes are transparent, timely and in accordance with constitutional and legal requirements.
- d) Recommends any additional measures necessary to protect the rights and welfare of the affected residents.

Thank you,

Authored and signed by us on 29th September 2025. (Schedule annexed).

MINUTES OF THE 36TH SITTING OF THE PUBLIC PETITIONS COMMITTEE HELD ON FRIDAY, 8TH MAY, 2026 IN BAOBAB CONFERENCE ROOM, SERENA HOTEL, MOMBASA COUNTY AT 9:00 A.M.

PRESENT

- | | | |
|--|---|-------------------------|
| 1. Hon. Eric Muchangi Karemba, CBS M.P. | - | Chairperson |
| 2. Hon. Janet Jepkemboi Sitienei, CBS, M.P. | - | Vice-Chairperson |
| 3. Hon. Beatrice Kadeveresia Elachi, CBS, M.P. | | |
| 4. Hon. Joshua Chepyegon Kandie, M.P. | | |
| 5. Hon. Maisori Marwa Kitayama, M.P. | | |
| 6. Hon. (Eng.) Bernard Nebart Muriuki, M.P. | | |
| 7. Hon. Edith Vethi Nyenze, M.P. | | |
| 8. Hon. Paul Biego Kibichiy, M.P. | | |

APOLOGIES

1. Hon. Patrick Makau King'ola, M.P.
2. Hon. Suzanne Ndunge Kiamba, M.P.
3. Hon. Peter Irungu Kihungi, M.P.
4. Hon. Peter Mbogho Shake, M.P.
5. Hon. Sloya Clement Logova, M.P.
6. Hon. Patrick Ntwiga Munene, CBS, M.P.
7. Hon. John Bwire Okano, M.P.

IN-ATTENDANCE

SECRETARIAT

- | | | |
|--------------------------|---|-------------------------------|
| 1. Mr. Victor Weke | - | Principal Clerk Assistant II |
| 2. Ms. Miriam Modo | - | Clerk Assistant I |
| 3. Mr. Bernard Toroitich | - | Clerk Assistant III |
| 4. Ms. Kafuyai Wamae | - | Clerk Assistant III |
| 5. Mr. Clinton Sindiga | - | Legal Counsel II |
| 6. Ms. Nancy Akinyi | - | Research Officer III |
| 7. Mr. Arkan Mumin | - | Research Officer III |
| 8. Mr. Collins Mahamba | - | Audio Officer |
| 9. Ms. Felistas Muiya | - | Public Communications Officer |
| 10. Mr. Rose Njuki | - | Serjeant-at-Arms |

MIN./PPC/2026/186:

PRELIMINARIES

The Chairperson called the meeting to order at 9:00 am and opening prayers were led by the Hon. Nerbert Muriuki, MP.

MIN./PPC/2026/187:

ADOPTION OF AGENDA

The proposed agenda was adopted having been proposed by Hon. Paul Biego Kibichiy, M.P and seconded by, Hon. Edith Vethi Nyenze, M.P.

AGENDA

1. Prayer and Preliminaries
2. Adoption of the Agenda
3. Confirmation of previous Minutes
4. Matters Arising
5. **Consideration and adoption of the following public petition reports:**
 - (i) **Public Petition No. 29 of 2025 regarding encroachment of community land by the Kenya Wildlife Service in Kitui County by residents of Kitui South Constituency;**
 - (ii) **Public Petition No. 32 of 2025 regarding compensation of residents affected by the construction of the Embu Ring/Connector Road project in Embu County; and**
 - (iii) **Public Petition No. 5 of 2025 by Hon. Benard Kitur, M.P regarding illegal acquisition of parcels of land registered as Kapkakaran Farm in Nandi County.**
6. Any Other Business
7. Adjournment and Date of the Next Meeting

MIN./PPC/2026/188: CONFIRMATION OF MINUTES

This agenda item was deferred to the next sitting.

MIN./PPC/2026/189: CONSIDERATION AND ADOPTION OF REPORTS ON VARIOUS PUBLIC PETITIONS

a) Public Petition No. 29 of 2025 regarding encroachment of community land by the Kenya Wildlife Service in Kitui County by residents of Kitui South Constituency.

The Committee considered and adopted the Draft Report unanimously having been proposed by the Hon. Joshua Kandie, MP and seconded by the Hon. Nerbert Muriuki, MP as follows –

- (i) **On the prayer that the Public petitions Committee undertakes a thorough investigation into the alleged irregular and unlawful expansion of Kenya Wildlife Service land boundaries in Kitui South Constituency;** the Committee recommends that the Ministries of Lands, Tourism & Wildlife and National Land Commission in liaison with the County Government of Kitui , and with full public participation, jointly re-surveys the boundaries of the reserve and addresses the 700km disparity between the acreage on the legal notice of 1979 and the Wildlife and Conservation Management Act, within six (6) months of tabling of this report.
- (ii) **On the prayer that the Public Petitions Committee compels KWS to produce official maps, survey documents, gazette notices, and legal instruments supporting any land acquisition or boundary changes undertaken;** the Committee noted that the County Government of Kitui was the custodian of the land, and reiterates its recommendation on prayer (i) above.

- (iii) **On the prayer that the Public petitions Committee directs the Ministry of Lands, the Survey of Kenya, and the National Land Commission to conduct a transparent boundary verification exercise with full community participation;** the Committee reiterates its recommendation that the Ministries of Lands, Tourism & Wildlife and National Land Commission in liaison with the County Government of Kitui, with full public participation, jointly re-surveys the boundaries of the reserve and addresses the 700km disparity between the acreage on the legal notice of 1979 and the Wildlife and Conservation Management Act, within six (6) months of tabling of this report.
 - (iv) **On the prayer that the Public Petitions Committee ensures that any land irregularly taken from the community is restored, and that unlawful boundary markers are removed;** the Committee recommends that any land outside the gazetted acreage, resulting from the re-survey, be reverted to the community.
- b) Public Petition No. 32 of 2025 regarding the compensation of residents affected by the construction of the Embu Ring/Connector project in Embu County.**
- i) Investigate the status of compensation for all PAPs along Embu Hospital-Kathangariri-Kianjokoma-Kanja-Runyenjes-Siakago Road including the reasons for the delay or non-payment, the accuracy and fairness of the valuation reports and the legal status of the compulsory acquisition; **the Committee notes that KeRRA had indeed admitted liability and cited exchequer constraints as the reason for delay. The valuation reports were done as per the law, save for delayed payments.**
 - ii) On the prayers that the National Assembly recommends prompt and fair compensation for all PAPs in accordance with Article 40(3) of the Constitution and the Land Act; **the Committee recommends that the National Treasury and KeRRA ensures inclusion of the compensation monies in the FY 2026/27 budget and should settle the outstanding dues within ninety (90) days of the subject financial year, failure to which interest accrues from date of possession as per section 117 of the Land Act.**
 - iii) Makes any other recommendations or takes any actions it deems appropriate to address the plight of the petitioners; **the Committee recommends that upon settlement of the compensation, KeRRA must ensure that the caveat placed on portions of title deeds of those affected are lifted immediately.**
- c) Public Petition No. 5 of 2025 by Hon. Benard Kitur, M.P regarding illegal acquisition of parcels of land registered as Kapkaron farm in Nandi County.**
- The adoption of the Draft Report was deferred pending receipt of a written response from, and a meeting with, the National Land Commission concerning the current status of proceedings relating to

Historical Injustice Claim No. NLC/HLI/374/2021, particularly in light of the principle of timelines under fair administrative action.

MIN./PPC/2026/190: ADJOURNMENT AND DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at 4:30 p.m.

Sign:  Date 28/05/26

HON. MUCHANGI KAREMBA, CBS, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE



REPUBLIC OF KENYA

MINISTRY OF LANDS, PUBLIC WORKS, HOUSING AND URBAN DEVELOPMENT
MEETING WITH THE PUBLIC PETITIONS COMMITTEE ON VARIOUS PETITIONS

Honourable Chair,

Pursuant to a letter Ref. NA/DAA&GPC/PPC/2026/014 dated 18th February, 2026, the Committee invited the Principal Secretary State Department for Lands and Physical Planning to a meeting to provide information on the petitions.

PETITIONS;

- I. P/No.32/2025 by landowners affected by the construction of the road regarding compensation for residents of the Embu Ring /Connectors Roads projects in Embu County.
- II. P/No.35/2023 By Mr. Ibrahim Nthitu Makwattah regarding compensation of compulsory acquired land and properties along Kibwezi -Kitui Road.
- III. P/No.18/2025 by residents of Gitei Village, Kiambu County Road reserve boundaries and protection of ancestral land;
- IV. P/No. 11/2024 by (Prof.) Phyllis Bartoo, MP regarding waiver of the Elgeyo Border Settlement Scheme No. 45 Settlement Fund Trustees Loan;
- V. P/No. 03/2024 by workers of Nyario ya Kididi cha Bhatubheta culture community in Taveta constituency regarding alleged acquisition of Trust Land L.R. No 249 of 1963 by the Government in Taita Taveta County;
- VI. P/No. 13/2025 by Hon. Sarah Korere, MP regarding revocation of the gazettement of Mukogodo forest reserve as a public forest; and
- VII. P/No. 11/2025 by Hon. Rahim Dawood, MP regarding compensation and Land allocation to Mau Mau War Veterans of Meru County.

RESPONSE

We wish to respond as follows;

- I. **P/No.32/2025 by landowners affected by the construction of the road regarding compensation for residents of the Embu Ring /Connector Road project in Embu County.**

The Petition

The Petitioners are residents and land owners affected by construction of the Embu Hospital-Kathangariri-Kianjokoma-Kanja-Runyenjes-Siakago (Embu Ring/Connector) Road Project in Embu County.

They aver that the Kenya National Highways Authority (KeNHA) and the National Land Commission (NLC) compulsorily acquired private land for the construction of the 63-kilometre Embu Ring/ Connector Road. They allege that implementation of the project adversely affected numerous households, farms and business premises along the project corridor resulting in economic hardship, disruption of livelihoods and displacement of families. They claim that on 23rd February 2024, a Gazette Notice was issued confirming the compulsory acquisition listing all parcels affected for compensation. They further claim that to date, many Project Affected Persons (PAPs) have remained uncompensated leading to loss of homes, agricultural land, sources of livelihoods, inability to relocate or rebuild serious financial distress among others.

They have therefore prayed that the National Assembly through the Public Petitions Committee;

- i) Investigates the status of compensation for all PAPs along the Embu Hospital-Kathangariri-Kianjokoma-Kanja-Runyenjes-Siakago Road including reasons for the delay or non-payment, the accuracy and fairness of valuation reports and legal status of the compulsory acquisition;
- ii) Recommends prompt and fair compensation for all PAPs in accordance with Article 40 (3) of the Constitution and the Land Act; and
- iii) Makes any other recommendation or takes any action it deems appropriate to address the plight of the Petitioners.

Response

Honourable Chair, we wish to respond as follows;

The issues raised in this petition fall within the mandate of the National Land Commission (NLC) and the Ministry of Roads and Transport who are best suited to provide a response.

II. P/No.35/2023 By Mr. Ibrahim Nthitu Makwattah regarding compensation of compulsory acquired land and properties along Kibwezi -Kitui Road.

The Petition

The Petitioner avers that the landowners he is representing were invited to a meeting in the office of the Deputy County Commissioner, Kibwezi Sub County on 7th October 2021 where they were notified of the Government's decision to acquire parcels of land for purposes of constructing a lorry park and other roadside amenities. The purported meeting was also attended by officers from the National and County Governments, the Kenya National Highways Authority (KeNHA) the NLC and APEC Consortium.

He further claims that the exercise was executed by the APEC Consortium instead of Government officers. He further states that KeNHA published a Gazette Notice indicating interest on the parcels of land and inviting the landowners for negotiations. The process was however unsuccessful. He avers that the NLC wrote to the affected landowners informing them that KeNHA had been granted full access to commence construction.

The Petitioner avers that all efforts to have the matter amicably including the including the intervention of the then Makueni Senator have all been unsuccessful.

The petitioner is requesting an investigation into the alleged illegal acquisition of their properties, investigation on why affected landowners were not compensated. what was the role of APEC consortium in the compulsory acquisition of the properties and whether National Land Commission shared the valuation report and any recommended offers to the affected landowners.

Response

Honourable chair. I wish to respond as follows;

The issues in this petition fall under the mandate of the National Land Commission (NLC) and KeNHA who are best suited to provide a response.

III. P/No.18/2025 by residents of Gitei Village, Kiambu County Road reserve boundaries and protection of ancestral land;

The Petition

The petitioners are residents of Gitei Village, Kirigiti Location, Riabai Ward, Kiambu County. They lament that KeNHA has recently placed new beacons along the road between KM12+800 (Kiu River) and KM14+500 (Kirigiti) with an intention to expand the road reserve from 40 metres to 60 metres contrary to long standing government assurances and community practice.

They claim that Survey Plan F/R 9/69 authenticated in 1914 forms the basis of KeNHA's decision despite being a colonial era plan which provides for inconsistent corridor widths along the same road. They further aver that the Kenya land demarcation of 1958 and subsequent developments, burials and investments were carried out with the assurance of a 40-metre reserve and extending the corridor to 60-metres would result in exhumations, demolitions, displacement and irreparable intergenerational losses. They further aver that Kenya Gazette Notice Vol. CV No. 59 of 6th June 2003 classified the Kiambu-Ruiru Road as C63 with a gazetted road reserve corridor of 40-metres which has consistently guided contractors and residents since independence.

The petitioners also claim that Kiu River which serves as the main water source for Gitei village has a 30-metre riparian reserve which when combined with KeNHA's 60-metre claim renders some parcels of land such as Ndumberi/ Riabai/ 14, 125 and 337 entirely consumed leaving landowners landless despite holding valid titles.

They therefore pray that the National Assembly through the Public Petitions Committee

- i. Directs the immediate review and revocation of reliance on Survey Plan FR No. 9/69 (1914), and adoption of current statutes, gazette notices, and recommends for gazette of the road reserve between KM 12+800 (Kiu River) and KM 14+500 (Kirigiti) as 40 metres, to ensure uniformity with the rest of the Kiambu-Ruiru road corridor;
- ii. Recognises and protects valid certificate of title holders, particularly where road reserves and riparian land overlap, with special attention to Ndumberi/Riabai parcels 14, 125, and 337;
- iii. Ensures that equitable and transparent compensation for any compulsory acquisition of land is carried out through a meaningful public participation and legal due process;
- iv. Makes any other recommendations it may deem appropriate to address the plight of the Petitioners.

Response

Honourable Chair, in response to questions i and ii, during the demarcation period, the adjudication team demarcated the ancestral land based on survey plan F/R 9/69 of 1914 which brought about Ndumberi/Riabai registration section. The survey plan F/R 9/69 was approved and authenticated by the Director of Surveys on 30th March, 1915 shows the road reserve (Old Fort Hall Road) was surveyed as a 60-Metre-wide Road Reserve. **Annexure 1** is a copy of the survey plan.

When the demarcation of boundary was carried out, the parcel boundaries (parcels 14, 125 and 337 among others) were surveyed up to the centre of Kiu River as depicted on the Registry Index Map (RIM) sheet 9 of Ndumberi /Riabai registration section.

Honourable Chair, the riparian reserve forms part of the total acreage of each parcel of land abutting Kiu River. However, the use of the riparian reserve is regulated by various statutes and players including WARMA, NEMA, County Government, Survey Act and Physical and Land use Planning Act.

Honourable Chair, in response to question iii, compensation for compulsory acquisition and requisite public participation are matters that fall under the purview of the National Land Commission (NLC).

IV. P/No. 11/2024 by (Prof.) Phyllis Bartoo, MP regarding waiver of the Elgeyo Border Settlement Scheme No. 45 Settlement Fund Trustees Loan;

The Petition

This petition is filed by the Hon. (Prof.) Phyllis Bartoo. MP on behalf of the residents of Moiben Constituency.

She avers that Elgeyo Border Settlement Scheme was established in 1963 under the Settlement Fund Trustees to facilitate settlement and development in the region.

Over the years however, due to social economic factors and changes in land ownership, the burden of arrears of loan repayment has become unmanageable for the current generation of residents.

She further claims that the debt owed has grown exponentially over time hence becoming a significant barrier to the economic progress and wellbeing of the community. At the same time the residents have received demand notices regarding the arrears of loan repayment with possibilities of repossession of the land if the outstanding amounts are not paid. It is against this background that the petition is anchored on with the prayer that the National Assembly through the Public Petitions Committee -

- (i) Engages the Settlement Fund Trustees with a view of seeking waiver of the accumulated debt of Elgeyo Boarder Settlement Scheme by the community;
- (ii) Makes any other recommendation or action it deems fit in addressing the plight of the petitioners.

Response

Honourable Chair, Elgeyo Border Settlement Scheme No.045, Uasin Gishu County was started in January, 1963 with the beneficiaries being allocated 25 acres each.

There are 428 land parcels allocated to families and 23 Public utilities which include schools, market centres, churches and a water dam.

Being a conventional scheme, the beneficiaries were required to pay an initial deposit and thereafter pay the balance in 28 half – yearly instalments after grace period of 2 years. They were required to meet these costs from the income generated from the land allocated to them.

Over the years, some beneficiaries have managed to clear the amounts owed to them and have been discharged.

To date, the status is as follows: -

- (a) Number of plots discharged and forwarded for titling – 148.
- (b) Number of discharges at the County Land Adjudication and Settlement office awaiting execution of transfer – 83. This mainly due to succession issues.
- (c) Number of plots with outstanding Loan balances – 186.

The total amount accruing is approximately Ksh.13 million.

Honourable Chair, the settlement programme in the country is managed by the Land Settlement Fund Board of Trustees which comprises of: -

- 1. Cabinet Secretary - Ministry of Lands and Physical Planning (Chair)
- 2. Cabinet Secretary – National Treasury
- 3. Cabinet Secretary – Ministry of Agriculture
- 4. Cabinet Secretary – Internal Security.
- 5. Cabinet Secretary – Ministry of Environment and National Resources
- 6. A Representative – National Land Commission

Honourable Chair, on 7th August, 2025, the Ministry of Lands, Public Works, Housing and Urban Development presented a Cabinet Memo for waiver of all outstanding land and development loan interests and related penalties for all settlement schemes amounting to Kshs. 5,342,797,484.39. The Cabinet approved the memo in November 2025 and a draft Gazette Notice was prepared and submitted to the Attorney General for Gazettement effective 13th February, 2026.

V. P/No. 03/2024 by workers of Nyario ya Kididi cha Bhatubheta culture community in Taveta constituency regarding alleged acquisition of Trust Land L.R. No 249 of 1963 by the Government in Taita Taveta County;

The Petitioner

The petitioner, Nyario ya Kididi cha Bhatubheta Culture Community is a registered and recognized community group from Taveta Constituency, registered under the Community Land Act and the Community Land Regulations. The Community is dedicated to preserving and advancing the welfare and culture of the Taveta people including the protection of the natives' land rights as guaranteed under Article 63 of the Constitution and the Community Land Act;

They claim that in 1963, the Government of Kenya reserved a Trust Land reference L.R. No. 249 of 1963 for the natives for purposes of grazing and farming. They claim that the Community occupied the Trust Land until sometime in 1982 when there was a severe drought that claimed human life and livestock and as a result, they left the area and relocated to the lowlands near River Lumi.

They further state that the Community continued using the said Trust land as a traditional shrine for prayers and circumcision until sometime in 2022 when they were arrested and harassed by Rangers from Kenya Wildlife Service (KWS) on allegations of trespass. After negotiations between local political leaders and KWS, the arrested members of the Community were released but on firm instructions that they should not trespass on the Trust Land on grounds that the area is part of Tsavo West National Park and is a protected area;

The petitioner notes that vide a letter dated 17th August 2023, the Community sought information from the Director for Land Administration on the legal status of the Trust Land and on 18th August 2023, they were expressly informed that the land is still Trust Land. The Community forwarded the aforesaid information from the said Director to the KWS and requested to be allowed to continue using the Trust Land as their shrines and grazing area. The KWS declined and insisted that the Trust Land is part of Tsavo West National Park and that it is a protected area.

They claim that in the recent past, the KWS has started fencing the Trust Land completely cordoning it off from the Community, and all efforts to have the matter resolved has not been fruitful and therefore pray that the National Assembly through the Public Petitions Committee;

- (i) inquiries into the legal status of the land L.N. No. 249 of 1963 and recommends for the settlement of the squatters within Taveta Constituency; and
- (ii) makes any other recommendations that it may deem fit in addressing the plight of the Petitioners.

Response

Honourable Chair, according to our records, the referenced parcel of land falls in Trust land (now Community Land) within Taita Taveta District. It is defined as L.N No. 249 of 1963(Legal Notice). It measures approximately 3723 Acres as defined by boundary plan 179/37.

The key steps of registering a Community Land are as follows;

- i. Presentation of the inventory through CLA 6 to the Cabinet Secretary.
- ii. Cabinet secretary to gazette an adjudication programme.
- iii. A notice of intention to survey through form CLA 7 for a period of 60 days.
- iv. After elapse of 60 days the surveyor prepares a cadastre
- v. Community land proceeds to registration.
- vi. Issuance of title deed (certificate of registration -Form CLA 4.

Honourable Chair, Nyario ya Kididi cha Bhatuweta community should liaise with the County Government of Taita Taveta to ensure that the inventory is forwarded to the Cabinet Secretary for Ministry of Lands, Public Works, Housing and Urban Development.

VI. P/No. 13/2025 by Hon. Sarah Korere, MP regarding revocation of the gazettment of Mukogodo forest reserve as a public forest.

The Petition

The petitioner observes that Mukogodo Forest Reserve, covering an area of 30,189 Hectares, was declared a public forest through Gazette Notice LN. 174 of 1964. It is located on the northwestern side of Mt. Kenya within the expansive plains of Laikipia County. Mukogodo Forest borders four areas designated as community land: Il Ng'wesito the Southeast, Mayianat to the Southwest, Shulumaito to the Northwest, and Lekurrukito the North. It also neighbours the Borana Wildlife Conservancy. The surrounding communities, including the Il Ng'wesi and Yaaku, have safeguarded approximately 10,000 Hectares of this forest land since the 14th Century.

He also states that in recognition of the forest's importance as a place of residence, a sanctuary for cultural and religious practices, and a source of livelihood, the Il Ng'wesi and Yaaku communities formed the Ilmamusi-Mukogodo Forest Association in 1998 to manage the forest. The Community Forest Association was formally registered in 2008 and became fully operational in 2016 with a duly constituted management committee comprising twenty-four (24) members.

However, due to persistent insecurity, including killings and livestock banditry, the Il Ng'wesi and Yaaku communities were forced to flee the forest. As a result, the area has been occupied illegally, leading to widespread destruction of the forest.

The displacement of these communities due to banditry has resulted in the loss of lives and property, disruption of education due to school closures, increased livestock theft, and destruction of the forest's flora and fauna, among other hardships.

He claims that the Government's efforts to address insecurity in the region have been hindered by numerous challenges, including the rugged terrain, lack of full control, and unclear ownership of the Mukogodo Forest.

They claim that revoking the gazettement of Mukogodo Forest as a public forest and reclassifying it as a community forest would significantly benefit the Il Ng'wesi and Yaaku communities. These benefits include enhanced control and management of forest resources, increased community participation in conservation, protection of indigenous rights, promotion of devolved natural resource governance, and improved conflict resolution and social cohesion.

Despite repeated efforts by the Il Ng'wesi and Yaaku communities to seek redress from relevant authorities, no tangible results have been achieved to date and therefore pray that the National Assembly, through the Public Petitions Committee;

(i) Recommends that the Gazette Notice No. 174 of 1964 be revoked and the 20,189 hectares of Mukogodo Forest be subsequently gazetted of as a community forest;

(ii) Recommends that the remaining 10,000 hectares of Mukogodo Forest be allocated for the resettlement of the Il Ng'wesi and Yaaku communities; and

(iii) Makes any other recommendations it may deem appropriate to address the plight of the Petitioners.

Response

Honourable Chair, the matters raised in questions 1,2 & 3 pertain to management of forests in Kenya which is the mandate of the Kenya Forest Service (KFS). Reclassification of Mukogodo Forest is a matter that can best be addressed by the Chief Conservator of Forests (CCF) in Kenya.

VII. P/No. 11/2025 by Hon. Rahim Dawood, MP regarding compensation and Land allocation to Mau Mau War Veterans of Meru County

The Petition

The petitioner points out that section 3 of the Kenya Heroes Act establishes a legal framework for the recognition and honour of national heroes, stipulating that a person shall be considered a hero if they have selflessly contributed and sacrificed for the nation in any of the functional areas, including the liberation struggle. Since Kenya attained independence in 1963, a section of Mau Mau veterans who

endured displacement by the colonial government, through discriminatory laws and flawed land policies, including forced evictions, have never received any form of reparation.

He says that despite the formation of the Mau Mau War Veterans Association (MMWVA) which was intended to unify all Mau Mau veterans, regional leaders of the association were never appointed, and the funds allocated by the Government were misappropriated, leaving veterans and their families without the desired economic relief. That while regional associations such as the Nakuru District Ex-Freedom Fighters Organisation (NDEFFO) were established to advocate for land rights and other forms of reparation, veterans from other regions, including Meru, were excluded from these initiatives. Previously, Mau Mau war veterans, notably through organisations like NDEFFO, were compelled to consolidate resources and fundraise to purchase land from white settlers, excluding many who could not afford to participate;

The petitioner avers that most of the land formerly held by white settlers has since exhausted lease periods as provided under Article 65 of the Constitution. However, the National Land Commission (NLC), despite its mandate to initiate investigations, either suo motu or upon complaints, into present or historical land injustices and recommend appropriate redress, has never investigated pre-independence land injustices perpetrated against the Mau Mau. The relentless efforts by Mau Mau war veterans to seek closure and obtain reparation for the violations of economic rights, evictions, forced labour, rape, and murder committed by the British colonial government have remained unaddressed reason why the petitioners pray that the National Assembly, through the Public Petitions Committee:

- (i) Intervenes to ensure that the Mau Mau War Veterans and their families are resettled on their ancestral land, which was alienated by the colonial government and white settlers;
- (ii) Recommends the establishment of regional representation of the Mau Mau war veterans within the Mau Mau War Veterans Association;
- (iii) Recommends the official recognition and commendation of the Mau Mau Movement under the First Schedule of the Kenya Heroes Act;
- (iv) Engages the National Land Commission to investigate pre-colonial land injustices committed against the Mau Mau veterans; and
- (v) Makes any other recommendations it deems appropriate in addressing the plight of the Petitioners.

Response

Honourable Chair, the issues raised in i, ii, iii, iv & v above is the mandate of the National Land Commission pursuant to Article 67 (2)(e) of the Constitution of Kenya and the National Land Commission Act, 2012. The National Land Commission is therefore best placed to respond to the issues raised in the petition.

Honourable Chair, I submit.



Hon. Generali Nixon Korir
PRINCIPAL SECRETARY

9th March 2026



REPUBLIC OF KENYA

NATIONAL LAND COMMISSION

COMMISSION'S RESPONSE TO THE PUBLIC PETITIONS COMMITTEE

PARLIAMENT BUILDINGS

TUESDAY, 10TH MARCH 2026

BY:

KABALETACHE ARERO, MBS,

COMMISSION SECRETARY/CHIEF EXECUTIVE OFFICER



NATIONAL LAND COMMISSION
*Office of the Secretary/
Chief Executive Officer*



National Land Commission, 316 Upperhill Chambers, 2nd Ngong Avenue, off Ngong Road
P.O. Box 44417 - 00100, Nairobi-KENYA, Tel: 0111042800, Email: info@landcommission.go.ke
Website: www.landcommission.go.ke

REF: NLC/NA/PPC/2026/03(1)

9th March, 2026

Mr. Samuel Njoroge, CBS
Clerk of the National Assembly
Parliament Buildings
P.O. Box 41842-00100
NAIROBI

Dear

Clerk,

**RE: INVITATION TO A MEETING WITH THE PUBLIC PETITIONS
COMMITTEE**

Reference is made to your letter Ref. NA/DAA&GPC/PPC/2026/014 dated **18th February 2026** inviting the National Land Commission to appear before the Public Petitions Committee on **Tuesday, 10th March 2026 at 11:30 a.m.** to make submissions on the petitions listed therein.

The Commission appreciates the importance of the matters before the Committee and the invitation to appear. However, we regret to inform you that the Commission was unable to attend the scheduled meeting due to unavoidable official commitments. We sincerely apologize to the Committee for the absence.

Nevertheless, the Commission has prepared and hereby submits its written responses to the matters raised in the petitions for the Committee's consideration. Should the Committee require any clarification on the submissions made, the Commission remains available to provide further information or to appear before the Committee at a future date as may be directed.

Yours

Kabale Tache Arero, MBS

7 SECRETARY/CEO.

Encls

INVITATION TO A MEETING OF THE NATIONAL ASSEMBLY'S PUBLIC PETITIONS COMMITTEE

Honourable Chair,

Pursuant to a letter **Ref: NA/DAA&GPC/PPC/2026/014** dated **18th February 2026**, the Committee invited the Commission Secretary/CEO of the National Land Commission to a meeting on **Tuesday, 10th March 2026** at Parliament Buildings at 11:30 am to respond to the following petitions.

- 1. PETITION BY LANDOWNERS AFFECTED BY THE CONSTRUCTION OF THE ROAD REGARDING COMPENSATION FOR RESIDENTS OF THE EMBU RING/CONNECTOR ROAD PROJECT IN EMBU COUNTY.**
- 2. PETITION BY MR. IBRAHIM NTHITU MAKWATTAH REGARDING COMPENSATION FOR COMPULSORILY ACQUIRED LAND AND PROPERTIES ALONG KIBWEZI-KITUI ROAD.**
- 3. PETITION BY RESIDENTS OF GITEI VILLAGE, KIAMBU COUNTY REGARDING ROAD RESERVE BOUNDARIES AND PROTECTION OF ANCESTRAL LAND.**
- 4. PETITION BY (PROF.) PHYLLIS BARTOO, MP REGARDING WAIVER OF THE ELGEYO BORDER SETTLEMENT SCHEME NO. 45 SETTLEMENT FUND TRUSTEES LOAN.**
- 5. PETITION BY WORKERS OF NYARIO YA KIDIDI CHA BHATHUBHETA CULTURE COMMUNITY IN TAVETA CONSTITUENCY REGARDING ALLEGED ACQUISITION OF TRUST LAND L.R. NO. 249 OF 1963 BY THE GOVERNMENT IN TAITA TAVETA COUNTY.**
- 6. PETITION BY HON. SARAH KORERE, MP REGARDING REVOCATION OF THE GAZETTEMMENT OF MUKOGODO FOREST RESERVE AS A PUBLIC FOREST.**
- 7. PETITION BY HON. RAHIM DAWOOD, MP REGARDING COMPENSATION AND LAND ALLOCATION TO MAU MAU WAR VETERANS OF MERU COUNTY.**

RESPONSES

1) PETITION BY LANDOWNERS AFFECTED BY THE CONSTRUCTION OF THE ROAD REGARDING COMPENSATION FOR RESIDENTS OF THE EMBU RING/CONNECTOR ROAD PROJECT IN EMBU COUNTY.

PETITIONERS CLAIM

The Petitioners, led by Mr. Francis Munene and other residents and landowners affected by the construction of the Embu Hospital-Kathangariri-Kianjokoma-Kanja-Runyenjes-Siakago (Embu Ring/Connector) Road, aver that the Kenya National Highways Authority (KeNHA) and the National Land Commission compulsorily acquired private land for purposes of constructing the 63-kilometre road project.

The Petitioners contend that the project has adversely affected numerous households, farms, and business premises along the road corridor, resulting in displacement and disruption of livelihoods. They further state that although a Gazette Notice dated 23rd February 2024 confirmed the compulsory acquisition of affected parcels and created an expectation of prompt compensation, many Project Affected Persons (PAPs) have not received compensation despite the continued implementation of the road project.

OUR RESPONSE

Legal Status of the Compulsory Acquisition: The compulsory acquisition process was undertaken in compliance with the Land Act No. 6 of 2012. The subject project was duly gazetted for intention to acquire vide Gazette Notice No. 4387 dated 4th April, 2023. Inquiries were subsequently gazetted vide Gazette Notices Nos. 4387 (2023) and 2069 (2024), and conducted at the gazetted venues and dates. Accordingly, the acquisition process is legally and procedurally compliant.

Valuation and Fairness of Reports: Inspections were carried out for valuation purposes, after which valuation reports and compensation schedules were prepared. These valuations adhered to established professional standards and principles of fairness, ensuring that PAPs were accorded just and equitable consideration in line with the law.

Reasons for Delay or Non-Payment: Upon completion of the valuation report and compensation schedule, the Commission requested compensation funds from the acquiring authority. The Commission is yet to receive the requisite funds from Kenya Rural Roads Authority (KeRRA). Consequently, processing and payment to the affected PAPs has not commenced. The delay is therefore attributable to the pending release of funds by the acquiring authority.

Honourable Chair:

The National Land Commission reiterates its commitment to transparency, fairness, and adherence to the law in the compulsory acquisition process. Once the Commission receives the compensation funds from KeRRA, payments to the PAPs will be processed without undue delay.

**2) PETITION BY MR. IBRAHIM NTHITU MAKWATTAH REGARDING
COMPENSATION FOR COMPULSORILY ACQUIRED LAND AND
PROPERTIES ALONG KIBWEZI-KITUI ROAD.**

The Petitioner, Mr. Ibrahim Nthitu Makwattah, acting on behalf of landowners affected by the compulsory acquisition of land and properties for the construction of the Kibwezi Lorry Park and Roadside Amenities along Kibwezi-Kitui Road, claims that the affected persons were not compensated as required.

He states that the landowners were invited to a meeting held at the Office of the Deputy County Commissioner, Kibwezi Sub-County, on 7th October 2021, where they were informed of the intended acquisition. The meeting was reportedly attended by representatives of the National Government, County Government, Kenya National Highways Authority (KeNHA), National Land Commission (NLC) and APEC Consortium. According to the Petitioner, the landowners were requested to allow access to their properties for identification of beacons and measurements to facilitate the project design. He further avers that when the exercise commenced on 8th October 2021, the relevant Government officers were absent and the exercise was instead undertaken by staff from APEC Consortium, who claimed to be acting on behalf of KeNHA.

The Petitioner also claims that KeNHA later published a Gazette Notice expressing interest in the affected parcels and invited the landowners for negotiations, but the negotiations did not result in any settlement. He further states that the National Land Commission subsequently informed the affected landowners that KeNHA had been granted full access to commence construction, despite the fact that compensation had not been paid.

The Petitioner contends that efforts to resolve the matter amicably, including through the intervention of the then Senator for Makueni County, were unsuccessful. He therefore seeks the intervention of the House to investigate the alleged illegal acquisition of the affected properties, failure to compensate the landowners, the role of APEC Consortium in the process, and whether the National Land Commission shared the valuation report and any recommended compensation offers with the affected persons.

OUR RESPONSE

Background

The Commission commenced the compulsory acquisition process for land required for the construction of the Kibwezi–Mutomo–Kitui–Kabati Road Project through Gazette Notice No. 5075 published on 25th May 2018. Following the initial notice, several addenda, corrigenda and deletion notices were issued to accommodate changes in the project design.

The component relating to the Kibwezi Lorry Park and roadside amenities was not part of the initial road design. This was later introduced through an addendum request submitted to the Commission in 2021 by the acquiring authority (KeNHA). Subsequently, a stakeholder consultation meeting was held on 7th October 2021 at the Office of the Deputy County Commissioner in Kibwezi. The purpose of the meeting was to inform landowners and other stakeholders about the proposed development and the intended acquisition of land for the lorry park and associated facilities.

The meeting was attended by representatives from the National Government Administration Officers (NGAO), the National Land Commission, the Kenya National Highways Authority (KeNHA), and APEC Consortium. During the meeting, landowners were informed of the proposed acquisition and were given an opportunity to seek clarification on the process.

Role of APEC Consortium

The Commission wishes to clarify that the compulsory acquisition of land for the Kibwezi Road Project, including the land designated for the Kibwezi Lorry Park, was undertaken on behalf of the Kenya National Highways Authority (KeNHA), which is the acquiring government agency responsible for the project.

APEC Consortium was a private contractor that had been engaged by KeNHA to implement the construction works for the road project. Therefore, it had no formal relationship with the National Land Commission in the compulsory acquisition process. Consequently, any actions undertaken by APEC Consortium were carried out under the authority and supervision of KeNHA, and the Commission's role remained limited to undertaking compulsory acquisition in accordance with the Constitution and the applicable statutory provisions.

Legal Framework Governing Compulsory Acquisition

Compulsory acquisition of land in Kenya is governed by Article 40 of the Constitution of Kenya, Part VIII of the Land Act, 2012, and the Land (Assessment of Just Compensation) Rules and Regulations, 2017. These legal provisions require the Commission to adhere to a clearly defined statutory process when acquiring land for public purposes.

In practice, the process begins with the publication of a Notice of Intention to Acquire in the Kenya Gazette. This is followed by inspection and valuation of the affected properties to determine the extent of land required for the project and the appropriate compensation payable to the affected persons. The Commission thereafter publishes a Notice of Inquiry specifying the venue and dates when the affected landowners will appear before the Commission to present their claims for compensation.

During the inquiry hearings, the Commission receives and evaluates claims from affected persons before determining the amount of compensation payable. Once the determination is made, the Commission issues awards to each affected person. The affected persons may either accept the Commission's offer of compensation or reject it. In cases where the award is accepted, the Commission proceeds with prompt payment of compensation upon receipt of funds from the acquiring authority. Where a landowner rejects the award, the dispute may be referred to the Land Acquisition Tribunal for determination.

Upon completion of the inquiry process and issuance of awards, the Commission may issue notices of taking possession to enable the acquiring authority to commence construction works. A final survey and vesting process is then undertaken in order to formally excise the acquired portions from the landowners' titles and vest them in the acquiring authority.

The law further provides for situations where urgent possession of land is required in the public interest. In this regard, Section 120(2) of the Land Act, 2012 allows the Commission to take possession of land notwithstanding that the normal process has not been fully concluded, provided that the urgency of the project justifies such action and that no person will be rendered homeless as a result.

Status of the Acquisition

The land required for the development of the Kibwezi Lorry Park and roadside amenities was formally published for acquisition through Gazette Notice No. 197 dated 14th January 2022, which was issued as an addendum to the earlier acquisition notices relating to the road project.

Following the publication of the notice of intention to acquire, the Commission undertook inspection and identification of the affected properties in the presence of the respective landowners. Subsequently, inquiry hearings were conducted on 15th March 2022 at the Kibwezi Chief's Office pursuant to Gazette Notice No. 198 issued on the same date as the notice of intention to acquire. The inquiry process was preceded by extensive stakeholder engagement, including field inspections conducted together with the affected landowners. The petitioner, Mr. Ibrahim Thitu Makwattah, was present during these exercises.

After the publication of the notices and the completion of the statutory waiting period, the Kenya National Highways Authority requested the Commission to take possession of the land pursuant to Section 120(2) of the Land Act, 2012 on account of the urgency of the project and the need to avoid delays that would have been contrary to the public interest. Upon verifying that the statutory conditions had been met, including confirmation that fifteen days had elapsed from the date of publication of the notice of intention to acquire and that the affected parcels were unoccupied, the Commission issued notices of formal taking possession dated 2nd February 2022.

Compensation Status

The Commission subsequently finalized the valuation and assessment of compensation for the affected landowners and issued letters of award in December 2025. The total compensation assessed for the parcels within the Kibwezi Lorry Park area amounted to **Kenya Shillings Sixteen Million Six Hundred Eighty-Six Thousand Six Hundred Ninety (Ksh. 16,686,690.00)**.

To date, the Commission has received partial compensation funds amounting to **Kenya Shillings Ten Million Five Hundred Eighteen Thousand Three Hundred Eighty (Ksh. 10,518,380.00)** from the Kenya National Highways Authority. The Commission is currently in the process of effecting payments to those landowners who have submitted the requisite documentation and have consented to the compensation awards issued by the Commission. Payment of the remaining compensation will be undertaken once the acquiring authority releases the balance of the required funds.

Commission's Position on the Petition

Honourable Chair:

The Commission respectfully submits that the compulsory acquisition process for land required for the development of the Kibwezi Lorry Park and roadside amenities was undertaken in accordance with the Constitution of Kenya, the Land Act, 2012 and the applicable regulations governing compulsory acquisition. The statutory steps required under the law were followed, including publication of the notice of intention to acquire, inspection and identification of the affected properties, stakeholder consultations with landowners, and the conduct of inquiry proceedings to determine the respective interests and claims of the affected persons.

The Commission further reiterates that the taking of possession of the affected parcels prior to completion of the compensation process was undertaken pursuant to Section 120(2) of the Land Act, 2012, which permits the Commission to allow possession in circumstances where urgent necessity exists and where delay would be contrary to the public interest. In this case, the request for possession was made by the acquiring authority, the Kenya National Highways Authority, to facilitate timely implementation of the road project, which is a critical public infrastructure project intended to improve regional connectivity and economic development.

With regard to the allegations raised in the petition concerning failure to compensate the affected landowners, the Commission wishes to clarify that compensation awards have already been prepared and issued to the affected persons. The delay in the payment of compensation has not arisen from any procedural failure on the part of the Commission but is attributable to the fact that the Commission can only effect payment upon receipt of the requisite compensation funds from the acquiring authority. As indicated above, the Commission has received partial funds from the Kenya National Highways Authority and has commenced the process of paying landowners who have accepted the awards and submitted the required documentation.

The Commission remains committed to ensuring that all eligible landowners are compensated in accordance with the law and will continue to process payments as soon as the remaining funds are made available by the acquiring authority.

The Commission therefore respectfully requests that Parliament takes note of the steps already taken to address the matter and allows the Commission and the acquiring authority to finalize the outstanding compensation payments in accordance with the law.

3) PETITION BY RESIDENTS OF GITEL VILLAGE, KIAMBU COUNTY REGARDING ROAD RESERVE BOUNDARIES AND PROTECTION OF ANCESTRAL LAND.

PETITIONERS CLAIM

The Petitioners, on behalf of the residents of Gitel Village, Kirigiti Location, Riabai Ward, Kiambu County, claim that Gitel Village is an ancestral settlement and home to more than 10,000 residents who have developed their land, carried out farming, and established permanent and semi-permanent structures guided by the long-standing understanding that the Kiambu-Tatu City-Kiambu/Ruiru Road reserve measures 40 metres in width. They state that the Kenya National Highways Authority (KeNHA) recently placed new beacons along the road between KM 12+800 (Kiu River) and KM 14+500 (Kirigiti) with the intention of expanding the road reserve from 40 metres to 60 metres, contrary to the residents' long-held understanding and previous government assurances.

The Petitioners contend that although Survey Plan FR No. 9/69, prepared in 1914 during the colonial period and later relied upon by KeNHA, indicates a wider reserve, subsequent official actions and public representations consistently affirmed a 40-metre corridor. In particular, they refer to the Kenya Gazette Notice Vol. CV-No. 59 of 6th June 2003, which classified the Kiambu-Ruiru Road as Class C3 and gazetted a 40-metre road reserve corridor, and to a letter dated 19th June 2004 from the Ministry of Roads confirming that the road reserve at the affected section was 40 metres wide. The Petitioners further state that they and previous generations have occupied and developed the land on the basis of that position, and that any expansion to 60 metres would result in demolition of homes and businesses, displacement of families, destruction of graves and cultural sites, loss of livelihoods, and irreparable intergenerational loss.

They also claim that some of the affected parcels are supported by valid title deeds, particularly in respect of Ndumberi/Riabai parcels 4, 125 and 337, and that despite repeated engagements with KeNHA, WARMA, Kiambu Water and Sewerage Company, and local administrators, they have not received a substantive resolution.

The Petitioners therefore seek the intervention of the National Assembly to review and revoke reliance on the old survey plan, confirm the road reserve between KM 12+800 and KM 14+500 as 40 metres, recognize and protect valid titles held by residents, ensure any future acquisition is undertaken lawfully and transparently with public participation, and address the continued levying of land rates on portions allegedly falling within the road reserve.

OUR RESPONSE

Honourable Chair and Committee Members

The Commission notes the concerns raised by the Petitioners regarding the alleged variation of the road reserve boundary along the Kiambu-Tatu City-Kiambu/Ruiru Road between KM 12+800 and KM 14+500, and the potential impact on ancestral land, developments, livelihoods and other community interests. The Commission wishes to clarify that issues relating to the delimitation of road reserve boundaries, the underlying survey records, and the implementation of road projects primarily require verification against the relevant survey plans, gazette notices, cadastral records and acquisition documents held by the responsible agencies. In this regard, the Commission has formally written to the Kenya National Highways Authority (KeNHA) requesting, among other things, copies of the stated Gazette Notice, the relevant survey plan, and clarification on the current status of the road reserve in the affected section. This is necessary to enable the Commission to establish the factual and legal position before making any further determination or intervention.

Upon receipt of the requested information, the Commission will review the matter within the confines of its constitutional and statutory mandate, including the need to ascertain the authenticity of the records being relied upon, the status of any affected parcels, and whether any action giving rise to compulsory acquisition, boundary variation or interference with private or community interests has been undertaken in accordance with the law. Should it emerge that any acquisition of land is required for public purpose, the Commission reiterates that such process must be undertaken strictly in accordance with the Constitution, the Land Act, and all applicable legal procedures, including due process, public participation, inquiry, valuation and prompt payment of just compensation where applicable. The Commission will therefore be guided by the information to be furnished by KeNHA and any other relevant records in determining the appropriate course of action.

**4) PETITION BY (PROF.) PHYLLIS BARTOO, MP REGARDING WAIVER OF
THE ELGEYO BORDER SETTLEMENT SCHEME NO. 45 SETTLEMENT
FUND TRUSTEES LOAN.**

PETITIONERS CLAIM

The Petitioners, on behalf of the residents of Moiben Constituency, claim that the Elgeyo Border Settlement Scheme No. 45 was established in 1963 under the Agricultural Settlement Fund Trustees framework for purposes of agricultural development, land purchase and settlement in the area. They state that the Fund, which was managed under the relevant legal and administrative framework by the responsible Government ministries, advanced financing to support settlement and development within the scheme. The Petitioners contend that over the years, due to changing socio-economic circumstances and changes in land ownership, the burden of loan arrears under the scheme has become unmanageable for the current generation of residents. They further state that many families inherited the debt without inheriting the corresponding financial capacity, assets or resources to repay it, and that the original purpose of the Settlement Fund has since been overtaken by the severe financial strain imposed on the community.

The Petitioners further claim that the debt relating to the Elgeyo Border Settlement Scheme has grown exponentially over time and now far exceeds the initial capital investment of KShs. 5,000, thereby becoming a major impediment to the economic progress and well-being of the residents. According to the Petition, the accumulated debt has hindered the community's ability to invest in essential needs such as infrastructure, education and healthcare. The Petitioners also state that residents have, over the years, continued to receive demand notices in respect of the loan arrears, coupled with the threat of repossession of their land in the event of non-payment. They therefore seek the intervention of the National Assembly, through the Public Petitions Committee, to engage the Settlement Fund Trustees with a view to securing a waiver of the accumulated debt owed by the community and to make any other recommendation deemed appropriate to address the plight of the Petitioners.

OUR RESPONSE

Honourable Chair and Committee Members

The Commission wishes to clarify that the issues raised in the Petition, particularly those relating to the administration of the Elgeyo Border Settlement Scheme, the management of settlement loans, and payments by beneficiaries under the scheme, fall within the mandate of the Ministry of Lands, Public Works, Housing

and Urban Development, which is the institution responsible for matters concerning land settlement and the administration of settlement schemes.

Accordingly, the Commission's position is that this matter is best addressed by the Ministry, being the competent authority with the requisite policy, administrative and operational mandate over settlement scheme obligations and any consideration for waiver of such payments.

5) PETITION BY WORKERS OF NYARIO YA KIDIDI CHA BHATHUBHETA CULTURE COMMUNITY IN TAVETA CONSTITUENCY REGARDING ALLEGED ACQUISITION OF TRUST LAND L.R. NO. 249 OF 1963 BY THE GOVERNMENT IN TAITA TAVETA COUNTY.

PETITIONERS CLAIM

The Petitioners, on behalf of the Nyario ya Kididi cha Bhatubheta Culture Community in Taveta Constituency, Taita Taveta County, claim that they are a registered and recognized community group under the Community Land Act and the Community Land Regulations, and that they are dedicated to preserving the welfare, culture and land rights of the Taveta people as protected under Article 63 of the Constitution and the Community Land Act. They state that in 1963, the Government of Kenya reserved Trust Land Reference L.R. No. 249 of 1963 for the natives for purposes of grazing and farming, and that the community occupied the land until around 1982, when a severe drought led to loss of human life and livestock and forced them to relocate to the lowlands near River Lumi.

The Petitioners nevertheless contend that they continued using the said trust land as a traditional shrine for prayers and circumcision until about 2022, when they were allegedly arrested and harassed by officers from the Kenya Wildlife Service (KWS) on allegations of trespass. The Petition further states that the community sought clarification on the status of the land and communicated the information obtained to KWS, while requesting to continue using the land as shrines and grazing area, but KWS declined and maintained that the land forms part of Tsavo West National Park and is therefore a protected area. The Petitioners further claim that KWS has recently commenced fencing off the trust land, thereby completely cutting off the community from the area, and that all efforts to resolve the matter have not borne fruit.

They therefore pray that the National Assembly, through the Public Petitions Committee, inquires into the legal status of L.R. No. 249 of 1963 and makes recommendations for the settlement of the squatters within Taveta Constituency, together with any other recommendations it may deem fit to address the plight of the Petitioners.

OUR RESPONSE

Honourable Chair and Committee Members

The Commission's records indicate that it received a total of **forty-one (41)** historical land injustice claims from Taita Taveta County. However, as at 21st

September 2021, Nyario ya Kididi cha Bhatubheta Culture Community had not lodged any claim before the Commission in relation to the matters raised in the Petition.

The Commission wishes to clarify that claims relating to historical land injustices are handled within the legal framework established under Article 67(2)(e) of the Constitution of Kenya, 2010, as read together with the relevant provisions of the National Land Commission Act. In this regard, Parliament amended the law to provide an opportunity for individuals and communities who had not previously filed claims relating to historical land injustices to do so within the prescribed framework.

Accordingly, should the Nyario ya Kididi cha Bhatubheta Culture Community choose to file a claim before the Commission, the claim will be subjected to an admissibility assessment to determine whether it satisfies the legal threshold and the criteria set out under the applicable law and regulations governing historical land injustice claims. This process is necessary to establish whether the matter falls within the Commission's mandate and whether it is properly before the Commission for determination.

Where the claim satisfies the admissibility criteria, the Commission will proceed to institute the appropriate investigative process, including an investigative hearing, for purposes of inquiring into the facts and circumstances of the claim and making such findings and recommendations as may be warranted in law. However, where the claim does not meet the admissibility requirements, the claimants will be duly advised and guided on the appropriate institution, forum, or legal avenue through which the matter may be pursued.

In the circumstances, the Commission's position is that the issues raised by the Petitioners have not been presented before it as a formal historical land injustice claim, and therefore the Commission has not had the opportunity to consider the matter within the statutory process provided under the law.

6) PETITION BY HON. SARAH KORERE, MP REGARDING REVOCATION OF THE GAZETTEMET OF MUKOGODO FOREST RESERVE AS A PUBLIC FOREST.

PETITIONERS CLAIM

The Petitioners, on behalf of the Il'ngwesi and Yaaku communities in Laikipia North Constituency, contend that the Mukogodo Forest Reserve, covering approximately 30,189 hectares and gazetted as a public forest through Gazette Notice LN 174 of 1964, historically forms part of the ancestral land traditionally occupied and managed by the local communities.

The Petitioners state that the Il'ngwesi and Yaaku communities have long relied on the forest as a source of livelihood, cultural heritage, and spiritual significance. They further indicate that the communities established the Ilmamusi-Mukogodo Forest Association to participate in the conservation and management of the forest and to safeguard the ecological and cultural value of the area.

However, the Petitioners aver that persistent insecurity, including incidents of banditry and livestock theft, forced members of the communities to temporarily vacate the forest area. They contend that this displacement has led to illegal occupation and degradation of the forest ecosystem.

In view of the foregoing, the Petitioners seek the intervention of Parliament to review the legal status of the forest reserve, consider revocation of the gazettement of Mukogodo Forest as a public forest, and facilitate restoration

OUR RESPONSE

Honourable Chair and Committee Members

The Commission's position is that the issues raised in the Petition, particularly those relating to the revocation of the gazettement of Mukogodo Forest Reserve as a public forest and any consequent variation of its legal status, are matters that fall primarily within the mandate of the Ministry of Environment, Climate Change and Forestry and the institutions established under the Forests Conservation and Management Act, including the framework set out under sections 33 and 34 on the declaration, variation, and revocation of public forests.

Accordingly, the Commission considers that this matter is best addressed by the Ministry and the relevant forest sector agencies, which are the competent authorities to deal with the gazettement or degazettement of public forests and any related administrative or legal processes.

6) PETITION BY HON. SARAH KORERE, MP REGARDING REVOCATION OF THE GAZETTEMENT OF MUKOGODO FOREST RESERVE AS A PUBLIC FOREST.

PETITIONERS CLAIM

The Petitioners, on behalf of the Il'ngwesi and Yaaku communities in Laikipia North Constituency, contend that the Mukogodo Forest Reserve, covering approximately 30,189 hectares and gazetted as a public forest through Gazette Notice LN 174 of 1964, historically forms part of the ancestral land traditionally occupied and managed by the local communities.

The Petitioners state that the Il'ngwesi and Yaaku communities have long relied on the forest as a source of livelihood, cultural heritage, and spiritual significance. They further indicate that the communities established the Ilmamusi-Mukogodo Forest Association to participate in the conservation and management of the forest and to safeguard the ecological and cultural value of the area.

However, the Petitioners aver that persistent insecurity, including incidents of banditry and livestock theft, forced members of the communities to temporarily vacate the forest area. They contend that this displacement has led to illegal occupation and degradation of the forest ecosystem.

In view of the foregoing, the Petitioners seek the intervention of Parliament to review the legal status of the forest reserve, consider revocation of the gazettement of Mukogodo Forest as a public forest, and facilitate restoration

OUR RESPONSE

Honourable Chair and Committee Members

The Commission's position is that the issues raised in the Petition, particularly those relating to the revocation of the gazettement of Mukogodo Forest Reserve as a public forest and any consequent variation of its legal status, are matters that fall primarily within the mandate of the Ministry of Environment, Climate Change and Forestry and the institutions established under the Forests Conservation and Management Act, including the framework set out under sections 33 and 34 on the declaration, variation, and revocation of public forests.

Accordingly, the Commission considers that this matter is best addressed by the Ministry and the relevant forest sector agencies, which are the competent authorities to deal with the gazettement or degazettement of public forests and any related administrative or legal processes.

7) PETITION BY HON. RAHIM DAWOOD, MP REGARDING COMPENSATION AND LAND ALLOCATION TO MAU MAU WAR VETERANS OF MERU COUNTY.

PETITIONERS' CLAIM

The Petitioners, acting on behalf of the Mau Mau Freedom Fighters of Meru County, claim that despite the recognition framework established under section 3 of the Kenya Heroes Act, many Mau Mau war veterans who contributed to Kenya's liberation struggle have never received proper recognition, compensation, or reparation. They state that since independence in 1963, a section of Mau Mau veterans who suffered displacement, forced evictions, and other injustices under colonial rule have remained without redress.

The Petition further alleges that although the Mau Mau War Veterans Association (MMWVA) was formed to unify veterans, some regional leaders were never appointed and funds allocated by the Government were misappropriated, thereby denying veterans and their families the intended economic relief. The Petitioners also contend that regional associations such as the Nakuru District Ex-Freedom Fighters Organisation (NDEFFO) were established to pursue land rights and reparations, but veterans from other regions, including Meru, were excluded from those initiatives.

They further claim that some veterans were previously compelled to mobilize their own resources and fundraise in order to purchase land from white settlers, a process that excluded many who could not afford to participate. The Petitioners maintain that the efforts by Mau Mau veterans to obtain justice and reparations for violations such as economic dispossession, evictions, forced labour, rape, and murder committed during the colonial period have remained unaddressed.

Consequently, the Petitioners seek the intervention of the National Assembly to facilitate the resettlement of Mau Mau war veterans and their families on ancestral land, promote regional representation in the Mau Mau War Veterans Association, support formal recognition of the Mau Mau Movement under the Kenya Heroes Act, and have the historical land injustices raised investigated by the National Land Commission.

OUR RESPONSE

The Commission's records indicate that it received a total of **thirteen (13)** historical land injustice claims from Meru County. However, the Mau Mau freedom fighters of Meru did not lodge any specific claim before the Commission

in respect of the matters now raised in the Petition. The Commission wishes to clarify that its mandate on historical land injustices is derived from Article 67(2)(c) of the Constitution, as operationalized under section 15 of the National Land Commission Act, as amended, and the National Land Commission (Investigation of Historical Land Injustices) Regulations.

Under this legal framework, any claim relating to a historical land injustice must first be formally lodged before the Commission and thereafter subjected to a vetting and admissibility assessment to determine whether it meets the prescribed legal threshold. This assessment considers, among other things, whether the complaint relates to a recognized historical land injustice, whether it concerns a violation of rights in land, whether it remains unresolved, and whether it falls within the Commission's mandate. Upon such assessment, the Commission may admit the claim for investigation, reject it with reasons, refer the claimants to another appropriate institution, or consolidate it with related claims where applicable.

Accordingly, the Commission's position is that the Petition, as presently framed, does not correspond to any claim filed before it by the Mau Mau freedom fighters of Meru under the historical land injustice framework. The Commission has therefore not had the opportunity to assess the matter for admissibility, undertake investigations, hear the parties, or make any recommendation for redress on the grievances now being advanced.

The Commission nevertheless notes that the current legal framework provides an avenue through which the Mau Mau freedom fighters of Meru, or their representatives, may formally lodge a claim on the alleged historical land injustice. Once such a claim is filed, it will be considered strictly in accordance with the Constitution, the National Land Commission Act, and the applicable Regulations. If the claim meets the admissibility threshold, the Commission will proceed with the requisite investigative process. If it does not meet the threshold, the claimants will be advised on the appropriate institution or legal avenue through which the matter may be pursued.

In summary, while the grievances raised by the Petitioners may be deserving of consideration, no claim concerning the alleged historical land injustice affecting the Mau Mau freedom fighters of Meru has so far been filed with the Commission. The Commission therefore advises that the matter be formally presented to enable consideration within the framework of the law.

CONCLUSION

Honourable Chairpersons and Honourable Members,

Commission remains fully committed to executing its constitutional *mandate on* compulsory acquisition in a lawful, transparent, and participatory manner, while safeguarding the rights and interests of affected communities.

I thank the Joint Committee and stand ready to provide any further clarification as may be required.

Honourable Chairpersons and Honourable Members, I submit.


7 Kabale Tache Arero, MBS
SECRETARY/CEO

Encl



KENYA RURAL ROADS AUTHORITY

Tel: 020-7807600/01-05
Mobile No. 0711-851103
Email: dg@kerra.go.ke
Website: www.kerra.go.ke

Barabara Plaza Block B, Airport South Road
P.O. Box 48151-00100
Nairobi, Kenya

Ref: KeRRA/02/5/2/VOL.9 (20)

Date: 23rd March, 2026

The Clerk of the National Assembly
Clerk's Chambers, Parliament Buildings
P.O Box 41842-00100
NAIROBI

Dear Sir,

**RE: REQUEST FOR A STATEMENT REGARDING COMPENSATION OF RESIDENTS
AFFECTED BY THE CONSTRUCTION OF THE EMBU RING/ CONNECTOR ROAD
PROJECT IN EMBU COUNTY**

We refer to your letter Ref: DAA&GPC/PPC/2026/057 dated 11th March, 2026 on the above subject.

In the correspondence, responses to the following Questions were sought from the Cabinet Secretary:-

- i. *Investigates the status of compensation for all PAPs along the Embu Hospital-Kathangariri-Kianjokoma-Kanja-Runyenjes-Siakago Road, including the reasons for delay or non-payment, the accuracy and fairness of valuation reports, and the legal status of the compulsory acquisition;*

PROPOSED RESPONSE

The Ministry wishes to respond as follows;

The compensation valuation process was completed in March 2025. The Authority is awaiting exchequer release from the National Treasury to complete the payment process. Due process was followed to ensure fairness and accuracy, as follows

October 2019: Valuation of Crops was done by the Embu County Director of Agriculture

April 2022: Valuation of Trees was done by the Kenya Forest Services, Embu County

April 2023: The Gazette Notices were issued, and a physical inspection was undertaken by the National Lands Commission

April 2024: Public Inquiries by the National Land Commission

March 2025: The National Land Commission finalized the valuation process

Connecting Devolved Kenya

- ii. ***Recommends prompt and fair compensation for all PAPs in accordance with Article 40(3) of the Constitution and the Land Act;***

The Ministry wishes to clarify that the compensation process was undertaken in line with Article 40(3) of the Constitution.

- iii. ***Make any other recommendations or takes any actions it deems appropriate to address the plight of the Petitioners***

The Ministry confirms that upon release of the exchequer, the compensation funds will be channeled to the National Land Commission, which will then issue respective awards to the Project Affected Persons (PAPs).

Yours faithfully,



Eng. J. K. Magundu
DIRECTOR GENERAL

Cc: The Principal Secretary
State Department for Roads
Ministry of Roads and Transport
Transcom House, Ngong Road
NAIROBI



REPUBLIC OF KENYA
THE NATIONAL TREASURY

Telegraphic Address: 22921
FINANCE – NAIROBI
Fax No. 315779
Telephone: 2252299

THE NATIONAL TREASURY
P.O. Box 30007 - 00100
NAIROBI
KENYA

When replying please quote

Ref: DV/ES 1091/25/01/B/ (35)

Date: 20th May, 2026

Mr. Samuel Njoroge, CBS
Clerk of the National Assembly
Parliament Buildings
NAIROBI

Dear *Sis,*

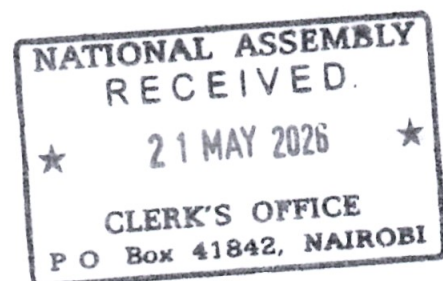
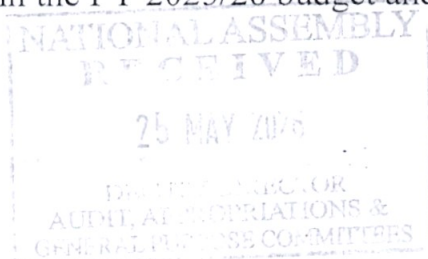
**REQUEST FOR WRITTEN SUBMISSIONS ON PUBLIC PETITION NO.32
OF 2025 REGARDING COMPENSATION OF RESIDENTS AFFECTED BY
CONSTRUCTION OF THE EMBU RING/CONNECTOR ROAD PROJECT
IN EMBU COUNTY**

This is in reference to a letter Ref. NA/DAA&GPC/PPC/2026/081 dated 11th May, 2026 on the above subject matter.

The National Treasury acknowledges receipt of the letter requesting for a written submission regarding compensation of residents affected by the construction of the Embu Ring/Connector Road project in Embu County.

It is observed that Kenya National Highways (KeNHA) and the National Land Commission (NLC) admitted liability for funds owed to the Project Affected Persons (PAPs) for the private land acquired for construction of the ongoing road project.

However, we have reviewed the request and noted that no budgetary provisions were appropriated for Land Compensation and Relocation of Services under the Embu Hosp – Kathangariri – Kianjokoma – Runyenjes – Mbui – Njeru – Kanja-Siakago Road project in the FY 2025/26 budget and in the previous Financial Years.



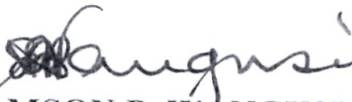
*Victor Kike
Committee to note
the response
25.5.26*

*D/DA&GPC
For attention of the Committee
[Signature]
21/5/26*

It is important to note that the National Treasury is not the implementing agency for road projects and therefore is not in a position to prioritize budgetary allocations to road projects and associated services including payment of Project Affected Persons (PAPs). However, given the need for smooth implementation of the project, the State Department for Roads should determine the actual cost of the PAPs and ensure that the necessary allocation is prioritized during implementation of the FY 2026/27 budget.

Yours

Sincerely


SAMSON P. WANGUSI, OGW
PRINCIPAL ADMINISTRATIVE SECRETARY
FOR: PRINCIPAL SECRETARY/THE NATIONAL TREASURY

Copy to: Eng. Joseph Mungai Mbugua, CBS
Principal Secretary
State Department for Roads
NAIROBI



REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026

PUBLIC PETITIONS COMMITTEE



REPORT ON-

THE CONSIDERATION OF PUBLIC PETITION NO. 78 OF 2023 REGARDING
NATIONAL HEALTH INSURANCE FUND INELIGIBLE “INCURRED BUT NOT
REPORTED” (IBNR) CLAIMS OF OVER KENYA SHILLINGS 21 BILLION,
CAPTURED IN THE FINANCIAL YEAR ENDING 30TH JUNE, 2022

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 28 MAY 2026	
DAY: Thursday	
TABLED BY:	Hon. Maïson Marwa, MP Member, Public Petitions Committee
CLERK-AT THE-TABLE:	Irene Nduku

Directorate of Audit Appropriations &
General Purpose Committees
Clerk's Chambers
Parliament Buildings
NAIROBI

MAY 2026

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LIST OF ACRONYMS

CEO	-	Chief Executive Officer
EACC	-	Ethics and Anti-Corruption Commission
EHMIS	-	Electronic Health Management Information System
IFRS	-	International Financial Reporting Standards
IBNR	-	Incurred But Not Reported
IPSAS	-	International Public Sector Accounting Standards
IRA	-	Insurance Regulatory Authority
KNH	-	Kenyatta National Hospital
NHIF	-	National Health Insurance Fund
PFM	-	Public Finance Management
SHA	-	Social Health Authority

CHAIRPERSON'S FOREWORD

On behalf of the Public Petitions Committee and pursuant to the provisions of Standing Order 227, it is my honour and privilege to present to the House the Report of the Public Petitions Committee on the consideration of Public Petition No. 78 of 2023 regarding the National Health Insurance Fund (NHIF) Incurred But Not Reported (IBNR) claims amounting to over Kenya Shillings 21 billion captured in the Financial Year ending 30th June 2022. The Petition was conveyed by the Honourable Speaker on behalf of Mr. Bernard Muchere, a Fraud Risk Management Consultant.

The Petition raised concerns regarding the legitimacy of the IBNR reserves recorded in the NHIF financial statements and alleged that the reserves were ineligible and may have been used to facilitate irregular payments. The Petitioner prayed that the National Assembly compels the Board of Management and the Chief Executive Officer of NHIF to prepare financial statements that present a true and fair view of the Fund's financial position, identify healthcare providers who may have benefited from ineligible IBNR claims, and recover any funds found to have been irregularly paid.

In considering the Petition, the Committee engaged the Petitioner and received submissions from key stakeholders including the Ministry of Health, the Social Health Authority and the Insurance Regulatory Authority.

The Committee recommends that the Auditor-General conducts a forensic audit on the entirety of IBNR funds set aside since inception and eventual payments made, within six (6) months of tabling of this report.

The Committee wishes to thank the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support provided during the consideration of the Petition. The Committee also appreciates the cooperation of all stakeholders who appeared before it. Finally, I commend the Members of the Committee and the Secretariat for their dedication and commitment throughout the consideration of the Petition.

On behalf of the Committee and pursuant to the provisions of Standing Order 199, I now have the honour to table this Report before the House for consideration.

THE HON. KAREMBA MUCHANGI, CBS, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

PART ONE

1 PREFACE

1.1 Establishment and mandate of the committee

The Public Petitions Committee is established under the provisions of Standing Order 208A with the following terms of reference:

- a) considering all public petitions tabled in the House;
- b) making such recommendations as may be appropriate with respect to the prayers sought in the petitions;
- c) recommending whether the findings arising from consideration of a petition should be debated; and
- d) advising the House and reporting on all public petitions committed to it.

1.2 Committee Membership

The Public Petitions Committee was constituted in October 2022 and comprises the following Members:

Chairperson

Hon. Muchangi Karemba, CBS, M.P.
Runyenjes Constituency
United Democratic Alliance (UDA)

Vice-Chairperson

Hon. Janet Jepkemboi Sitienei, M.P.
Turbo Constituency
United Democratic Alliance (UDA)

Hon. Patrick Makau King'ola, M.P.
Mavoko Constituency

Wiper Democratic Movement-Kenya
(WDM-K)

Hon. Edith Vethi Nyenze, M.P.
Kitui West Constituency

Wiper Democratic Movement-Kenya (WDM-
K)

Hon. Ntwiga Patrick Munene, M.P.
Chuka Igambang'ombe Constituency
United Democratic Alliance (UDA)

Hon. Maisori Marwa Kitayama, M.P.
Kuria East Constituency
United Democratic Alliance (UDA)

Hon. Joshua Chepyegon Kandie, M.P.
Baringo Central Constituency
United Democratic Alliance (UDA)

Hon. Beatrice Kadeveresia Elachi, M.P.
Dagoretti North Constituency
Orange Democratic Movement (ODM)

Hon. Bernard Muriuki Nebart, M.P.
Mbeere South Constituency
Independent

Hon. Biego Paul Kibichy, M.P.
Chesumei
United Democratic Alliance (UDA)

Hon. Peter Irungu Kihungi, M.P.
Kangema Constituency
Maendeleo Chap Chap Party (MCCP)

Hon. John Bwire Okano, M.P.
Taveta Constituency
Wiper Democratic Movement-Kenya (WDM-
K)

Hon. Peter Mbogho Shake, M.P.
Mwatate Constituency
Jubilee Party (JP)

Hon. Sloya Clement Logova, M.P.
Sabatia Constituency
United Democratic Alliance (UDA)

Hon. Suzanne Ndunge Kiamba, M.P.
Makueni Constituency
Wiper Democratic Movement-Kenya
(WDM-K)

1.3 Committee Secretariat

The Public Petitions Committee was facilitated by the following members of the secretariat:

Lead Clerk

Mr. Victor Weke

Principal Clerk Assistant II

Ms. Miriam Modo

First Clerk Assistant

Mr. Benard Cherotich

Third Clerk Assistant

Ms. Kafuyai Wamae

Third Clerk Assistant

Mr. Clinton Sindiga

Legal Counsel II

Ms. Nancy Akinyi

Research Officer III

Mr. Arkan Mumin

Research Officer III

Ms. Roselyne Njuki

Principal Serjeant-at-Arms

Mr. Paul Shana

Serjeant-at-Arms

Mr. Pascal Valerian

Hansard Officer II

Mr. Collins Mahamba

Audio Officer III

Ms. Felistus Muiya

Public Communication Officer

Ms. Fridah Ngari

Media Relations Officer III

PART TWO

2 BACKGROUND TO THE PETITION

2.1 Introduction

1. Public Petition No. 78 of 2023 regarding the regarding National Health Insurance Fund ineligible 'Incurred But Not Reported' (IBNR) claims of over Kshs. 21 billion, captured in the financial year ending 30th June 2022 was presented by the Honourable Speaker on Thursday, 10th March, 2024, on behalf of Mr. Bernard Muchere, a fraud management consultant.
2. He avers that IBNR is a type of reserve account used in the insurance industry as a provision for claims and/or events that have transpired but have not yet been reported to an insurance company.
3. The Petitioner further states that upon undertaking a fraud examination on the financial statement in respect of NHIF for the year ending 30th June 2022, NHIF management created IBNR claims aggregating to over KSH 21 billion backdated to the 2019/2020 financial year (inclusive of cumulative IBNR claims for the previous year). The unbudgeted claims were to NHIF members' contributory schemes, causing a huge financial crisis that made NHIF unable to pay for genuine contributors.
4. The petitioner further avers that, upon analysis of the annual reports and the financial statements, there was a lack of evidence supporting the IBNR claims and that IBNR reserves were fraudulently created to enable the siphoning the NHIF funds. This has caused a major crisis in the contributors' medical coverage, resulting in most patients being denied treatment.

2.2 Petitioners' Prayers

The Petitioners prayed that the National Assembly through the Public Petitions Committee—

5. Compels the Board of Management and the Chief Executive Officer to prepare financial statements that give a true and fair view of the state of affairs and consequently, identify which health care providers benefited from IBNR claims and funds to be inauthentic, the total amount paid should be recovered from the beneficiaries.

PART THREE

3 STAKEHOLDERS' SUBMISSIONS

3.1 The Petitioner

On Thursday, 10th September, 2024, the Petitioner, Mr. Bernard Muchere, Fraud Management Consultant, appeared before the Committee and submitted as follows—

6. A fraud examination on financial statements in respect of the NHIF for the year ending 30th June, 2022, with reference to previous financial years, established that, during the preparation of the financial statements for the Financial Year ending 30th June 2022, NHIF Management created IBNR claims aggregating to over Kshs. 21 billion backdated to the Financial Year 2019/2020.
7. The unbudgeted claims were charged on NHIF members contribution schemes causing a huge financial crisis that made NHIF unable to pay hospital bills for genuine contributors.
8. The analysis relied upon the audited financial statements for the F/Y ending 30th June 2022 with reference to financial statements for financial years 2020/2021, 2019/2020, 2018/2019, and 2017/2018, Constitution of Kenya 2010, the National Health Insurance Fund Act, 2022, the Public Finance Management Act, 2012, and Cap 446-the State Corporations Act.
9. IBNR is a type of reserve account used in the insurance industry as the provision for claims and/or events that have transpired but have not yet been reported to an insurance company. IBNR is used by insurance companies, particularly along the eastern Gulf Coast of the United States where hurricanes and other natural disasters are common. After a storm hits, an actuary estimates potential damage to infrastructure and the claims that may be anticipated. Based on this analysis, money is then set aside in a reserve to pay for claims.
10. The process of incurring, reporting, and submissions of claims to NHIF for the previous manual system required that the patient presents an NHIF card and national identification card to a registered health facility and the contracted health facility provider requests for per-authorization by NHIF before treatment can be administered. It was only upon approval by NHIF that the contracted health facility provider undertakes services and immediately submits its claim.
11. For the Electronic Health Management Information System (EHMIS), the patient was required to present their national identification card and biometric taken by the registered health facility and the request for per-authorization and authorization is real-time. The claims are made in real-time through the EHMIS portal upon completion of services.
12. The NHIF's incurring, approval, and submission of claims' systems/processes are established in such a way that claims are reported before treatment, hence IBNR cannot arise in NHIF
13. Upon analysis of the 2021/2022 audited financial statements and the preceding financial years audited financial statements, the NHIF management appears to have engaged an actuarial firm during the preparation of the 2021/2022 financial statements., whereby it computed IBNR reserves aggregating to Kshs 21,109,205,434.00.

14. This was a major policy change, however, the Chief Executive Officer and the chairperson of the Board in their reports on the Annual Financial Statements for the FY ending June 2022 consciously avoided mentioning and explaining the basis for the IBNR claims.
15. Further, there was no evidence showing how the actuarial firm, Kenbright Actuarial and Financial Services was procured and how it determined the so-called “claim-generating events”. Therefore, the CEO’s and Chairperson’s non-commitment on IBNR claims suggest improbability.
16. The IBNR reserves were fraudulently created to enable siphoning of the Kshs 21,109,205,434 from the NHIF Funds as no reserves were set aside in the 2021/2022 financial year or the previous years.
17. Further, the audited financial statements for the financial year ended 30th June 2021 were fictitiously restated where part of the Kshs18,697,004,746 cumulative retained earnings, and Kshs12,310,791,402 was converted to IBNR claim reserves.

3.2 The Ministry of Health

18. On 24th February, 2026, Dr. Ouma Oluga, OGW, the Principal Secretary, Medical Services, Ministry of Health, appeared before the Committee alongside the Chief Executive Officer (CEO), Social Health Authority (the successor to NHIF) and submitted as follows—

No.	Petitioner’s Statement	Ministry’s Response
1.	Incurred But Not Reported (IBNR) claim reserves are not required for medical insurance	Incurred But Not Reported (IBNR) reserves & how such reserves are calculated is anchored in law under Legislative Supplement No. 16 - Insurance (Valuation of Technical Provisions for General Insurance Business) Regulations.
2.	IBNR reserves lead to fraud since they allow the institution to arbitrarily disburse funds to healthcare providers.	No. IBNR is a balance sheet item and does not influence vetting or payment of claims to services providers. This is a prudent accounting entry.
3.	Does inclusion or exclusion of IBNR in Financial Statements give a true and fair view?	Inclusion of IBNR and claims reserves is what gives a true and fair representation of an insurer in line with international standards such as IFRS17. Historically NHIF did not book IBNR and this gave an incorrect view of financial statements.
4.	Does inclusion of IBNR reserve affect the ability of an insurer like NHIF to pay claims	No. This reserve & other reserves do not affect the assets (cash or otherwise) of an insurer but rather increases the liabilities of the insurer and reduces the surplus in the balance sheet.

5.	IBNR was deliberately created to siphon out money which resulted in most patients being denied service.	No patients were denied services during the period in question. Under the NHIF mandate, members were entitled to receive care as long as their contributions were paid. The establishment of an IBNR reserve does not affect access to services; rather, it is an accounting requirement designed to safeguard members' contributions. Its purpose is to ensure that all IBNR claims are adequately provided for, in line with established financial and actuarial standards.
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Table 1: Petitioner's claims against Ministry's Response

Technical Review and Analysis of IBNR Reserves

19. The Committee was taken through a detailed examination of the technical, legal and actuarial frameworks surrounding the IBNR reserves by the Ministry. The following review and analysis were recorded for clarity and deeper understanding:

Legal and Regulatory Framework

20. The Ministry anchored its defense on two primary instruments, namely -

The Legislative Supplement No. 16: Insurance (Valuation of Technical Provisions for General Insurance Business) Regulations

21. These regulations fall under the Insurance Act and traditionally govern general (non-life) insurance business. Health insurance occupies a hybrid space between life and non-life insurance. While medical insurance is often classified as general insurance due to its short-term, renewable nature, NHIF operated as a social health insurance scheme with characteristics distinct from commercial general insurance. The applicability of general insurance regulations to a parastatal social insurance fund required clearer elucidation.

IFRS 17 - Insurance Contracts

22. IFRS 17 became effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. NHIF's adoption for the financial year 2021/22 (ending 30 June 2022) represented early adoption. The standard requires recognition of –
- **Fulfillment Cash Flows:** Probability-weighted estimates of future cash flows, discounted to present value;
 - **Risk Adjustment:** Compensation for uncertainty about the amount and timing of cash flows; and
 - **Contractual Service Margin:** Unearned profit recognized over the coverage period.
23. The IBNR reserve falls within the fulfillment cash flows component, specifically addressing claims incurred but not yet reported at the reporting date.
24. Furthermore, IBNR is also a mandatory reserve under IFRS 17, established to recognize insurance liabilities arising from claims that have been incurred but not yet reported at the

reporting date. It ensures that the insurer's financial statements accurately reflect all outstanding obligations, even when the exact amount and timing of such claims are uncertain. By incorporating IBNR, insurers maintain compliance with global accounting standards, uphold transparency, and ensure prudent financial management to safeguard solvency and policyholder interests.

25. It therefore follows that, all Government institutions offering insurance or insurance-like contracts are required to prepare their financial statements in accordance with IFRS 17. This requirement applies uniformly across the public sector, and the defunct NHIF was not exempt from compliance. Ensuring adherence to IFRS 17, including the establishment of IBNR reserves, is therefore both a legal and professional obligation intended to safeguard contributors' funds, strengthen financial discipline, and promote long-term sustainability of the Fund.
26. Contrary to claims of arbitrary disbursement, IBNR funds are not disbursed arbitrarily to healthcare providers. These funds are specifically reserved to settle claims originating from hospitals where patients were treated, and the requisite claims documentation has been submitted. Under IFRS 17, the IBNR represents the proportion of liability for incurred claims that must undergo the normal due process for settling hospital claims. This includes verification of eligibility, computation based on applicable tariffs or rebates, and approval only after full documentation is provided.
27. A key misconception addressed here is the assertion that "claims are reported before treatment." This statement is false. Claims for inpatient services are submitted upon the patient's discharge from the hospital, not beforehand. All paid claims include an admission date and a discharge date. Upon discharge, the claims amount is computed based on the various tariffs or rebates applicable. Providers were contractually required to submit fully documented claims within 30 days, as per the defunct NHIF and healthcare providers' service provision contracts.

Actuarial Methodology and Validation

28. The IBNR reserve for NHIF in the 2021/22 financial year was calculated using historical data, actuarial projections, and adjustments for paid claims. The reported gross IBNR was Kshs. 21,109,205,434, which was legitimately derived as follows –

Description	Amount (KShs)	Technical Notes
A. IBNR at beginning (1 July 2021)	19,972,497,763	Restatement of opening position
B. Add: IBNR for 2021/22	1,136,707,671	Current year provision
C = A + B Totals	21,109,205,434	Gross IBNR reserve
Less:		

Description	Amount (KShs)	Technical Notes
E. Claims paid in 2022, incurred before June 2021	(7,661,706,361)	Run-off from prior periods
F. Claims paid in 2022, incurred in 2021/22	(6,835,120,522)	Current year claims settlement
G = E + F Total paid claims	(14,496,826,882)	Total utilization
C - G Net IBNR as at 30 June 2022	6,612,378,551	Closing reserve position

Table 2: Basis and Calculation of NHIF's IBNR for FY 2021/22

Explanatory Notes

29. The impact on the financial performance of the year 2021/22 was KES 1.13 billion. The remaining reserve of KES 19.9 billion was recognized in the balance sheet as a restatement, in accordance with applicable accounting standards. This adjustment was necessary because NHIF had not previously established IBNR reserves, and the restatement ensured that the financial statements reflected the full extent of outstanding claim obligations.
30. Whereas KES 21.1 billion were estimated as the claims reserve at the time at the end of 30 Jun 2022, it is worth mentioning that in the subsequent year 2022/23 during normal day-to-day operations led to payment of KES 14.4 billion resulting in a balance of KES 6.6 billion.
31. This net figure of KES 6,612,378,551 reflects deductions for claims paid in the subsequent period that were incurred prior to the valuation date (30 June 2022). These payments validate the reserve's accuracy, as they directly draw from the IBNR pool for legitimate, documented claims.
32. Since IBNR is an estimate rather than an exact figure, its accuracy may vary depending on the quality of data and the actuarial assumptions applied.
33. To further validate the prudence and reliability of the IBNR provision, the table below illustrates the movement and adjustments in the IBNR position to date.

Item	Amount
IBNR Reserves (30th June 2022)	21,109,205,433
Prior Year Claims (Post 30th June 2022)	14,496,826,882
Outstanding Claims (up-to 30th June 2022)	6,592,887,331
Adjusted IBNR	21,088,714,213
% Accuracy	99.9%

Table 3: Movement and Adjustments in the IBNR position to-date

34. The IBNR accuracy level stands at approximately 99.9%, indicating that the reserve estimates were reflective of the actual claims experience. This high level of accuracy demonstrates that

the actuarial assumptions and data used in the estimation process were sound and aligned closely with real-world outcomes. It also underscores the prudence of the reserving methodology, as the provision was sufficient to meet the majority of delayed or unreported claims.

35. In summary, the allegations of a "KES 21 billion scam" mischaracterize a standard actuarial practice essential for NHIF's solvency. The reserve was not "fraudulently created" but meticulously calculated to cover real liabilities, as evidenced by subsequent payments as submitted by the Ministry.

3.3 The Insurance Regulatory Authority (IRA)

On 16th March, 2026, Mr. Geoffrey Kiptum, the Commissioner of Insurance & Chief Executive Officer (CEO), through written Submissions, submitted as follows—

36. Incurred But Not Reported (IBNR) provisions in the financial statements of insurers represent an estimate of claims that have already occurred but have not yet been reported to the insurer by the reporting date.
37. Such provisions are a standard components of insurance liabilities and are used to ensure that financial statements reflect the full cost of claims arising from coverage provided during the financial period.
38. The recognition and estimation of IBNR liabilities is consistent with internationally accepted financial reporting and actuarial practice. The, International Financial Reporting Standards (IFRS) 17 (Insurance Contracts) requires entities issuing insurance contracts to recognize a liability for incurred claims, including claims that have occurred but have not yet been reported.
39. Under IFRS 17, such liabilities form part of the liability for incurred claims, which represent the insurer's obligation to policyholders arising from events that have already occurred.
40. The estimation of IBNR is typically carried out using actuarial techniques that analyses historical claims reporting pattern, payment delays and trends. These calculations are designed to produce a reasonable estimate of the outstanding claims liability at the reporting date.
41. Accordingly, the inclusion of an IBNR provision in financial statements is not only consistent with accepted actuarial and accounting practice but is also considered a prudent measure intended to ensure that liabilities are not understated. Without such provisions, financial statements could materially understate the obligation arising from services already provided but not yet invoiced or reported.
42. With respect to the specific IBNR provisions reported in the NHIF financial statements for the year ended 30th June, 2022, the determination of the amount would ordinarily be expected to rely on actuarial analysis supported by credible historical claims data and appropriate statistical techniques. Where such methodologies are properly applied, the resulting estimate forms part of the overall claims' liability presented in the financial statements.
43. The use of IBNR provisions is therefore widely recognized as an essential component of sound financial reporting and risk management in the insurance industry.

PART FOUR

4 COMMITTEE OBSERVATIONS

Arising from the engagement with the various stakeholders, including the Petitioner, Ministry of Health and the Insurance Regulatory Authority, the Committee made the following observations—

44. Incurred But Not Reported (IBNR) provisions are a standard and mandatory component of insurance liabilities within the industry, as affirmed by the Insurance Regulatory Authority.
45. The recognition of IBNR provisions in the financial statements of the National Hospital Insurance Fund for the year ended 30th June 2022 is consistent with accepted insurance and accounting practices, IFRS 17, which requires insurers to account for all incurred claims, including those not yet reported as at the reporting date.
46. IBNR entries must be based on credible actuarial models and historical claims data. If unsupported, they may constitute false liabilities and violate International Public Sector Accounting Standards (IPSAS 19) on provisions and contingent liabilities. The accurate estimation of IBNR provisions is critical for maintaining insurer solvency, safeguarding policyholder interests, and ensuring the stability of the insurance sector.

PART FIVE

5 COMMITTEE RECOMMENDATIONS

Pursuant to the provisions of Standing Order 227 and in response to the prayers sought by the Petitioner, the Committee recommends as follows –

- i) On the Prayer that the Committee compels the Board of Management and the Chief Executive Officer to prepare financial statements that give a true and fair view of the state of affairs; **the Committee notes that financial statements of the National Hospital Insurance Fund (NHIF) and its successor, the Social Health Authority (SHA) have been annually submitted to the National Assembly and recommendations by the relevant audit Committee of the House considered.**
- ii) On the prayer that the Committee further compels the Board of Management and the Chief Executive Officer of NHIF to identify healthcare providers who benefited from ineligible IBNR claims; **the Committee recommends that the Office of the Auditor-General conducts a forensic audit on the entirety of IBNR funds set aside since inception and eventual payments made, within six (6) months of tabling of this report.**
- iii) On the prayer that the Committee intervenes to have recovery of funds where payments are found to be inauthentic; **the Committee recommends that the outcome of the aforementioned forensic audit be awaited.**

Signed: _____

Date: 28/05/26.

THE HON. KAREMBA MUCHANGI, CBS, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 28 MAY 2026	
DAY: Thursday	
TABLED BY:	Hon. Maisori Marwa, MP
CLERK-AT THE-TABLE:	Irene Nduku

ANNEXURES

- Annex 1: Adoption List
- Annex 2: Public Petition No. 78 of 2023 regarding the National Health Insurance Fund (NHIF) Incurred But Not Reported (IBNR) claims amounting to over Kenya Shillings 21 billion captured in the Financial Year ending 30th June 2022
- Annex 3: Minutes of proceedings.

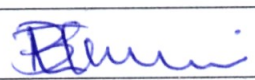
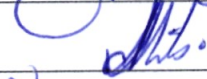
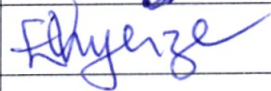
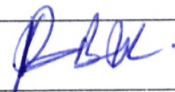
PUBLIC PETITIONS COMMITTEE

ADOPTION LIST

- (i) **Consideration and adoption of the Report on Public Petition No. 78 of 2023 by Mr. Bernard Muchere, regarding National Health Insurance Fund ineligible incurred but not reported (IBNR) claims of over Kenya Shillings 21 billion, captured in the Financial Year ending 30th June 2022**

We, the undersigned, hereby affix our signatures to this Report to affirm our approval:

DATE: 6/5/2025

	HON. MEMBER	SIGNATURE
1.	Hon. Muchangi Karemba, CBS, M.P. (Chairperson)	
2.	Hon. Janet Jepkemboi Sitienci, CBS, M.P. (Vice Chairperson)	
3.	Hon. Patrick Makau King'ola, M.P.	
4.	Hon. Beatrice Kadeveresia Elachi, CBS, M.P.	
5.	Hon. Joshua Chepyegon Kandie, M.P.	
6.	Hon. Maisori Marwa Kitayama, M.P.	
7.	Hon. Edith Vethi Nyenze, M.P.	
8.	Hon. Patrick Ntwiga Munene, CBS, M.P.	
9.	Hon. Paul Biego Kibichy, M.P.	
10.	Hon. (Eng.) Bernard Muriuki Nebart, M.P.	
11.	Hon. Peter Mbogho Shake, M.P.	
12.	Hon. Suzanne Ndunge Kiamba, M.P.	
13.	Hon. John Bwire Okano, M.P.	
14.	Hon. Sloya Clement Logova, M.P.	
15.	Hon. Peter Irungu Kihungi, M.P.	



**THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT (SECOND SESSION)**

CONVEYANCE OF PUBLIC PETITION

(No. 78 of 2023)

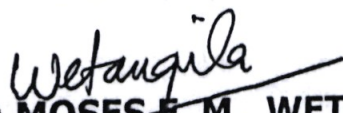
**REGARDING THE NATIONAL HEALTH INSURANCE FUND
INELIGIBLE *INCURRED BUT NOT REPORTED (IBNR)* CLAIMS OF
OVER KENYA SHILLINGS 21 BILLION, CAPTURED IN THE
FINANCIAL YEAR ENDING 30TH JUNE 2022.**

- 1. Honourable Members,** Article 119 of the Constitution accords any person the right to petition Parliament to consider any matter within its authority. Further, Standing Order 225(2)(b) requires the Speaker to report to the House any Petition other than those presented by a Member.
- 2. Honourable Members,** in this regard, I wish to report to the House that my Office has received a Petition from one, *Bernard Muchere, CFE, ID No. 0810570*, being a citizen of the Republic of Kenya and a Fraud Risk Management Consultant.
- 3. The Petitioner** states that *INCURRED BUT NOT REPORTED (IBNR)* is a type of reserve account used in the insurance industry as a provision for claims and/or events that have transpired but have not yet been reported to an insurance company.
- 4. The Petitioner** avers that upon undertaking a fraud examination on financial statements in respect of the NHIF for the year ending 30th June 2022, with reference to previous financial years, he established that during the preparation of the financial statements for the FY ending 30th June 2022, NHIF management created IBNR claims aggregating to over Ksh. 21 billion backdated to the 2019/2020 financial year (inclusive of cumulative IBNR claims for the previous

financial years). The unbudgeted claims were charged to NHIF members' contributory schemes, causing a huge financial crisis that made NHIF unable to pay hospital bills for genuine contributors.

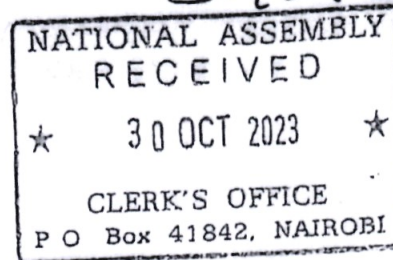
5. **Honourable Members**, the Petitioner further avers that, upon analysis of the annual reports and financial statements, there was a lack of evidence supporting the IBNR claims and that the IBNR reserves were fraudulently created to enable the siphoning out of NHIF funds. This has caused a major crisis in the contributors' medical coverage, resulting in most patients being denied treatment.
6. **The Petitioner** therefore, prays that the National Assembly compels the Board of Management and the Executive Officer to prepare financial statements that give a true and fair view of the state of affairs and consequently, identify which healthcare providers benefited from IBNR and whether their IBNR claims were authentic. In the event that the IBNR claims are found to be inauthentic, the total amount paid should be recovered from the beneficiaries.
7. **Honourable Members**, having established that the matter raised in the Petition is well within the authority of this House; and further, that the matters raised in this petition are not pending before any court of law, constitutional or legal body, I hereby commit the Petition to the Public Petitions Committee for consideration pursuant to Standing Order 208A.
8. The Committee is required to consider the Petition and report its findings to the House and to the Petitioner in accordance with Standing Order 227(2).

I thank you.


THE RT. HON. (DR.) MOSES F. M. WETANG'ULA, EGH, MP
SPEAKER OF THE NATIONAL ASSEMBLY

Date 29/4/23

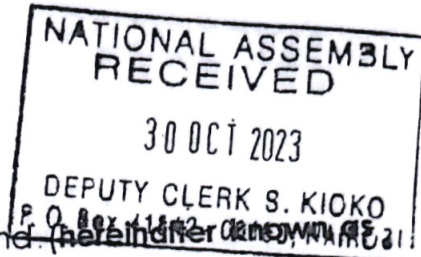
THE CLERK OF THE NATIONAL ASSEMBLY
PARLIAMENT BUILDINGS
P.O BOX 41842-00100
NAIROBI.
E-mail: cna@parliament.go.ke



② Head, PRS
please register,
acknowledge and
process.
31/10/23

REF: PETITION TO THE NATIONAL ASSEMBLY OF KENYA CONCERNING THE
NATIONAL HEALTH INSURANCE FUND INELIGIBLE INCURRED BUT NOT REPORTED
CLAIMS CAPTURED IN THE FINANCIAL YEAR ENDING 30TH JUNE 2022 – OVER KSH.
21 BILLION

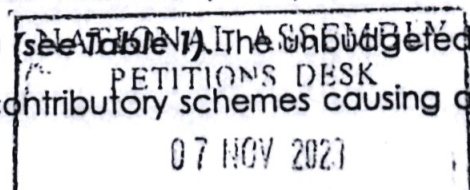
I, **THE UNDERSIGNED** citizen of the Republic of Kenya,



CONCERNED that the National Health Insurance fund (**hereinafter known as NHIF**) was deprived of more than **Ksh. 21 billion** through fictitious claims coined as **Incurred But Not Reported** (**hereinafter known as IBNR**) created in the financial year (**hereinafter known as F/Y**) ending 30th June 2022.

DRAW the attention of the Honourable National Assembly of the Republic of Kenya to the following:

1. **That**, I am a Fraud Risk Management Consultant with vast experience in the public sector.
2. **That**, upon undertaking a Fraud Examination on financial statements in respect of the NHIF for the year ending 30th June 2022 with reference to previous financial years, I established:
3. **That**, during the preparation of the financial statements for the F/Y ending 30th June 2022, NHIF management created IBNR claims aggregating to over Ksh. 21 billion backdated to the 2019/2020 financial year (inclusive of cumulative IBNR claims for the previous F/Y) (**see Table 1**). The unbudgeted claims were charged on NHIF members' contributory schemes causing a



**PETITION TO THE NATIONAL ASSEMBLY OF KENYA CONCERNING THE NATIONAL
HEALTH INSURANCE FUND INELIGIBLE INCURRED BUT NOT REPORTED CLAIMS
CAPTURED IN THE FINANCIAL YEAR ENDING 30TH JUNE 2022 – OVER KSH. 21
BILLION.**

huge financial crisis that made NHIF unable to pay hospital bills for genuine contributors.

DOCUMENTS RELIED UPON

4. I relied upon the following documents to compile the petition:

(a) The audited financial statements for the F/Y ending 30th June 2022 with reference to financial statements for financial years 2020/2021, 2019/2020, 2018/2019, and 2017/2018.

(b) The Constitution of Kenya 2010.

(c) The National Health Insurance Fund Act, 2022.

(d) The Public Finance Management Act, 2012.

(e) Cap. 446, the State Corporations Act.

WHAT IS INCURRED BUT NOT REPORTED (IBNR)?

5. IBNR is a type of reserve account used in the insurance industry as the provision for claims and/or events that have transpired but have not yet been reported to an insurance company. IBNR is used by insurance companies, particularly along the eastern Gulf Coast of the United States where Hurricanes and other natural disasters are common. After a storm hits, an actuary estimates potential damage to infrastructure and the claims that may be anticipated. Based on this analysis, money is then set aside in a reserve to pay for claims.

CAN IBNR CLAIMS BE APPLICABLE IN NHIF CLAIMS?

6. That, the process of incurring, reporting, and submissions of claims to NHIF are as follows:

For the Previous Manual system:

a) The patient presents an NHIF card and National Identification card to a registered health facility.

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BILLION.**

- b) The contracted health facility provider requests for pre-authorization by NHIF before treatment can be administered.
- c) It's only upon approval by NHIF that the contracted health facility provider undertakes services and immediately submits its claim.

For the Electronic Health Management Information System (EHMIS):

- a) Patient presents their National Identification Card and Biometrics taken by the registered health facility.
- b) In this system, the request for pre-authorization and authorization is in real-time.
- c) The claims are made in real-time through the EHMIS portal upon completion of services.

7. That, regarding **paragraph 6** above, the NHIF's incurring, approval, and submission of claims' systems/processes are established in such a way that claims are reported before treatment, hence IBNR cannot arise in NHIF claims.

HOW THE INCURRED BUT NOT REPORTED CLAIMS WERE CREATED?

8. That, upon analysis of the 2021/2022 audited financial statements and the preceding financial years audited financial statements, I established the following:

CREATION OF INCURRED BUT NOT REPORTED (IBNR) CLAIMS.

9. That, according to note **36 page 112** of the Annual Reports and Financial Statements for the F/Y ended 30th June 2022, the NHIF management appears to have engaged an actuarial firm during the preparation of the 2021/2022 financial statements, whereby it computed IBNR reserves

PETITION TO THE NATIONAL ASSEMBLY OF KENYA CONCERNING THE NATIONAL HEALTH INSURANCE FUND INELIGIBLE INCURRED BUT NOT REPORTED CLAIMS CAPTURED IN THE FINANCIAL YEAR ENDING 30TH JUNE 2022 – OVER KSH. 21 BILLION.

aggregating to Ksh. 21,109,205,434.00. This was a major policy change, however, the Chief executive officer and the chairperson of the board of management in their reports on **pages 20 and 72** of the Annual report and Financial Statements for the F/Y ending June 2022 respectively, consciously avoided mentioning and explaining the basis for the IBNR claims. Further, there is no evidence showing how the actuarial firm, Kenbright Actuarial and Financial Services was procured and how it determined the so-called, "claim-generating events." The CEO and Chairperson's noncommittal on IBNR claims is proof of their improbability.

10. Table 1 below, is an extract from **Appendix 2, Page 121** of the Annual Reports and Financial Statements for the F/Y ending 30th June 2022. The table shows the following:

- (i) Alleged computed IBNR reserves aggregating to Ksh. 21,109,205,434.00 as of 30th June 2022. This purportedly comprises the cumulative IBNR reserves for 2021/2022 and the preceding financial years.
- (ii) In the audited financial statements for 2020/2021, 2019/2020, and the preceding financial years, IBNR reserves were non-existent, they propped up in the financial year ending June 2022. This brings to question, the authenticity of the arbitrary cumulative figures of Ksh. 19,972,497,763 purportedly brought forward from the Financial years preceding 2021/2022 and the source of data, the basis for the IBNR claims.
- (iii) There was also no evidence of data upon which Ksh. 1,136,707,671 IBNR claims created in 2021/2022 were based.
- (iv) Therefore, based on **paragraphs 8,9, and 10(i),(ii)&(iii)** I can conclusively state that the "IBNR reserves" were fraudulently created to enable siphon out Ksh. 21,109,205,434.00 NHIF funds.

**PETITION TO THE NATIONAL ASSEMBLY OF KENYA CONCERNING THE NATIONAL
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BILLION.**

Table 1

INCURRED BUT NOT REPORTED (IBNR) CLAIMS RESERVES SCHEDULE COMPUTED BY KENBRIGHT ACTUARIAL & FINANCIAL SERVICES DURING THE PREPARATION OF 2021/2022 FINANCIAL STATEMENTS					
SCHEMES	Cumulative IBNR as of 30 th June 2020	IBNR for FY 2020/2021	Cumulative IBNR as of 30 th June 2021	IBNR for 2021/2022	Cumulative IBNR as of 30 th June 2022
National Health Scheme	8,451,393,592	1,790,323,429	10,214,717,022	(587,656,438)	9,654,060,584
Indigent's Sponsorship Program	-	-	-	-	-
Civil Servants Scheme	1,908,981,619	665,477,141	2,574,458,760	349,893,668	2,924,352,428
NPS&KPS Scheme	1,853,131,630	1,557,485,512	3,410,617,142	602,721,182	4,013,338,324
Eduafya Scheme	810,847,390	(254,978,884)	555,868,506	128,046,502	683,915,008
HISP OVC Scheme	21,683,051	6,378,758	28,061,809	3,224,985	31,286,794
HISP OPPSD Scheme	6,740,631	(1,026,567)	5,714,064	736,681	6,450,745
County Schemes	395,661,570	23,137,823	418,799,393	106,503,370	525,302,763
Parastatals Schemes	580,380,902	75,454,512	655,835,414	124,876,210	780,711,624
Retirees Schemes	108,333,026	45,133,491	153,466,517	36,715,028	190,181,545
Lind Mama Program	1,228,475,368	699,483,768	1,927,959,136	371,646,482	2,299,605,618
Grand Total	15,365,628,781	4,606,868,982	19,972,497,763	1,136,707,671	21,109,205,434

CLAIMS PAYABLE.

11. That, Table 2 below is an extraction of claim payable balances from respective audited financial statements showing claims owed to health care providers who offered services to the funds' registered members arising from hospitalization as of 30th June each financial year.

**Table 2
Claim Payables**

Financial Year	2017/2018	2018/2019	2019/2020	2020/2021	2020/2021 Restated balance	2021/2022
Trade Payable(Claims payable)	540,013,236	1,793,085,070	2,587,937,093	8,432,017,053	10,043,063,832	3,804,837,246

**PETITION TO THE NATIONAL ASSEMBLY OF KENYA CONCERNING THE NATIONAL
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BILLION.**

12. That, regarding paragraphs 10 and 11 above, both IBNR claims and claims payable refer to the same expense/benefit, this begs the question, among the two, which is authentic?

HOW THE RETAINED EARNINGS WERE CONVERTED INTO IBNR RESERVES

13. That, regarding paragraphs 10(i),(ii)&(iii) above, it is clear that IBNR claims appear to be fictitious and that no reserves were set aside in the 2021/2022 financial year and even in the previous financial years.

14. That, upon analysis of the statement of financial position on **page 77** of the Annual Reports and Financial Statements for the F/Y ended 30th June 2022, I established that the audited financial statement for the financial year ended 30th June 2021 was fictitiously restated, whereby, part of the Ksh. 18,697,004,746 cumulative retained earnings, Ksh. 12,310,791,402 was converted to IBNR claims reserves.

15. That, further to **paragraph 14** above, upon analysis of **note 35 on page 111** of the Annual Reports and Financial Statements for the F/Y ended 30th June 2022, an unorthodox restatement of retained earnings was done citing the National Treasury requirements whereby, the retained earnings for 2019/2020 were restated from Ksh. 18,247,099,644 to Ksh. 2,881,415,498, fictitiously to create Ksh. 15,365,684,146 IBNR claims reserves.

16. That, since there is no evidence of a sinking fund bank account wherein the retained earnings were supposed to be deposited, it follows then the retained earnings were only book entries. Therefore, it means IBNR claims reserves were created from book entries and that no liquid money was set aside.

**PETITION TO THE NATIONAL ASSEMBLY OF KENYA CONCERNING THE NATIONAL
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17. That, further to **paragraph 16** above, since there was no liquid money set aside for the said IBNR reserves, it follows that the fictitious unbudgeted IBNR claims were charged against members' scheme contributions meant to cover the contributors' hospitalization in the financial year ending 30th June 2022. Thus, amounting to payment of fictitious patients at the expense of pathetically sick Kenyans.

18. That, further to **paragraph 17** above, offsetting of fictitious unbudgeted IBNR claims of approximately Ksh. 21 billion with the members' scheme contributions created a huge shortfall of NHIF funds causing serious financial difficulties (that was experienced in the latter part of 2022 and up to date) to the extent it drastically scaled down the patient benefits and failed to cover adequately comprehensive benefits, thus, putting most Kenyans in a serious health quagmire where most are languishing at home only looking-up to their God.

CONCLUSION

The facts enumerated in **paragraph 5 to 18** above provides proof that Incurred But Not Reported claims were deliberately created to siphon out over Ksh. 21 billion NHIF funds. This caused a major crisis in the contributors' medical coverage resulting in most patients being denied treatment with vital consequences.

The facts also prove that NHIF is bedeviled with systemic fraud risks which unless properly managed even with the change of the NHIF Act, the fund will remain exposed to fraud schemes and patient woes will escalate.

That, none of these issues raised in this Petition is pending in any court of Law, Constitutional, or any other legal body I know of.

**PETITION TO THE NATIONAL ASSEMBLY OF KENYA CONCERNING THE NATIONAL
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BILLION.**

WHEREFORE, your humble petitioner prays that the National Assembly –

1. Department Committee on Health should inquire on the issues raised in the petition to establish whether:

(a) The Board of Management formulated and approved the ineligible IBNR claims as this was a major policy change

(b) The Cabinet Secretary/Ministry of Health approved the ineligible IBNR claims.

(c) What were the so-called "claim-generating events" that elicited claims amounting to over Ksh. 21 billion.

(d) What were the correlations and differences between IBNR claims and claims payable under **note 36 page 112** and **note 38 page 113** of the Report and Financial Statements as of the financial year ending 30th June 2022 respectively, and whether the two claims amount to double claims?

(e) Which healthcare providers benefitted from IBNR and whether their IBNR claims were authentic?

2. In the event the IBNR claims are found inauthentic the total amount paid should be recovered from the beneficiaries.

3. The National Assembly should establish the culpabilities of the following:

(a) The Board of Management and the Executive Officer for presenting 2021/2022 financial statement containing Ksh. 21 billion ineligible IBNR claims in violation of Section 81(1),(2)&(3) of the Public Finance Management Act, 2012, section 14 of the state Corporation Act and

**PETITION TO THE NATIONAL ASSEMBLY OF KENYA CONCERNING THE NATIONAL
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BILLION.**

section 38(1) of the NHIF Act, 2022 that require the board to prepare financial statements which give a true and fair view of the state of affairs.

(b) The Cabinet Secretary/Ministry of Health for approving the 2021/2022 financial statement containing Ksh. 21 billion ineligible IBNR claims in violation of Section 81(5) and Section 88 of the Public Finance Management Act, 2012, sections 11&12 of the State Corporation Act and section 38(2) of the NHIF Act, 2022.

(c) The National Treasury for requiring the creation of ineligible IBNR claims amounting to Ksh. 21 billion as stated in **note 35 page 111** of the Annual Reports and financial statement for the F/Y ended 2022.

(d) The Auditor General for professional negligence in failing to confirm whether NHIF funds were applied lawfully and effectively regarding the Ksh. 21 billion IBNR claims as required by Article 229(6) of the Constitution.

Dated: 30th day of October 2023.

NAME: Bernard Muchere, CFE
Fraud Risk Management Consultant.

Phone: 0722880577

Email: muchereb@gmail.com

ID No. 0810570

SIGNATURE



MINUTES OF THE 33RD SITTING OF THE PUBLIC PETITIONS COMMITTEE HELD ON WEDNESDAY, 6TH MAY, 2026 IN BAOBAB CONFERENCE ROOM, SERENA HOTEL, MOMBASA COUNTY AT 9:00 A.M.

PRESENT

- | | | |
|--|---|-------------------------|
| 1. Hon. Eric Muchangi Karemba, CBS M.P. | - | Chairperson |
| 2. Hon. Janet Jepkemboi Sitienei, CBS, M.P. | - | Vice-Chairperson |
| 3. Hon. Beatrice Kadeveresia Elachi, CBS, M.P. | | |
| 4. Hon. Joshua Chepyegon Kandie, M.P. | | |
| 5. Hon. Maisori Marwa Kitayama, M.P. | | |
| 6. Hon. (Eng.) Bernard Nebart Muriuki, M.P. | | |
| 7. Hon. Edith Vethi Nyenze, M.P. | | |
| 8. Hon. Paul Biego Kibichiy, M.P. | | |

APOLOGIES

1. Hon. Patrick Makau King'ola, M.P.
2. Hon. Suzanne Ndunge Kiamba, M.P.
3. Hon. Peter Irungu Kihungi, M.P.
4. Hon. Peter Mbogho Shake, M.P.
5. Hon. Sloya Clement Logova, M.P.
6. Hon. Patrick Ntwiga Munene, CBS, M.P.
7. Hon. John Bwire Okano, M.P.

IN-ATTENDANCE

SECRETARIAT

- | | | |
|--------------------------|---|-------------------------------|
| 1. Mr. Victor Weke | - | Principal Clerk Assistant II |
| 2. Ms. Miriam Modo | - | Clerk Assistant I |
| 3. Mr. Bernard Toroitich | - | Clerk Assistant III |
| 4. Ms. Kafuyai Wamae | - | Clerk Assistant III |
| 5. Mr. Clinton Sindiga | - | Legal Counsel II |
| 6. Ms. Nancy Akinyi | - | Research Officer III |
| 7. Mr. Arkan Mumin | - | Research Officer III |
| 8. Mr. Collins Mahamba | - | Audio Officer |
| 9. Ms. Felistas Muiya | - | Public Communications Officer |
| 10. Mr. Rose Njuki | - | Serjeant-at-Arms |

MIN./PPC/2026/171:

PRELIMINARIES

The Chairperson called the meeting to order at 9:00 am and said the opening prayer.

MIN./PPC/2026/172:

ADOPTION OF AGENDA

The proposed agenda was adopted having been proposed by Hon. Paul Biego, M.P and seconded by, Hon. Beatrice Elachi, M.P.

AGENDA

1. Prayer and Preliminaries
2. Adoption of the Agenda
3. Confirmation of previous Minutes
4. Matters Arising
5. **Consideration and Adoption of the following Reports on: -**
 - (i) **Public Petition No. 81 Of 2023 By Hon. Owen Yaa Baya CBS, M.P regarding gazetting of Kaya Forest as Forest Areas under the Forest Conservation and Management Act 2016;**

- (ii) Public Petition No. 78 of 2023 regarding National Health Insurance Fund Ineligible “Incurred But Not Reported” (IBNR) Claims of over Kenya Shillings 21 Billion; and
- (iii) Public Petition No. 16 of 2025 by the Speaker of the County Assembly of Taita Taveta, Hon. Anselm Mwadime regarding the recategorization of Tsavo East and Tsavo West National Parks

- 6. Any Other Business
- 7. Adjournment and Date of the Next Meeting

MIN./PPC/2026/173: CONFIRMATION OF MINUTES

This agenda item was deferred.

MIN./PPC/2026/174: CONSIDERATION AND ADOPTION OF REEPORTS ON VARIOUS PUBLIC PETITIONS

- (a) Public Petition No. 81 of 2023 By Hon. Owen Yaa Baya CBS, M.P regarding gazetting of **Kaya Forest as Forest Areas under the Forest Conservation and Management Act 2016;**
The Committee considered and adopted the Draft Report unanimously with amendments to recommendation (1) having been proposed by the Hon. Joshua Kandie, MP and seconded by the Hon. Nerbert Muriuki, MP as follows –

- (i) **On the prayer that the Committee recommends to the relevant Ministry or State Government Department to identify Kaya Forest areas along the coastal counties of Kwale, Mombasa and Kilifi;** the Committee recommends that the Ministry of Environment, Climate Change and Forestry, through the Kenya Forest Service, expedites the ongoing process of identifying, surveying, and mapping all remaining Kaya Forest areas along the coastal counties of Kwale, Mombasa, and Kilifi. This exercise to be conducted in collaboration with the National Museums of Kenya, respective County Governments, Kaya Elders, and local communities, should be completed within one (1) year of tabling of this report. The 13 un-gazetted Kayas identified in Kwale and Kilifi Counties, as well as those in Mombasa County that currently lack protection should be gazetted within ninety (90) days of tabling of this report.
- (ii) **On Prayer that the Committee recommends gazettelement of Kaya Forest as a forest area under the Forest Conservation and Management Act, 2016;** the Committee recommends that the Cabinet Secretary for Environment, Climate Change and Forestry immediately initiates the gazettelement of all identified Kaya forests as forest areas under the Forest Conservation and Management Act, 2016. The gazettelement process should respect the existing legal status of Kayas already designated as National Monuments under the National Museums and Heritage Act, ensuring dual protection rather than replacement.
- (iii) **On Prayer that the Committee recommends that during the gazettelement process, management respects the needs of individual Kayas and integrates the conservation of natural and cultural resources and traditional and non-traditional management;** the Committee recommends that during and after gazettelement, management plans for Kaya forests be developed through participatory processes involving Kaya Elders, local communities, National Museums of Kenya, and other stakeholders. The Ministry of Environment, Climate Change and Forestry should ensure that Part V (Sections 48-52) of the FCMA, 2016 regarding community participation in sustainable forest management is fully implemented. Traditional management practices, cultural ceremonies, and spiritual activities of the Mijikenda community should be explicitly protected and facilitated within gazetted Kaya forests.

(iv) The Committee further recommends as follows that the Ministry of Gender, Culture and Children Services reviews the Forest Conservation and Management Act, 2016 and the National Museums and Heritage Act, 2006 to identify and address any legislative gaps that may hinder integrated management of cultural and natural heritage sites, and submits proposals to address identified gaps within six (6) months of tabling of this report.

(b) Public Petition No. 78 of 2023 regarding National Health Insurance Fund Ineligible “Incurred But Not Reported” (IBNR) Claims of over Kenya Shillings 21 Billion

The Committee considered and adopted the Draft Report unanimously with amendments to recommendation (1) having been proposed by the Hon. Paul Biego, MP and seconded by the Hon. Nerbert Muriuki, MP as follows –

(i) **On the Prayer that the Committee compels the Board of Management and the Chief Executive Officer to prepare financial statements that give a true and fair view of the state of affairs;** the Committee notes that financial statements of the National Hospital Insurance Fund (NHIF) and its successor, the Social Health Authority (SHA) have been annually submitted to the National Assembly and recommendations by the relevant Committee of the House considered.

(ii) **On the prayer that the Committee further compels the Board of Management and the Chief Executive Officer of NHIF to identify healthcare providers who benefited from ineligible IBNR claims;** the Committee recommends that the Office of the Auditor-General conducts a forensic audit on the entirety of IBNR funds set aside since inception and eventual payments made, within six (6) months of tabling of this report.

(iii) **On the prayer that the Committee intervenes to have recovery of funds where payments are found to be inauthentic;** the Committee recommends that the outcome of the aforementioned forensic audit be awaited.

(c) Public Petition No. 16 of 2025 by the Speaker of the County Assembly of Taita Taveta, Hon. Anselm Mwadime regarding the recategorization of Tsavo East and Tsavo West National Parks

The Committee unanimously considered and adopted the Draft Report with the following recommendations having been proposed by the Hon. Janet Sitienei, MP and seconded by the Hon. Marwa Kitayama, MP –

On the Prayer that the National Assembly to amend the Wildlife Conservation and Management Act by recategorizing National Parks and National Reserves in the Eleventh Schedule of the Act so as to enhance conservation efforts; the Committee rejects the prayer. However, the Committee recommends that the Ministry of Wildlife and the County Government of Taita Taveta under the auspices of the Intergovernmental Relations Technical Committee explore the application of Article 187 of the Constitution to facilitate structured framework of sharing of specific functions, including revenue management, community engagement, and ancillary services.

MIN./PPC/2026/175:

ADJOURNMENT AND DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at 12:30 p.m.

Sign:

Date ...28/05/26...

HON. MUCHANGI KAREMBA, CBS, M.P.

CHAIRPERSON, PUBLIC PETITIONS COM

MINUTES OF THE 6TH SITTING OF THE PUBLIC PETITIONS COMMITTEE HELD ON THURSDAY, 24TH FEBRUARY, 2026 IN COMMITTEE ROOM ON THE 5TH FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 1.00 PM.

PRESENT

- | | | |
|--|---|-------------------------|
| 1. Hon. Eric Muchangi Karemba, CBS M.P. | - | Chairperson |
| 2. Hon. Janet Jepkemboi Sitienei, CBS, M.P. | - | Vice-Chairperson |
| 3. Hon. Edith Vethi Nyenze, M.P. | | |
| 4. Hon. Beatrice Kadeveresia Elachi, CBS, M.P. | | |
| 5. Hon. Peter Irungu Kihungi, M.P. | | |
| 6. Hon. Maisori Marwa Kitayama, M.P. | | |
| 7. Hon. John Bwire Okano, M.P. | | |

APOLOGIES

8. Hon. Patrick Makau King'ola, M.P.
9. Hon. (Eng.) Bernard Nebart Muriuki, M.P.
10. Hon. Patrick Ntwiga Munene, CBS, M.P.
11. Hon. Joshua Chepyegon Kandie, M.P.
12. Hon. Suzanne Ndunge Kiamba, M.P.
13. Hon. Peter Mbogho Shake, M.P.
14. Hon. Sloya Clement Logova, M.P.

IN-ATTENDANCE

SECRETARIAT

- | | | |
|--------------------------|---|------------------------------|
| 1. Mr. Victor Weke | - | Principal Clerk Assistant II |
| 2. Ms. Miriam Modo | - | Clerk Assistant I |
| 3. Mr. Bernard Toroitich | - | Clerk Assistant III |
| 4. Ms. Kafuyai Wamae | - | Clerk Assistant III |
| 5. Mr. Clinton Sindiga | - | Legal Counsel II |
| 6. Mr. Arkan Mumin | - | Research Officer III |
| 7. Mr. Collins Mahamba | - | Audio Officer III |
| 8. Mr. Pascal Valerian | - | Hansard Officer III |
| 9. Mr. Paul Shana | - | Serjeant at Arm |
| 10. Ms. Felistus Muiya | - | Public Communication Officer |

MINISTRY OF HEALTH

- | | | |
|---------------------------|---|--|
| 1. Dr. Ouma Oluga | - | Principal Secretary Ministry of Health |
| 2. Dr. Mary Mwangangi | - | Chief Executive Social Health Authority |
| 3. Ms. Terry Rotich | - | Corporation Secretary |
| 4. Mr. Golda L. Akola | - | Director Claims & Benefit |
| 5. Ms. Macharia Margaret | - | Deputy Director Claims & Benefit |
| 6. Mr. Clive Mosori Osugo | - | Personal Assistant Chief Executive Social Health Authority |
| 7. Mr. Ezekiel Macharia | - | Social Health Authority Actuary |

MIN./PPC/2026/029: PRELIMINARIES

The Chairperson called the meeting to order at 2:10 pm, followed by a word of Prayer.

MIN./PPC/2026/030: ADOPTION OF AGENDA

The proposed agenda was adopted having been proposed by Hon. Hon. John Bwire Okano, M.P. and seconded by Hon. Edith Vethi Nyenze, M.P.

AGENDA

1. Prayer and Preliminaries;
2. Adoption of the Agenda;
3. Confirmation of minutes;
4. Matters Arising;
5. **Meeting with Principal Secretary, Medical Services, Ministry of Health regarding public petition No.78 of 2022 by Benard Muchere on ineligible claims incurred by the defunct NHIF in the 2020/2022 Financial Year;**
6. Any Other Business; and
7. Adjournment and date for the next Sitting.

MIN./PPC/2026/031:

CONFIRMATION OF MINUTES

This agenda item was deferred to the next sitting.

MIN./PPC/2026/032:

MEETING WITH PRINCIPAL SECRETARY, MEDICAL SERVICES, MINISTRY OF HEALTH REGARDING PUBLIC PETITION NO.78 OF 2022 BY BERNARD MUCHERE ON INELIGIBLE CLAIMS INCURRED BY THE DEFUNCT NHIF IN THE FY:2021/2022

Dr. Ouma Oluga, the Principal Secretary, Medical Services, Ministry of Health, appeared before the Committee alongside the Chief Executive Officer (CEO), Social Health Authority. They were accompanied by other officials from the Ministry and the Social Health Authority.

They submitted on the Petition as follows:

The Committee was informed on the role of claims reserves, especially the incurred but not reported (IBNR) reserves. In addition, the Actuary demonstrated the legitimacy of the claims reserve and the basis, methodology and the purpose of such claims.

Further the Ministry provided the executive and evidence against the petitioner's claims as indicated below –

No.	Petitioner's Statement	Ministry's Response
1.	Incurred But Not Reported (IBNR) claim reserves are not required for medical insurance	Incurred But Not Reported (IBNR) reserves & how such reserves are calculated is anchored in law under Legislative Supplement No. 16 - Insurance (Valuation of Technical Provisions for General Insurance Business) Regulations.
2.	IBNR reserves lead to fraud since they allow the institution to arbitrarily disburse funds to healthcare providers.	No. IBNR is a balance sheet item and does not influence vetting or payment of claims to services providers. This is a prudent accounting entry.
3.	Does inclusion or exclusion of IBNR in Financial Statements give a true and fair view?	Inclusion of IBNR and claims reserves is what gives a true and fair representation of an insurer in line with international standards such as IFRS17. Historically NHIF did not book IBNR and this gave an incorrect view of financial statements.

4.	Does inclusion of IBNR reserve affect the ability of an insurer like NHIF to pay claims	No. This reserve & other reserves do not affect the assets (cash or otherwise) of an insurer but rather increases the liabilities of the insurer and reduces the surplus in the balance sheet.
5.	IBNR was deliberately created to siphon out money which resulted in most patients being denied service.	No patients were denied services during the period in question. Under the NHIF mandate, members were entitled to receive care as long as their contributions were paid. The establishment of an IBNR reserve does not affect access to services; rather, it is an accounting requirement designed to safeguard members' contributions. Its purpose is to ensure that all IBNR claims are adequately provided for, in line with established financial and actuarial standards.

Table 1: Petitioner's claims against Ministry's Response

Technical Review and Analysis of IBNR Reserves

The Committee was taken through a detailed examination of the technical, legal and actuarial frameworks surrounding the IBNR reserves by the Ministry. The following review and analysis were recorded for clarity and deeper understanding:

(a) Legal and Regulatory Framework

The Ministry anchored its defense on two primary instruments

i) **The Legislative Supplement No. 16: Insurance (Valuation of Technical Provisions for General Insurance Business) Regulations**

These regulations fall under the Insurance Act and traditionally govern general (non-life) insurance business. Health insurance occupies a hybrid space between life and non-life insurance. While medical insurance is often classified as general insurance due to its short-term, renewable nature, NHIF operated as a social health insurance scheme with characteristics distinct from commercial general insurance. The applicability of general insurance regulations to a parastatal social insurance fund required clearer elucidation.

ii) **IFRS 17 - Insurance Contracts**

IFRS 17 became effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. NHIF's adoption for the financial year 2021/22 (ending 30 June 2022) represented early adoption. The standard requires recognition of –

- **Fulfillment Cash Flows:** Probability-weighted estimates of future cash flows, discounted to present value;
- **Risk Adjustment:** Compensation for uncertainty about the amount and timing of cash flows; and
- **Contractual Service Margin:** Unearned profit recognized over the coverage period.

The IBNR reserve falls within the fulfillment cash flows component, specifically addressing claims incurred but not yet reported at the reporting date.

Furthermore, IBNR is also a mandatory reserve under IFRS 17, established to recognize insurance liabilities arising from claims that have been incurred but not yet reported at the reporting date. It ensures that the insurer's financial statements accurately reflect all outstanding obligations, even when the exact amount and timing of such claims are uncertain. By incorporating IBNR, insurers maintain compliance with global accounting standards, uphold transparency, and ensure prudent financial management to safeguard solvency and policyholder interests.

It therefore follows that, all Government institutions offering insurance or insurance-like contracts are required to prepare their financial statements in accordance with IFRS 17. This requirement applies uniformly across the public sector, and the defunct NHIF was not exempt from compliance. Ensuring adherence to IFRS 17, including the establishment of IBNR reserves, is therefore both a legal and professional obligation intended to safeguard contributors' funds, strengthen financial discipline, and promote long-term sustainability of the Fund.

Contrary to claims of arbitrary disbursement, IBNR funds are not disbursed arbitrarily to healthcare providers. These funds are specifically reserved to settle claims originating from hospitals where patients were treated, and the requisite claims documentation has been submitted. Under IFRS 17, the IBNR represents the proportion of liability for incurred claims that must undergo the normal due process for settling hospital claims. This includes verification of eligibility, computation based on applicable tariffs or rebates, and approval only after full documentation is provided.

A key misconception addressed here is the assertion that "claims are reported before treatment." This statement is false. Claims for inpatient services are submitted upon the patient's discharge from the hospital, not beforehand. All paid claims include an admission date and a discharge date. Upon discharge, the claims amount is computed based on the various tariffs or rebates applicable. Providers were contractually required to submit fully documented claims within 30 days, as per the defunct NHIF and healthcare providers' service provision contracts.

2. Actuarial Methodology and Validation

The IBNR reserve for NHIF in the 2021/22 financial year was calculated using historical data, actuarial projections, and adjustments for paid claims. The reported gross IBNR was Kshs. 21,109,205,434, which was legitimately derived as follows –

Description	Amount (KShs)	Technical Notes
A. IBNR at beginning (1 July 2021)	19,972,497,763	Restatement of opening position
B. Add: IBNR for 2021/22	1,136,707,671	Current year provision
C = A + B Totals	21,109,205,434	Gross IBNR reserve
Less:		
E. Claims paid in 2022, incurred before June 2021	(7,661,706,361)	Run-off from prior periods
F. Claims paid in 2022, incurred in 2021/22	(6,835,120,522)	Current year claims settlement
G = E + F Total paid claims	(14,496,826,882)	Total utilization
C - G Net IBNR as at 30 June 2022	6,612,378,551	Closing reserve position

Table 2: Basis and Calculation of NHIF's IBNR for FY 2021/22

Explanatory Notes

The impact on the financial performance of the year 2021/22 was KES 1.13 billion.

The remaining reserve of KES 19.9 billion was recognized in the balance sheet as a restatement, in accordance with applicable accounting standards. This adjustment was necessary because NHIF had not previously established IBNR reserves, and the restatement ensured that the financial statements reflected the full extent of outstanding claim obligations.

Whereas KES 21.1 billion were estimated as the claims reserve at the time at the end of 30 Jun 2022, it is worth mentioning that in the subsequent year 2022/23 during normal day-to-day operations led to payment of KES 14.4 billion resulting in a balance of KES 6.6 billion.

This net figure of KES 6,612,378,551 reflects deductions for claims paid in the subsequent period that were incurred prior to the valuation date (30 June 2022). These payments validate the reserve's accuracy, as they directly draw from the IBNR pool for legitimate, documented claims.

Since IBNR is an estimate rather than an exact figure, its accuracy may vary depending on the quality of data and the actuarial assumptions applied.

To further validate the prudence and reliability of the IBNR provision, the table below illustrates the movement and adjustments in the IBNR position to date.

Item	Amount
IBNR Reserves (30th June 2022)	21,109,205,433
Prior Year Claims (Post 30th June 2022)	14,496,826,882
Outstanding Claims (up-to 30th June 2022)	6,592,887,331
Adjusted IBNR	21,088,714,213
% Accuracy	99.9%

Table 3: Movement and Adjustments in the IBNR position to-date

The IBNR accuracy level stands at approximately 99.9%, indicating that the reserve estimates were reflective of the actual claims experience. This high level of accuracy demonstrates that the actuarial assumptions and data used in the estimation process were sound and aligned closely with real-world outcomes. It also underscores the prudence of the reserving methodology, as the provision was sufficient to meet the majority of delayed or unreported claims.

In summary, the Committee was informed of the allegations of a "KES 21 Billion scam" mischaracterize a standard actuarial practice essential for NHIF's solvency. The reserve was not "fraudulently created" but meticulously calculated to cover real liabilities, as evidenced by subsequent payments as submitted by the Ministry.

Committee Concerns

- i) Regarding the **Source of Opening Balance of KShs 19.97 billion**, the Committee questioned how it was derived at, if no IBNR reserves had previously been maintained and whether this was a convenient mechanism to eliminate accumulated surpluses. The Actuary responded that it was a "restatement" necessitated by NHIF's historical failure to recognize IBNR reserves. Under IFRS 17, which was adopted early for the FY2021/22, these liabilities were to be recognized to give a true and fair view.
- ii) On the **claims process and fraud allegations that IBNR enabled arbitrary disbursement**, the Ministry responded that the petitioner's allegation was untrue as the BNR is a balance sheet estimate and not as fund and claims were submitted post-discharge, verified for eligibility, computed based on tariffs, and approved only with full documentation. There was no loophole for fraudulent activities.
- iii) **On the calculation of 99.9% Accuracy Claim presented by the Ministry**, the Actuary explained that the original IBNR estimate was KShs 21.109 billion. Of this, KShs 14.497 billion has been paid in claims, and KShs 6.593 billion remains as outstanding claims. The sum of actual payments plus the remaining liability is KShs 21.089 billion, giving a variance of only KShs 20.5 Million or 0.097%.

- iv) On the inquiry to verify whether the "adjusted IBNR" which included KShs 6.59 billion in "outstanding claims" that remained unverified estimates were settled claims or estimates, the Ministry responded that they were estimates of claims still to be paid.
- v) On the averment that IBNR "does not affect the assets (cash or otherwise) of an insurer but rather increases the liabilities of the insurer and reduces the surplus in the balance sheet, the Ministry responded that IBNR was a non-cash accounting entry. It recognized that liabilities existed, but it did not reduce the cash available to pay claims.
- vi) Asked whether the Ministry complied with the "cited contractual requirements for providers to submit claims within 30 days, yet the Ministry's own data showed KShs 7.66 billion in "prior year claims" paid in 2022 accounting to about 53% of total IBNR utilization, the PS responded that there were delays in claim submission, particularly during the transition period.

Committee Observations

The Committee observed as follows: -

- (a) **Accounting Legitimacy:** IBNR entries must be based on credible actuarial models and historical claims data. If unsupported, they may constitute false liabilities and violate International Public Sector Accounting Standards (IPSAS 19) on provisions and contingent liabilities. The Committee noted that while the Ministry cited IFRS 17, NHIF as a public entity should also comply with IPSAS, which may have different requirements for social insurance schemes. The lack of clarity on which standard took precedence and how conflicts were resolved, undermined confidence in the accounting treatment.
- (b) **Liquidity & Fund Solvency:** A Ksh. 21 billion liabilities without matching reserves indicates an off-balance-sheet exposure that fundamentally compromises the Fund's ability to meet its obligations. This exposure strained NHIF's cash flow, directly contributing to delayed payments to hospitals and the progressive erosion of confidence among healthcare providers and contributors. The Committee observed that the Ministry's technical assurance that IBNR "does not affect cash" obscures the practical reality that recognizing massive liabilities without liquid backing creates a structural liquidity mismatch. Healthcare providers deliver services in expectation of payment; the IBNR recognition confirms these obligations exist, yet the absence of restricted reserves or earmarked assets means settlement depends on future contribution flows rather than accumulated resources.
- (c) **Violation of the PFM Law:** Unbudgeted expenditures contravene Sections 68 and 72 of the Public Finance Management Act, 2012, which require lawful appropriation and expenditure backed by verifiable commitments. The Committee noted that while IBNR is a non-cash accounting entry, the subsequent settlement of these liabilities (KShs 14.5 billion paid post-June 2022) required actual budgetary provision. The Ministry did not clarify whether these payments were specifically appropriated or whether they contributed to the known liquidity crisis in the transition to SHA.

- (d) **Governance Weaknesses:** Gaps in internal audit, actuarial validation, and Board oversight expose NHIF to manipulation and fraud. Weak coordination between claims, finance, and ICT units compounds the risk. The Committee specifically noted that the "restatement" of KShs 19.9 billion, one of the largest in Kenyan public sector history, occurred without apparent Board-level scrutiny or independent external validation prior to implementation.

Committee's Resolution

The Committee resolved as follows –

- (a) The IBNR issue highlighted deeper structural risks in the defunct NHIF's fiscal governance. Without immediate audit and actuarial verification, the Fund remains exposed to misstatement of liabilities, fiscal leakage, and reputational damage. Restoring its fiscal integrity therefore requires transparency in financial reporting, strict adherence to actuarial science and PFM principles and Institutional reforms to close systemic fraud loops.
- (b) In line with the above, the Committee requested additional information as follows –
- (i) Minutes of NHIF Board meeting that approved the introduction of IBNR in NHIF financial statements effective 2021/22 to establish the governance trail and determine whether the KShs 19.9 billion restatement received proper Board scrutiny and approval, or whether this was a management-driven exercise;
 - (ii) Procurement process of Kenbright Actuarial & Financial Services, including all tender documentation to verify the independence and competence of the actuarial firm, assess potential conflicts of interest, and determine whether the procurement complied with the Public Procurement and Asset Disposal Act;
 - (iii) Certificates/Reports of the IBNR by the Actuary for the FY:2021/2022 to obtain the detailed actuarial methodology, data sources, assumptions (discount rates, development factors, tail factors), and sensitivity analyses that underpin the KShs 21.1 billion estimate;
 - (iv) Analysis of medical bills paid from IBNR reserves, including names of patients, service providers, dates of admission/discharge/claim and amounts paid, that eventually tallied to 99.9% of the IBNR provision to verify the 99.9% accuracy claim through granular, patient-level validation. The Committee emphasized that aggregate accuracy metrics are insufficient verification and requires tracing specific claims from IBNR estimate through to the final settlement, ensuring that payments were made to genuine patients for actual services rendered at documented facilities.

MIN./PPC/2026/033: ANY OTHER BUSINESS

The proposed Report Writing Retreat to be held after the short recess at a venue to be confirmed in due course.

MIN./PPC/2026/034:

ADJOURNMENT AND DATE OF NEXT MEETING

There being no other business, the meeting was adjourned at 3:00 p.m. Next meeting will be held on Wednesday, 25th February, 2026 at the same venue.

Sign:



HON. MUCHANGI KAREMBA, CBS, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

Date

01/04/2026



REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

MINUTES OF THE 50TH SITTING OF THE PUBLIC PETITIONS COMMITTEE HELD ON
TUESDAY, SEPTEMBER 10, 2024, IN CONFERENCE ROOM GARDEN SUITE 1&2, 6TH
FLOOR, GARDEN INN HOTEL AT 2.30. P.M

PRESENT

- | | |
|---|------------------|
| 1. Hon. Nimrod Mbithuka Mbai, M.P. | - Chairperson |
| 2. Hon. Janet Jepkemboi Sitienei, M.P. | Vice Chairperson |
| 3. Hon. Joshua Chepyegon Kandie, M.P. | |
| 4. Hon. John Walter Owino, M.P. | |
| 5. Hon. Ernest Ogesi Kivai, M.P. | |
| 6. Hon. Maisori Marwa Kitayama, MP | |
| 7. Hon. Bidu Mohamed Tubi, M.P. | |
| 8. Hon. (Eng.) Bernard Muriuki Nebart, M.P. | |
| 9. Hon. Edith Vethi Nyenze, M.P. | |
| 10. Hon. Peter Mbogho Shake, M.P. | |
| 11. Hon. Suzanne Ndunge Kiamba, M.P. | |
| 12. Hon. Caleb Mutiso Mule, M.P. | |

APOLOGIES

1. Hon. Patrick Makau King'ola, M.P.
2. Hon. Sloya Clement Logova, M.P.
3. Hon. John Bwire Okano, M.P.

IN ATTENDANCE

SECRETARIAT

- | | |
|-------------------------|-----------------------------------|
| 1. Ms. Miriam Modo | Clerk Assistant I |
| 2. Mr. Willis Obiero | Clerk Assistant III |
| 3. Ms. Patricia Gichane | Legal Counsel II |
| 4. Mr. Martin Sigei | Research Officer III |
| 5. Ms. Nancy Akinyi | Research Officer III |
| 6. Ms. Felistus Muiya | Public Communications Officer III |
| 7. Mr. Peter Mutethia | Audio Officer |
| 8. Mr. Calvin Karungo | Media Relations Officer III |
| 9. Mr. Paul Shana | Sergeant-at-Arms |

PETITIONERS

- | | |
|-----------------------------|----------------------|
| 1. Hon. Esther Passaris, MP | Petitioner |
| 2. Mr. Lazarus Ougo | Legal Officer |
| 3. Ms. Sareen Malik | |
| 4. Ms. Joan Kones | |
| 5. Ms. Brenda | Victim of Sextortion |

PETITIONERS

1. Mr. Benard Muchere Lead Petitioner
2. Mr. Joseph Wamiti
3. Mr. Antony Muchiri
4. Ms. Monica Aoko
5. Ms. Wahome Ngare

MIN./PPETC/2024/314: PRELIMINARIES

The Chairperson called the meeting to order at 2:30 pm. and proceedings began with prayers by Hon. John Walter Owino, M.P.

MIN./PPETC/2024/315: ADOPTION OF AGENDA

AGENDA

1. Prayer
2. Adoption of the Agenda
3. Confirmation of minutes of previous sittings
4. Matters Arising
5. Consideration of P/No.8 of 2024 regarding Amendment to the Penal Code to Provide for the Offense of Sextortion
 - Meeting with the Petitioner (Hon. Esther Passaris, MP)
6. Consideration of P/No. 78 of 2023 regarding National Health Insurance Fund Ineligible Incurred But Not Reported (IBNR) claims of over Kenya Shillings 21 billion, captured in the Financial Year ending 30th June 2022.
 - Meeting with the Petitioner (Mr. Benard Muchere)
7. Any Other Business
8. Adjournment

The Agenda was adopted to constitute business having been proposed by Hon. Joshua Kandie, M.P. and seconded by Hon. Edith Nyenze, M.P.

MIN./PPETC/2024/316: CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

The agenda was deferred.

MIN./PPETC/2024/317: CONSIDERATION OF P/NO.8 OF 2024 REGARDING AMENDMENT TO THE PENAL CODE TO PROVIDE FOR THE OFFENSE OF SEXTORTION

Meeting with the Petitioner (Hon. Esther Passaris, MP)

The Hon. Esther Passaris appeared before the Committee and submitted as follows:

Background

1. Sextortion is the abuse of power to coerce individuals into providing sexual favors, has become a pressing issue in the country, causing immense harm to victims and eroding trust in public and private institutions;
2. Demands for sex in exchange for essential resources, services and opportunities is both an infringement of human rights and a significant obstacle to achieving development goals predicated on gender equality, transparent and accountable governance;
3. The laws of Kenya do not specifically recognize or define sextortion as a form of sexual exploitation, harassment and corruption, thus hindering effective prosecution and victim protection;
4. Although Section 37 of the Computer Misuse and Cybercrime Act, 2018 addresses certain aspects related to sextortion, there remains a critical need to comprehensively address this issue within the broader legal context;
5. Sextortion disproportionately affects vulnerable women and girls due poverty, lack of education, political disenfranchisement, and various forms of disability, although men and boys are also susceptible;
6. The unchecked prevalence of sextortion not only inflicts immediate harm upon individuals but also undermines efforts to empower women and ensure their full and equal participation in society, thus impeding sustainable development;
7. Sextortion is a silent corruption with immense effects to majorly girls and women but it has not been criminalized. It involves coercion and not consent. For instance, sex for access to water which is common in informal settlement, sex for fish, sex for jobs, sex for grades, sex for police protection among others.
8. The laws do not recognize sextortion as a distinct entity within sexual exploitation and corruption hence hindering effective prosecution and victim protection. Therefore, the need to amend penal code that defines sextortion and make it an offence.
9. Sextortion was real and many perpetrators were getting away with it as there was no structure to deal with it. Therefore, the proposed law will protect the victims. However, there is a thin line between gender abuse and sextortion. In some cases, the victims just agree because they need the service.
10. Analysis and studies within informal settlements revealed that 41 per cent of women were victims of sextortion. Further, the rural areas in western Kenya has also experienced cases of sex for water. Various CBOs had managed to raise awareness on the matter through psychosocial centers.

Prayers

11. The Petitioner prayed that the Committee:

- (i) Proposes amendments to the Penal Code, Sexual Offences Act, and other relevant criminal laws to explicitly define sextortion as an offense, make clear provisions on penalties, support for victims and for connected purposes; and
- (ii) Makes any other recommendation necessary and appropriate in the circumstances of this petition to address the menace of sextortion to protect the rights and dignity of all citizens.

Committee Concerns

1. The Petitioner clarified that the proposed law on sextortion would protect men from women offering themselves for sex by emphasizing that, in cases where a man is approached, he has the choice to refuse. The Petitioner added that seduction cannot occur without mutual consent, and therefore, sextortion is not a matter of seduction but rather extortion, where one is forced to offer their body in exchange for a service.
2. As for the proposed penalties, the Petitioner recommended a sentence of 15 years imprisonment, a fine of 5 million shillings, or both, to serve as a deterrent.
3. Addressing the gaps in the penal code and other laws that necessitated the proposed amendment, the Petitioner noted that while many laws require amendment, it is essential to begin by amending the penal code. Tackling sextortion was a deliberately demanding task.
4. Regarding the determination of when sextortion constitutes a crime, the Petitioner clarified that this would be decided by the courts. Investigations would establish whether the threshold for the crime is met, but first, a law defining and criminalizing sextortion is needed.

Committee Resolution

After deliberations, the Committee resolved to receive submissions from relevant stakeholders on the Petition.

<u>MIN./PPETC/2024/318:</u>	<u>CONSIDERATION OF P/NO. 78 OF 2023 REGARDING NATIONAL HEALTH INSURANCE FUND INELIGIBLE INCURRED BUT NOT REPORTED (IBNR) CLAIMS OF OVER KENYA SHILLINGS 21 BILLION, CAPTURED IN THE FINANCIAL YEAR ENDING 30TH JUNE 2022.</u>
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Meeting with the Petitioner (Mr. Benard Muchere)

The Petitioner, Mr. Benard Muchere appeared before the Committee and submitted as follows:

1. A fraud examination on financial statements in respect of the NHIF for the year ending 30th June 2022 with reference to previous financial years, established that:

2. During the preparation of the financial statements for the FY ending 30th June 2022, NHIF Management created IBNR claims aggregating to over Kshs21 billion backdated to the 2019/2020.
3. The unbudgeted claims were charged on NHIF members contribution schemes causing a huge financial crisis that made NHIF unable to pay hospital bills for genuine contributors.
4. The analysis relied upon the audited financial statements for the F/Y ending 30th June 2022 with reference to financial statements for financial years 2020/2021, 2019/2020, 2018/2019, and 2017/2018, Constitution of Kenya 2010, the National Health Insurance Fund Act, 2022, the Public Finance Management Act, 2012, and Cap 446-the State Corporations Act.
5. IBNR is a type of reserve account used in the insurance industry as the provision for claims and/or events that have transpired but have not yet been reported to an insurance company. IBNR is Used by insurance companies, particularly along the eastern Gulf Coast of the United States where Hurricanes and other natural disasters are common. After a storm hits, an actuary estimates potential damage to infrastructure and the claims that may be anticipated. Based on this analysis, money is then set aside in a reserve to pay for claims.
6. The process of incurring, reporting, and submissions of claims to NHIF for the previous manual system required that the patient presents an NHIF card and national identification card to a registered health facility and the contracted health facility provider requests for per-authorization by NHIF before treatment can be administered. It was only upon approval by NHIF that the contracted health facility provider undertakes services and immediately submits its claim.
7. For the Electronic Health Management Information System (EHMIS), the patient was required to present their national identification card and biometric taken by the registered health facility and the request for per-authorization and authorization is real-time. The claims are made in real-time through the EHMIS portal upon completion of services.
8. The NHIF's incurring, approval, and submission of claims' systems/processes are established in such a way that claims are reported before treatment, hence IBNR cannot arise in NHIF
9. Upon analysis of the 2021/2022 audited financial statements and the preceding financial years audited financial statements, the NHIF management appears to have engaged an actuarial firm during the preparation of the 2021/2022 financial statements., whereby it computed IBNR reserves aggregating to Kshs 21,109,205,434.00.
10. This was a major policy change, however, the Chief Executive Officer and the chairperson of the Board in their reports on the Annual Financial Statements for the FY ending June 2022 consciously avoided mentioning and explaining the basis for the IBNR claims.

11. Further, there was no evidence showing how the actuarial firm, Kenbright Actuarial and Financial Services was procured and how it determined the so-called "claim-generating events". Therefore, the CEO's and Chairperson's noncommittal on IBNR claims suggest improbability.
12. The IBNR reserves were fraudulently created to enable siphoning of the Kshs 21,109,205,434 from the NHIF Funds as no reserves were set aside in the 2021/2022 financial year or the previous years.
13. Further, the audited financial statements for the financial year ended 30th June 2021 were fictitiously restated where part of the Kshs18,697,004,746 cumulative retained earnings, and Kshs12,310,791,402 was converted to IBNR claim reserves.

Prayers

The Petitioner prayed that the Committee investigates and establishes:

14. Whether the Board of Management formulated and approved the ineligible IBNR claims as this was a major policy change;
15. The Cabinet Secretary/Ministry of Health approved the ineligible IBNR claims;
16. What were the so-called "claim-generating events" that elicited claims amounting to over Kshs 21 billion;
17. What were the correlation and differences between IBNR claims and claims payable under note 36 page 112 and note 38 page 113 of the Report and Financial Statements as of the financial year ending 30th June 2022 respectively, and whether the two claims amount to double claims;
18. Which health care providers benefited from IBNR and whether their IBNR claims were authentic;
19. In the event the IBNR claims are found inauthentic, the total amount paid should be recovered from the beneficiaries;
20. The capabilities of the Board of Management and the CEO for presenting 2021/2022 financial statement containing Kshs 21 billion ineligible IBNR claims in violation of Section 81(1), (2) and (3) of the Public Finance Management Act, 2012, section 14 of the state Corporation Act and section 38(1) of the NHIF Act, 2022 that require the board to prepare financial statements which give a true and fair view of the state of affairs;
21. The culpability of the Cabinet Secretary for Ministry of Health for approving the 2021/2022 financial statement containing Kshs 21 billion ineligible IBNR claims in violation of Section 81(5) and Section 88 of the Public Finance Management Act, 2012, sections 11&12 of the State Corporation Act and section 38(2) of the NHIF Act, 2022;
22. The culpability of the National Treasury for requiring the creation of ineligible IBNR claims amounting to Kshs 21 billion;

23. The culpability of the Auditor General for professional negligence in failing to confirm whether NHIF funds were applied lawfully and effectively regarding the Kshs 21 billion IBNR claims as required by Article 229(6) of the Constitution.

Committee Concerns

1. Regarding whether NHIF could pay IBNR claims under any provision, the Petitioner clarified that NHIF is a fund, not an insurance company, and is guided by the NHIF Act and other legal provisions as a state corporation, making it impossible to do so.
2. Concerning additional stakeholders in the matter, the Petitioner suggested that claimants who were paid could be considered as stakeholders in the issue.
3. On the possibility that NHIF set aside money in anticipation of claims, the Petitioner explained that the NHIF model includes an expiry period for claims to be serviced and allocates a budget for this purpose. However, it was unclear how such incidences could arise.
4. Regarding the events generating the claims, the Petitioner stated that if these claims were legitimate, they should have been reported in the insurance pact. Since this was not done, NHIF should explain how the payments were made.
5. As for the role of the actuary, the Petitioner indicated that an actuary should estimate the time before claims are made, after which the remaining balance is returned to the main account. However, this process applies to private insurance companies, not funds like NHIF.
6. Addressing whether other government agencies were aware of the alleged fraud, the Petitioner clarified that taking the issue to court, the DCI, or the Ministry of Health would have taken longer than addressing it through Parliament due to existing challenges in investigating anti-economic crimes in other government bodies.
7. Regarding individuals or departmental heads involved in the scheme, the Petitioner clarified that such financial statement fraud schemes are typically perpetrated at the level of finance officers, the Auditor General, the National Treasury, the Ministry of Health, and the Board, but not by junior officers.
8. Concerning the fate of the lost money and whether it was still in the IBNR reserve, the Petitioner clarified that the claim should have been paid from the reserve, which was created through book entries rather than liquid cash. These funds were allocated to respective contributory schemes such as Edu Afya and Linda Mama, among others. However, IBNR is not supposed to apply to NHIF, suggesting that it was created to siphon money from other schemes.
9. On whether other organizations engage in creative accounting, the Petitioner indicated that almost all state corporations were involved in similar schemes where cash and cash equivalents do not represent retained earnings.
10. Regarding whether the reserve account was common in Kenya, the Petitioner clarified that there was no IBNR account prior to FY 2021/2022. Additionally,

financial adjustments can only be made one month after the financial year closes, but they were made a year later, leading to the siphoning of Kshs 4 billion through the crediting of the scheme.

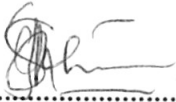
Committee Resolution

After deliberations, the Committee resolved to engage the Ministry of Health to respond to the matters raised.

MIN./PPETC/2024/319:

ADJOURNMENT AND DATE OF NEXT MEETING

The Chairperson adjourned the meeting at 6:00 p.m. The next meeting will be held on Wednesday, 11th September 2024 at 12:00 p.m.

Sign: 

for (CHAIRPERSON)

Date.....19-11-2024.....



MINISTRY OF HEALTH

**STATE DEPARTMENT FOR MEDICAL SERVICES
OFFICE OF THE PRINCIPAL SECRETARY**

Telegraphic Address "Health"
Telephone Nairobi 254-020-2717077
Email : ps.medical@health.go.ke
When replying please quote:

AFYA HOUSE
CATHEDRAL ROAD
P. O. Box 30016-00100
NAIROBI

Ref: MOH/SDMS/ADM/NA/VOL.VII

23rd February 2026

Mr. Samuel Njoroge, CBS
Clerk of the National Assembly
P. O. Box 41812-00100
NAIROBI

Dear *Sir,*

**RESPONSE TO REQUEST FOR A STATEMENTS BY THE PUBLIC
PETITIONS COMMITTEE REGARDING THE NATIONAL
HEALTH INSURANCE FUND INELIGIBLE INCURRED BUT NOT
REPORTED CLAIMS OF OVER KSHS 21 BILLION CAPTURED IN
THE FINANCIAL YEAR ENDING 30 JUNE 2022**

Reference is made to a letter Ref: dated NA/DAA&GPC/PPC/2026/001 dated 3rd February 2026 requesting for a statement on the above subject.

Attached herewith find the Ministry's response to the petition raised.

Yours

Sincerely,

**DR. OUMA OLUGA, OGW
PRINCIPAL SECRETARY**

Encls.



MINISTRY OF HEALTH

**STATE DEPARTMENT FOR MEDICAL SERVICES
OFFICE OF THE PRINCIPAL SECRETARY**

**RESPONSE TO REQUEST FOR A STATEMENT BY THE PUBLIC
PETITIONS COMMITTEE REGARDING THE NATIONAL HEALTH
INSURANCE FUND INELIGIBLE INCURRED BUT NOT
REPORTED CLAIMS OF OVER KSHS 21 BILLION CAPTURED IN
THE FINANCIAL YEAR ENDING 30TH JUNE 2022**

Reference is made to the letter Ref:NA/DAA&GPC/PPC/2026/001 dated 3rd February 2026 on the above subject matter. The Ministry of Health recognizes and appreciates the National Assembly for its commitment to strengthening the country's health systems, and I take this opportunity to respond to the concerns raised by presenting the Ministry's position as follows:

Honourable Chairperson, Honourable Members I wish to acknowledge receipt of the request for a Statement by one Mr. Benard Muchere CFE Id No.0810570 regarding the **National Health Insurance Fund (NHIF) ineligible incurred but not reported claims of over Kshs.21 Billion captured in the Financial Year ending 30th June 2022**, conveyed vide the Clerk of the National Assembly letter Ref:NA/DAA&GPC/PPC/2026/001 dated 3rd February 2026.

Honourable Chairperson, Honourable Members,

The following provides a detailed explanation of IBNR reserves in the context of the defunct NHIF's operations, grounded in actuarial Principles and International Financial Reporting Standard (IFRS) 17.

- The aim of this document is to explain to the Committee the role of claims reserves, especially the Incurred But Not Reported (IBNR) reserves. In addition, we shall demonstrate the legitimacy of this claims reserve, its basis, methodology and the purpose of such claims. Further to this we shall provide evidence of the accuracy of this reserve when NHIF transitioned to SHA.

Honourable Chairperson, Honourable Members below is the Executive Summary and the evidence:

No	Petitioner's Statement	Our Response
1	Incurred But Not Reported (IBNR) claim reserves are not required for medical insurance	Incurred But Not Reported (IBNR) reserves & how such reserves are calculated is anchored in law under Legislative Supplement No. 16 — <i>Insurance (Valuation of Technical Provisions for General Insurance Business) Regulations</i> . See Annex 2 of this document
2	IBNR reserves lead to fraud since they allow the institution to arbitrarily disburse funds to healthcare providers.	No. IBNR is a balance sheet item and does not influence vetting or payment of claims to services providers. This is a prudent accounting entry.
3	Does inclusion or exclusion of IBNR in Financial Statements give a true and fair view?	Inclusion of IBNR and claims reserves is what gives a true and fair representation of an insurer in line with international standards such as IFRS17. Historically NHIF did not book IBNR and this gave an incorrect view of financial statements.
4	Does inclusion of IBNR reserve affect the ability of an insurer like NHIF to pay claims	No. This reserve & other reserves do not affect the assets (cash or otherwise) of an insurer but rather increases the liabilities of the insurer and reduces the surplus in the balance sheet.
5	IBNR was deliberately created to siphon out money which resulted in most patients being denied service.	No patients were denied services during the period in question. Under the NHIF mandate, members were entitled to receive care as long as their contributions were paid. The establishment of an IBNR reserve does not affect access to services; rather, it is an accounting requirement designed to safeguard members' contributions. Its purpose is to ensure that all IBNR claims are adequately provided for, in line with established financial and actuarial standards.

Honourable Chairperson, Honourable Members,

1. Understanding IBNR Reserves the Incurred But Not Reported (IBNR) reserves are anchored in law under Legislative Supplement No. 16 — *Insurance (Valuation of Technical Provisions for General Insurance Business) Regulations*. The regulations require insurance companies to establish and maintain reserves that accurately reflect the nature, distribution, and historical experience of their risks, ensuring adequate provision for claims that have occurred but are yet to be reported. Incurred But Not Reported (IBNR) is an actuarial reserve established by insurance companies to account for claims that have occurred but are yet to be reported or fully processed. In health insurance, where delays often exist between service delivery and claim submission, the IBNR reserve ensures sufficient provision for these pending liabilities. Using statistical models and historical claims data, actuaries estimate the IBNR to accurately reflect an insurer's true exposure. Maintaining adequate IBNR reserves promotes financial stability, regulatory compliance, and timely settlement of claims, thereby protecting both members and healthcare providers.
2. Furthermore, IBNR is also a mandatory reserve under IFRS 17, established to recognize insurance liabilities arising from claims that have been incurred but not yet reported at the reporting date. It ensures that the insurer's financial statements accurately reflect all outstanding obligations, even when the exact amount and timing of such claims are uncertain. **By incorporating IBNR, insurers maintain compliance with global accounting standards,** uphold transparency, and ensure prudent financial management to safeguard solvency and policyholder interests.

Honourable Chairperson, Honourable Members,

3. All Government institutions offering insurance or insurance-like contracts are required to prepare their Financial Statements in accordance with IFRS 17. This requirement applies uniformly across the Public Sector, and the defunct NHIF was not exempt from compliance. Ensuring adherence to IFRS 17, including the establishment of IBNR reserves, is therefore both a legal and professional obligation intended to safeguard contributors' funds, strengthen financial discipline, and promote long-term sustainability of the Fund.

Honourable Chairperson, Honourable Members,

4. Contrary to claims of arbitrary disbursement, IBNR funds are not disbursed arbitrarily to healthcare providers. These funds are specifically reserved to settle claims originating from hospitals where patients were treated, and the requisite claims documentation has been submitted. Under IFRS 17, the IBNR represents the proportion of liability for incurred claims that must undergo the normal due process for settling hospital claims. This includes verification of eligibility, computation based on applicable tariffs or rebates, and approval only after full documentation is provided.

Honourable Chairperson, Honourable Members

5. A key misconception addressed here is the assertion that "claims are reported before treatment." This statement is false. Claims for inpatient services are submitted *upon the patient's discharge from the hospital*, not beforehand. All paid claims include an admission date and a discharge date. Upon discharge, the claims amount is computed based on the various tariffs or rebates applicable. Providers were contractually required to submit fully documented claims within 30 days, as per the defunct NHIF and Healthcare Providers' Service Provision Contracts.

Honourable Chairperson, Honourable Members

6. **Basis and Calculation of NHIF's IBNR for FY 2021/22,** The IBNR reserve for NHIF in the 2021/22 Financial Year was calculated using historical data, actuarial projections, and adjustments for paid claims. The reported gross IBNR was KShs 21,109,205,434, which was legitimately derived as follows:

Description		Amounts (KShs)
A IBNR at the beginning (1 July 2021)		19,972,497,763
B Add: IBNR for 2021/22		1,136,707,671
C = A + B Totals		21,109,205,434
Less:		
E Claims paid in 2022, incurred before June 2021		(7,661,706,361)

F Claims paid in 2022, incurred in 2021/22		(6,835,120,522)
G = E + F Total paid claims		(14,496,826,882)
C - G Net IBNR as at 30 June 2022		6,612,378,551

Honourable Chairperson, Honourable Members

7. The key points to note include: -
- **The impact on the financial performance of the Financial Year 2021/22 was KES 1.13 billion.**
 - The remaining reserve of KES 19.9 billion was recognized in the balance sheet as a restatement, in accordance with applicable accounting standards. This adjustment was necessary because NHIF had not previously established IBNR reserves, and the restatement ensured that the financial statements reflected the full extent of outstanding claim obligations.
 - Whereas KES 21.1 billion were estimated as the claims reserve at the time at the end of 30 Jun 2022, it is worth mentioning that in the subsequent year 2022/23 during normal day-to-day operations led to payment of KES 14.4 billion resulting in a balance of KES 6.6 billion.

Honourable Chairperson, Honourable Members,

8. This net figure of KES 6,612,378,551 reflects deductions for claims paid in the subsequent period that were incurred prior to the valuation date (30 June 2022). These payments validate the reserve's accuracy, as they directly draw from the IBNR pool for legitimate, documented claims.

(a)How Accurate were the IBNR Reserves?

Since IBNR is an estimate rather than an exact figure, its accuracy may vary depending on the quality of data and the actuarial assumptions applied.

To further validate the prudence and reliability of the IBNR provision, the table below illustrates the movement and adjustments in the IBNR position to date.

Item	Amount
IBNR Reserves (30th June 2022)	21,109,205,433

Prior Year Claims (Post 30th June 2022)	14,496,826,882
Outstanding Claims (up-to 30th June 2022) :	6,592,887,331
Adjusted IBNR	21,088,714,213
% Accuracy	99.9%

The IBNR accuracy level stands at approximately 99.9%, indicating that the reserve estimates were reflective of the actual claims experience. This high level of accuracy demonstrates that the actuarial assumptions and data used in the estimation process were sound and aligned closely with real-world outcomes. It also underscores the prudence of the reserving methodology, as the provision was sufficient to meet the majority of delayed or unreported claims.

In summary, the allegations of a "KES 21 billion scam" mischaracterize a standard actuarial practice essential for NHIF's solvency. The reserve was not "fraudulently created" but meticulously calculated to cover real liabilities, as evidenced by subsequent payments.

For further details on NHIF's financials, refer to their audited statements compliant with IFRS 17.

APPENDIX

ANNEX 1: EXTRACT OF THE 2022 NHIF AUDITED FINANCIAL REPORT

36. INCURRED BUT NOT REPORTED (IBNR) CLAIMS RESERVES

IBNR at the beginning	19,972,497,763	15,365,628,781	-
Add: IBNR for the year	1,136,707,671	4,606,868,982	-
IBNR Reserves at the end	21,109,205,434	19,972,497,763	-
Less:			-
Prior years claims FY2020/21	(7,661,706,361)		-
Prior years claims FY2021/22	(6,835,120,522)	(7,661,706,361)	-
Prior years claims at the end	(14,496,826,882)	(7,661,706,361)	-
Net IBNR Reserves at the end	6,612,378,551	12,310,791,402	-

Incurred but Not Reported (IBNR) – an estimate of the liability for claim-generating events that have taken place but have not yet been reported to the insurer or self-insurer. The sum of IBNR losses plus incurred losses provides an estimate of the total eventual liabilities for losses during a given period. The IBNR, therefore, form part of an entity's reserves in the Statement of financial Position.

The Fund's IBNR estimates are computed by Kenbright Actuarial & Financial Services on a quarterly basis. These estimates are then shared with management for inclusion in the Financial Statements and supported by a certification by a competent actuarial consultant. *(Please see Appendix 2).*

Claims totalling to Kshs. 7,661,706,361 paid in the financial year 2020/2021 but for prior years were reversed and posted to IBNR Reserves for the financial years 2020/2021 whereas claims totalling to Kshs. 6,835,120,522 paid during the year but relating to prior periods were posted to the IBNR Reserves in the current year.

Source: NHIF Financial Statements For The Year Ended 30th June 2022

ANNEX 2: LAWS OF KENYA PRESCRIBING IBNR METHODOLOGY AND APPLICATION

5. Valuation of claim reserves

- (1) The reserves in respect of outstanding claims incurred and reported by the insurer shall be determined prudently by using case estimate method, average cost per claim method or any other methods recognised by the Authority.
- (2) The insurer's reserves in respect of incurred but not reported claims shall be valued and determined prudently by using at least two of the following methods in accordance with the risk nature, risk distribution and experiential data of the insurance lines –
 - (a) the chain-ladder method;
 - (b) the average cost per claim method;
 - (c) the Bornhuetter-Ferguson method;
 - (d) Cape Cod method;
 - (e) Stochastic Reserving methods;
 - (f) the standard development method; or
 - (g) any other method that may be approved by the Authority.
- (3) An insurer that has been in existence for not more than three years may use the standard development method.

STANDARD DEVELOPMENT METHOD FACTORS

No.	Class of insurance business	Percentage of net premium written
1.	Aviation	2%
2.	Engineering	3%
3.	Fire domestic	1%
4.	Fire industrial	1%
5.	Liability	5% - current year 3% - one year preceding the current year 1% - two years preceding the current year
6.	Marine	2½%
7.	Motor private	5%
8.	Motor commercial	5% - current year 3% - one year preceding the current year 1% - two years preceding the current year
9.	Motor commercial (PSV)	20% - current year 12½% - one year preceding the current year 3% - two years preceding the current year
10.	Personal accident insurance	5%
11.	Theft	5%
12.	Workmen's compensation	5% - current year 3% - one year preceding the current year 1% - two years preceding the current year
13.	Medical	3%
14.	Micro insurance	4%

Source: The Insurance (Valuation of Technical Provisions for General Insurance Business) Guidelines

*If the NHIF was a new insurer, it would still need to set aside an IBNR equivalent to 3% of net premium written which translates to KES 2 billion (3% of KES 74 billion). Since the NHIF was not a new insurer, the IBNR is naturally expected to be higher.

This legislation shown above negates the Petitioner's statement, see extract below, that implies that NHIF as a medical insurer cannot have IBNR reserves, yet the law mandates all medical insurers to have an IBNR reserve (even if they are new) in line with global practice.

Extract of Petition 78 of 2023 – Page 3

7. That, regarding paragraph 6 above, the NHIF's incurring, approval, and submission of claims' systems/processes are established in such a way that claims are reported before treatment, hence IBNR cannot arise in NHIF claims.

ANNEX 3: EXCERPT OF PREVIOUS FINANCIAL STATEMENTS (FY 2019/20 & 2020/21)

The excerpts below demonstrate that NHIF did not previously maintain provisions for IBNR in earlier financial years. Accordingly, it was both prudent and necessary to introduce the IBNR reserve in the Financial Statements for the year ended 30th June 2022, in line with sound actuarial practice and emerging reporting requirements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020			
	Note	JUNE 2020 KES	JUNE 2019 KES
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	21	13,228,073,616	13,293,735,890
Intangible Assets	22	452,710,393	790,368,321
Receivable - South B Estate Mortgage	25	5,963,515	8,681,305
Fixed Interest Investments (Bonds)	26	20,520,000	20,520,000
Long Term Deposits	27	1,019,751,491	1,000,480,689
Unquoted Investments	28	368,392,699	394,654,576
Total Non-Current Assets		15,095,411,714	15,508,440,781
Current Assets			
Trade and Other Receivables	29	7,781,204,639	6,704,006,886
Short Term Deposits	31	12,381,650,000	13,625,153,816
Cash and Bank Balances	32	3,328,937,655	2,667,394,099
Total Current Assets		23,491,792,294	22,996,554,800
TOTAL ASSETS		38,587,204,008	38,504,995,582
EQUITY AND LIABILITIES			
Capital and Reserves			
Accumulated Fund	33	12,209,923,340	12,209,923,340
Retained Earnings	34	18,238,168,239	19,395,102,251
Total Capital and Reserves		30,448,091,579	31,605,025,591

Source: NHIF Financial Statements For The Year Ended 30th June 2020

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	JUNE 2021 KES	JUNE 2020 KES
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	22	13,044,666,460	13,225,241,616
Intangible Assets	23	858,847,400	452,710,393
Receivable - South B Estate Mortgage	26	3,053,097	5,963,515
Fixed Interest Investments (Bonds)	27		20,520,000
Long Term Deposits	28	1,321,681,075	1,019,751,491
Unquoted Investments	29	340,934,558	368,392,699
Total Non-Current Assets		15,569,182,590	15,092,579,714
Current Assets			
Trade and Other Receivables	30	11,833,069,086	7,771,483,702
Short Term Deposits	32	15,078,178,771	12,381,650,000
Cash and Bank Balances	33	1,005,174,339	3,328,937,655
Total Current Assets		27,916,422,197	23,482,071,357
TOTAL ASSETS		43,485,604,787	38,574,651,071
EQUITY AND LIABILITIES			
Capital and Reserves			
Accumulated Fund	34	12,209,923,340	12,209,923,340
Retained Earnings	35	18,697,004,746	18,247,099,644
Total Capital and Reserves		30,906,928,086	30,457,022,984
Current Liabilities			

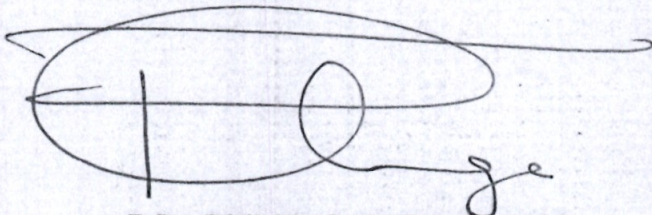
Source: NHIF Financial Statements For The Year Ended 30th June 2021

**ANNEX 4: EXCERPT FROM NHIF FINANCIAL STATEMENT FY
2021/22**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	JUNE 2022	RESTATED BALANCE JUNE 2021	CLOSING BALANCE JUNE 2021
		KES	KES	KES
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	23	12,997,610,657	13,044,666,461	13,044,666,460
Intangible Assets	24	1,005,941,667	858,847,400	858,847,400
Receivable - South B Estate Mortgage	26	32,618	3,053,097	3,053,097
Long Term Deposits	28	1,346,231,679	1,321,681,075	1,321,681,075
Unquoted Investments	29	310,892,640	340,934,558	340,934,558
Total Non-Current Assets		15,660,709,261	15,569,182,591	15,569,182,590
<u>Current Assets</u>				
Trade Receivables	30	10,284,635,769	12,390,144,404	11,833,069,086
Other Receivables	31	297,958,572	908,985,865	-
Short Term Deposits	32	13,388,971,803	15,078,178,771	15,078,178,771
Cash and Bank Balances	33	1,198,215,732	944,608,695	1,005,174,339
Total Current Assets		25,169,781,876	29,321,917,734	27,916,422,197
TOTAL ASSETS		40,830,491,137	44,891,100,325	43,485,604,787
EQUITY AND LIABILITIES				
<u>Capital and Reserves</u>				
Accumulated Fund	34	12,209,923,340	12,209,923,340	12,209,923,340
Retained Earnings	35	8,889,845,581	6,159,004,369	18,697,004,746
Incurred But Not Reported (IBNR) Claims Reserves	36	6,612,378,551	12,310,791,402	-
Total Capital and Reserves		27,712,147,473	30,679,719,111	30,906,928,086
<u>Current Liabilities</u>				
Deferred Income	37	7,449,061,716	1,707,994,885	-

Chair and Honourable Members I submit.



DR. OUMA OLUGA, OGW
PRINCIPAL SECRETARY

CFN/IRA/ADM/19

16th March 2026

Clerk of the National Assembly
The National Assembly
P.O. Box 41842 – 00100
NAIROBI

Att: Serah M. Kioko, MBS

Dear Sir

**RE: PUBLIC PETITION NO. 78 OF 2023 – USE OF INCURRED BUT NOT
REPORTED (IBNR) CLAIMS IN THE FINANCIAL STATEMENTS OF
NHIF FOR FY 2021/2022**

I refer to your letter Ref.NA/DAA&GPC/PPC/2026/032 dated 25th February 2026 on the above subject.

Incurred But Not Reported (IBNR) provision in financial statements of insurers represents an estimate of claims that have already occurred but have not yet been reported to the insurer by the reporting date. Such provisions are a standard component of insurance liabilities and are used to ensure that financial statements reflect the full cost of claims arising from coverage provided during the financial period.

The recognition and estimation of IBNR liabilities is consistent with internationally accepted financial reporting and actuarial practice. The, International Financial Reporting Standard (IFRS) 17 (Insurance Contracts) requires entities issuing insurance contracts to recognise a liability for incurred claims, including claims that have occurred but have not yet been reported. Under IFRS 17, such liabilities form part of the liability for incurred claims, which represent the insurer's obligation to policyholders arising from insured events that have already occurred.

The estimation of IBNR is typically carried out using actuarial techniques that analyse historical claims reporting patterns, payment delays and trends. These calculations are designed to produce a reasonable estimate of the outstanding claims liability at the reporting date.

Accordingly, the inclusion of an IBNR provision in financial statements is not only consistent with accepted actuarial and accounting practice but is also considered a prudent measure intended to ensure that liabilities are not understated. Without such provisions, financial statements could materially understate the obligations arising from services already provided but not yet invoiced or reported.

With respect to the specific IBNR provision reported in the NHIF financial statements for the year ended 30 June 2022, the determination of the amount would ordinarily be expected to rely on actuarial analysis supported by credible historical claims data and appropriate statistical techniques. Where such methodologies are properly applied, the resulting estimate forms part of the overall claims liability presented in the financial statements.

The use of IBNR provisions is therefore widely recognised as an essential component of sound financial reporting and risk management in the insurance industry.

I trust that the above explanation clarifies the actuarial, accounting and regulatory basis for recognising IBNR provisions.

Should the Committee require further clarification or additional technical information, I would be pleased to provide any additional submissions that may assist the Committee in its deliberations.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Godfrey Kiptum', written over a horizontal line.

GODFREY KIPTUM
COMMISSIONER OF INSURANCE & CHIEF EXECUTIVE OFFICER