

21st June, 2019



COUNCIL OF GOVERNORS

PRESS RELEASE ON THE PAYMENT OF COUNTY GOVERNMENTS' PENDING BILLS

Yesterday it was reported in the media that County Governments had **'fake'** bills amounting to 38.6 billion. The Council of Governors hereby clarifies as follows:

A pending bill is an unsettled financial obligation at the end of a financial year. The bills arises where an entity fails to settle invoiced amounts for goods and services procured and delivered or rendered as at the end of that financial year.

In February 2019, Counties did submit a list of pending bills amounting to **89.9Billion** for the period ended June 2018 to the Office of the Auditor General for verification.

The Auditor General upon review of the submitted bills reported that Kshs 51.2 **Billion** were eligible for payment while **Kshs 38.6 Billion were ineligible** and needed a further verification process. As of February 15th 2019, County Governments had paid out Kshs 9.2 billion of the Kshs 51.2 billion.

Following a meeting held between the Deputy President and the Council of Governors on 18th June, 2019, a framework for resolution of ineligible pending bills was agreed on. On this premise, **County Pending Bills Committee** was to be established by CEC Finance at every county level. The Controller of Budget and the Auditor General were mandated to come up with terms of reference for the county committee and communicate the same to the Council of Governors through the Controller of Budget.

The pending bills committees have to be gazetted by 15th July, 2019. One of the responsibilities of this committee is to ensure that the ineligible pending bills are further verified before payment and suppliers have an opportunity to provide additional supporting documents where necessary.

To facilitate this process it was further agreed that the Treasury would release the outstanding disbursements for the month of April, May and June amounting to **65 billion** to the counties before 30th June 2019.

This is a normal accounting procedure that does not require summons from any institution.

I want therefore to state that the county governments are ready to clear pending bills as per the president's wish. I also firmly dismiss the categorization of ineligible bills as **'fake'**. These are just

bills that lack one or two supporting documents an issue that will be sorted out by the county pending bills committee.

SIGNED

A handwritten signature in black ink, appearing to read 'F. Oparanya', with a long, sweeping horizontal stroke extending to the right.

H.E. FCPA WYCLIFFE AMBETSA OPARANYA, EGH, CGJ
CHAIRMAN, COUNCIL OF GOVERNORS

