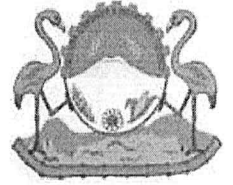




**REPUBLIC OF KENYA
COUNTY GOVERNMENT OF NAKURU**



**IMPLEMENTATION ACTION PLAN FOR INTERNAL
AUDIT RECOMMENDATIONS ON OWN SOURCE
REVENUE STREAMS**

September 2025

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FOREWORD

The Department of Economic Planning and Revenue Administration plays a central role in mobilizing Own Source Revenue required to support service delivery, development programmes, and the overall fiscal sustainability of the County Government of Nakuru. Effective revenue administration therefore demands strong systems, sound records management, compliance with established procedures, and timely management action to address any weaknesses that may affect revenue performance.

The internal audit reviews undertaken on key revenue streams have provided valuable findings and recommendations on areas requiring improvement, including revenue records management, accountable documents control, arrears follow-up, enforcement, automation, staff support, and management oversight. These findings present an important opportunity for the Department to strengthen internal controls, seal leakages, enhance accountability, and improve efficiency in revenue administration.

This Implementation Action Plan has been prepared to provide a structured framework for responding to the audit recommendations. It sets out the priority action areas, responsible officers, timelines, and monitoring arrangements necessary to guide implementation. It is expected that all officers and units assigned responsibilities under this Plan will give it the attention required to ensure that the identified corrective measures are implemented fully and within the stipulated timelines.

The Department remains committed to continuous improvement in revenue administration and to upholding the principles of transparency, accountability, and prudent public financial management. I therefore call upon all implementing officers, collaborating departments, and oversight units to work together in ensuring the successful implementation of this Action Plan for the benefit of the County and its residents.



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NAKURU COUNTY

CHAPTER ONE

INTRODUCTION

1.1 Background

The Directorate of Internal Audit has undertaken a series of audits touching on key Own Source Revenue streams under the Department of Economic Planning and Revenue Administration. These audits covered trade permits, market collections and liquor licenses; produce Cess and house rent; and street parking and building plan approvals. The audits revealed recurring weaknesses in revenue records management, accountable documents control, arrears follow-up, enforcement, automation, staff deployment, operational resourcing, and management oversight. The findings point to both operational and institutional weaknesses that affect revenue adequacy, transparency, accountability, and service delivery.

The audit on trade permits, market collections and liquor licenses covered the 2nd and 3rd quarters of FY 2023/2024 and the 1st quarter of FY 2024/2025. The audit on produce Cess and house rent covered the period July 2024 to June 2025, while the audit on street parking and building plan approvals covered the period 1 July 2024 to 31 December 2024. Together, these reviews provide important evidence base for strengthening county revenue administration and plugging leakages in high-risk revenue streams.

The findings show that some weaknesses recur across different revenue streams. These include poor or non-existent records at source, incomplete or weakly controlled system data, inadequate enforcement, gaps in supervision, lack of sufficient staff and tools, weak approval and documentation processes, and inadequate coordination among responsible offices. In some streams, the audits also identified specific financial exposure, including market stall rent arrears of KSh 1,207,031, estimated monthly non-collection of market, rent and ground fees of KSh 359,700, house rent arrears of KSh 827,068,859 derived from system data, oral waivers amounting to KSh 63,630,164 in Naivasha Sub-County, and major parking revenue underperformance in Nakuru East where daily street parking achieved only 37.48 percent of target for the half year.

This Implementation Action Plan has therefore been prepared to provide a practical and coordinated framework for translating the audit recommendations into corrective action. It adapts the presentational and coordination logic used in the County's payroll audit action plan, while tailoring the implementation areas to the revenue risks emerging from the OSR audits.

1.2 Purpose of the Implementation Action Plan

This Action Plan is intended to provide a structured framework for addressing the audit findings, conclusions, and recommendations arising from the internal audit reviews on key OSR streams. It converts the audit recommendations into actionable interventions, identifies the responsible offices, proposes implementation timelines, and provides a basis for monitoring, reporting, and management follow-up.

The Plan is also intended to help the Department move from isolated audit responses to a more systematic strengthening of revenue governance, compliance, automation, field supervision, and accountability. It is meant to support County leadership in ensuring that corrective actions are implemented consistently and that the same weaknesses do not recur across sub-counties and revenue streams.

1.3 Scope of the Action Plan

This Action Plan covers the main implementation areas emerging from the internal audit findings on:

- a) trade permits, market collections, and liquor licenses;
- b) produce CESS and house rent; and
- c) street parking and building plan approvals.

It focuses on revenue administration measures falling within or requiring coordination by the Department of Economic Planning and Revenue Administration, while recognizing the supporting roles of enforcement, ICT, trade, physical planning, housing, procurement, legal, and internal audit functions.

1.4 Basis of the Action Plan

This Action Plan is based on the uploaded internal audit reports, the quarterly audit summary, and the sample payroll audit action plan shared for reference. It also draws on the shared risk management framework only to the extent that it emphasizes identification of risk, assignment of risk owners, and implementation of future controls and action plans.

1.5 Objective of the Action Plan

The objective of this Action Plan is to guide the County Government of Nakuru in systematically implementing the audit recommendations in order to:

1. strengthen revenue records, controls, and compliance;
2. improve accountability in the custody and issuance of accountable documents and approvals;
3. reduce arrears, leakages, and unauthorized waivers;
4. improve enforcement, supervision, and field compliance;
5. enhance automation, data integrity, and system access control;
6. improve staff deployment, welfare, and operational capacity in revenue collection; and
7. institutionalize stronger monitoring, internal audit follow-up, and management review mechanisms.

CHAPTER TWO

SUMMARY OF THE AUDIT FINDINGS AND IMPLEMENTATION RESPONSE AREAS

2.1 Overview

The audits established that OSR management challenges in the County are not confined to one revenue stream or one sub-county. Rather, the weaknesses cut across markets, permits, liquor licensing, produce cess, house rent, parking, and building plan approvals. The issues identified affect the integrity of revenue records, the completeness of billing and collection, the effectiveness of enforcement, the transparency of approvals, and the adequacy of operational support for revenue staff. The implementation response must therefore be organized around broad response areas that address root causes and not only the individual audit exceptions.

2.2 Summary of Key Audit Findings by Implementation Area

2.2.1 Revenue Records, Registers, and Data Integrity

A recurring finding across market collections, trade permits, and house rent was weak or absent source records. Revenue officers in several markets did not maintain updated records on stalls, traders, slot allocation, arrears, or payment history, while house rent records were also not kept at sub-county offices. The audits further showed over-reliance on system-generated data that was incomplete or not reconciled to physical reality. This weakened planning, follow-up, audit trail, and decision-making.

The house rent audit also showed that arrears amounting to KSh 827,068,859 were being relied upon from system data alone, while variances existed between system-recorded and physically existing units in Nakuru East and Naivasha. In addition, some units had changed management or been taken over by other institutions without proper documentation, yet remained in the system and continued to accumulate arrears. These findings point to the urgent need for a verified source register, periodic reconciliation, and stronger tenancy documentation controls.

2.2.2 Accountable Documents, Approval Chains, and Licensing Controls

The trade permits audit found that some unified business permits issued to sub-counties were not recorded in the Counter Receipt Book Registers, and some captured entries did not show to whom the permits had been issued. The audit also found that trade permits were transferred between sub-counties without evidence of proper requisition and approval. These weaknesses increase the risk of loss of accountable documents, irregular issuance, and revenue leakage.

Liquor licensing controls were also found to be weak. Supporting documents and committee records were not available in several sub-counties; in Nakuru East, minutes showed 468 approvals while actual approvals stood at 610, creating a variance of 142. The audit further found cases where technical officers failed to attend committee sittings and outlets were licensed without

recommendation for approval. These findings expose the County to revenue loss, weak regulatory compliance, and reputational risk.

2.2.3 Arrears Management, Revenue Recovery, and Waiver Controls

The market collections audit established outstanding market stall rent totaling KSh 1,207,031 at Wakulima and Top Markets and further noted non-payment of market, rent, and ground fees translating to an estimated monthly loss of KSh 359,700. The house rent audit identified large arrears balances, informal or oral waivers, and weak tenant accountability. In Naivasha alone, waivers amounting to KSh 63,630,164 had been entered in the system, while in other sub-counties officers indicated that promised waivers had not been formally processed.

These findings show that the County lacks a sufficiently robust arrears management, waiver approval, and debt recovery framework in key revenue streams. The implementation response must therefore strengthen billing integrity, verification of arrears, approval controls for any waivers, and structured recovery action backed by enforcement and management oversight.

2.2.4 Enforcement, Field Compliance, and Anti-Leakage Measures

The audits repeatedly found weak enforcement and inadequate field follow-up. In building plans, a client in Njoro paid KSh 15,600 for approval of a perimeter wall but was found to have constructed a two-story residential building, demonstrating underpayment, weak inspection, and poor linkage between approvals and field verification. In parking, some reserved clients were occupying more slots than paid for and even blocking daily parking spaces with personal signage. In Cess, political interference was reported where some transporters allegedly avoided paying due to affiliations with politicians or senior officers.

These findings indicate the need for more consistent inspections, tighter enforcement, a no-exemptions approach to Cess collection except where provided by law, and stronger follow-up on unauthorized developments, non-payers, and improperly allocated parking and licensing spaces.

2.2.5 Automation, System Access, and Payment Processes

System weaknesses emerged strongly in both building plans and revenue collection operations. The building plan audit reported limited access to the e-Dams system, restricting proper audit interrogation, while revenue officers themselves lacked access rights needed for effective supervision. Across Cess points and parking operations, audits cited system failures, payment verification problems, inadequate POS machines, and weak payment awareness among clients. In parking, many clients were unaware of the *703# payment code, increasing delays and potential non-payment.

The implementation response must therefore address role-based system access, system maintenance, structured exception handling, expanded digital equipment, client sensitization, and stronger linkage between automated systems and field supervision. Without these reforms, the County remains exposed to leakages, unreliable data, and weak accountability.

2.2.6 Staff Capacity, Welfare, Deployment, and Operational Support

The produce cess and parking audits highlighted operational challenges arising from insufficient staffing, weak rotation, poor welfare support, and inadequate working tools. In cess, barriers lacked basic facilities and protective gear, POS machines were insufficient, some officers had remained too long in the same stations, and there were concerns around unpaid police officers supporting security at night. In parking, the audits cited inadequate vehicles, padlocks, breakdown support, and other tools necessary for effective enforcement.

These weaknesses affect staff motivation, integrity, productivity, and the County's ability to sustain effective field control. They also increase exposure to corruption risk, missed collections, and unsafe working conditions. The implementation response must therefore include resourcing, staffing review, deployment planning, rotation, and minimum field support standards.

2.2.7 Governance, Coordination, and Oversight

Several audit findings reflect wider governance and coordination weaknesses. These include lack of coordination between trade and treasury on market fees, delayed gazettement of parking areas, lack of documentation in tenancy transfers, weak follow-up on liquor approval processes, and inability to fully access audit evidence. The recurring nature of the findings suggests that management review, internal control follow-up, and interdepartmental coordination require strengthening.

2.3 Overall Implementation Position

The audit recommendations require a phased but coordinated response. Some actions are immediate and control-oriented, such as updating source registers, reconciling arrears, enforcing approval procedures, granting controlled system access, demarcating reserved parking, and addressing critical operational gaps at revenue collection points. Others are more structural, such as automation improvements, asset and tenancy register strengthening, formal waiver control, staffing review, and establishment of a regular implementation review mechanism. The County's implementation effort should therefore combine urgent corrective action with medium-term systems strengthening.

CHAPTER THREE

IMPLEMENTATION FRAMEWORK, COORDINATION, MONITORING, AND WAY FORWARD

3.1 Implementation Approach

Implementation should be undertaken as a coordinated revenue governance reform process rather than as isolated responses to individual audit issues. This is because the findings touch on records management, approvals, enforcement, staffing, ICT systems, arrears management, physical planning, housing administration, and regulatory compliance. Corrective action should therefore be sequenced according to risk, assigned to responsible offices, tracked through an implementation matrix, and reviewed regularly by management. This approach mirrors the logic used in the payroll audit action plan and is appropriate for the cross-cutting nature of the OSR findings.

3.2 Implementation Coordination Arrangements

The Department of Economic Planning and Revenue Administration should serve as the lead risk owner and coordinating department for the implementation of this Action Plan. Day-to-day technical responsibility should be shared among the Director of Revenue Administration, the relevant sub-county revenue offices, the Housing/Estates function, the Building Plan/Physical Planning liaison function, parking enforcement teams, and ICT support teams. Internal Audit should provide independent follow-up on the effectiveness of corrective actions, while the County Attorney, Procurement, Trade, and other support offices should be involved where recommendations touch on legal compliance, accountable documents, or interdepartmental enforcement. This coordination model is consistent with the shared sample action-plan structure, which emphasizes clearly assigned responsibility and regular review.

To support implementation, the County should establish an **OSR Audit Implementation Review Mechanism** chaired by the Chief Officer, Economic Planning and Revenue Administration, with participation from the Director Revenue Administration, Director Accounting/Finance representative, Internal Audit, ICT, Housing/Estates representative, Physical Planning representative, Trade representative, and selected Sub-County Revenue Officers. The forum should meet monthly to review progress, resolve bottlenecks, and escalate delayed actions requiring executive direction.

3.3 Monitoring and Reporting Framework

The implementation matrix should be used as the primary tracking tool. Each responsible office should report on actions undertaken, status, evidence available, challenges encountered, and next steps. A monthly implementation tracker should be maintained by the Department and discussed at the OSR Audit Implementation Review meetings. In addition, a quarterly consolidated implementation report should be prepared for submission to County leadership through the CECM and Chief Officer. This approach is consistent with the sample payroll action plan and with the

shared risk framework's emphasis on assigned ownership, reporting, and follow-up on risks and future controls.

3.4 Priority Actions for Early Implementation

The following actions require early implementation because they address the highest-risk leakages and control failures:

1. update and verify source registers for markets, permits, house rent, and tenants;
2. prepare a validated arrears register and recovery plan for market stall rent, house rent, and non-paying market traders;
3. enforce documented waiver approval and stop any undocumented waivers;
4. grant controlled system access for building plans and revenue supervision and schedule a follow-up audit where required;
5. address building plan underpayment and enforcement lapses through field inspection and stop-work action where necessary;
6. demarcate reserved parking, enforce paid slot limits, and gazette pending parking areas;
7. address cess leakages through rotation, supervision, system continuity, and a strict no-informal-exemption rule; and
8. provide basic operational tools and minimum welfare support to frontline revenue staff.

3.5 Risks to Implementation

Implementation may be affected by incomplete records, resistance to stricter enforcement, interdepartmental coordination delays, limited ICT responsiveness, fiscal constraints affecting procurement of tools and staffing support, and political pressure in selected revenue streams. These implementation risks should be actively managed through clear communication, documented decisions, leadership support, and regular escalation of unresolved issues. The risk management framework shared emphasizes risk ownership, future controls, and regular reporting, which supports this approach.

3.6 Conclusion

The internal audit reports point to significant but addressable weaknesses in Nakuru County's management of key OSR streams. The issues identified expose the County to financial loss, weak accountability, regulatory non-compliance, and reputational risk. At the same time, the audits provide a clear opportunity to strengthen the County's revenue records, enforcement, systems, staff support, and management oversight. If implemented consistently, this Action Plan will help improve revenue integrity, reduce leakages, strengthen compliance, and support more sustainable own source revenue performance.

CHAPTER 4: OSR AUDIT IMPLEMENTATION MATRIX

Indicative risk ratings below are qualitative planning ratings for management follow-up.

1. Weak revenue records and source registers across markets, stalls, and house rent

Objective: Establish complete, current, and auditable source records for revenue administration.

Key Action: Standardize and enforce source record management in all sub-counties.

Specific Activities:

- Develop standard source register templates for stalls, traders, house units, tenants, arrears, transfers, and payment history.
- Conduct a one-off clean-up and verification exercise for all market and house rent records.
- Require monthly update and certification of registers by Sub-County Revenue Officers.
- Integrate essential fields into the county revenue system for monitoring and reporting.

Responsible Offices: Chief Officer EP&RA; Director Revenue Administration; Sub-County Revenue Officers; Housing/Estates Unit; ICT.

Timeline: Within 2 months, then monthly update.

Success Indicator/KPI: All sub-counties maintain updated source registers; monthly certified revenue source records available.

Baseline Status: Market and house rent records were absent or incomplete in several stations.

Risk if Not Implemented: Continued revenue leakages, weak audit trail, poor planning, and inability to trace arrears.

Risk Rating: High

Risk Owner: Department of Economic Planning and Revenue Administration.

2. Weak control of accountable documents, CRBRs, and permit issuance

Objective: Strengthen accountability over issuance, custody, and transfer of permits and other accountable documents.

Key Action: Enforce full recording, requisition, approval, and custody controls for accountable documents.

Specific Activities:

- Update CRBR procedures and require full capture of permit serials, recipients, dates, and approving officers.
- Reconcile all issued trade permits against CRBRs and sub-county records.
- Stop inter-sub-county transfer of permits without approved requisitions and issue notes.
- Provide secure lockable storage and continuity control sheets in all sub-counties.
- Consider automation of permit and accountable document issuance processes.

Responsible Offices: Director Revenue Administration; Director Procurement/Stores Liaison; Sub-County Revenue Officers; Internal Audit.

Timeline: Immediate reconciliation within 1 month; full control system within 3 months.

Success Indicator/KPI: All accountable documents recorded and traceable; no unexplained permit transfers; secure custody verified.

Baseline Status: CRBR gaps existed and some accountable documents were insecurely stored.

Risk if Not Implemented: Loss of revenue, irregular issuance, and emergence of unauthorized businesses.

Risk Rating: High

Risk Owner: Department of Economic Planning and Revenue Administration.

3. Weak licensing governance for liquor approvals and related records

Objective: Ensure that liquor licensing is fully documented, committee-based, and compliant with legal procedures.

Key Action: Reinforce documentary and committee controls in liquor licensing.

Specific Activities:

- Require complete application, inspection, and approval records for all sub-counties.
- Reconcile issued licenses against committee minutes and approved lists.
- Investigate the variance between approved and actually issued licenses in Nakuru East and any similar cases in other sub-counties.
- Require technical officers or formally designated representatives to attend committee sittings.
- Enforce closure or sanction of outlets operating without valid approval.

Responsible Offices: Director Revenue Administration; Sub-County Liquor Licensing Committees; Trade/Licensing Unit; Enforcement; Internal Audit; County Attorney.

Timeline: Within 2 months for reconciliation and controls; ongoing per licensing cycle.

Success Indicator/KPI: All liquor licenses supported by complete approval records; variance cases resolved; committee attendance compliance improved.

Baseline Status: Missing records, approval variance, absent technical officers, and licenses issued without recommendation were observed.

Risk if Not Implemented: Revenue loss, regulatory breach, and operation of improperly licensed outlets.

Risk Rating: High

Risk Owner: Department of Economic Planning and Revenue Administration.

4. Arrears accumulation and non-payment in markets, ground fees, and stalls

Objective: Improve billing integrity, arrears visibility, and collection of outstanding revenue.

Key Action: Establish a structured arrears recovery and enforcement program.

Specific Activities:

- Prepare and validate a market arrears register by trader, stall, market, and age of debt.
- Issue demand notices and recovery schedules for outstanding stall rent and market fees.
- Undertake joint enforcement with the Enforcement Directorate for habitual defaulters.
- Increase collection presence in markets and align shifts to trader payment patterns.

- Review trader records in Nasha, Wakulima, Top Market, wholesale market, and lock-up units to confirm liability and update billing.
Responsible Offices: Director Revenue Administration; Sub-County Revenue Officers; Market Officers; Enforcement Directorate; Finance/Accounts.
Timeline: Arrears register within 1 month; recovery program ongoing monthly.
Success Indicator/KPI: Validated arrears register in place; monthly reduction in arrears; increase in fee compliance rates.
Baseline Status: KSh 1,207,031 in stall rent arrears and estimated monthly non-collection of KSh 359,700 were noted.
Risk if Not Implemented: Persistent underperformance, leakages, and rising pending service obligations.
Risk Rating: High
Risk Owner: Department of Economic Planning and Revenue Administration.

5. Weak house rent asset, tenancy, and arrears management

Objective: Restore integrity in house rent billing, tenancy control, and asset records.

Key Action: Reconcile physical units, tenancy records, and system records.

Specific Activities:

- Conduct a countywide verification and mapping exercise for county houses and shops.
- Create a verified ownership and tenancy register with signed agreements and occupancy status.
- Reconcile all system units against physically existing units and units transferred to other users or institutions.
- Remove or reclassify units no longer under direct county rent collection after proper documentation.
- Prepare a verified house rent arrears register backed by physical and tenant confirmation.

Responsible Offices: Housing/Estates Unit; Director Revenue Administration; Sub-County Revenue Officers; ICT; Internal Audit.

Timeline: Within 3 months for verification and reconciliation; quarterly updates thereafter.

Success Indicator/KPI: Verified housing register; signed tenancy records; reconciled arrears database; documented transfers/takeovers.

Baseline Status: No adequate records, system-physical variances, undocumented takeovers, and arrears derived from system data only were identified.

Risk if Not Implemented: Unbilled units, untraceable arrears, weak asset control, and inaccurate reporting.

Risk Rating: High

Risk Owner: Department of Economic Planning and Revenue Administration.

6. Informal and weakly controlled waiver practices in house rent

Objective: Ensure that any revenue waiver or variation is lawful, documented, and accountable.

Key Action: Formalize waiver approval, recording, and review controls.

Specific Activities:

- Suspend any informal or oral waiver practice immediately.
- Develop and approve a waiver control procedure showing approving authority, legal basis, justification, and documentation requirements.
- Review all historical waivers and prepare a management position paper on those already entered in the system.
- Require periodic reporting of all approved waivers and their legal basis.

Responsible Offices: Chief Officer EP&RA; Director Revenue Administration; Finance/Accounts; County Attorney; Internal Audit.

Timeline: Immediate stop-gap instruction; formal procedure within 2 months.

Success Indicator/KPI: All waivers supported by written approval and legal basis; no undocumented waiver cases.

Baseline Status: Oral waivers and system-entered waivers amounting to KSh 63,630,164 in Naivasha were noted.

Risk if Not Implemented: Revenue leakage, favoritism, audit queries, and legal challenge.

Risk Rating: High

Risk Owner: Department of Economic Planning and Revenue Administration.

7. Produce cess leakages due to weak supervision, political interference, and system interruptions

Objective: Reduce cess leakages and ensure consistent compliance at barrier points.

Key Action: Strengthen supervision, system continuity, and anti-interference controls.

Specific Activities:

- Establish periodic random supervision and spot checks at cess barriers.
- Enforce a no-informal-exemption rule and document any lawful exemptions.
- Develop a rapid response process for system failure, including exception logging and recovery controls.
- Engage stakeholders and operators on compliance, including issues around weighbridge operations and cess obligations.
- Maintain a supervision schedule and weekly collection variance analysis by barrier.

Responsible Offices: Director Revenue Administration; Sub-County Revenue Officers; ICT; Enforcement; Internal Audit.

Timeline: Immediate and continuous.

Success Indicator/KPI: Reduced unexplained collection variance; fewer system downtime incidents; documented supervision reports; reduced exemption complaints.

Baseline Status: Audit supervision led to increased collections; political interference and system failures were reported.

Risk if Not Implemented: Continued collusion, selective non-payment, and revenue shortfalls.

Risk Rating: High

Risk Owner: Department of Economic Planning and Revenue Administration.

8. Inadequate staffing, rotation, welfare, and equipment in cess operations

Objective: Improve operational efficiency, staff integrity, and field working conditions.

Key Action: Establish minimum operational standards for cess barriers and staff deployment.

Specific Activities:

- Review staffing levels and workload per barrier and shift.
- Implement a formal rotation policy for clerks and enforcement staff.
- Procure adequate POS machines so that accountability can be assigned per clerk or point.
- Provide basic facilities, protective gear, power access, and official work tools at all barriers.
- Resolve payment arrangements for police officers deployed to support security at night shifts.

Responsible Offices: Chief Officer EP&RA; Director Revenue Administration; HR/Public Service Liaison; Procurement; Finance/Accounts.

Timeline: Rotation plan within 1 month; resourcing within 3 months.

Success Indicator/KPI: Rotation schedule in place; staff-to-machine ratio improved; minimum welfare and equipment checklist met at all major barriers.

Baseline Status: Inadequate resources, insufficient POS machines, long stationing, and poor staff welfare were reported.

Risk if Not Implemented: Low morale, integrity risk, unsafe operations, and reduced collection efficiency.

Risk Rating: High

Risk Owner: Department of Economic Planning and Revenue Administration.

9. Weak system access and oversight in building plan approvals

Objective: Improve transparency, auditability, and revenue supervision in building plan approvals.

Key Action: Introduce role-based access and strengthen system-enabled oversight.

Specific Activities:

- Engage the system administrator to configure audit access and controlled user roles in e-Dams.
- Grant revenue officers view-level or supervisory access to approved plans and relevant payment data.
- Develop a protocol for regular reconciliation between approvals, payments, and field inspections.
- Schedule a follow-up audit once full access is available.

Responsible Offices: Physical Planning/Building Approval Function; ICT/System Administrator; Director Revenue Administration; Internal Audit.

Timeline: Within 2 months for access configuration; follow-up audit thereafter.

Success Indicator/KPI: Controlled access rights granted; regular reconciliation reports produced; follow-up audit completed.

Baseline Status: Audit access was restricted and revenue officers lacked access rights.

Risk if Not Implemented: Weak supervision, undetected under-assessment, and incomplete accountability.

Risk Rating: High

Risk Owner: Department of Economic Planning and Revenue Administration.

10. Underpayment and non-compliance in building plan approvals

Objective: Ensure that approved developments are correctly assessed, billed, and monitored for compliance.

Key Action: Strengthen field inspection and enforcement for deviations from approved plans.

Specific Activities:

- Review flagged cases of underpayment and unauthorized deviation from approved developments.
- Issue stop-work and enforcement notices where developments differ from approvals.
- Institute scheduled and impromptu joint field inspections.
- Sensitize developers on legal consequences of misrepresentation and non-compliance.
- Develop a risk-based inspection checklist for approved developments.

Responsible Offices: Physical Planning/Building Approval Function; Enforcement; Director Revenue Administration; Sub-County Administration; County Attorney.

Timeline: Immediate for flagged cases; ongoing monthly inspections.

Success Indicator/KPI: Number of compliance inspections conducted; number of deviation cases corrected or sanctioned; additional revenue assessed from non-compliant cases.

Baseline Status: Underpayment and deviation from approved plans were observed in the sampled case.

Risk if Not Implemented: Revenue loss, unsafe developments, and normalization of fraudulent declarations.

Risk Rating: High

Risk Owner: Department of Economic Planning and Revenue Administration.

11. Underperformance and control gaps in street parking

Objective: Improve parking fee performance, compliance, and enforcement efficiency.

Key Action: Strengthen parking operations, demarcation, enforcement, and resource support.

Specific Activities:

- Review parking targets and performance by sub-county and revenue stream.
- Demarcate and repaint all reserved parking bays and distinguish them clearly from daily parking.
- Enforce limits on the number of occupied reserved slots and prohibit unauthorized personal signage.
- Fast-track gazettement of ungazetted parking areas.
- Provide minimum enforcement tools including padlocks, breakdown support, and mobility support for officers.
- **Responsible Offices:** Director Revenue Administration; Parking Unit; Enforcement; Urban/Physical Planning Liaison; ICT; Procurement.
- **Timeline:** Within 3 months for first phase; ongoing performance review monthly.

- **Success Indicator/KPI:** Improved collection-to-target ratios; all reserved slots demarcated; ungazetted areas processed; increase in enforcement actions supported by records.
- **Baseline Status:** Low achievement against parking targets, poor demarcation, unauthorized slot use, ungazetted areas, and inadequate tools were reported.
- **Risk if Not Implemented:** Continued underperformance, congestion, unauthorized occupation, and leakage in parking revenue.
- **Risk Rating:** High
- **Risk Owner:** Department of Economic Planning and Revenue Administration.

12. Weak client awareness and digital payment support in parking operations

Objective: Improve voluntary compliance and reduce friction in digital payment.

Key Action: Strengthen public sensitization and payment support mechanisms.

Specific Activities:

- Roll out communication on the *703# code through signage, posters, radio, SMS, and on-site prompts.
- Place payment instructions at entry points, payment hotspots, and county offices.
- Assign supervisors to verify functionality of payment verification tools daily.
- Track the number and nature of payment assistance complaints and downtime incidents.

Responsible Offices: Director Revenue Administration; ICT; Communications/Public Relations; Parking Supervisors.

Timeline: Within 1 month for signage and sensitization; ongoing review monthly.

Success Indicator/KPI: Increased self-service compliance; reduction in payment assistance complaints; reduced downtime-related collection delays.

Baseline Status: Many clients were unaware of the payment code and officers experienced verification problems.

Risk if Not Implemented: Delayed payments, missed collections, and opportunity for fraud.

Risk Rating: Moderate to High

Risk Owner: Department of Economic Planning and Revenue Administration.

13. Weak management follow-up on recurring OSR audit issues

Objective: Institutionalize sustained implementation and reduce recurrence of audit exceptions.

Key Action: Establish a standing OSR audit implementation review mechanism and tracker.

Specific Activities:

- Constitute an OSR Audit Implementation Review Committee.
- Maintain a monthly action tracker with issue, responsible office, due date, status, evidence, and escalation note.
- Require monthly implementation updates from responsible units.
- Submit quarterly consolidated implementation reports to County leadership.
- Request Internal Audit to conduct follow-up reviews on implementation progress.

Responsible Offices: Chief Officer EP&RA; Director Revenue Administration; Internal

Audit; ICT; all implementing units.

Timeline: Immediate establishment within 1 month; monthly and quarterly thereafter.

Success Indicator/KPI: Action tracker operational; monthly review meetings held; share of actions completed on schedule increases over time.

Baseline Status: Multiple findings across revenue streams suggest recurring control weaknesses and weak follow-through.

Risk if Not Implemented: Recurrence of audit issues, fragmented responses, and continued revenue leakage.

Risk Rating: High

Risk Owner: Department of Economic Planning and Revenue Administration.

SUMMARY MATRIX: IMPLEMENTATION MATRIX FOR INTERNAL AUDIT RECOMMENDATIONS ON KEY OSR STREAMS

N o.	Action Area	Key Actions / Deliverables	Responsibility	Timeline	Performance Indicator / Expected Output	Risk if Not Implemented	Risk Rating	Risk Owner
1	Revenue records, source registers and data integrity	Develop standard registers for stalls, traders, house units, tenants, arrears, transfers and payment history; conduct countywide records clean-up and verification; require monthly update and certification of source registers; integrate key fields into the revenue system	Chief Officer EP&RA; Director Revenue Administration; Sub-County Revenue Officers; Housing/Estates Unit; ICT	Within 2 months, then monthly	Updated and certified registers available in all sub-counties; improved audit trail; reliable source data for billing and follow-up	Continued leakages, poor planning, weak audit trail and inability to trace arrears	High	Department of Economic Planning and Revenue Administration
2	Control of accountable documents and CRBR compliance	Reconcile all issued permits against CRBRs; enforce full capture of serial numbers, recipients and dates; stop inter-sub-county transfer without approved requisition; provide secure lockable storage; automate permit issuance and tracking where possible	Director Revenue Administration; Stores/Procurement Liaison; Sub-County Revenue Officers; Internal Audit	Immediate reconciliation within 1 month; full control system within 3 months	All permits and accountable documents fully recorded, traceable and securely kept	Irregular issuance, document loss, revenue leakage and unauthorized business operation	High	Department of Economic Planning and Revenue Administration
3	Liquor licensing governance and documentation	Reconcile issued liquor licences against committee minutes and approval lists; enforce complete application and inspection records; require attendance of technical officers or formal representatives; investigate approval variances; close or sanction outlets operating without valid approval	Director Revenue Administration; Liquor Licensing Committees; Trade/Licensing Unit; Enforcement; Internal Audit; County Attorney	Within 2 months, then ongoing	Complete and verifiable liquor licensing records; resolved variances; improved compliance in licensing process	Revenue loss, weak regulatory compliance and reputational risk	High	Department of Economic Planning and Revenue Administration

No.	Action Area	Key Actions / Deliverables	Responsibility	Timeline	Performance Indicator / Expected Output	Risk if Not Implemented	Risk Rating	Risk Owner
4	Arrears management for markets, stalls, rent and ground fees	Prepare validated arrears registers by trader, market and age of debt; issue demand notices; undertake targeted recovery; strengthen joint enforcement; review trader liability records and monthly billing	Director Revenue Administration; Sub-County Revenue Officers; Market Officers; Enforcement Directorate; Finance/Accounts	Arrears register within 1 month; recovery continuous	Validated arrears register in place; monthly reduction in arrears; improved compliance in market fee payments	Persistent underperformance, rising arrears and weakened county liquidity	High	Department of Economic Planning and Revenue Administration
5	House rent asset, tenancy and arrears management	Verify all county houses and shops physically; develop a verified asset and tenancy register; reconcile physical units with system records; document units transferred to institutions or other managers; prepare verified arrears schedules backed by tenancy records	Housing/Estates Unit; Director Revenue Administration; Sub-County Revenue Officers; ICT; Internal Audit	Within 3 months, then quarterly update	Verified housing register; signed tenancy records; reconciled and credible arrears position	Unbilled units, untraceable arrears, inaccurate reporting and weak asset control	High	Department of Economic Planning and Revenue Administration
6	Waiver controls in house rent administration	Stop undocumented oral waivers; develop and approve a formal waiver procedure; review all historical waivers; require written approval, legal basis and periodic reporting on all waivers entered in the system	Chief Officer EP&RA; Director Revenue Administration; Finance/Accounts ; County Attorney; Internal Audit	Immediate stop-gap action; formal procedure within 2 months	All waivers documented, approved and legally supported; no informal waivers	Revenue leakage, abuse of discretion, audit queries and legal exposure	High	Department of Economic Planning and Revenue Administration
7	Produce cess supervision, anti-leakage and compliance controls	Institute random supervision and spot checks; document all lawful exemptions; enforce no informal exemptions; establish downtime and exception logs for system	Director Revenue Administration; Sub-County Revenue Officers; ICT;	Immediate and continuous	Reduced unexplained variance; improved barrier compliance; supervision reports available	Continued collusion, selective non-payment and revenue shortfalls	High	Department of Economic Planning and Revenue Administration

No.	Action Area	Key Actions / Deliverables	Responsibility	Timeline	Performance Indicator / Expected Output	Risk if Not Implemented	Risk Rating	Risk Owner
8	Staffing, welfare, rotation and operational support in ccess operations	failures; conduct weekly variance analysis by ccess barrier Review staffing and workload at barrier points; implement staff rotation; provide adequate POS machines; provide minimum tools, protective gear, power support and working facilities; regularize support arrangements for police/security officers where applicable	Enforcement; Internal Audit Chief Officer EP&RA; Director Revenue Administration; HR/Public Service Liaison; Procurement; Finance/Accounts	Rotation within 1 month; resourcing within 3 months	Rotation scheduled in place; improved staff-to-machine ratio; minimum operational standards met at barriers	Low morale, integrity risk, unsafe operations and reduced collection efficiency	High	Department of Economic Planning and Revenue Administration
9	Building plan system access and oversight	Configure controlled audit access and role-based access in e-Dams; grant revenue officers view/supervisory access where appropriate; reconcile approvals, payments and inspections; schedule follow-up audit after access improvements	Physical Planning/Building Approval Function; ICT/System Administrator; Director Revenue Administration; Internal Audit	Within 2 months	Access rights configured; reconciliation reports produced; follow-up audit conducted	Weak oversight, undetected under-assessment and incomplete accountability	High	Department of Economic Planning and Revenue Administration
10	Building plan underpayment and development compliance enforcement	Review flagged cases of underpayment and plan deviation; issue stop-work and enforcement notices where applicable; conduct scheduled and impromptu inspections; sensitize developers on penalties for misrepresentation; develop risk-based inspection checklist	Physical Planning/Building Approval Function; Enforcement; Director Revenue Administration; Sub-County Administration; County Attorney	Immediate for flagged cases; monthly inspections ongoing	More inspections completed; deviation cases corrected/sanctioned; additional revenue assessed from non-compliant developments	Revenue loss, unsafe developments and normalization of fraudulent declarations	High	Department of Economic Planning and Revenue Administration

N o.	Action Area	Key Actions / Deliverables	Responsibility	Timeline	Performance Indicator / Expected Output	Risk if Not Implemented	Risk Rating	Risk Owner
11	Street parking performance, demarcation and control	Review parking performance against targets; repaint and demarcate reserved bays; clearly distinguish daily and reserved parking; enforce limits on occupied slots; prohibit unauthorized signage; fast-track gazettelement of pending parking areas; provide minimum enforcement tools and mobility support	Director Revenue Administration; Parking Unit; Enforcement; Urban/Physical Planning Liaison; ICT; Procurement	Within 3 months for first phase; monthly review thereafter	Improved collection-to-target ratio; all reserved bays marked; enforcement actions documented; pending parking areas processed	Continued underperformance, congestion, unauthorized occupation and leakages	High	Department of Economic Planning and Revenue Administration
12	Public awareness and digital payment support	Roll out public sensitization on approved payment codes and processes; place signage and payment guides at strategic points; assign supervisors to verify payment tools daily; track complaints and downtime incidents	Director Revenue Administration; ICT; Communications/Public Relations; Parking Supervisors	Within 1 month, then continuous	Increased self-service payment compliance; fewer payment complaints; reduced downtime-related delays	Delayed payments, missed collections and fraud opportunities	Moderate/High	Department of Economic Planning and Revenue Administration
13	Management follow-up, coordination and audit implementation review	Establish an OSR Audit Implementation Review Committee; maintain a monthly action tracker; require implementing units to submit updates; prepare quarterly consolidated implementation reports; request periodic internal audit follow-up reviews	Chief Officer EP&RA; Director Revenue Administration; Internal Audit; ICT; All implementing units	Within 1 month, then monthly/quarterly	Functional review mechanism in place; monthly tracker updated; quarterly implementation reports submitted	Recurrence of audit issues, fragmented responses and weak accountability	High	Department of Economic Planning and Revenue Administration

